



## **European Housing Forum Contribution to Housing Ministers Meeting 21 June 2010**

**Renovation of the existing housing stock is an essential element in raising living standards, in achieving social cohesion, in reducing energy poverty and in achieving the climate & energy goals of the EU. It is the responsibility of decision makers at European, national and local levels to implement effective housing policies that ensure quality, decent and affordable housing is provided within ecological limits and that prevent housing exclusion.**

*The European Housing Forum was created in 1997, following the adoption of a resolution on the social aspect of housing by the European Parliament. The European Housing Forum currently has 12 members, all of which are major international or European organisations working in the area of housing.*

*The member organisations represent:*

- *Housing consumers such as tenants and home owners, families and isolated persons, and people excluded from the proper housing market such as the homeless or the inadequately housed;*
- *Housing providers such as private, social and public housing landlords and private developers; and,*
- *Housing professionals such as chartered surveyors, architects, real estate managers, and researchers specialised in housing issues.*

*This forum exists primarily to provide an environment for debate and the sharing of information. It also exists to support the European Housing Focal Points, as required by them.*

We, as members of the European Housing Forum (EHF), are committed to the basic right of providing quality, decent housing for all and as part of this see the Renovation of the existing housing stock as an essential part in the delivery of this right.

We believe that making **Renovation of the existing housing stock** a policy priority at local, national and European level has several major benefits:

- It addresses the major issue of **energy poverty**. People, especially those less well off, living in existing housing stock often have to spend a disproportionate part of their income on their energy bills. This expenditure can be reduced by making the housing stock more energy efficient. In this respect the EHF believes that it is important to consider policy measures that will assist with the initial capital investment required – something that many housing providers and homeowners can't afford.
- It contributes to sustainable development by adapting housing to the new needs due to the demographic evolution, especially ageing and immigration, and with the evolution of family structures
- Renovation also addresses the urgent issue of inadequate housing. A considerable part of the population lives in inadequate housing. According to the latest Eurostat statistics 17% of the EU population suffers from at least one element of inadequate housing such as damp walls and/or rot in windows, no bath and/or shower, no toilet, or too dark dwelling. The housing maintenance costs for this part of the population are often unaffordable and therefore the quality of their housing further deteriorates. This is an issue for both poor tenants and poor home-owners, and should be a key focus of future EU intervention in the area of Renovation.
- Renovation of the housing stock will also help in **creating employment** and forms part of a **green economy**. Consequently it contributes to regional development.
- Finally, it will help the EU and its Member States to meet the agreed **energy efficiency** and **carbon reduction targets**.

The instability of financial markets and the increasing cost of credit across the EU have exacerbated the difficulties experienced by housing providers to rehabilitate existing housing stock.

For future meetings, the EHF encourage Ministers, in so far as possible, to create a single statement or, at least, a strong link between statements on urban development and housing, as **housing is an essential factor in urban development policies**.

Housing policy also has a close link with other policies such as social cohesion, health and social inclusion. For example, the creation of lifetime homes and neighbourhoods ensures that people can live for longer in an independent manner in a familiar environment. This, in turn, increases wellbeing and makes people less dependant on health care, creating significant cost savings.

We therefore ask Housing Ministers to consider these links in cooperation with other ministerial departments.

We believe it is a shared responsibility between Housing Ministers across the EU to work together to find solutions that address the Renovation of the existing housing stock within the EU.

Therefore, the EHF requests that the following instruments should be put in place:

## 1. The housing dimension of the EU social cohesion policy

One of the targets of the new EU 2020 strategy is a “new sustainable social market economy”. A key element of the social market economy is the guaranteed access to essential quality social services, including housing.

A shortage of quality, decent housing at affordable prices or the inability of residents to afford the costs of maintenance and renovation contributes to social exclusion. The provision of housing remains a competence of the Member States. Nevertheless the EHF believes it is a shared responsibility between Housing Ministries to work together to find solutions that address housing exclusion and energy poverty within the EU. It is of crucial importance to reinforce the housing dimension of the future Cohesion, Energy, and Social Inclusion Policies of the EU.

Article 34(3) of the Charter of Fundamental Rights of the European Union states: *“In order to combat social exclusion and poverty, the Union recognises and respects the right to social and **housing assistance** so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the rules laid down by Community law and national laws and practices.”*

As, with the entry into force of the Lisbon treaty the Charter of Fundamental Rights now has the same legal value as treaties<sup>1</sup>, the EHF asks Housing Ministers to fully take this article into consideration in their housing policies and to call upon the EU to respect this article when it enacts legislation and in its other activities such as providing financial support through the Structural Funds.

Housing Ministers should make maximum use of the European Regional Development Fund in refurbishing existing housing stock. The EHF realises that current funding rules limit the possibilities, which is why it urges Housing Ministers to ensure the **inclusion of housing for excluded segments of the population and urban development in the post-2013 Cohesion Fund period.**

Finally, to work efficiently, the EHF believes that it is necessary to ensure that EU Member States and institutions can rely on homogenous and accurate housing statistics and adequate indicators. The EU should take the lead in producing comparable housing statistics, and further develop housing related data collection in the framework of EU-SILC including statistics on the scope and nature of the problem of homelessness.

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<sup>1</sup> Different provisions apply for those Member States who have secured a protocol to the Treaty relating to the application of the Fundamental Rights Charter.

## **2. Energy efficiency, accessibility and affordability**

Europe's housing stock is replaced at a rate of approximately 1% per year. This is why it is correct to focus on how to make significant improvements in the energy efficiency of existing homes. New build in many countries is already achieving high standards of energy efficiency and these standards will further improve as a result of national and European legislation (e.g. the recast of the Energy Performance of Buildings Directive). By far the greatest carbon savings can be made by tackling the overall efficiency of the existing housing stock.

There are challenges that need to be overcome. Beyond relatively simple measures such as cavity wall and loft insulation, improvements can be difficult, disruptive and expensive to make. Policies are needed that address these potential barriers.

Financial incentives for homeowners, tenants and landlords need to be considered to offset the cost of these improvements in order to guarantee that housing does not become even more unaffordable for the vulnerable segments of the population. Possibilities include cheaper long-term finance or other innovative financial tools ensuring **energy efficiency investments are earned back while at the same time leading to lower housing cost.**

Other policy measures should focus on changing **consumer behaviour** through **political leadership**, especially at the local level. This is vital in establishing the will to start and implement substantial Renovation programmes.

Also, housing should become a priority in the **second Energy Efficiency Action Plan.**

Finally, **the European Housing Forum welcomed the inclusion of energy efficiency and renewable energy measures in the current ERDF programming period and urges Housing Ministers to ensure that this EU funding possibility is expanded for the new structural funds period 2013-2019.**

### 3. Financing and co-operation between public administrations and private sector

The global financial crisis had severe funding implications for housing providers and public administrations alike. Projects are no longer viable or, due to lack of finance, had to be stopped altogether.

At the same time there is currently a lack of mortgage availability, which in combination with the above has caused the housing market to stagnate.

Home building and Renovation have a short time lag between investment and impact, making financing of and public-private co-operation in housing, especially social and affordable housing, a sensible way of spending public funds.

The EHF recommends that the Housing Ministers and the European Commission take note of the fact that urban regeneration plays an important role in the social and economic development of EU regions, in particular the most disadvantaged regions, and that it often includes environmental and energy aspects.

The European Investment Bank should play a stronger role in financing the Renovation of the housing stock. Improved tools based on the revolving fund model, such as the Joint European Support for Sustainable Investment in City Areas (JESSICA) have significant potential in this area. However, to realise its full potential JESSICA will need to overcome its current shortcomings, including revising the obligation for an **independent** market investor to invest on equal footing with a JESSICA fund, thereby allowing the equity of the project sponsors to be used as match funding for JESSICA.

The European Investment Bank should furthermore be encouraged to promote maintenance and renovation of the existing housing stock by creating new funding tools such as a new energy efficiency fund for the housing sector. Nevertheless, national governments are obliged to involve themselves in that field and ensure appropriate funding for the national programmes.

Cooperation between public administrations and the private sector should be supported for the following five reasons:

- It facilitates access to additional finance.
- Partnerships can help organisations to learn and innovate.
- Some partnership models offer the opportunity to minimise the limitations of individual partners through joint working and joint action.
- A partnership approach is capable of bringing additional expertise and know-how to a project.
- With a common understanding of both purpose and approach resulting from the involvement of all stakeholders, projects can be delivered more rapidly and with greater long-term sustainability.

Where public administrations and private sector cooperate in this field, it is the public sector that needs to take the leading role and set sustainable requirements, but both parties should take responsibility until the completion of the project.

As a final point, the public sector could further encourage the financial sector to provide so-called 'green' loans against favourable conditions. Green loans can be used for renovating existing stock in an energy efficient manner. However, this only makes sense for owner-occupiers who plan to stay in their house for at least the required pay-back period.

For those who cannot afford these investments, grants should be considered.

#### **4. Creation of employment**

Currently about 1.2% of existing housing stock is renovated every year. To reach the EU 2020 and 2050 goals it will be necessary to adopt much more ambitious targets of around 2.5 to 3%. In other words, we need a **factor two to three increase in renovation rates**.

This will have a significant effect on employment rates, as it has been calculated that around **1 full time job is created each time 4 dwellings are renovated**.

The link between labour mobility, employment and housing is shown in the *“Study on housing and exclusion: welfare policies, housing provision and labour markets”*, recently commissioned by The European Commission.

The EHF invites Ministers to address internal mobility within the EU with appropriate housing policies and suggests that housing provision should be considered within employment and integration policies. Key-workers are experiencing difficulties in gaining access to housing and, as a consequence, housing is becoming an obstacle to territorial development.

#### **5. Housing and demographic change**

The EHF stresses the necessity to change the construction of housing in order to guarantee accessibility, no barriers and extra nursery services for elder people. Only 1% of all buildings in Europe are built barrier-free.

When renovating the existing housing stock, the aspect of improved physical accessibility and barrier free housing for the elderly and disabled should be taken into account.

The creation of lifetime homes and neighbourhoods ensures that people can live longer in an independent manner in a familiar environment. This, in turn, increases wellbeing and makes people less dependent on health care, creating significant cost savings.

## **6. Role of architecture**

The EU institutions have repeatedly recognised that architecture is a matter of public interest. This recognition has been won by the fact that we all live, work and play in a heavily urbanised built environment and that it has been shown that a quality sustainable built environment helps to increase our sense of well-being and increases productivity in the work force and thus contributes to economic prosperity. Architecture is also the most public means by which a generation expresses its culture and its aspirations and thus it becomes a carrier of public identity much valued by society at large.

These features of architecture are all the more important in the buildings we occupy and call our home. Collectively such buildings are known as "housing" and it is crucial that such buildings are designed to a high quality standard not just in terms of the materials used but in terms of the amount of floor space given to each occupant and its impact on the public realm.

This is all the more important for families and children, for social inclusion and cohesion. The potential contribution of architecture to more affordable housing should also be encouraged.

It is also a recognised fact that cities are the drivers of the economies of Europe and there is a need to better understand how to develop higher density compact cities as these are significantly more efficient than low density, sprawling cities. One of the key features of compact cities is that the quality of design directly impacts on the quality of life of occupants and it is here that the particular skills of the architectural profession and the particular attributes of good architecture can deliver most value for society.

In the Declaration of the Ministers responsible for Housing (and the Ministers responsible for Urban Development) the role of architecture cannot be overlooked and must be emphasised as a key element in the achievement of the overall objectives set by the Ministers for the Declarations they intend to adopt in Toledo in June 2010.

### **End of submission**

Brussels

21 May 2010

## The Members of the European Housing Forum Include:



Louis Armstrong – CEO  
*Royal Institution of Chartered Surveyors (RICS)*  
Co-chair European Housing forum



Sven Carlsson – President  
*International Union of Tenants (IUT)*  
Co-chair European Housing Forum



Vit Vanicek – President  
*The European Liaison Committee for Social Housing*



William Lay - Director  
*The Confederation of Family Organisations In the European Union*



Rene Kneip - President  
*European Federation of National Organisations Working with the Homeless*



Adrian Joyce - Director  
*Architects' Council of Europe*



Luc Laurent – Président  
*Réseau Habitat et Francophonie*



Laurent Wille - Managing Director  
*European Union of Developers and House Builders*