

UN HABITAT

World Urban Forum 6, Naples, Italy 2012

**European Commission:
Advocate or Opponent of Social
Rental Housing?**

**Barbara Steenbergen,
International Union of Tenants, Brussels**

Is there an EU housing policy ?

EU: Do they have a say? Yes, through the front door and the backdoor :

- **Competition law in the internal EU market = framework for national state aid programs**
- Energy legislation = full EU competence, costs and benefits
- **Social and cohesion policy = chances by co-funding**

EU legislation affects national housing policies- **what is the future role of the EU to support the provision of affordable housing ?**

EU as an advocate

- **EU 2020 overall strategy goal: fight poverty**
- **80 million people** in the EU – **16% of the population** – live on less than 60% of their country's average household income and are at risk of poverty
- EU leaders have pledged to bring at least **20 million people out of poverty and exclusion by 2020**
- EU Commission: “**Key challenge is to provide decent housing for everyone**”

Rise of housing prices: driver of income inequalities and poverty

- **Housing costs are the highest consumer expenditure:**
 - EU average **22,4 %**
 - People at risk of poverty: share of housing costs is **41%**
- Social impact of the ongoing crisis (Eurobarometer 2012):
 - **43%** of the people say they **might not be able to pay their rent or mortgage**
 - In 2010, the share was **29%**

The housing market risk

- With property markets racing out of control, internal and external migration and demographic changes new requirements for social housing have emerged in European cities
- Difficult to house lower and middle income households in decent quality housing, long waiting lists for social and affordable housing
- Opposite political reaction : **Policies and subsidies push people towards a certain type of housing tenure that does not fit their needs**
- **EU COM** is aware of the fact, but ambivalent towards social rental housing. Internal market with strict competition law leads to
- restrictive decisions on state aid for social housing companies

EU as an opponent

State aid case E 2/2005, NL

- „Access of social housing needs to be limited to a clearly defined target group of **disadvantaged citizens or socially less advantaged groups.**“
- Clear refusal of an „universal“ housing system, providing affordable housing for low- **and** middle income households
- Danger of marginalisation of social housing, Ghettos

EU competition law

A tool to abolish our welfare systems ?

- **Complaints of private investors: „State aid leads to the distortion of concurrence in the housing market“**
- **Main state aid cases in SE, NL, ongoing FR**
- **EU COM decisions weakened the position of tenants in the social and public rental market**
- **Lowering of income limits, regulated rents shall be increased towards markets rents**
- **Effect: Creating further housing market shortages: so far no investments of the private investors to increase the supply of affordable housing**

A choice to be made!

- Urgent need for a **new view on public services -reverse the ongoing trend for market liberalisation in the EU**
- Liberalisation tends to reduce the quality and has not benefited consumers
- What do we need in times of the crisis: A universal model of affordable housing or social and public housing only for the poorest people?
- Need for more democratic governance: Future role of the European Parliament?

Tenure neutrality- stop discrimination of the rental sector

1. Promoting tenure-neutral housing policies is the best way to meet all social needs and tackling poverty
2. EU Parliament can be a crucial supranational actor and mediator towards the EU COM to **stop the discrimination of the social rental sector**
3. **In times of crisis, the housing demand is shifting from expensive to affordable housing.**

“Tenants make cities – cities need affordable housing”!

The International Union of Tenants

- IUT represents the interests of tenants on a international and european level
- 61 members worldwide, 36 of them European
- IUT-Headquarter in Stockholm, Sweden – Since 2008 EU-office in Brussels, Belgium
- Our aim: Implementation of the tenants' voice in the dialogue between the EU-institutions
- **Save our social housing systems and built more affordable rental housing!**
- Thanks for your attention!