



February 2018

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IUT and DMB prepare positions for the EU-partnership for affordable housing

The IUT working group “general housing policy”, chaired by **Dan Nicander** from SUT, met on invitation of DMB-director **Lukas Siebenkotten** in Berlin, January 9-10. The working Group is currently preparing the IUT's position paper for the EU-partnership for housing and consists of participants from Sweden, Finland, Denmark, the Czech Republic, the Netherlands and Germany and the IUT. At the January meeting the themes "rent levels and rent control" were debated. **Reiner Wild**, director of the Berlin Tenants' Association, reported in his detailed presentations of the legal and technical requirements for the set up of rent levels and explained in a critical assessment the effect of the new rent price stop “Mietpreisbremse” on the Berlin housing market. The aim of the working group is – based on an in-depth analysis – to draw up practical housing policy and rent law recommendations, which can be directly applied by the EU member states and

the cities in regions to regulate their rental housing markets. It is important to ensure the transferability of this recommendations beyond national borders. The "Affordable Housing toolkit", in which these recommendations are included, will be adopted by the EU-Partnership at the end of 2018. The EU-partnership is part of the "urban agenda" of the EU Commission, trying to find practical solutions for misdirections in the European housing markets.¹

On the evening of the first day, the working group had a private visit of the German parliament, organized by DMB-legal expert **Jutta Hartmann**.

Friedhelm Schäfer, managing director of the parliamentary group of Social Democrats from North-Rhine Westphalia,, explained the changeful political and architectural history of the Reichstag building. DMB-director **Lukas Siebenkotten** reported from the current negotiations on the formation of the new government in Germany and presented the positions on housing policy and rent law of the Deutscher Mieterbund.

¹

<https://www.derstandard.de/story/2000073929-667/einkommensgrenzen-im-sozialen->

[wohnbau-der-dutch-case](#)



The IUT Delegation visiting the Bundestag

The next meeting of the working group will be held in Stuttgart on invitation of **Rolf Gassmann**, IUT and DMB board member.

Delegation of the EU-Partnership and the Committee of the Regions at the cabinet of Margarete Vestager

A delegation of the EU Partnership for housing and the Committee of the Regions (CoR) presented the recent results of their work on 6. February at the cabinet of Commissioner Margarete Vestager. **Michaela Kauer**, Coordinator of the EU-Partnership and head of the Vienna House in Brussels and **Hicham Imane**, author of the CoR's current housing policy report, both stressed the need to revise the state aid rules for social housing in order to ensure more legal security and planning reliability. Current example is a case from Alsace in which the co-funding from the European Strategic Investment Fund (EFSI) could not be retrieved due to the complexity of the system. The Directorate-General for regional policy (DG REGIO) has referred the case to the Directorate-General for competition (DG COMP). Despite the existing obstacles for investment in affordable housing and urban renewal the cabinet underlined that the commissioner Vestager is not planning a revision of the state aid directive but will look

into individual cases such as the current case from Alsace.

On May 23, the EU Partnership for housing will invite to a workshop on the application of the state aid rules in the Committee of the Regions, and discuss compliance by exercising concrete cases. The representatives of DG competition have agreed to participate.

Austrian national housing investmentbank expects €700 million from Brussels

The new national housing investment bank of Austria, WBIB (Wohnbauinvestitionsbank), is in the starting blocks. Planned as a hub for the construction of thousands of additional flats in Austria, it is still waiting for the green light of the Brussels competition authority.

The European Investment Bank will only provide a loan of € 700 million if the Republic of Austria grants liability. Then it would be possible to classify the subject as “service of general economic interest” and act according to the EU competition rules.

The liability of the Republic of Austria is important because the loans for developers provided by the WBIB will be much cheaper. The EU Commission has firstly concerns about the objective accuracy of the model in relation to the target group of social housing and secondly on the amount of the required State guarantee.

The EU Commission wants the WBIB to apply the EU target group definition and requires that cash flows via WBIB will not lead to deadweight effects for private banks and developers.

A decision of the EU Commission is expected shortly.

IUT at the launch of the European Energy Poverty Observatory (EPOV)

At a conference with more than 300 participants on January 29, the European Commission launched the European Energy Poverty Observatory² in presence of the EU Commissioners **Maroš Šefčovič** and **Arias Cañete**.

Energy poverty has been identified by a number of EU institutions as a political priority, particularly in the context of the Commission's legislative package "clean energy for all Europeans." A first step shall be a common definition of energy poverty. The EU Commission stressed that Member States will need to define energy poverty and report policy progresses back to the Commission on a biannual basis.

50 million households in the European Union can not pay their energy costs and live in unhealthy houses effected by mold and humidity.



More than 300 participants attended the opening ceremony

In her speech at the ceremony, **Barbara Steenbergen**, head of the IUT Brussels office, pointed out that energy renovation costs are

² www.energypoverty.eu

³ <https://webcast.ec.europa.eu/launch-of-the-energy-poverty-observatory#>

⁴ <https://ec.europa.eu/info/news/smart-finance->

transferred to the tenants, leading to higher rents mostly not balanced by energy savings. "Renovictions" and gentrification especially in regions with tense housing markets are the negative effects. She stressed the need to focus EU funding to low-income households and to apply strict binding rent control mechanisms to prevent the capitalization of subsidies by the landlords.³

The observatory is led by a European consortium chaired by the university of Manchester. It collects data and invests in research and development as well as in sectoral training activities.

New initiative of the EIB: "Smart finance for smart buildings"

The Board of the European Investment Bank (EIB) approved a new financial instrument in their meeting February 6. The "smart finance for smart buildings initiative" wants to increase the investment of private investors in energy renovation in the residential sector by using EU grants as a guarantee. The EIB expects to reach an investment of €10 billion by the year 2020.

European Commissioner **Arias Cañete** welcomed the approval of the new financial instrument and expects to help 3.2 million people out of energy poverty.⁴

During their visit to Brussels February 27, a delegation of the „**Groene Huisvesters**“⁵, a group of 20 social housing associations of the Netherlands, the Dutch Ministry for housing and the Dutch tenants' federation "Woonbond", represented by its director **Ronald Paping**, were informed by **Agnes**

[smart-buildings-investing-energy-efficiency-buildings-2018-feb-07_de](https://www.eib.org/press/2018/02/smart-buildings-investing-energy-efficiency-buildings-2018-feb-07_de)

⁵ <https://groenehuisvesters.nl/>

Jongerius MEP, Vice-President of the Urban Intergroup of the European Parliament and **Barbara Steenbergen**, head of the IUT Brussels office, about the current EU initiatives to combat energy poverty.

Reform of the VAT: EU commission favours more flexible rates

January 18, the European Commission proposed a new VAT regulation to give Member States more flexibility in the definition of VAT rates and to improve the tax environment for SMEs.⁶

The proposals are the completion of the Commission's reform of VAT regulation to create a single EU VAT area, which drastically reduces VAT fraud in the EU (€ 50 billion per annum) while at the same time promoting SMEs and securing state revenues.

The 1992 by all Member States commonly agreed VAT regulations are outdated and too restrictive. Member States may apply reduced VAT rates only in certain sectors and for certain goods. The Commission is now pursuing its commitment to giving Member States more leeway in VAT rates. In the case of some existing derogations from the rules, the so-called VAT exemptions, the Member States will have a higher degree of equal rights. According to the proposal, Member states will be entitled to apply the following VAT rates:

- A standard rate of at least 15%.
- Two reduced rates of at least 5% up to the standard rate chosen by the Member State.
- A strongly reduced rate of less than 5%

- A VAT exemption with right to deduct (zero rate)

The VAT tax reform concerns the housing sector by various types of construction works as well as the taxation of energy and other operating costs for housing.

International housing conference in Vienna

December 4-5, the Austrian Presidency of the EU will invite to an international housing conference on the topic of "**Housing for all: affordable housing in the growing cities of Europe**". With 30.000 new inhabitants per year, Vienna is one of the European cities with the highest migration rate. In the conference, new social housing projects will be presented as well as the final report of the EU partnership for housing. The IUT and the **Mietervereinigung Österreichs** are involved in the conference. The number of participants is limited to 300 persons, registration is possible from March on.

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https://ec.europa.eu/taxation_customs/business/vat/action-plan-vat/proposal-vat-rates_en

10th anniversary of the IUT Brussels office

January 21, 2008, the Brussels office of the International Union of Tenants opened its doors.

As part of an event of the network of European cities taking place January 22nd in the Prague-House in Brussels, **Barbara Steenbergen**, head of the IUT Brussels office, reported the current progress of the EU partnership for housing.

At the end of the conference, the heads of the Brussels offices of Vienna and Prague, **Michaela Kauer** and **Marek Polach**, together with the representative of Wiener Wohnen, **Susanne Bauer** (f.l.t.r.) congratulated to the 10th anniversary.



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