

2012 HOUSING EUROPE REVIEW

The nuts and bolts
of European social
housing systems



Housing Europe Review 2012

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European social housing systems

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While every effort has been made to ensure that the data and other information in this report are accurate, some errors may remain.



CECODHAS Housing Europe's Observatory

www.housingeurope.eu/about/observatory

The Observatory is the research branch of CECODHAS Housing Europe – the federation of public, cooperative and social housing. The main aim of the Observatory is to identify and analyse key trends and research needs in the field of housing and social housing at European level. The Observatory supports CECODHAS Housing Europe's policy work by providing strategic and evidence-based analysis in the field.

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Building and Social Housing Foundation

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Vit Vanicek,
President of the
Union of Czech
and Moravian
Co-operative Housing
and of CECODHAS
Housing Europe

Dear Reader,

The first review that CECODHAS HOUSING EUROPE's Observatory carried out of the EU social housing landscape was published four years ago. At that time our country profiles filled an information gap on social housing policies in Europe, and were widely welcomed.

Since then, the policy contexts in which housing policies developed have changed dramatically. In 2007, the policy trends were focusing on supporting private home-ownership and construction of new housing. In continental Europe, social housing stocks were decreasing slowly as a proportion of the total housing stock as more private housing were built. The prices were, almost everywhere unaffordable for low-income and creating residential bubbles in places of housing shortage while in Ireland and Spain economic growth was fuelled for a decade by the construction sector.

In autumn 2007, the over-indebtedness resulting from the unaffordability of housing for low-income groups, crashed the global financial system, leading to a major crisis, known as the subprime crisis. This crisis is on-going and has developed over the last two years, into a public debt crisis.

As a response to the crisis, a number of countries have decided to invest and support social housing production as a way to sustain growth in the construction sector. These measures were short-lived and have been over-shadowed by a political landscape dominated by austerity programmes. As this report shows only very few members are still building new social housing at a substantial pace (such as France, Austria, and Denmark). In the UK, planned drastic changes in social housing policies could bring opportunities and threats for our members, the social housing associations, but will not deliver a response to the growing need for really affordable housing for low-income households and the growing numbers of homelessness.

Everywhere, the financial sustainability of the sector is brought into question as the two pillars of most widely used social housing system are being put under pressure by budget cuts. In Northern and anglo-saxon Europe, social housing rents are fixed at cost-level with tenants receiving housing benefit as determined by their income to reach the level of the rent. On the one hand, the costs of housing depend on the state aid received. This state aid is currently being cut everywhere meaning that the current rent levels applying in social housing are set to increase. The UK future reform of social housing policies is emblematic of that trend. On the other hand, housing benefits are being cut, with a dramatic impact on disposable income of poor households.

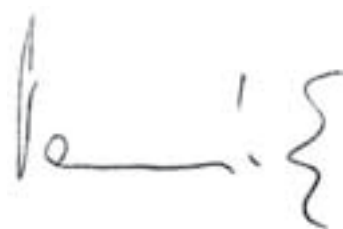
A consequence of these drastic public spending cuts, may be that social housing providers will be asked to find new financial sources for housing low-income households, thus enlarging the scope of their activities as the only way to fulfil their mission.

It is interesting to see also that in Eastern and central Europe, new legal frameworks for non-profit rental housing providers are being developed. In Slovakia, the State Housing Fund has started to deliver affordable housing while in Bulgaria a law will soon give legal certainty to develop affordable housing.

In conclusion, while the social housing systems across Europe have more than 100 years of history in a number of countries, the social housing providers are stable and the rules are clear, the broader context has been changing substantially over the last five years. Social housing is now seen as a very important economic stabiliser. Housing market stability must create conditions under which all citizens can find an adequate answer to their needs. The trend of housing policies to focus public support on home-ownership has been increasing wealth inequalities over the last decades, and hopefully has come to an end.

There is still some work to be done in order to achieve more balanced housing markets, with affordable prices and housing and places where people wants to live. This report will give you an overview of the social and public policies in EU. In a year's time, we will complete this review with a description of cooperative housing to show the importance of diversity of housing as the key to a sustainable society and economy.

I wish you a very good read,

A handwritten signature in dark ink, appearing to be 'V. Vanicek', written in a cursive style.

Aims

This Review provides an update of the 2007 report *Housing Europe 2007- Review of social, co-operative and public housing in the 27 EU member states*. While the previous review aimed at providing an overview of the main development in housing policies and housing markets affecting the social, co-operative and public housing sector, the current study focuses on social housing and aims at providing a clearer picture of the way social housing systems are structured across the EU, while identifying the main recent trends in the sector.

Methods

This Review draws on the main and most recent statistical reports and specialised literature available to this date (October 2011), listed in the reference section.

It also represented an opportunity to take stock of the work of CECODHAS Housing Europe Observatory over the last 3 years, as this report was fed by a number of studies we have carried out since 2008, as indicated in the references.

Finally, as for the 2007 Review, this study would not have been possible without a consolidated network of correspondents, including both experts from CECODHAS Housing Europe member organisations and external national experts, who proved particularly helpful in covering those countries where CECODHAS housing Europe does not have any member organisation.

Themes and structure

This Review is structured in three chapters. Following these first introductory remarks, the first chapter presents a short overview of the context in which the social housing sector is embedded, namely the characteristics and recent developments in the housing markets, in terms of housing tenures and availability, affordability, quality and demographic trends impacting housing demand.

The second chapter brings together the information presented in the country profiles, providing a brief analysis of the social housing sector from different perspectives: the diversity of definitions at the national level and common characteristics across Europe, the size of the sector, which kind of actors are involved in social housing provision, who can benefit from a social dwelling in the different national contexts, how the sector is financed and what are the most innovative solutions in this sense.

The third chapter presents the 27 country profiles of the social housing sector. Each of them includes a collection of 'facts and figures' summarising some key housing and related indicators in the country.



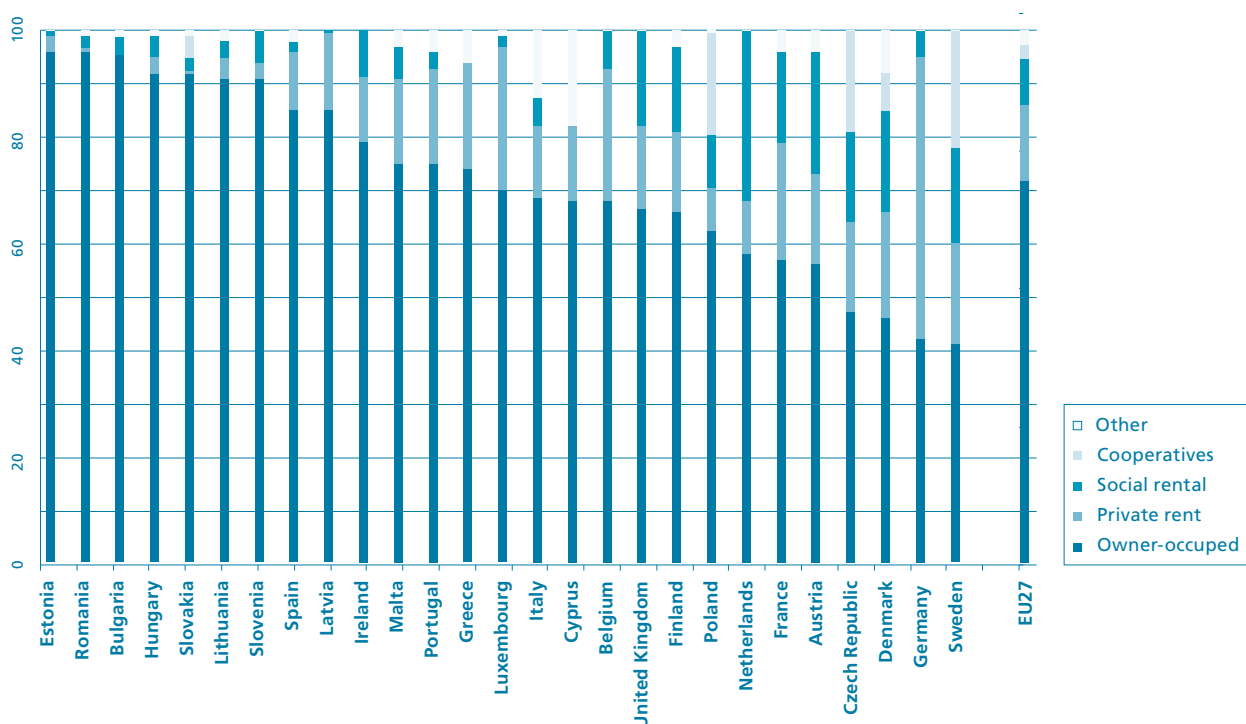
Chapter I

THE CONTEXT

1.1 Housing availability and tenures

A widely shared feature of housing markets in the European Union is the **high share of home-ownership in most Member States** (Chart 1). According to the most recent available data, today homeownership ranges from over 90% in some Eastern European countries such as Estonia, Romania and Bulgaria, to 40% in Germany, the only country in the European Union where the rental sector is larger than the owner-occupied one. Home ownership levels are also particularly high among southern European countries such as Spain, Malta, Cyprus, Italy and Greece, as well as in Ireland.

CHART 1: TENURE SPLIT IN THE 27 EU MEMBER STATES AS A PERCENTAGE OF THE TOTAL HOUSING STOCK



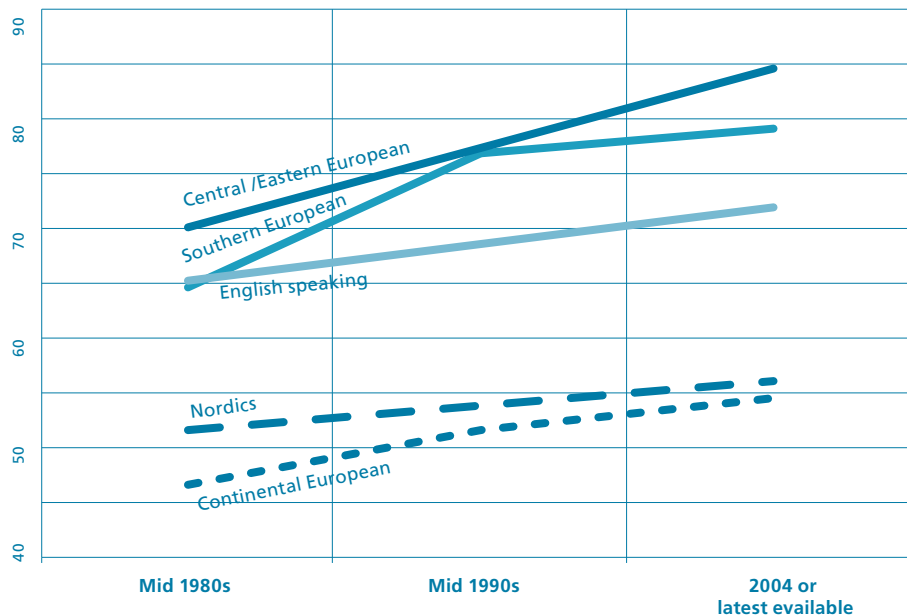
Source: Housing statistics in the European Union 2010, updated by national correspondents

The overall rental sector varies significantly in size and it is particularly small in Eastern Europe as well as in some southern European countries, such as Spain, Greece and Italy. Within the rental sector, the relative importance of private versus social rental varies substantially. In a few countries social rental housing accounts for more than 50% of the rental market (Netherlands, Austria, UK as well as in Eastern European countries which don't have a well-developed rental sector), while in others it represent a rather marginal sector within the housing market.

In addition, in some countries co-operatives have a prominent role in supplying affordable housing. In terms of statistics collection, there is a wide variation across countries on how co-operatives are defined: while in some countries figures on co-operatives are included as part of the home-ownership sector, in others they are regarded as part of the social housing sector, and in a third group of countries there is even a separate 'co-operative' category. Therefore, as Chart 1 above is based on official classifications of different tenures, in some countries cooperative housing is not presented as a distinct tenure although housing cooperatives are active in the country (for instance in Austria, Germany, Hungary, Italy, Spain, Ireland, and Portugal)¹.

1. CECODHAS Housing Europe (2011), Third General Survey.

CHART 2: TRENDS IN HOME-OWNERSHIP RATES IN OECD COUNTRIES



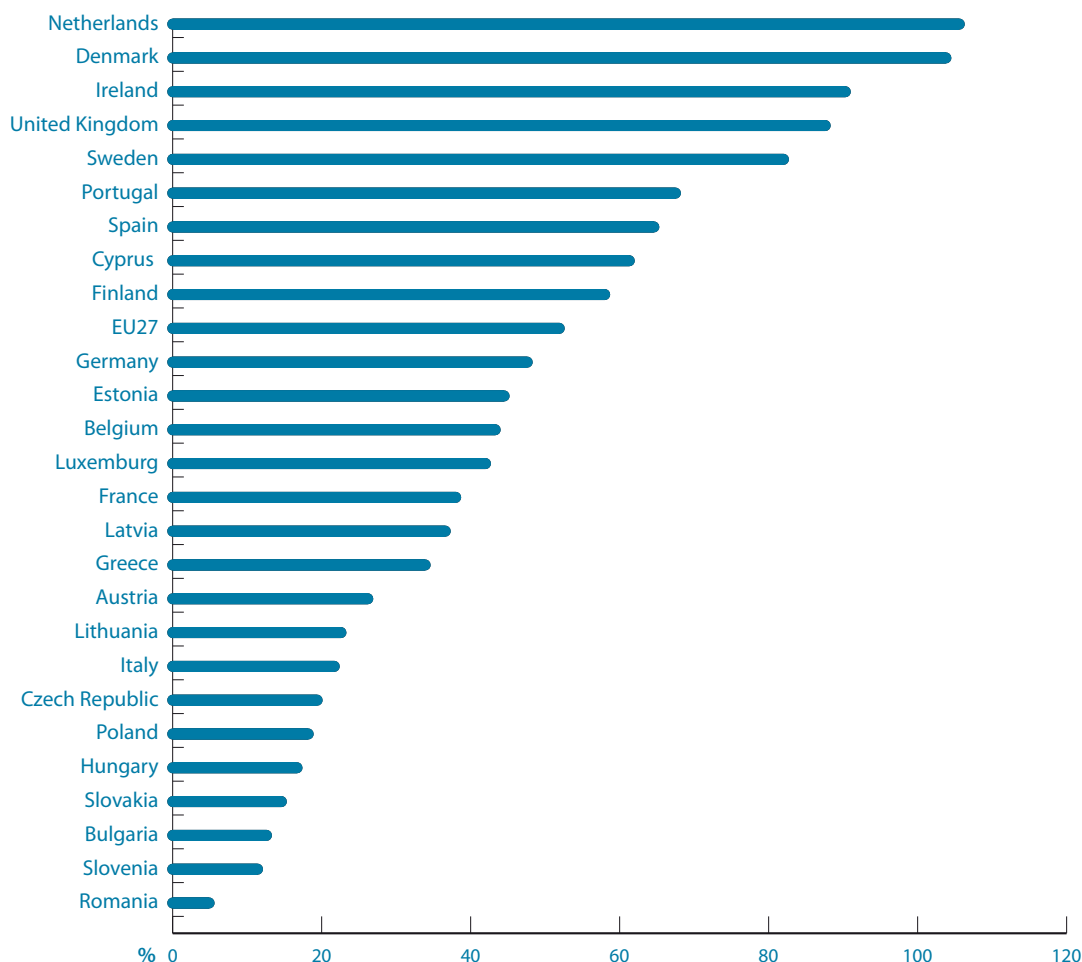
Nordics includes Denmark, Norway, Sweden and Finland; English-speaking includes Australia, Canada, the United Kingdom, the United States and Ireland; Continental European includes Austria, Belgium, France Germany, the Netherlands, Switzerland and Luxembourg; Southern European includes Greece, Spain and Italy; Central/Eastern includes Hungary, Poland and the Russian Federation. The homeownership rates in each group refer to the simple average of the rate in individual countries.

Source: Luxembourg Income Study (LIS).

Source: Andrews et. al. (2011)

Despite large differences in tenure types, one general trend is an **increase in homeownership rates in most EU countries**. The general increase in owner-occupancy partly reflects demographic and socio-economic developments, such as population ageing². This trend has also been greatly boosted on the one hand by policies encouraging home ownership (mainly through **tax incentives for home buyers but also schemes encouraging the sale of social housing**, such as the introduction of Right to Buy in the UK in the 1980s), and on the other by the sustained low interest rates over recent years as well as by an increasingly competitive mortgage market. Among 'old' member states, countries with the fastest home ownership growth rates since the 1980s are the Netherlands and the UK³. The increase in owner-occupation has gone hand in hand with rising levels of households' indebtedness. Mortgage debt levels have recently reached a residential debt to GDP ratio of over 100% in the Netherlands and Denmark.

CHART 3: RESIDENTIAL DEBT TO GDP RATIO IN THE EU 27 (2009)



Source: European Mortgage Federation, Key figures 2009

2. Andrews, D., A. Caldera Sánchez and Å. Johansson (2011), *Housing Markets and Structural Policies in OECD Countries*. OECD Economics Department Working Papers, No. 836, OECD Publishing. <http://dx.doi.org/10.1787/5kgk8t2k9vf3-en>

3. Dol, K. and Haffner, M. (2010), *Housing Statistics in the European Union 2010*. OTB Research Institute for the Built Environment, Delft University

In most **Central and Eastern European countries** it is the mass **privatisation of the housing stock** following the fall of communism in the region that has led to the rapid increase of home ownership to very high levels⁴.

Text box 1: The privatisation process in Eastern Europe

Privatisation implied the transfer of ownership rights of the former State and company-owned housing stock to sitting tenants, who had the possibility of buying the dwellings at much discounted prices. In some countries privatisation of state housing was also accompanied by the transfer of dwellings to individual ownership in the co-operative housing stock. What was left in public ownership was transferred to municipalities (a very small share of the housing stock, everywhere except for the Czech Republic and, to a lesser extent, Poland) At the same time, in all countries except for Poland and Hungary, buildings and dwellings which were confiscated, nationalised or in other way expropriated after World War II were privatized for the benefit of the former owners or their heirs. The result of this process was a rapid increase of home ownership (except Bulgaria and Romania where private home ownership was already very high before the transition) to extremely high levels.

TABLE 1
DEVELOPMENT OF PRIVATELY OWNED DWELLINGS IN CENTRAL AND EASTERN EUROPEAN COUNTRIES FOLLOWING THE PRIVATISATION PROCESS

COUNTRY	% DWELLINGS PRIVATELY OWNED (BEGINNING OF REFERENCE PERIOD)	% DWELLINGS PRIVATELY OWNED (END OF REFERENCE PERIOD)	REFERENCE PERIOD
BULGARIA	92.9	9.8	1993-2001
ESTONIA	Nav	95	2002
HUNGARY	Nav	97.7	1997
LATVIA	43.1	83	1993-2002
LITHUANIA	84.4	97.6	1993-2002
CZECH REPUBLIC	Nav	47	2001
POLAND	44	58.9	1988-2006
ROMANIA	90.8	97.5	1993-2002
SLOVAKIA	50	89	1991-2004
SLOVENIA	66.9	88	Before-after privatization

Source: UNECE, Bulletin of Housing Statistics for Europe and North America 2006; for Slovenia Ursic, Katja (2003) Social housing in Slovenia. Paper presented at UNECE Workshop on Social Housing, Prague, 19-20 May 2003; for Slovakia: Elena Szolgayová, communication with the author (2008)

As for housing availability, currently the number of dwellings per 1000 inhabitants is comparatively high in several continental and especially southern European countries (e.g. Portugal, Spain), while it is lower in some Eastern European countries (e.g. Slovak Republic and Poland).

4. Pittini, A. and Czychke, D. (2009), *Housing issues in Eastern European countries*. CECODHAS Housing Europe Observatory Research Briefing Year 2/Issue 3

TABLE 2
AVAILABILITY OF DWELLINGS IN THE EU

COUNTRIES	YEAR	TOTAL DWELLING STOCK	NUMBER OF DWELLING PER 1000 INHABITANTS
AUSTRIA	2009	na	436*
BELGIUM	2009	5043000	457
BULGARIA	2011	3859460	na
CZECH REPUBLIC	2004	4336000	na
CYPRUS	2002	293000	na
DENMARK	2009	2680000	500
ESTONIA	2009	651000	485
FINLAND	2009	2784000	531
FRANCE	2009	31264000	509
GERMANY	2011	39268000	490
GREECE	2004	5465000	na
HUNGARY	2009	4303000	429
IRELAND	2004	1554000	371
ITALY	2001	na	479*
LATVIA	2009	1042000	461
LITHUANIA	2009	1308000	390
LUXEMBOURG	2009	188000	389
MALTA	2009	139000	349
NETHERLANDS	2009	7107000	431
POLAND	2009	13302000	348
PORTUGAL	2011	5880000	557
ROMANIA	2009	8329000	390
SLOVAKIA	2009	1767000	326
SLOVENIA	2004	798000	na
SPAIN	2009	25129000	544
SWEDEN	2009	4508000	479
UNITED KINGDOM	2009	27108000	443

NOTES

*Total dwelling stock (consisting of main residences + side residences + vacant dwellings) is not available for Austria and Italy. As the total dwelling stock is not available, this data correspond to the number of main residences per 1000 inhabitants.

Source: Housing statistics in European Union 2010, national correspondents updates.

It should be noted though that these figures don't necessarily reflect the need for new housing construction and in particular for provision of affordable housing, as they don't take into consideration the actual number of households and household formation patterns which would give a better indication of offer compared with demand (see below under paragraph 1.4). Some European countries such as France, have been experiencing a chronic **housing shortage** over the last decade. In England, in 2009/10 a total of only 113,670 new homes were built in, the lowest peacetime total since 1923. According to the Government, 252,000 new households will form every year in England from 2006 to 2031 and housing supply will be insufficient to answer to raising demand. Furthermore, housing shortage will most likely push housing prices up, with negative effects on affordability⁵.

Most importantly, this combines with **regional imbalances**: the areas characterised by economic growth are generally experiencing a shortage of housing supply. As a result even countries that show a relative balance between housing supply and demand at national level (e.g. Czech Republic, Finland, Greece, Romania, etc.) are facing shortages at regional level in areas of strong economic activity⁶.

Until recently, growing demand for housing was accompanied by increased housing investment in several countries. As investment increased, the stock of housing per inhabitant consequently grew. But **recently residential investment has collapsed in some countries at the same time as, or immediately before, the onset of the financial and economic crisis**⁷. Chart 4 below shows the construction production index progress since 2007. Of all the construction sectors, the largest fall from the industry's peak year in 2007 was seen in the construction of new residential buildings⁸.

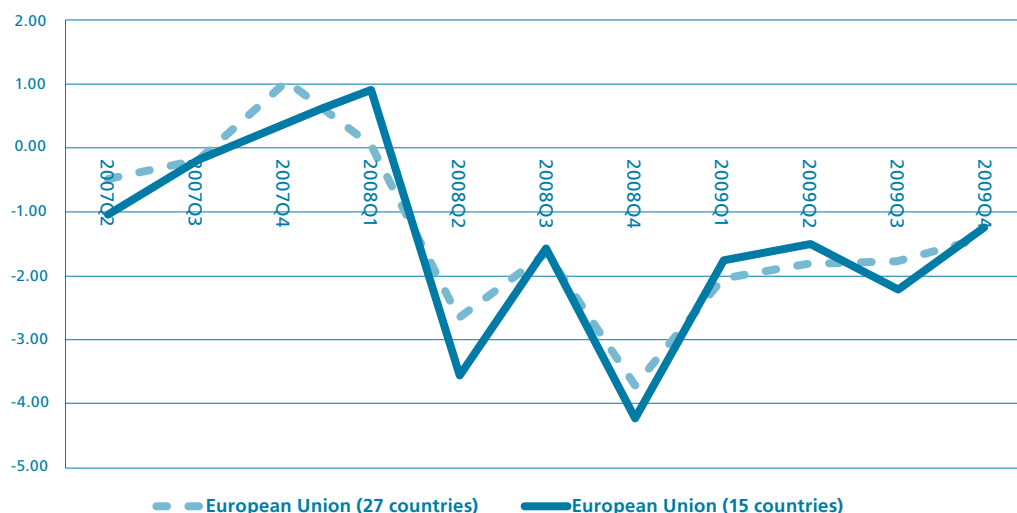
5. National Housing Federation. Home Truths. www.housing.org.uk

6. Czischke, D. and Pittini, A. (2007), *Housing Europe 2007. Review of social, co-operative and public housing in the 27 EU member states*. CECODHAS Housing Europe Observatory, Brussels.

7. Andrews, D., A. Caldera Sánchez and Å. Johansson (2011), *Housing Markets and Structural Policies in OECD Countries*. OECD Economics Department Working Papers, No. 836, OECD Publishing. <http://dx.doi.org/10.1787/5kgk8t2k9vf3-en>

8. Euroconstruct (2011), *PRESS INFO*, 17 June 2011.

CHART 4: CONSTRUCTION PRODUCTION INDEX (QUARTERLY, 2007–2009)



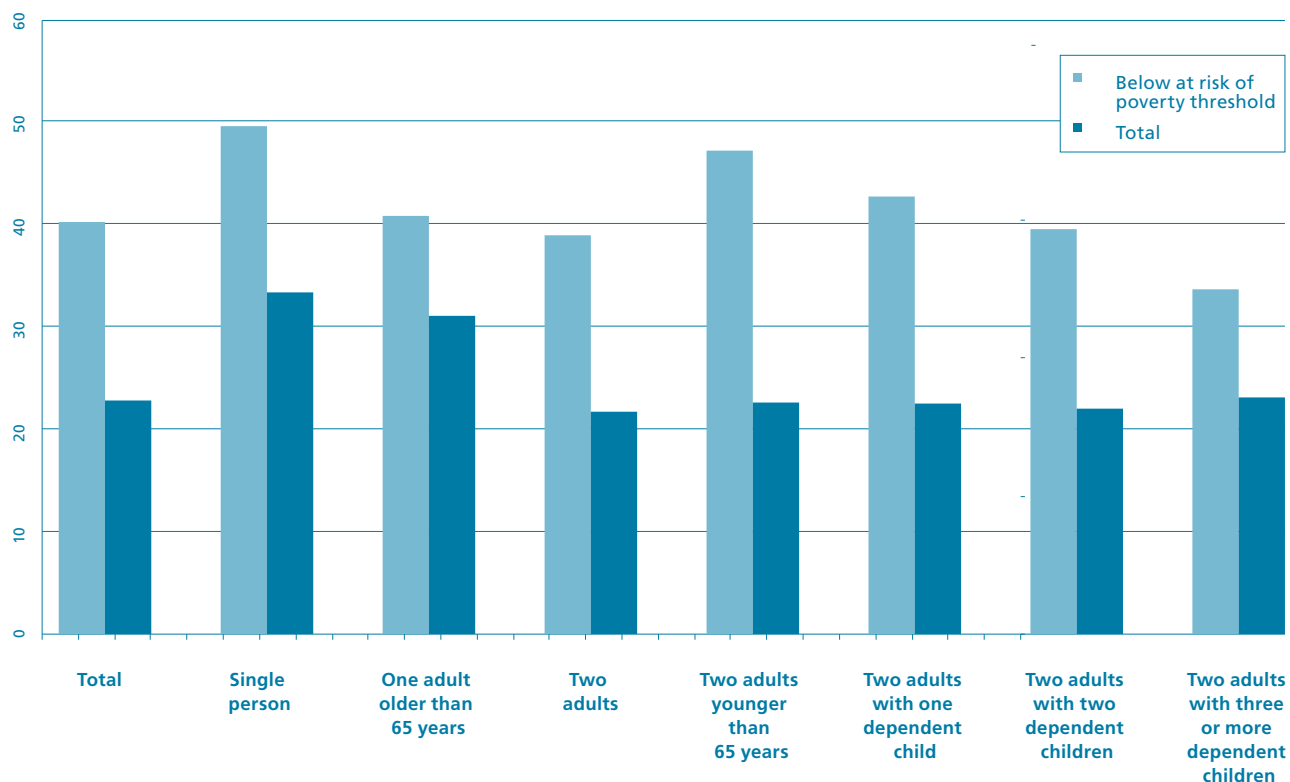
Source: Eurostat

Today there are signs of recovery in almost all countries that experienced a housing market crash, but unlike previous housing market upswings, price increases are leading other market indicators (i.e. prices have started to rise again but this is not matched by the recovery in house building and transactions). In general, **house building is down all across Europe** and is severely lagging the recovery in most places. This might mean that in two-three years time there could be severe housing shortages⁹.

1.2 Housing (un)affordability?

On average Europeans spend over a fifth of their income (22.9%) on housing. The share of housing costs out of disposable income for those at risk of poverty is almost double the overall rate (40.4%). People at risk of poverty living alone are the ones who spend the most on housing compared to their income, while large families are the ones spending relatively the least. Relative housing expenditure by household type is illustrated in Chart 5 below.

CHART 5: AVERAGE HOUSING COSTS AS PERCENTAGE OF DISPOSABLE INCOME IN THE EU, BY HOUSEHOLD TYPE, FOR TOTAL POPULATION AND THOSE AT RISK OF POVERTY (2009)



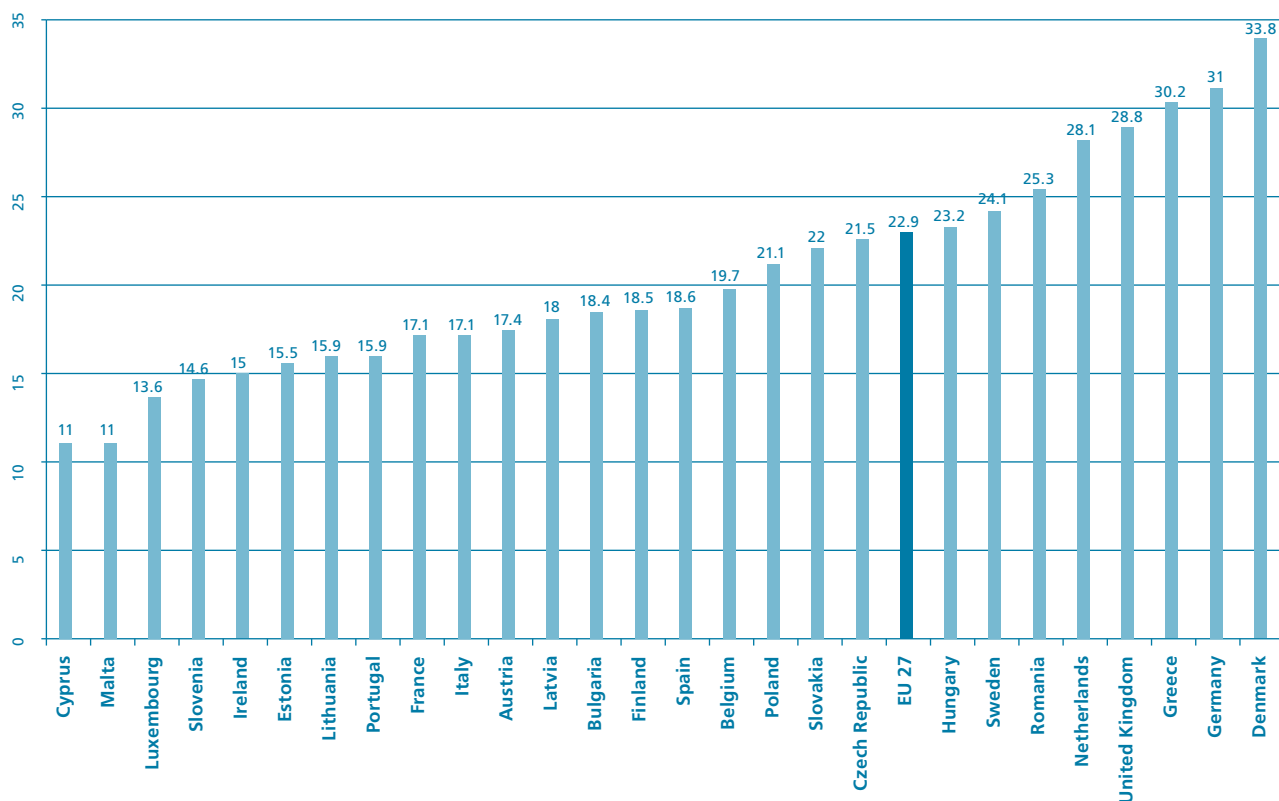
Source: Eurostat

9. Ball, M. (2011), *RICS European Housing review 2011*. RICS, London

The **situation varies significantly across countries**. If we look at the average share of housing costs in disposable income in the EU 27 (see chart 6 below), we can roughly identify 3 groups of countries. Firstly, those countries above the EU average, namely: Denmark, Germany, Greece, United Kingdom, the Netherlands, Romania, Sweden and Hungary. Secondly, another

group between 17% and the EU average ranges from Czech Republic to France. Lastly, at the very bottom we see countries where housing on average doesn't seem to be very expensive, namely Cyprus, Malta, Luxembourg, Slovenia, Ireland, Estonia, Lithuania and Portugal.

CHART 6: SHARE OF HOUSING COSTS IN DISPOSABLE INCOME IN THE EU 27 (2009)

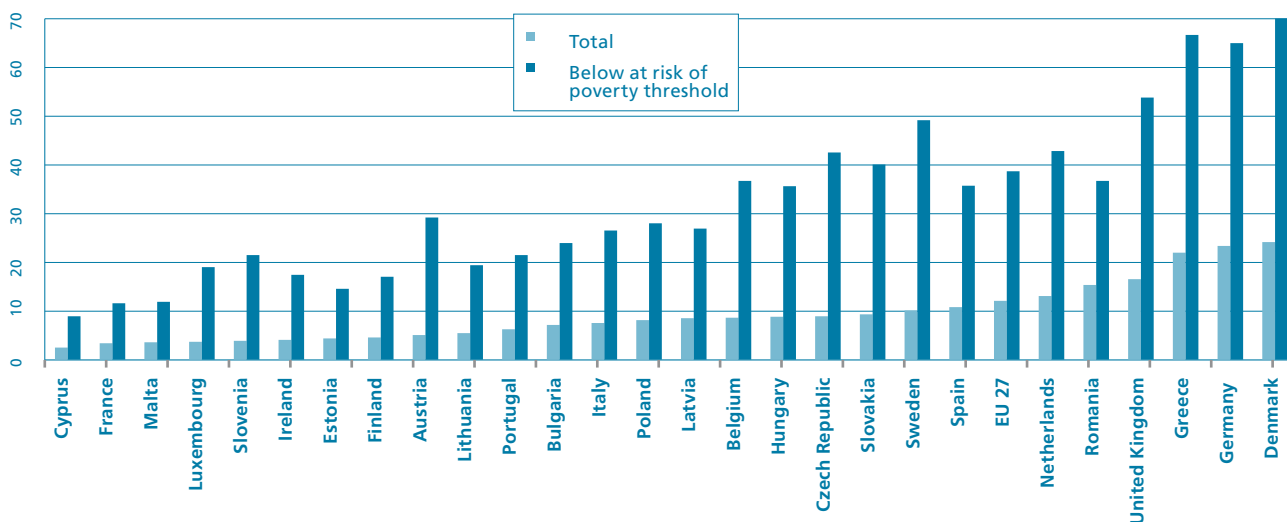


Source: Eurostat

Overall, **12.2% of European households**, and **39.1% of those with an income below 60% of median equalised income**, **spend more than 40% of disposable income on housing**: they are considered as 'overburdened' by housing

costs, i.e. what they have to pay for housing is too much compared to what they can afford. As shown by Chart 7 below, differences are significant between Member States, roughly reflecting the same distribution as in Chart 6 above.

CHART 7: HOUSING COST OVERBURDEN RATE IN THE EU 27, FOR TOTAL POPULATION AND THOSE AT RISK OF POVERTY (2009)



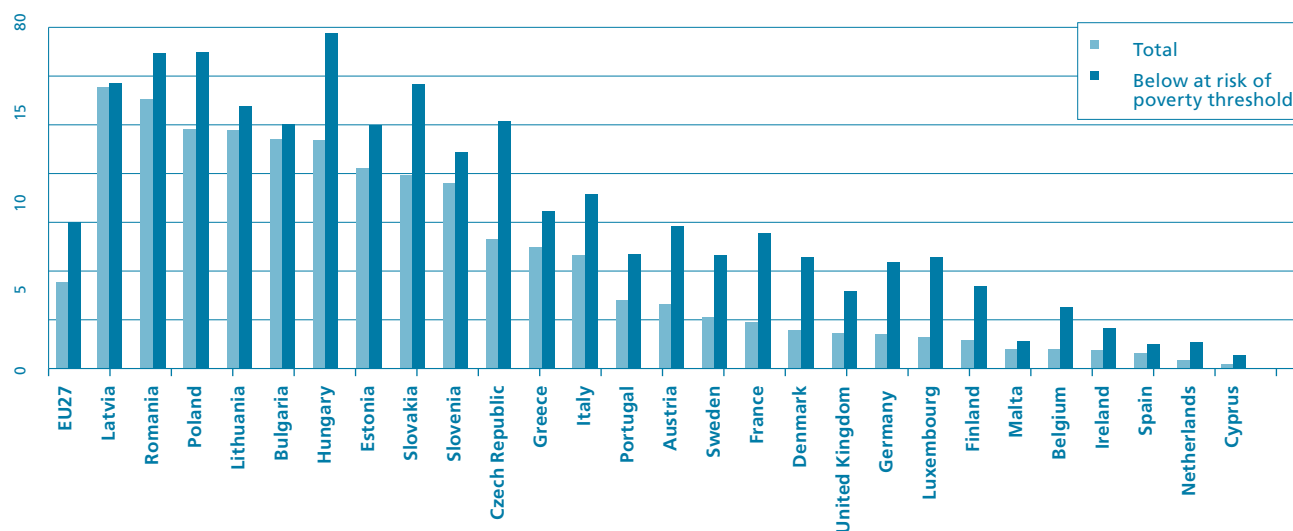
Source: Eurostat

Despite the limitations in data collection, available data shows **worsening housing affordability across the EU**. For instance housing consumption (including housing, water, electricity, and gas) as share of total consumption has increased dramatically since the 1980s in most countries where the information is available¹⁰. As mentioned in section 1.1, financial deregulation and the concomitant fall in real interest rates made borrowing easier and less costly and resulted in increased demand for owner-occupied housing, which is likely to have played an important role in this trend increase. In turn, the increase in demand partly translated into real house prices which in most EU countries rose significantly since the early 1980s (in some countries such as Ireland, Spain, the United Kingdom, the Netherlands, Belgium by more than 90%), although these increases have recently come to an abrupt halt in many of them. Increases in real rents also added to higher spending on housing¹¹.

1.3 Quality of dwellings and housing conditions

One of the key elements in assessing the quality of housing conditions is the volume of space available to people living in the accommodation.

CHART 8: OVERCROWDING RATE (% OF POPULATION), 2009



Source: Eurostat

On average the 17.8% of European population lived in overcrowded dwellings in 2009. In Latvia and Romania the overcrowding rate exceeds 50% (respectively 57.7% and 55.3%) and in most Eastern countries the share of the population suffering lack of space represents more than one fifth of population. On the other hand, the lowest percentages were recorded in Cyprus (1%) and Netherlands (1.7%). As clearly showed by chart 8, population at risk of poverty is more likely to live in overcrowded condition, with an average 30% overcrowding rate, that is almost double than the rate for the overall population.

Another aspect to consider when evaluating the quality and the adequacy of housing is the presence of basic facilities in the dwelling such as a bath or shower, hot running water and central heating. People living in accommodation without these basic amenities are considered to be affected by housing deprivation. Table 3 shows the percentage of dwellings with basic facilities in the European countries. **On average more than 80% of European dwellings have both a bath or shower and hot running water and almost 70% of dwellings have a central heating system.** As showed in Table 3 Eastern European countries are much worse off in terms of dwellings quality.

10. Dol, K. and Haffner, M. (2010), *Housing Statistics in the European Union 2010*. OTB Research Institute for the Built Environment, Delft University

11. Andrews, D., A. Caldera Sánchez and Å. Johansson (2011), *Housing Markets and Structural Policies in OECD Countries*. OECD Economics Department Working Papers, No. 836, OECD Publishing. <http://dx.doi.org/10.1787/5kgk8t2k9vf3-en>

TABLE 3
DWELLINGS WITH BATH/SHOWER, HOT RUNNING WATER AND
CENTRAL HEATING (AS % OF DWELLING STOCK)

COUNTRIES	AS % OF DWELLING STOCK		
	BATH/SHOWER	HOT RUNNING WATER	CENTRAL HEATING
Austria	99.2	na	92
Belgium	96.8	na	83.1
Bulgaria	82.1	na	na
Cyprus	99	na	27.3
Czech Republic	95.5	95.1	81.7
Denmark	96	na	98
Estonia	67.1	68	59
Finland	99.1	97.1	93.4
France	98.5	98.5	93
Germany	na	na	92.3
Greece	97.8	na	62
Hungary	91.3	91.5	56.7
Ireland	94	na	59
Italy	99.4	99.6	94.7
Latvia	60.3	61.6	61.2
Lithuania	71.1	61.6	73.5
Luxembourg	99	99.7	72.8
Malta	98.2	97.1	1.2
Netherlands	100	100	94
Poland	86.9	83	78
Portugal	65.6	na	3.8
Romania	58.9	57.2	51.9
Slovakia	92.8	90.5	74.3
Slovenia	92.3	na	79.1
Spain	na	99.5	63.8
Sweden	100	100	100
United Kingdom	99	100	94

Source: Housing statistics in the European Union 2010, national correspondents updates

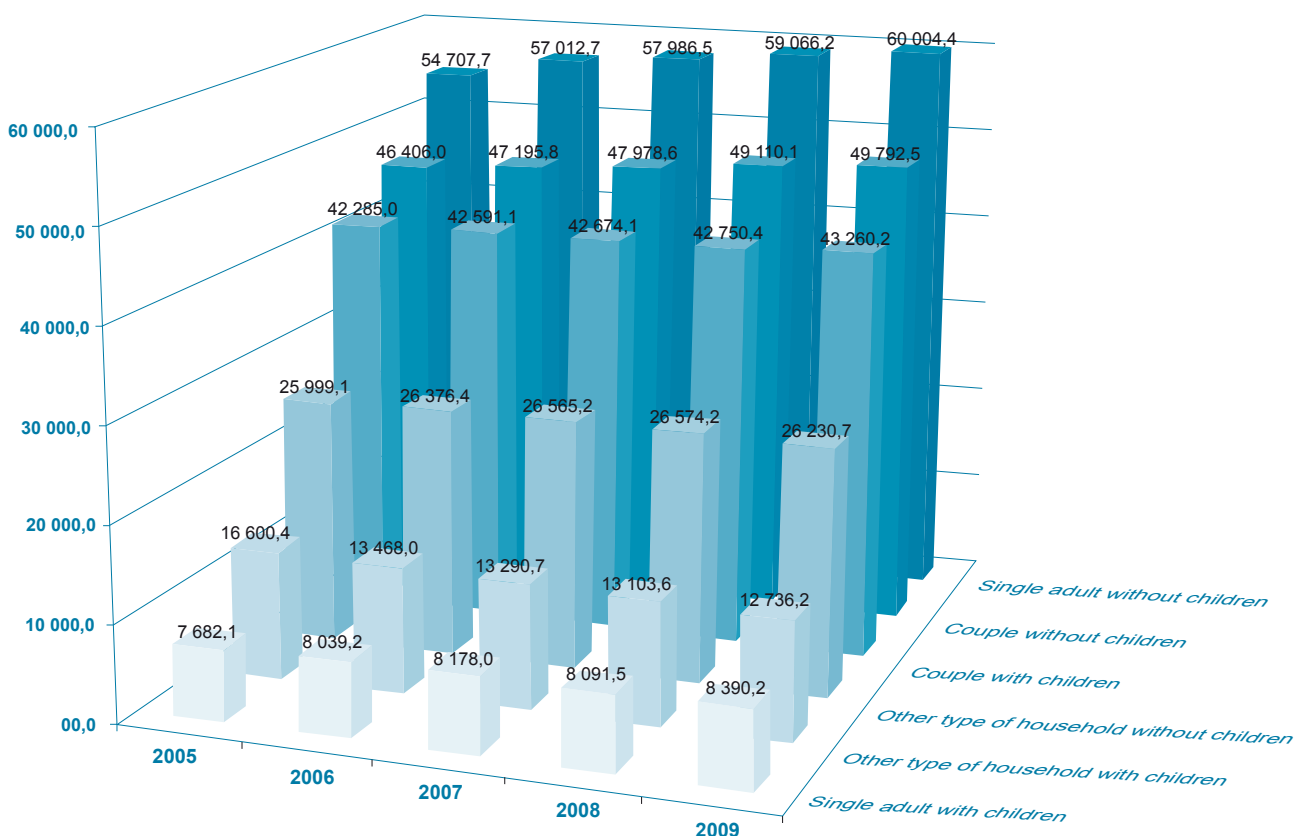
1.4 Population trends and housing

The relationship between housing and population change is a two-sided issue. On the one hand, population change has an impact on housing demand; on the other hand housing supply can influence opportunities for population increase: i.e. adequate housing supply can attract migrants and the availability as well as the affordability of certain housing solutions may have an impact on people's choice¹².

Population in Europe is growing slowly compared to other continents and it is also the oldest in the world with the 17.4% of people over 65 years old. However the demand for housing is not determined by the number of people, but by the number of households. Due to the **decrease in average household size** (which is linked to a number of different factors, such as life expectancy, fertility rates, rate of divorce and separation amongst others), the **number of households has increased** much more rapidly than the population in most European countries in the past few decades. The total number of households in Europe increased from about 193 million in 2005 to 202.8 million in 2009.

12. UNECE (2010), *The relationship between population and housing*. United Nation, Geneva

CHART 9: PRIVATE HOUSEHOLDS BY HOUSEHOLD COMPOSITION (*1000), 2005–2009

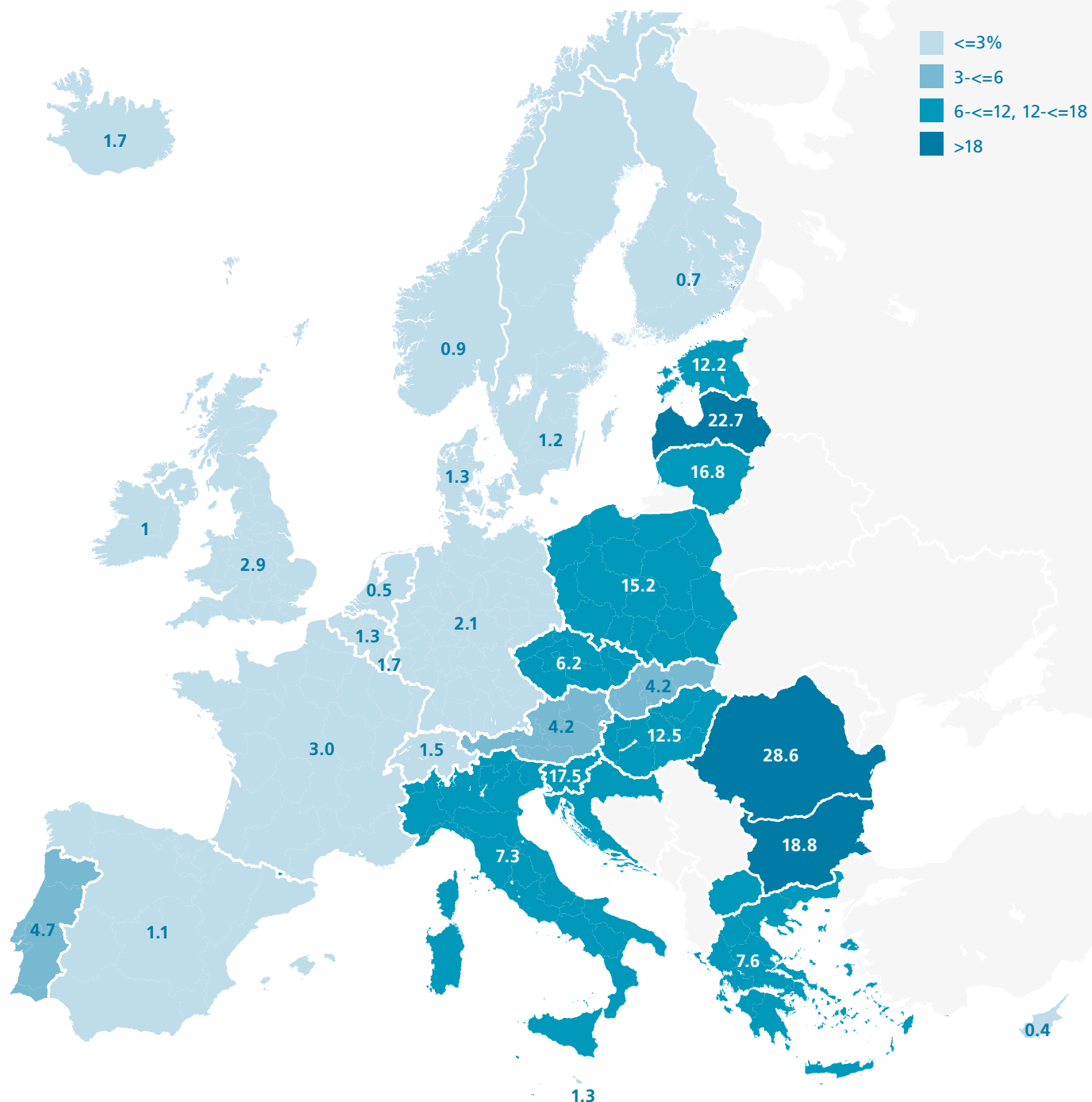


Source: Eurostat

Chart 9 above shows the evolution of household composition from 2005 to 2009. The two largest components of household structure in Europe are represented by single adults and couples without children. Moreover, these two categories grew more rapidly than the others in recent years.

Single adult or couples without children are the two categories where we expect to find a great share of young people and elderly people. These are also the categories of household more affected by economic instability and precarious situation. They usually need, for different reasons, adequate housing solutions in term of affordability and quality standards. The phenomenon of an **ageing population**, in particular, is expected to have a significant impact on the housing sector in terms of adaptation of dwellings to the needs of the elderly as well as the provision of a range of domiciliary services, enabling people to stay in their homes as long as possible.

MAP: SEVERE HOUSING DEPRIVATION RATE (% OF POPULATION), 2009



Text box 2: Housing Exclusion in Europe

As stated by the European Commission, homelessness and housing deprivation are perhaps the most extreme examples of poverty and social exclusion in society today.

The importance of having access to affordable accommodations has been recently highlighted as one of the core factor to prevent and combat social exclusion in Europe.

In March 2010 the European Union presented *Europe 2020*, the growth strategy for the next decade that aims at creating the basis for a smart, sustainable and inclusive economy by setting a series of targets to be reached by 2020. The strategy has the intention of relieving at least 20 million people from poverty and exclusion. In this connection, EUROSTAT implemented new indicators in order to monitor the process and facilitate the evaluation of outcomes. Specifically, the European Union Statistics on Income and Living Conditions (EU-SILC) is the EU reference source for comparative statistics on income distribution, poverty, social inclusion and living condition at the European level. Among the EU-SILC indicators, the severe housing deprivation rate corresponds to the share of the population living in a dwelling which is considered to be overcrowded, while also exhibiting at least one of the following housing deprivation measures: leaking roof, neither a bath nor a shower nor an indoor flushing toilet, or a dwelling considered too dark.

On average, 6% of the European population suffered from severe housing deprivation in 2009. Among these, the most affected countries are Romania (28.6%), Latvia (22.7%) and Bulgaria (18.8%). In the Eastern countries the percentage of population affected by housing deprivation exceeds the 6% except for Slovakia (4.2%). On the other side the best performance were recorded in the Northern countries where less than 2% of population is affected by deprivation in housing (Finland, 0.7%, Norway, 0.9%, Sweden 0.2%, Denmark 1.3%).



Chapter II

SOCIAL HOUSING IN EUROPEAN UNION

2.1 What is social housing?

Social housing in the European Union is characterised by the wide **diversity** of national housing situations, conceptions and policies across member states. A variety of approaches are implemented across the EU, in terms of:

Tenures: although social housing is mostly provided for rent, in many countries sale of dwellings is also possible, as well as the provision of intermediate tenures. The latter is the case for instance in the UK, where shared ownership solutions (where tenants buy a share in their dwelling and pay the rent on the rest of it) have become increasingly important. Furthermore in some Mediterranean countries such as Greece, Spain and Cyprus, social housing is provided only or mainly in the form of low-cost housing for sale.

Providers: a variety of actors are involved in the provision of social housing, ranging from local authorities and public companies to non-profit or limited-profit associations and companies, cooperatives and, in some cases, even private for profit developers and investors. You can find more information on the different types of housing providers in paragraph 2.3 below.

Beneficiaries: while in some countries social or public housing is virtually open to all citizens, with the sector playing a market-regulating role and favouring social mix in accordance with local policies, in targeted systems social housing operates separately from the private rental market and only households for whom the market is deemed unable to deliver housing will benefit from it. In some countries eligibility is based on means-tested income thresholds, while in other countries greater emphasis is placed on prioritising the most vulnerable households. We will discuss this issue in paragraph 2.5.

Funding arrangements: Social housing is financed through a variety of funding arrangements. Financing models vary significantly across countries, ranging from countries where the sector is almost 100% financed by public money to examples where housing providers are relying heavily on debt raised on the credit market. The situation varies according to a number of factors such as the level of maturity of social housing providers, the government's commitment to support the sector, and conditions on the mortgage market. Also the way rents are determined is key to the financial sustainability of social housing, as well as the existence of demand-side benefits. This is discussed more in details in paragraph 2.5 below.

Trying to get to a common European concept is further complicated by the fact that most countries have not adopted an official **definition** of 'social housing', and this term is not used everywhere. Instead we find the terms such as 'Housing at Moderate Rent in France (HLM)', 'Common Housing' or 'Not-for-profit housing' in Denmark, 'Housing Promotion' in Germany, 'Limited-Profit Housing' or 'People's Housing' in Austria, 'Protected Housing' in Spain, 'public utility' housing in Sweden, etc. The term 'social housing' is often used as a kind of shortcut for different types of housing provision which responds to administrative procedures as opposed to market mechanisms. Furthermore, Municipal/Public Housing in some cases does not necessarily correspond to social housing (see for instance Sweden, Czech Republic).

In addition, in the new EU Member States, the definition of social housing has undergone radical change. In the socialist housing system, state housing included several forms of tenure: not only state- or municipal-owned rental apartments, but also the cooperative sector and the owner-occupier sector, because price, allocation and size of the dwellings were decided by public authorities (state/ council level). After the transition two processes took place in parallel: decentralisation of responsibility for housing policies as well as ownership of the public housing stock to municipalities, and privatisation of the stock at give-away prices (see text box on page). Today, in practice, social housing in the new EU Member States is rental housing managed by municipalities (with the exception of Poland and to a lesser extent Slovenia where, in addition to municipal housing, non-profit organisations play a role as well), although in several countries recent schemes supporting the creation of new social housing tend to include also non-profit providers and/or cooperatives. Tenants in what is left of the old public stock (in the form of municipally-owned housing) benefit from very low regulated rents and permanent right to the dwellings, but whether this sector should be considered as social housing is a matter of debate in some countries. At the same time, vacant and new units are allocated according to social criteria. One could argue that in general in **Central and Eastern European countries housing policies as well as the housing market seem to be undergoing a transition phase** from the legacy of the 'old' housing, and in many cases the result is quite fragmented as there is no legal framework in place yet. In the case of the Czech Republic and Poland for instance social housing is defined by law only in relation to the entitlement for a preferential VAT rate, which is applied to new construction and repair and maintenance work¹³. Nevertheless there are schemes in place supporting the provision of social and affordable housing.

All the elements mentioned above clarify why it is very difficult to agree on any meaningful common definition of social housing. However, it is possible to identify some core elements of what constitutes 'social housing' across the EU in order to get to a useful operational definition. According to the Second Biennial Report on Social Service of General Interest¹⁴, social housing provision encompasses '*development, renting/selling and maintenance of dwellings at affordable prices as well as their allocation and management, which may also include the management of housing estates and neighbourhoods. Increasingly, management of social housing can encompass social aspects: for example, care services are involved in housing or rehousing programmes for specific groups or in debt-management for low-income households. In most cases, however, specific care institutions cover the care component and collaborate with social housing providers*'. **Affordability** and the **existence of rules for the allocation of dwellings** (i.e. allocation by administrative means, as opposed to market mechanisms) therefore constitute the core common features of social housing in the EU.

Another important and defining characteristic of the social housing sector is the **strong link with public policies at the local level**, either through the direct provision by municipalities or by independent providers acting as partners of local housing and social policies, often including an active participation by social housing providers in creating social mix. **Security of tenure** is another element which characterises social housing, as opposed

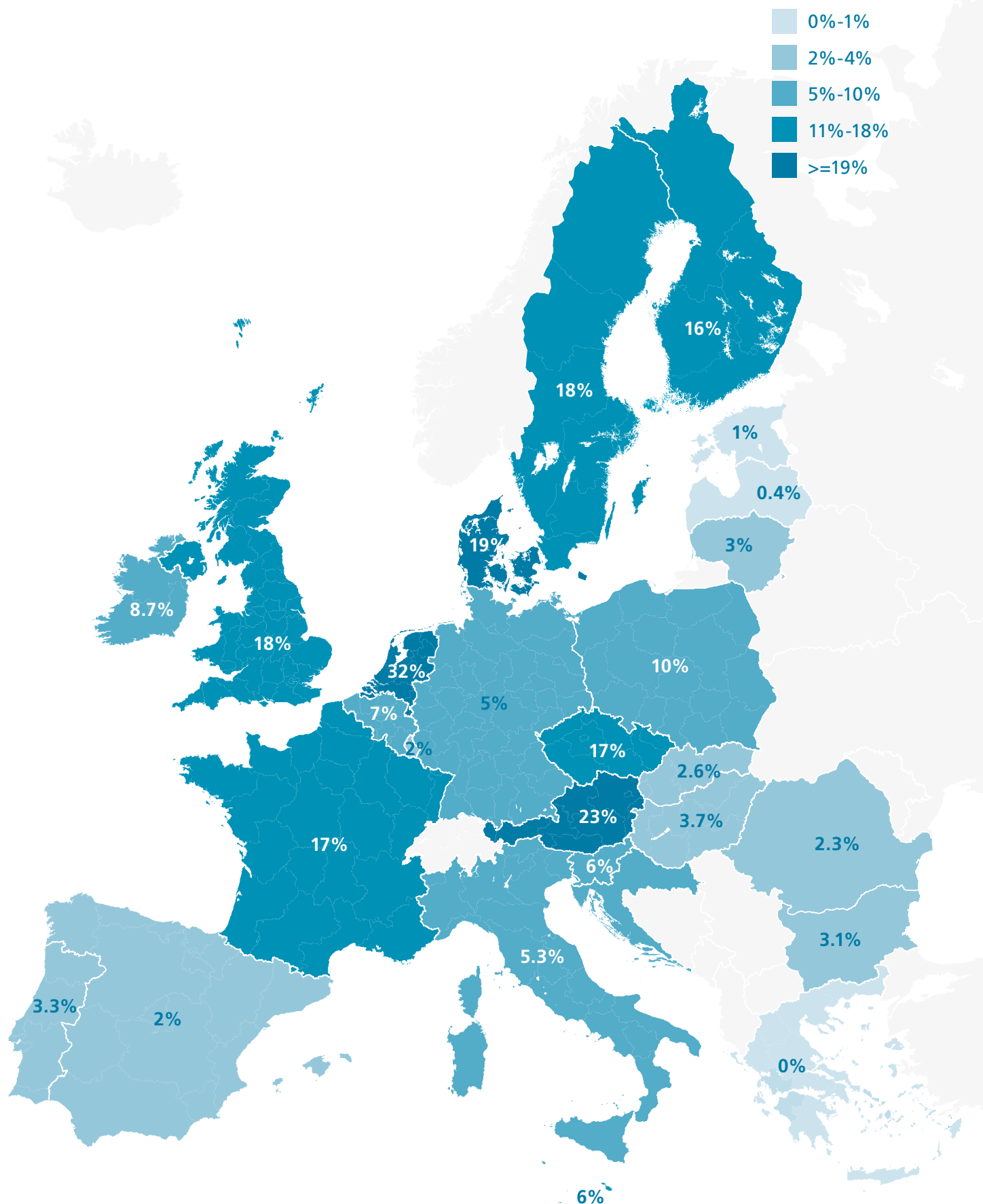
13. In the Czech Republic this concerns housing of 120m² for apartments and 350m² for family houses, in Poland housing of 150m² for apartments and 300m² for family houses. In the former, the rules will be amended at the beginning of 2012.

14. European Commission (2010). Second Biennial Report on social services of general interest. Commission Staff Working Document, Brussels, 22.10.2010 SEC(2010) 1284 final

to short term tenancy contracts which are in some cases typical of the private rental sector¹⁵. Furthermore, social housing providers have the mission of providing decent housing, complying with increasingly high **quality** standards. In addition, a special feature

of social housing is the very particular nature of the relationship between provider and user, with a strong **involvement of the benefiting households**¹⁶ in both the management of the service and the functioning of the company providing the service.

MAP: SOCIAL RENTAL HOUSING AS PERCENTAGE OF TOTAL HOUSING STOCK



15. Ghekiere, L. (2007), *Le développement du logement social dans l'Union Européenne. Quand l'intérêt général rencontre l'intérêt communautaire*. Dexia Editions, Paris.

16. Pittini, A. (2011) *The place of inhabitants. Residents' participation in creating sustainable housing and neighbourhoods*. 'Exchange' Special edition May 2011, CE-CODHAS Housing Europe

2.2 How big is the sector?

It is worth noting that, although social housing is generally equated to social rental, it also comprises the provision of affordable dwellings for sale to households for ownership. Given the difficulties in statistically identifying the stock of 'social' home-ownership (of particular relevance in countries such as Greece and Spain), the **relative size of the sector is usually illustrated by data on social rental stock** as a proportion of the total housing stock in a country, as can be seen in the map on the previous page.

The Netherlands is the country with the highest share of social housing in Europe, accounting for 32% of the total housing stock, followed by Austria (23%) and Denmark (19%). The UK, Sweden, France and Finland also have a relatively large social and public housing sector. On the opposite end of this spectrum, Greece represents a peculiar case in that social housing is only provided in the form of low-cost housing for sale. Most Central and Eastern European countries have extremely low shares of social rental housing, with the exception of the Czech Republic and Poland (partly due to the fact that these countries kept a bigger share of the stock as publicly owned even after the transition to a free market economy, see Text Box 1 on page 12).

The **size of the social housing sector has been shrinking since the 1980s in the majority of countries** where the information is available, although **with some exceptions** (see Chart 10 below).

If we look at the past decade, in several countries **the number of applicants for social housing has increased** while at the same time the relative share of social housing in the overall stock has fallen¹⁷.

In England, housing waiting lists increased by 57% between 2001 and 2006 to over 1.6 million households¹⁸, while in France 1.2 million applicants are registered¹⁹. This trend is most likely to be exacerbated in the current economic downturn. For instance the number of those in need of local authority housing in the Dublin area has increased by over 60% since 2008, according to figures from the city council²⁰.

On the contrary, according to available figures, between 2000 and 2008 social housing as a share of the total housing stock in the EU 15 countries has remained constant in Austria, Belgium, Denmark and Finland and diminished everywhere else²¹.

TABLE 4
SOCIAL HOUSING STOCK IN THE EU

COUNTRIES	SOCIAL RENTAL STOCK AS % OF TOTAL HOUSING STOCK	SOCIAL RENTAL STOCK AS % OF RENTAL STOCK	NUMBER OF SOCIAL RENTAL DWELLINGS PER 1000 INHABITANTS	SOCIAL HOUSING AS % OF NEW COMPLETIONS
Austria	23	56	100	27.5
Belgium	7	24	32	6
Bulgaria	3.1	na	na	na
Cyprus	0	na	na	na
Czech Republic	17	na	na	na
Denmark	19	51	95	22
Estonia	1	25	5	na
Finland	16	53	85	13
France	17	44	86.5	12
Germany	4.6	7.8	22.6	15
Greece	0	0	0	1
Hungary	3.7	53	15.9	na
Ireland	8.7	41	na	7
Italy	5.3	28	29	na
Latvia	0.4	2.5	na	1
Lithuania	3	43	11.7	na
Luxembourg	2	7	7.8	na
Malta	6	na	na	na
Netherlands	32	75	138	19
Poland	10	64	34.9	5
Portugal	3.3	16	na	na
Romania	2.3	na	8.9	4
Slovakia	2.6	87	8.5	12
Slovenia	6	na	na	na
Spain	2	15	10.9	16
Sweden	18	48	84	13
United Kingdom	18	54	80	na

17. Andrews, D., A. Caldera Sánchez and Å. Johansson (2011), *Housing Markets and Structural Policies in OECD Countries*. OECD Economics Department Working Papers, No. 836, OECD Publishing. <http://dx.doi.org/10.1787/5k9gk8t2k9vf3-en>

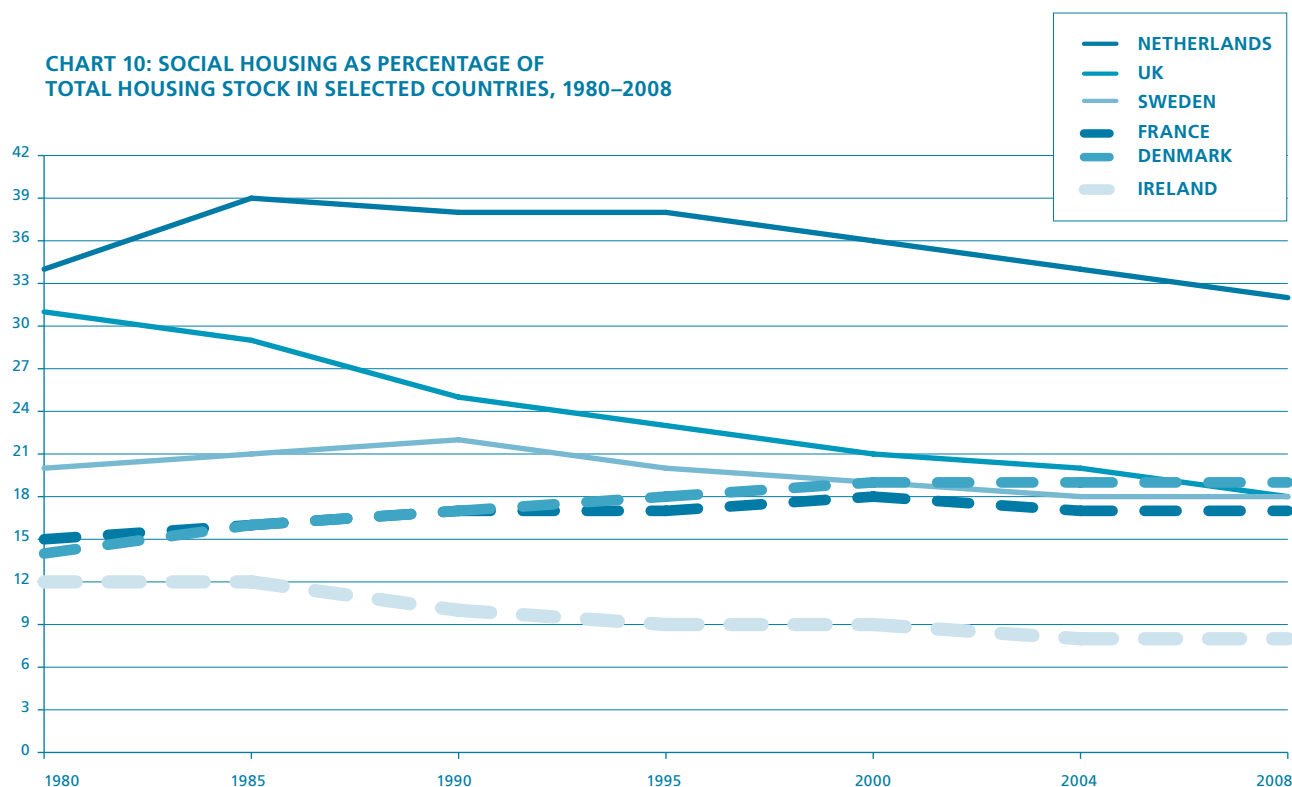
18. National Housing Federation. Home Truths. www.housing.org.uk

19. CECODHAS Housing Europe (2011) Third General Survey

20. See <http://www.rte.ie/news/2011/0920/housing.html>

21. Dol, K. and Haffner, M. (2010), *Housing Statistics in the European Union 2010*. OTB Research Institute for the Built Environment, Delft University

CHART 10: SOCIAL HOUSING AS PERCENTAGE OF TOTAL HOUSING STOCK IN SELECTED COUNTRIES, 1980–2008



Source: Housing statistics in the European Union. 2004, 2006 and 2010 editions

Most recently, it should be noted that in the **immediate aftermath of the crisis some governments invested in social housing as part of recovery programmes**, using it as a ‘social damper’. In France for instance 2010 was a record year for the production of social housing, with 131 509 new dwellings. In England, while the number of new building starts from private enterprises almost halved in two years from 2007-08 to 2008-09, the number of new social dwellings constructed over the same period increased²². It remains to be seen what the trend will be like in the future. Much will depend on whether governments will be willing to keep their commitment to supporting construction of new social housing in the context of cuts to public expenditures and austerity measures.

2.3 Who provides social housing?

As explained in our 2007 report²³ as well as in other relevant literature²⁴, social housing was created in most European countries at the initiative of the private sector (charitable institutions and some private companies that build housing to accommodate their workers), as a response to the emerging housing needs brought about by massive industrialisation and urbanisation in the early 20th century. Later on, in order to face the pressing housing needs of the post second World War period, many national states across Europe took over those private initiatives with the aim to generalise them to a wider scale (although it should be noted that in some countries such as Denmark and the Netherlands social housing provision has always remained a prerogative of the private non-profit sector). The 1990s were characterised by a decentralisation of responsibilities to the regional and local level, paralleled by a retreat of public actors from housing provision. As already pointed out in the 2007 edition, over the past 20 years there has been a trend to come back to the involvement of private and not-for-profit initiatives through a wide range of social agencies, albeit with continuing large-scale government subsidies and financing housing programming and sectorial regulation.

Today in most of the EU-15 we find a **combination of actors involved, with public provision (usually by municipalities, either directly or through dedicated publicly owned companies) often coexisting with a growing private sector, mainly consisting of specialised non-profit or limited-profit bodies**. This is the case for instance in England, where housing associations are nowadays the main providers with 54% of the social housing stock while local authorities still manage 46%. Similarly, out of the total social housing stock in Austria 60 % is owned by municipalities and public companies, but municipalities have withdrawn from new construction over the last decade and the main sector is currently the Limited-Profit sector. The past four years have seen this trend increasing, with **local authorities in most cases retreating from the production of new social housing and concentrating on the management of the existing stock, leaving the private sector as the main one responsible for new developments**.

Different is the case of most Central and Eastern European countries where, with the exception of Poland and the Czech Republic, with massive housing privatisation after 1990, municipalities were left with a **very small public housing stocks which largely still constitutes the only form of social housing** today. Here there have not been major changes in terms of providers of the past four years, despite in some cases new legal arrangements allowing for the creation of a non-profit housing sector (Poland, Slovenia).

Table 5 below illustrates the variety in the types of actors charged with the mission of providing social housing throughout the EU.

Interestingly, recent years have seen the **increasing involvement with social housing provision by non-specialised**

22. Pittini, A. (2010), *Impact of the crisis on housing in the EU*. CECODHAS Housing Europe Research Briefing Year 3/Issue 1

23. Czychka, D. and Pittini, A. (2007), *Housing Europe 2007. Review of social, co-operative and public housing in the 27 EU member states*. CECODHAS Housing Europe Observatory, Brussels.

24. See for instance Levy-Vroelant, C., ‘Le welfare vu du logement : logement social et Etat-providence en question’. In Houard, N., ed. (2011), *Loger l’Europe. Le logement social dans tous ses Etats*. La documentation Française, Paris.

actors (commercial developers and private landlords, as opposed to specialised 'approved' not for profit providers) who have been included as possible recipients of public subsidies in exchange for the use of dwellings for social purposes (low rents, tenants from social housing waiting lists), usually for a limited period of time. This has been the case in Germany since the institutional non-profit sector was dissolved (in 1989). The German system is currently based on the allocation of public funding especially in the form of tax privileges to any kind of housing provider in exchange for the use of a dwelling for social purposes on a temporary basis. Similarly in Spain all sorts of developers can access preferential loans if the dwellings qualify as 'protected dwellings', and in Italy, private providers can participate to certain social housing

schemes upon agreement with their municipality. Some countries on the other hand have only very recently started using similar options. This is the case for instance in the Czech Republic, where two new programmes were launched in 2009 supporting the provision of social housing by all types of providers. In England, profit making companies were entitled for the first time in 2008/09 to develop as well as manage and own social housing. Furthermore, France has for a long time allowed private regulated housing but the housing units concerned have only been qualified as social housing since the SRU law of 2001. Since the beginning of 2008, physical persons may have their homes contractually regulated by the National Agency for the Improvement of Housing without having to borrow or undertake works²⁵.

TABLE 5
TYPES OF SOCIAL HOUSING PROVIDERS IN THE EU

COUNTRY	TYPE OF PROVIDER(S)					
	CENTRAL GOVERNMENT	LOCAL AUTHORITY	INDEPENDENT PUBLIC BODY/ PUBLICLY OWNED COMPANY	CO-OPERATIVE	OTHER PRIVATE NON-PROFIT	PRIVATE FOR-PROFIT
Austria		X	X	X	X	X
Belgium		X	X		X	
Bulgaria		X				
Cyprus	X					
Czech Republic		X		X*	X*	X*
Denmark		X		X	X	
Estonia		X				
Finland			X		X	
France			X	X	X	
Germany						X**
Greece			X			
Hungary		X				
Ireland		X		X	X	
Italy		X	X	X	X	X
Malta	X				X	
Lithuania		X				
Latvia		X				
Luxemburg		X	X			
Netherlands					X	
Poland		X		X***	X	
Portugal		X	X	X	X	
Romania		X				
Slovenia		X			X	
Slovakia		X				
Spain		X	X	X		X
Sweden****						
United Kingdom		X	X	X	X	X*

* = can apply for funding to provide social housing within certain funding schemes

** = they also include municipal companies, which are considered as part of the private sector

*** = depending on the definition used

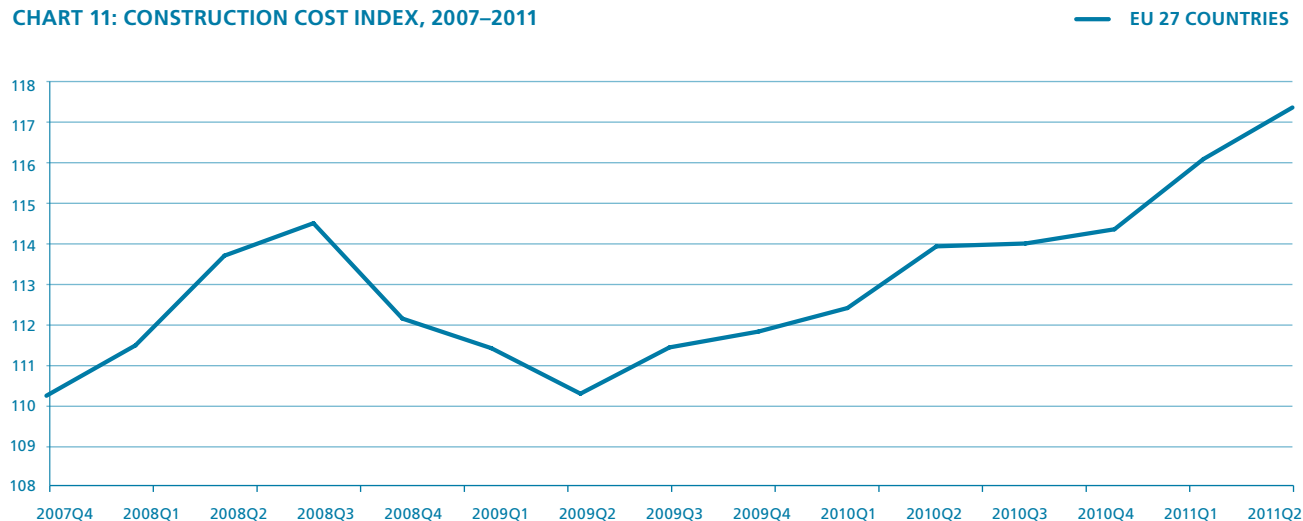
**** = there is officially no 'social housing' in Sweden, despite the existence of a municipal publicly owned sector, cooperative housing in the form of tenant ownership, and a system of negotiated rent setting for the whole rental sector

25. Czischke, D., and Taffin, C., 'Les politiques européennes de financement du logement social'. In Houard, N., ed. (2011), *Loger l'Europe. Le logement social dans tous ses Etats. La documentation Française, Paris*.

2.4 How is social housing financed?

Investment cost of financing of development/new construction of housing is the crucial problem as the cost of construction, as well as land, is high.

CHART 11: CONSTRUCTION COST INDEX, 2007–2011



Source: Eurostat

Housing providers can only finance so much out of own funds, and therefore they need to borrow through loans and mortgages. Furthermore, to reduce such costs, different public aid schemes exist which may be open for independent providers as well as local authorities. Therefore, **in nearly all countries, financing housing projects means combining different sources: standard bank loans (mortgages), public grants/loans, own funds of housing organisations and sometimes also tenants' contributions.**

In most countries there is financial assistance to support the cost of investing in new social housing through public funds extending loans or grants, and public guarantees, at both national and regional level. Furthermore, municipalities may also provide additional funding and land at reduced price for the construction of social housing. **Support from the public sector can take various forms:**

- Grants
- Public loans from special public credit institutions
- Interest rates subsidies (in case of private loans)
- Government backed guarantees (in case of private loans)

Furthermore, in cases where social housing is provided directly by local authorities, it makes a difference whether the financial burden lies entirely on the municipal budget or there is complementary funding, through transfers from the central budget or funding from specific schemes.

Finally, it should be noted that a further important factor in supporting the provision of social housing is the availability of land at discounted prices (such as for instance in Austria, Italy and Luxemburg), as well as tax privileges for social housing providers. With regards to the latter, they include a variety of exemptions or tax rate reduction to providers, for example income and investment deductions, depreciation allowances, reduced sales and property taxes, exemptions from capital gains tax, and reduced VAT rate.

TABLE 6
TYPES OF PUBLIC SUPPORT TO FINANCING SOCIAL HOUSING

	DIRECTLY PROVIDED THROUGH MUNICIPAL/ LOCAL AUTHORITY BUDGET	GRANTS	PUBLIC LOANS	INTEREST RATES SUB- SIDIES	PUBLIC GUARANTEES
Austria		From housing promo- tion schemes of Federal Provinces	From housing promo- tion schemes of Federal Provinces		
Belgium		From the region			From the region
Bulgaria*	x				
Cyprus			From Housing Finance Corporation		
Czech Republic	x	From State Fund for Housing Development but currently suspended			
Denmark			By municipality		By municipality
Finland				From ARA	From ARA
France		From state and/or local authorities	From CDC through Livret A		
Germany				By federal state and/or the Lander	
Greece**		From the government			
Ireland			From local authorities		
Italy		From the region for subsidised housing		From the region, for as- sisted housing	
Latvia	x				
Lithuania	x	Transfers from State budget			
Luxemburg		From the State			
Malta		From the Housing Authority			
Netherlands					From central government
Portugal		From central government with co-financing from local authorities	From central government with co-financing from local authorities		
Romania	x	Transfers from State budget			
Slovakia		From State Housing Development Fund			
Slovenia	In the case of municipal housing		From the Housing Fund of the Republic of Slovenia		
Spain		Complementary funding from the regional govern- ments		From central government	From central government
Sweden					
United Kingdom		From government			

* No investment in new public housing over the past 20 years.

** OEK is an independent public body, financed through contributions by workers and employees

Not all the above-mentioned instruments can be considered as “financing”, strictly speaking, but they have an effect on the costs of financing. As shown in Table 6 above, the responsibility to provide public funding for social housing development can reside at different levels, often combined: the central state, regions (or federal provinces) and municipalities. In some countries, different schemes finance different types of housing provision. Such schemes exist in most EU countries but there is no public funding in the Netherlands (only state guarantees, as last resort in a three-level guarantee system), or Sweden. In Bulgaria, Latvia, Lithuania and Romania social housing is only publicly owned and financed from the municipal budgets only or in some cases with limited complementary funding from the state budget. De facto the situation is the same in the Czech Republic.

Text box 3: Social housing in planning obligations

It is an increasingly widespread practice to **set a minimum percentage of social housing in new developments**. For instance in England, the Section 106 Agreement is a legally binding agreement between the Local Planning Authority and the developers, which often requires developers to minimise negative impacts on the local community, and carry out tasks that would provide community benefits. Provided local planning authorities have policies in their adopted statutory development plans that assess the need for new affordable housing in their districts, they may require private developers to contribute to meeting this need. When developers agree to make contributions, these are made legally binding contracts under Section 106 of the Town & Country Planning Act 1990 (S106 agreements) as part of the process of gaining planning permission. Similar mechanisms are in place in many other countries. For instance in Ireland, Part V of the Planning and Development Acts requires that up to 20% of the sites or units in a new private housing development be also made available to the local authority for social rented and affordable ownership dwellings planning permissions. Similarly, in Spain, since the establishment of regional legislation on urban planning, in each new urban development a minimum of 30% of the land must be used for protected housing. The minimum percentage is set by the new Law on State Land, which is currently being discussed in Parliament. Also in the Flemish Region in Belgium, a recent decree established the involvement of the private sector in social housing provision: in each new estate development (consisting of over 10 houses/50 apartments) at least 20% has to be social housing, 40% if the land belongs to the public sector. In France, the Solidarity and Urban Renewal Law (SRU) sets the obligation to have at least 20% of social housing in every municipality which counts more than 3500 inhabitants. Then it is up to the municipality to decide how to implement this percentage and to set the rules in its urban plan. For instance, Paris has decided that in each new development private developers have to reserve 25% of the area for the construction of social housing unless it already represents over 20% of housing in the area). In France, the Solidarity and Urban Renewal Law (SRU) sets the obligation to have at least 20% of social housing in every municipality which counts more than 3500 inhabitants. Then it's up to the municipality to decide how to implement this percentage and to set the rules in its urban plan. For instance, Paris has decided that in each new development private developers have to reserve 25% of the area for the construction of social housing unless it already represents over 20% of housing in the area).

These types of practices provide for **ready supply of suitable units** to be used as social housing, and have been adopted to the aim of **increasing social mix and avoid social and spatial segregation** that occurs when social housing is concentrated in certain areas/estates. Nevertheless, they imply that **social housing provision is tied to the provision of market housing** and therefore might not be particularly useful to increase the availability of affordable housing in times of crisis and low levels of construction by private developers.

The other major source of financing new social housing projects is **borrowing in the private market**, which is increasingly playing a role in financing affordable housing. As Whitehead²⁶ points out, in many European countries the traditional form of debt finance was either through the public sector, enabling funding to be provided at 'risk free' interest rates, or through interest rate subsidies to independent social landlords enabling investment to be undertaken at lower cost. In many cases, additional guarantees from either local or central government were provided, to further reduce interest rate costs. However, in almost all European countries social housing was very much dependent on special circuits of finance where costs were significantly below market levels. Over the last decades this special treatment has been much reduced. Interest rate subsidies have been removed and providers have more and more been expected to borrow on the private market (although often with explicit or implicit guarantees in place, as well as the security of rental income thanks to housing allowances and income-related support). Ghekiere²⁷ refers to this phenomenon as 'trivialisation' of social housing financing, i.e. the trend, pushed politically and economically, towards suppressing the intermediaries and putting the provider in direct contact with the financial market actors. Obtaining bank loans gets more and more difficult in terms of decreasing availability and (expected) higher prices of bank funding. Social housing providers, notably in the UK and the Netherlands, are now looking for other opportunities in the financial markets. In some cases, to obtain good conditions, they are getting **rated**

by international rating agencies to show the soundness of their economic activities and their governance and management reliability. Furthermore, providers in different countries are implementing innovative **ways of pooling risk**. One example of this is the Austrian special circuit of capital involving the sale of bonds via Housing Banks to channel investment into new affordable housing at favourable interest rates, introduced in 1993.

As highlighted by Ghekiere²⁸, the financial crisis has shown that a key element for the sustainability of any financing model for social housing is the **existence of a system of intermediation**, i.e. structures meant to make the link between the market and the providers, supervised by public authorities and under an obligation to provide funding for social housing. Examples of this type of intermediation are for instance the strong policy framework and support in Austria²⁹, the protected savings circuit represented by Livret A in France, and the triple guarantee system of Dutch housing associations³⁰. Strong regulation and implicit support by the government to housing association in the UK also acted as an indicator of credit strength.

Housing providers can also resort to using their **own resources and surpluses**. Mature housing organisations can leverage their balance sheets, reserves and surpluses to invest in additional housing. Funds raised may be pooled to support weaker organisations or to promote innovation and competition. This is the case for instance in the Netherlands, Denmark and France,

26. Whitehead, C., *Financing social housing in Europe*. In Scanlon & Whitehead (2008) *Social housing in Europe II – A review of policies and outcomes*. LSE London.

27. Ghekiere, Laurent (2009). 'Institutional mechanisms and social housing finance: a European comparative perspective'. In *Financing social housing after the economic crisis*. Proceedings of the CECODHAS Seminar Brussels, 10 September 2009.

28. Ghekiere, L. 'Institutional mechanisms and social housing finance: a European comparative perspective'. In *Financing social housing after the economic crisis*. Proceedings of the CECODHAS Seminar Brussels, 10 September 2009.

29. See Bauer, E. 'Housing finance and housing providers in Austria: performance in the light of the financial and economic crisis'. In *Financing social housing after the economic crisis*. Proceedings of the CECODHAS Seminar Brussels, 10 September 2009.

30. See Garnier, S. 'Financing of Dutch social housing' in *Financing social housing after the economic crisis*. Proceedings of the CECODHAS Seminar Brussels, 10 September 2009.

where the social housing sector has established **revolving funds** which serves as guarantee and, in the case of Denmark, to finance housing renovation.

Over the last twenty years, as financial markets have been de-regulated and opportunities for borrowing have increased, there have also been movements to **privatise the existing stock** and thus use the equity capital as collateral for further borrowing either for housing purposes or to reduce public borrowing elsewhere³¹. Selective sale of social housing has become a key tool for both satisfying the aspirations of tenants (in the case of

sale to sitting tenants who aim to own their homes and could not afford it in the free market) and for generating extra resources for the improvement or new construction of social housing³². Nevertheless, it should be noted that policies supporting indiscriminately the right to buy social dwellings by sitting tenants have eventually led to sale of the better located and better quality part of the stock and a reduction of the overall availability of social housing. This has been the case for instance in the UK (see Chart 10), to the point that in the light of the current shortage of affordable housing the right to buy has been reformed in Scotland and Wales (see Table 7 below).

TABLE 7
SALE OF SOCIAL RENTAL DWELLINGS

COUNTRY	RIGHT TO BUY	SALE TO SITTING TENANTS ALLOWED	NO SALE OF RENTAL SOCIAL HOUSING ALLOWED	NOTES
Austria	x	x		The sale of social rented housing is allowed, but not applied broadly. In the last 10 years in subsidized new construction owner occupied housing has been replaced by construction of rental dwellings with an option to buy after a 10-years period.
Belgium	x		x	Only in Flanders there is sitting tenants' right to buy, at the following conditions: - dwelling is in use for 15 years - the sitting tenant has taken uninterruptedly possession of the house since at least 5 years - no ownership of another real estate In the other Regions sale of social rental housing is not allowed.
Bulgaria		x		Sale of social dwellings to municipal housing sitting tenants is allowed under certain conditions
Denmark			x*	In 2005, a three-year pilot project for sale to sitting tenants was launched, but eventually it was not successful and was discontinued. Sale of social housing is permitted only for empty flats and with the approval of, tenants, housing organisation, municipality and the Ministry of Social Affairs (since 2006).
Estonia		x		Privatization of municipal rental social housing is allowed in some cases, after the tenants have been living in the dwelling from 5-10 years (depending on the local government)
Finland		x		The sale of individual rental dwellings to tenants, although possible, has been non-existent in practice. A constantly increasing number of old state-subsidized rental housing is reaching the age when the restrictions on use as social rental dwellings come to an end. Some of these dwellings are sold at market prices, either to the sitting tenants or new inhabitants. It is also possible for the Housing Fund to release rental housing blocks from the restrictions prior to the end of the regulation period. This happens mostly in areas where there is lower demand for social rental dwellings (or for dwellings in general). In 2004 some 5000 rental dwellings were released early from the restrictions.
France		x		HLM dwellings can be sold to sitting tenants, but it's the HLM company that takes the decision. Also empty flats can be sold (priority goes to HLM tenants interested in buying a flat). Rental social dwellings can only be sold after 10 years since the construction or acquisition by an HLM provider.
Germany		x		In some municipalities sale of the whole municipal stock or part of it to private investors
Greece				Not applicable (social housing in Greece is only for sale, there's no social rental housing)
Ireland		x		After one year of renting, tenants living in houses belonging to local authorities can apply to purchase the house outright or by way of shared ownership (Tenants Purchase Scheme). Houses are sold at discounted rates.
Italy		x		Selling of public social housing is a marginal phenomenon, and it involves less than 1% of the public stock. The selling is regulated by regional laws in most of the cases, and the average price is 30% of market price.
Latvia			x	Privatization of social housing is not allowed anymore
Lithuania			x	Sale of publicly owned housing is not allowed, after the privatization process has ended in 1998.
Poland		x		Since 2010 also in the case of rental TBS housing
Portugal		x		
Slovenia		x		Possible in the case of dwellings owned by non profit organizations
Spain		x		A specific tenure was recently introduced, 'rent with an option to buy'. Most of the social housing stock in Spain is for sale, the rental sector is very limited.
Sweden			x*	Municipalities can decide to sell part of their stock. Tenants in dwellings owned by municipal housing companies (if 75% of all the tenants accept) are allowed to create a co-operative, and the Municipal Company may sell a real estate to such a newly created co-operative (at market conditions and market prices).
Netherlands		x		
UK	x*			In England and Northern Ireland there is a right to buy. Legislation to implement the Right to Buy was passed in the Housing Act 1980 and it concerned housing owned by local authorities. Subsequently, also a 'right to acquire' for tenants in housing associations was introduced. Most recently, the new Scottish Housing Bill introduced in January 2010 has reformed the right to buy in Scotland, while the Welsh Assembly Government got powers transferred from Westminster in 2010 that allow ministers to suspend the right to buy in areas where there is a shortage of housing.

31. Whitehead, C., *Financing social housing in Europe*. In Scanlon & Whitehead (2008) *Social housing in Europe II – A review of policies and outcomes*. LSE London

32. Czuschke, D. and Pittini, A. (2007), *Housing Europe 2007. Review of social, co-operative and public housing in the 27 EU member states*. CECODHAS Housing Europe Observatory, Brussels.

Furthermore, in order to be able to fulfil their social obligations to provide homes for the most vulnerable groups, some social housing organisations are increasingly diversifying their portfolios and undertaking so-called **non-landlord activities as a means to cross-subsidise** their social dwellings via the development of profitable activities (e.g. building of commercial properties). In some countries, such as the UK and the Netherlands, social housing providers provide affordable housing for home ownership or through intermediate tenures to low to middle-income households. Nevertheless, in England following the global financial crisis, opportunities to cross subsidise new development from the sale of low cost home ownership properties has drastically diminished.

Finally, some funding models incorporate a small **tenant equity contribution** (in some cases tenants equity is higher and implies right to buy the dwelling). This is the case for instance in Denmark, Austria, and Slovenia. There might be government assistance for low-income households to pay this contribution

The relative importance of all the elements mentioned above depends on many different but interactive factors including the capacity of owners to borrow on the market; the extent of past capital gains embedded in the housing stock; regulatory structures; instruments to ensure contributions, particularly from landowners; and the extent of government commitment to social housing.

For instance, a typical social housing project would comprise the following:

As regards **running costs, which include the costs of operation, maintenance and renewal, these are mainly covered by rents paid by tenants**. Rents in social housing in Europe are set using a wide range of methods. The most usual approach is to **base rents on the cost of construction**, requiring providers to break-even or to achieve a target rate of return on assets (whether valued at historic or current cost). These financial constraints may operate at the level of the social sector as a whole (the Netherlands); the provider (England); or the estate (Denmark)³⁶. In some cases, **caps** apply to ensure that rents are held below market values. This is the case for instance in France, combined with the fact that rent increases when the household's income increases. **Income related rents** (which are applied in Belgium, Italy, Ireland and Portugal) raise major issues with respect to financial viability, especially if the households accommodated are particularly concentrated among lower income groups.

AUSTRIA ³³	DENMARK ³⁴	FRANCE ³⁵
50-70%: commercial loans by commercial bonds and via Housing Banks, which refinance by housing construction convertible bonds (HCCB) 20-60%: conditional subsidies (grants, low cost loans) with limits to keep construction and financing costs down. 5-15%: equity of developer 0-15%: equity of future tenants (right to buy in some circumstances)	91%: mortgage loan (currently a 30-year variable-rate loan). 7%: interest-free loan for base capital from the municipality 2%: tenants' deposits + The municipality guarantees that part of the mortgage that is above 65% of the initial building costs	76.5%: CDC loan (household saving bankbook, Livret A) 10%: equity capital 8%: local authorities' subsidies 3%: state subsidies 2.5% employers' grants or discounted loans (from 1% housing tax on salaries) + Guarantees from local authorities or HLM guarantee fund

33. Bauer, Eva (2011) communication with the author

34. Adsbol, Keld (2010) communication with the author

35. Chodorge, M. 'Tools and systems today to finance social housing: the case of France'. In *Financing social housing after the economic crisis. Proceedings of the CE-CODHAS Seminar Brussels, 10 September 2009*.

36. Whitehead, C., *Financing social housing in Europe*. In Scanlon & Whitehead (2008) *Social housing in Europe II – A review of policies and outcomes*. LSE London

TABLE 8
SOCIAL HOUSING RENTS AND HOUSING ALLOWANCES

	INCOME-BASED	COST-BASED	VALUE-BASED	FIXED RENT CEILING(S)	+ HOUSING ALLOWANCES
AUSTRIA		X			X
BELGIUM	X				
CZECH REPUBLIC		X*			
DENMARK		X			X
FINLAND		X			X
FRANCE		x		X*	X
GERMANY	X in parts of Germany			X	x
HUNGARY		x			x
IRELAND	X				(Not in social housing, but in private rental sector)
ITALY	X for public providers			X for private providers	x
LATVIA				x	For utility costs
LUXEMBURG	X				
NETHERLANDS	x		x		x
POLAND		X*			
PORTUGAL	X			X	
ROMANIA	x			x	
SLOVAKIA		X*			x
SLOVENIA			x		x
SWEDEN***					X
UK			X****		X

*In new subsidised dwellings, let on a non-profit basis. Part of the municipal stock has regulated rents.

**Plus rent increases when income increases

***See text box below

**** In England, social housing rents are calculated on the basis of local earnings and the dwelling price and can be increased according to a formula linked with the retail price index

Not applicable in the case of Cyprus and Greece where there is no social rental housing. As for Spain, most social housing is for sale and we don't have information on rents in rental social housing. Precise information on mechanisms to determine social housing rents are not available for Bulgaria and Lithuania, but municipal rents are determined at the local level. No information available for Malta.

Text box 4: Recent changes to rents negotiation in Sweden

Until 2011, in Sweden rents were set by yearly local negotiations between the tenants unions and the property federations, and the decided rents of Municipal Housing companies set the ceiling for the rents in equivalent private landlord dwellings. Due to recent changes in legislation, the role of the public housing companies in setting the standard for rents is replaced by a normative role for all rents that are negotiated collectively. A safeguard is also introduced to counteract significant rent increases having a rapid impact. These new provisions entered into force on 1 January 2011. The core of the system is thus maintained. The outcome of the reform much depends on the relative strength of the tenants' union and the landlords respectively.

At the same time, in order to avoid rapid increases in rents in attractive areas, a new protection rule holds back sharp rent increases. If the negotiated rent is significantly higher than the present rent, upon request from tenants, the Regional Rent Tribunal shall decide that the rent increase should be made gradually, in yearly stages.

Finally, as government spending is concerned so far we have mentioned only supply-side subsidies, i.e. those directly aimed at reducing the costs of new developments. Nevertheless there are also **demand-side subsidies, mainly in the form of housing benefits to low income tenants to help them with paying the rent.** For several countries, such as the Netherlands and Germany, the supply-demand debate has dominated housing policy since the mid-1980s³⁷. It has led to changes, which generally included a **decline in bricks and mortar subsidies and a substantial increase in demand assistance strategies.** The most common argument in favour of concentrating government spending on demand-side subsidies is that they can better target households in need and that quickly be adjusted to respond to changes in socio-economic conditions. On the other hand, they do not have a direct impact on housing supply which in some cases is badly needed, and if they are available also to tenants in the private rental market they can end up increasing the level of rents. We do not want to enter this debate here, but it is important to point out that housing allowances are complementary to financing social housing supply. They represent a fundamental source of indirect funding to the social housing sector as they help ensuring rents are actually paid.

2.5 Who can access social housing?

The most common way to define eligibility to the allocation of a social dwelling is the use of **income ceilings**. The maximum income is set high enough to permit income mixing in some countries including France, Austria and Germany, while it is set at significantly low levels for instance in Italy. Access criteria can also be defined according **criteria of need** (housing conditions at the time of the application: homelessness, unhealthy accommodation, over-occupation, forced cohabitation, etc) and even criteria relating to the beneficiaries and target groups (youths, elderly or disabled persons, families with many children, mentally disabled persons, employees of certain undertakings, etc).

The **eligibility is not always absolutely restricted**. In Denmark for instance registration on social housing waiting lists is open to anyone. There are nevertheless limits for costs of construction and size of the dwellings, which makes this type of dwellings particularly suitable for certain groups on low to middle income. As a result unemployed people, elderly, single parents, and immigrants are by number largely overrepresented in the Danish social housing sector. Similarly, in Sweden in the allocation of dwellings from public housing companies, no income ceilings are used. This is a consequence of the principle of **avoiding social segregation**, by providing access to public dwellings to all segments of society.

In the UK, on the other hand, only a few criteria for registration are defined, except for the place of residence and the link with the municipality. Nevertheless, allocations are predominantly needs-based, and although there is no income ceiling, tend to correlate strongly with low incomes.

Once registration is completed, criteria of priority are often used to establish the order of allocation to different registered applicants. These criteria aim to guarantee that persons with the greatest needs are served first. Criteria can also **vary according to the local needs and gaps in local housing markets**, for instance the need to attract certain types of key workers or professionals, to provide housing for students and young people with the aim of revitalizing areas with an ageing population, etc.

Furthermore, many member states implement the option of an entity to allocate dwellings directly according to its own criteria of priorities. In most cases this **system of reservation** is normally controlled by the municipality, with the overall objective of guaranteeing and accelerating access to social housing for target groups and emergency cases (homeless people, households facing difficulties, low-income persons) in the general context of the municipality's social policy and activities and its legal obligation to provide housing for excluded persons (Germany, Denmark, Ireland, United Kingdom, Netherlands, Sweden).

More detailed information is available below in table 9

37. Lawson, J. 'European Housing strategies, financing mechanisms and outcomes' in *Financing social housing after the economic crisis. Proceedings of the CECODHAS Seminar Brussels, 10 September 2009.*

TABLE 9: CRITERIA DETERMINING ACCESS TO SOCIAL HOUSING IN THE EU 27

COUNTRY	ELIGIBILITY	PRIORITY	+ RIGHT OF PRE-EMPTION BY PUBLIC AUTHORITIES (IN CASE OF NON-PUBLIC PROVIDERS)
Austria	Income ceilings	Additional social criteria (for Limited-Profit providers)	By Federal Provinces and municipalities
Belgium	Income ceilings and no housing property (combined with the household size).	Additional priority criteria based on urgency of needs	NA
Bulgaria	Low-income, no housing or other property, permanent residence in the municipality	Priority to special needs + tenants in restituted properties,	NA
Czech Republic	Varying across different housing types/schemes	Usually priority to low-income people	NA
Cyprus	Displaced families and refugees + (new schemes) for low-income families, large families, disabled	NA	NA
Denmark	Registration on waiting list not absolutely restricted	Priority categories, based on local conditions	By municipalities
Estonia	People with low income and no means to solve their housing needs	Households most in need, such as elderly people or tenants of "restituted" homes, disabled persons.	NA
Finland	On the basis of social needs and urgency		NA
France	Income ceilings	DALO established priority access for homeless people and others based on urgency of needs	By the Préfet.
Germany	Income ceilings decided by each Lander.	Vulnerable households most in need	By municipalities
Greece	Workers and employees + special programmes targeting vulnerable groups	NA	NA
Hungary	No central regulation, but usually income limits and no own housing property	No central regulations, but usually priority to families with children.	NA
Ireland	Income ceilings	Social criteria determining vulnerability	NA
Italy	Income ceilings, occupational or residential link with the municipality, and nationality.	Point system based on housing conditions and number of dependent children	By local authorities, the regions and the central government
Latvia	Low-income households	Priority to elderly	NA
Lithuania	Vulnerable groups	NA	NA
Luxemburg	Income ceilings and no housing property		
Malta			
The Netherlands	Varying across regions and municipalities. Currently income ceilings apply ³⁸ .	Households on relatively lower incomes	By municipalities
Poland	Varying across municipalities, usually income brackets	Homeless, low-income families and families who were evicted.	By municipalities, varying across different types of housing/schemes
Portugal	Varying according to the different programmes	NA	NA
Romania	Varying across municipalities, usually low-income households + (new schemes since 2009) young professionals and Roma families	Disadvantaged groups and tenants in restituted properties	NA
Slovenia	Income ceilings (low income but still able to afford rents) and poor housing conditions.	Additional social criteria	NA
Slovakia	Varying across municipalities	Priority on the basis of need	NA
Spain	Income ceilings and no housing property. In addition, disabled people and dependent persons.	Other priority criteria are established by the Comunidades autonomas on the basis of local situation	NA
Sweden	Access to municipal housing is in principle open for all	NA	In case of serious shortage, the municipal housing company may organize a waiting list, sometimes covering dwellings provided by both private and public landlords
UK	Persons/Households in need and with residential link to the municipality	Priority to homeless and others based on urgency of needs	NA

38. Following a recent ruling by the EC the legal system on allocation of social housing in the Netherlands was changed in 2010. Before that, access was not absolutely restricted.

There is a general **trend towards restricting the provision of social housing** by defining stricter categories of beneficiaries.

This is notably the case in the Netherlands, where up until recently access to social housing was never restricted on the basis of income and was virtually open to all citizens. However the system was recently reformed – following a decision by the European Commission in 2010 – so that social housing provision is currently set to target disadvantaged people or socially less advantaged groups, as well as to certain categories of key workers, primarily defined in terms of income.

In France, income ceilings to access social housing were decreased by 10.3% in 2009. Furthermore, the Law on the Right to Housing (commonly referred to as DALO) introduced in 2007, establishes priority access for homeless people and other disadvantaged categories in particularly urgent need. The law allows for people to seek legal redress vis-a-vis the local authority in case their request for an accommodation is not answered. A similar **trend towards the establishment of an enforceable right to housing** is also to be found in other countries. The first to introduce it was Scotland: in 2003, the Homelessness Scotland Act was adopted, compelling municipalities not only to supply simple accommodation, but a permanent dwelling for people in need. Currently the system works on the basis of priority needs categories, which are to be extended in stages until it applies to all persons in need by 2012. As of that date, all Scottish citizens who are not adequately housed will be able to file claims in court to obtain permanent housing from their local authorities if their application for permanent housing is not dealt with. Several Autonomous Regions in Spain (among them Andalusia and Catalonia) are currently discussing ways to enforce housing rights for vulnerable groups. The Basque Country was the first to adopt at the beginning of 2011 a draft law establishing the obligation for the regional government to ensure access to a protected dwelling for people on very low income, for which it can be held accountable in court.

Finally, we have already mentioned earlier the **increasing demand for social housing** (see paragraph 2.2). Most recently, housing and related services emerge as one area which has been particularly adversely affected by the economic and financial crisis, as reflected in increases in evictions, homelessness, growth in waiting lists for social housing and increased indebtedness in relation to key utilities such as heat and water³⁹. According to FEANTSA, **homelessness levels are growing** for instance in Greece (with a 20% increase in demand for the homeless services)⁴⁰, as well as in the UK and Ireland. Another **new category of population at the risk of housing exclusion are middle class families** from whom a growing demand for affordable housing solutions has been reported. This group often does not classify as being eligible for social housing, but with high levels of unemployment and decreasing benefits they find themselves in vulnerable positions. Reports from across Europe also note **increasing numbers of working poor** and people working on precarious contracts or without employment contracts whatsoever which limits their access to stable tenancy⁴¹.

39. H. Frazer and E. Marlier, *Social Impact of the Crisis and developments in the light of fiscal consolidation measures*, CEPS/INSTEAD

40. FEANTSA (2011) *Impact of anti-crisis austerity measures on homeless services across the EU*. FEANTSA Policy Paper, June 2011

41. *Idem*



Chapter III

COUNTRY PROFILES

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What is social housing?

In Austria, there is no official definition of social housing but there are **different forms of housing provision “beyond” the market**. **Municipal housing** (or public housing) is rental housing provided by municipalities. **Limited profit housing** is rental and owner-occupied housing⁴² provided on a non-profit basis by investors, which are regulated by the Non-Profit-Housing-Act and have access to public subsidies (Limited Profit Housing Associations). The Federal Provinces provide funding through the **housing promotion schemes**, which define the type of housing and providers which can access funding as well as rent limits and income limits for (future) residents. The social housing stock currently represents **about 23%** of the total housing stock in the country.

Who provides social housing?

Out of the total social housing stock, 60 % is owned by **municipalities and public companies**, but municipalities have withdrawn from new construction over the last decade (their contribution to new construction of social housing was only 12% over the period 2001 – 2009). The main sector is currently the Limited-Profit sector, which includes **cooperatives and companies** (mainly limited companies). A smaller part of subsidized housing is provided by for-profit providers.

How is social housing financed?

Austria has a very structured system for financing provision of social housing. It combines long term **public loans** at favourable conditions and grants defined at the level of federal provinces, with **commercial loans raised via HCC Bonds**⁴³ and **developer/tenant equity**. Promotion of social housing is also supported by municipal land policy. Rents are calculated on the basis of costs combined with rent limitation defined by the subsidy schemes. A typical project comprises the following elements of finance:

- 20–60%: conditional subsidies (grants, low cost loans) with limits to keep construction and financing costs down.
- 5–15%: equity of developer
- 0–15%: equity of future tenants (right to buy in some circumstances)
- 50–70%: commercial loans, today financed by commercial bonds and via Housing Banks, which refinance by housing construction convertible bonds (HCCB) with very favourable conditions.

Who can access social housing?

All providers must apply **income limits** defined by the different Promotion Schemes of the federal provinces. Limited-Profit Providers also have to apply **additional social criteria** determining priority in the allocation of dwellings. Furthermore, Federal Provinces as well as public owners of housing companies can claim a certain number of dwellings to allocate them themselves.

RECENT DEVELOPMENTS

Public housing promotion has undergone a substantial reform within the last three years. Until 2008 it was the central state which distributed a defined total out of the federal budget to the federal provinces for the purpose of housing promotion. **From 2009, the central state withdrew from financing**. The former budget dedicated for housing promotion is integrated in the overall budget of the provinces, and **it is up to the provinces to decide how much of it to spend on housing promotion**. Following the economic and financial crisis the **federal provinces have to face financial restrictions which will also affect housing**. The number of housing units receiving public grants has decreased by 25% in 2010.

Also the above mentioned system of covered bonds enjoying a preferential tax treatment has been affected by the crisis of the financial markets. Private and institutional investors are reluctant to buy these bonds even though there is no housing crisis in Austria.

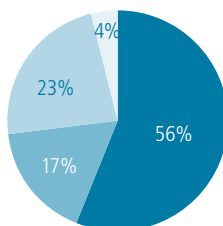
Due to a **high housing demand** caused mainly by a comparatively high level of immigration to Austria – and especially to the big urban centres - it is doubtful whether the supply of affordable housing will be sufficient in the forthcoming years.

‘Without any doubt the system in Austria will require some adaptation in the future. A high housing demand together with high quality requirements on one hand and reduced public means on the other have to be matched. All actors and stakeholders involved need to contribute to this challenge. The non-profit housing providers need more room for accumulation of equity; housing promotion systems have to adapt the models of subsidisation and the capital market also has to seek for new solutions for long term housing financing. But however these solutions will be modelled – it should be born in mind that the basic features of the system (high proportion of rental housing, object related subsidies, non-profit providers) should be maintained as they proved to be rather resistant against real estate crisis’⁴⁴.

42. In new subsidized construction owner occupation has been partially replaced by rental dwellings with an option to buy after a 10-years-period.

43. This is a special circuit of capital involving the sale of bonds via Housing Banks to channel investment into new affordable housing at favourable interest rates. Introduced in 1993, this model involves tax incentives (partial exemption from capital gain tax, income tax) for purchasers of Housing Construction Convertible Bonds (HCCB). Investment raised this way has to be used to finance housing projects (in case of rental housing with restricted rents) within 3 years. Several major banks have created subsidiaries called Housing Banks with preferential underwriting criteria allowing them operate with lower transaction costs.

44. Bauer, Eva, communication with the authors (2011)

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008) 56% Owner occupied 17% Private rent 23% Social rent 4% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000) ⁴⁵	na		2009
		Multifamily dwelling stock out of total dwelling stock (*1000) ⁴⁶	1854		2009
	Social housing stock	Social rental stock as% of total housing stock	23		2008
		Social rental stock as% of rental stock	56		2008
		Number of social rental dwellings per 1000 inhabitants	100		2008
	Production of social housing	Social housing as% of new completions	27.5		
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants ⁴⁷	436		2008
	Affordability	Social rent as % of market rent (average)	(net) 81%, 77.4% for new leases		2010
		Share of housing costs in disposable income (%)	22.4	22.9	2009
		Housing cost overburden rate (as % of population)	5.1	12.2	2009
		Total housing cost in Purchasing Power Standard (PPS)	452.2	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	118.8	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	26.2	51.9	2009
	Cost of construction	Construction cost index (2005=100)	119.8	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	99.2	96.9	2009
		Hot running water (as % of dwelling stock)	na		
	Central heating (as % of dwelling stock)	92		2009	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.7		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	2.4	2.8	2009
		Number of private households (*1000)	3597.5		2009
		Average number of persons per households	2.3	2.4	2009
	Unemployment	Unemployment rate	4.4	9.6	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	3.3	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.7	4.9	2009
		Population at risk of poverty or exclusion (%)	17	23.1	2009
		Population with severe housing deprivation (%)	4.2	6.0	2009

45. Total dwelling stock (consisting of main residences + side residences + vacant dwellings) is not available for Austria.

46. As the total dwelling stock is not available, this data correspond to the multifamily dwelling stock out of the main residences.

47. As the total dwelling stock is not available, this data correspond to the number of main residences per 1000 inhabitants.

What is social housing?

Since 1980, social housing has been a **regional competence** in Belgium. Each of the three Regions (Brussels-Capital Region, Wallonia and Flanders) has established its own Housing Code, which establishes the right to housing and defines the concept and scope of social housing provision. Social housing accounts on average for about 7% of the total national housing stock, with differences between the regions (around 6% in Flanders and Wallonia, 8% in the Brussels). Social housing in Belgium is provided both for rent and for sale in Wallonia and Flanders, while in the Brussels it includes only rental dwellings.

Who provides social housing?

Summarising as much as possible the variety of actors involved in social housing provision in Belgium: each Region has established a **public regional housing company** responsible for supervision and financing of social housing which basically acts as an intermediary between the **regional government and local housing organisations**. The relationships between the regional government and the regional public housing company on the one hand, and between the latter and social housing providers on the other are strictly regulated, for instance in the Brussels Region by 'management contracts'.

	REGIONAL PUBLIC HOUSING COMPANY	LOCAL SOCIAL HOUSING COMPANIES
BRUSSELS-CAPITAL	<i>Société du Logement de la Région de Bruxelles-Capitale, SLRB</i>	<i>Societes Immobilières de service Public, SISP</i>
FLANDERS	<i>Vlaamse Maatschappij voor Sociaal Wonen, VMSW</i>	<i>Sociale Huisvestings-maatschappijen, SHM</i>
WALLONIA	<i>Société Wallonne du Logement, SWL</i>	<i>Societes de Logement de Service Public, SLSF</i>

Also involved in social housing provision is the Walloon Housing Fund (*Fond du Logement de la Wallonie*, FLW) whose role is mainly to provide social loans for access to home ownership to vulnerable households, to buy/renovate privately owned dwellings to be rented as social housing, and to coordinate a number of non-profit associations working on housing-related services. Entities with similar objectives exist also in the other regions.

Finally, social housing is integrated within the local system of welfare provision, and therefore social housing companies work in close cooperation with municipalities and local public bodies (*Centres Publics d'Action Sociale*, CPAS, OCMW in Flanders).

How is social housing financed?

Unlike in the majority of member states, where rents are designed to cover costs, **the level of rent is related to the income of the tenant/household**.

Social housing provision is mostly financed by funding from the regional budgets. The Regions allocate subsidies and loans, which are in turn managed respectively by SLRB, SWL and VMSW and distributed to social housing organisations on the basis of annual programmes.

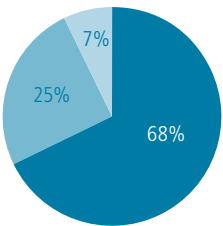
Faced with the need to increase the availability of affordable housing Belgian housing policies are looking at ways to mobilise private resources to answer housing needs. For instance, there have been several examples of successful public-private partnerships in urban regeneration projects as well as new construction. Moreover, most recently in Flanders new legislation was introduced aiming at making private developers participate to the construction of social housing: in each new development consisting of at least 10 houses/50 apartments at least 20% of the dwellings are bound to become social housing. This is known as 'Certified social housing'⁴⁸. Similar options are being considered also in the other regions, in particular in Brussels which faces a severe and chronic housing shortage.

Already existing for some years in all three regions, social rental agencies act as an intermediary between private landlords and social housing applicants by renting dwellings on the private market and make it available for people in urgent need for an accommodation.

Who can access social housing?

Conditions vary across regions. In general, allocation policies in Belgium are based mainly on **income ceilings, combined with the household size and on the condition that the applicant does not own a property**. Other priority criteria (determining the urgency of the application) also influence the order in which dwellings are allocated.

48. In each new estate development (consisting of at least 10 houses/50 apartments), at least 20% has to be social housing, the percentage rising to 40% if the land belongs to the public sector. Private developers must comply with the same quality standards and price level as applied in the social housing sector. Dwellings that meet the technical and legal requirements of social housing and fulfil the needs of attestation/certification by VMSW, are considered as social housing. Once the dwellings are certified, they are bought by public authorities and managed by approved SHMs.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%)* out of total dwelling stock (2008) 68% Owner occupied 25% Private rent 7% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	5043		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	1430		2009
	Social housing stock	Social rental stock as% of total housing stock	7%		2008
		Social rental stock as% of rental stock	24%		2008
		Number of social rental dwellings per 1000 inhabitants	32		2008
	Production of social housing	Social housing as% of new completions	6%		2009
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	457		2008
	Affordability	Social rent as % of market rent (average)	43.5%		2010
		Share of housing costs in disposable income (%)	19.7%	22.9%	2009
		Housing cost overburden rate (as % of population)	na	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	456.6	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	122.9	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	43.3%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	111	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	96.8%	96.9%	2009
		Hot running water (as % of dwelling stock)	na		
Central heating (as % of dwelling stock)		83.1%		2009	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.3%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	8	2.8	2009
		Number of private households (*1000)	4568.0		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	8.3%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	55.3		2008
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.9	4.9	2009
		Population at risk of poverty or exclusion (%)	20.2%	23.1%	2009
		Population with severe housing deprivation (%)	1.3%	6.0%	2009

*out of total dwelling stock (2008)

BULGARIA

What is social housing?

Social housing in Bulgaria consists of **municipally owned dwellings let to particularly needy people, and represents about 3% of the total housing stock in the country.** Housing policies include also measures supporting households with utility payment (meant for both - the rental and owner occupied sector) covered by state budget, as well as assistance to home owners through subsidies for purchase and renovation of dwellings.

Who provides social housing?

The Ministry of Regional Development and Public works is responsible for housing policy at the national level. **Municipalities own and manage the public rental stock, which is diminishing progressively.** The framework document regulating housing policy in Bulgaria is the National Housing Strategy adopted by the Council of Ministers in 2005. As a follow-up to the National Housing Strategy, the government has been working on a draft Housing Association Law which should regulate the founding and operation of non-profit organizations for construction and management of social rented housing. At the moment, this law exists in a preliminary draft elaborated by the Ministry for Regional Development and Public Works.

How is social housing financed?

The state has withdrawn from funding housing provision, which is now a **responsibility of municipalities** which suffer from a

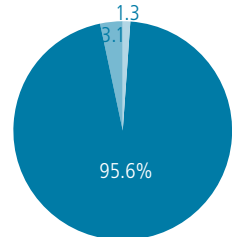
chronic shortage of funds. They have very limited possibilities to maintain their existing stock, and there has been no investment in the construction of new public housing for almost two decades. Furthermore, municipalities have been selling the existing stock (sale to sitting tenants is allowed, according to administrative procedure).

Who can access social housing?

Municipalities allocate available dwellings on the basis of waiting lists. Criteria for the application for public housing include that applicants do not own real estate, have not made transactions with properties, have had a permanent address registration in the settlement for the last five years, do not have bank deposits and other properties, and 25% of their annual income cannot cover any rent on the free market. The allocation process is targeted at households with special needs: orphans, disabled, chronically ill, elderly and single parents. Tenants in 'restituted' dwellings (see glossary) have priority.

RECENT DEVELOPMENTS

In June 2011, the Government announced EU Structural Funds subsidised programme for energy efficient renovation of existing multi-storey condominium buildings. According to this, the apartment owners participating in the programme could benefit up to 50% of the renovation costs. This programme is expected to start its activities from 2012.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	95.6% Owner occupied 0% Private rent 3.1% Social rent 1.3% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	3859.460		2011
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	3.1		2009
		Social rental stock as% of rental stock	na		
		Number of social rental dwellings per 1000 inhabitants	na		
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	na	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	18.4	22.9	2009
		Housing cost overburden rate (as % of population)	7.2%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	165.6	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	134.5	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	12.6	51.9	2009
Cost of construction		Construction cost index (2005=100)	139.9	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	82.1%		2011
		Hot running water (as % of dwelling stock)	na		
	Central heating (as % of dwelling stock)	na			
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na		
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-5.6	2.8	2009
		Number of private households (*1000)	2900.8		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	10.2%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	-3.2	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	5.9	4.9	2009
		Population at risk of poverty or exclusion (%)	46.2%	23.1%	2009
		Population with severe housing deprivation (%)	18.8%	6.0%	2009

What is social housing?

There is no social rental housing in Cyprus. The Government has, from time to time, implemented a number of housing schemes with the purpose of assisting various social groups, but there has been no comprehensive policy framework to date. In particular, the division of the island into the Greek and Turkish areas in 1974 has led to **a variety of atypical tenure categories, such as refugee estate, a Turkish Cypriot house, and self-help schemes aimed at refugees**. Housing of the population who have not been affected by the enforced division and displacement is mainly provided by the private sector, but a number of **low-cost housing schemes** have also been introduced since the 1980s, aimed mainly at supporting low to middle income families acquiring a home.

Who provides social housing?

In order to support and supplement the private sector, the Government established in 1982 the Cyprus Land Development Corporation (C.L.D.C.) and the **Housing Finance Corporation**

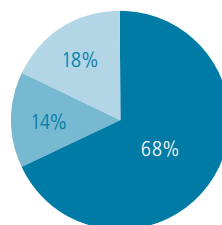
(H.F.C.). The objectives of the two corporations are respectively to supply building plots or houses at reasonable prices and provide long-term housing loans (with lower interest rates for low-income groups). Furthermore, today 13,500 refugee-households are still living free of charge in housing estates constructed and maintained by the government.

How is it financed?

Assistance may be in the form of a long-term low-interest loan, a grant or a rent subsidy, as well as tax benefits.

Who can access social housing?

Displaced families and refugees, low-income families and persons living in disadvantaged areas have been the main target groups of most current housing schemes. New housing schemes have also been introduced for a wider range of target groups including large families, low-income families including recipients of public assistance, and persons with disabilities.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2001)				
	68% Owner occupied 14% Private rent 0% Social housing 18% Other	'Other' includes: Free right of user (6%), Refugee estate (6%), Self-help housing scheme on government plot (4%), Turkish Cypriot house (2%).*			
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	293		2002
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	0%		2001
		Social rental stock as% of rental stock	na		
		Number of social rental dwellings per 1000 inhabitants	na		
Production of social housing	Social housing as% of new completions	na			
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	na		
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	11%	22.9%	2009
		Housing cost overburden rate (as % of population)	2.5%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	337.8	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	132.3	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	61.3%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	124.4	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	99%	96.9%	2001
		Hot running water (as % of dwelling stock)	na		2009
		Central heating (as % of dwelling stock)	27.3%		2001
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	3.2		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	7.8	2.8	2009
		Number of private households (*1000)	274.6		2009
		Average number of persons per households	2.9	2.4	2009
	Unemployment	Unemployment rate	6.5%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	-4.1	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.2	4.9	2009
		Population at risk of poverty or exclusion (%)	22.2%	23.1%	2009
		Population with severe housing deprivation (%)	0.4%	6.0%	2009

*[Source: European Housing Review (2011), RICS]

What is social housing?

There is **no official common definition of social housing** in the Czech Republic, except for VAT purposes. A high level of decentralization, together with the lack of a legal framework makes it very difficult to define the scope of social housing provision in the country. As a result, there are different views on whether the concept of social housing in Czech Republic should include the entire stock of municipally owned rental housing or only part of the stock aimed at people on lower incomes, which has been promoted by a series of subsequent programmes since 2003.

The sector of **municipal flats still accounts for about 17%** of the residential market. While in most Eastern European countries the political transition to democracy was accompanied by rapid privatisation of the public housing stock, in Czech Republic (as well as in Poland) right-to-buy legislation was not passed⁴⁹ and public housing privatization remained an open possibility for the municipalities themselves. However, the state decided to keep the original pre-1990 regulation of rents and tenure protection, and to allow only small and gradual rent increases. Rent regulation has been applied to all running tenancies regardless of tenure (both to tenants in municipal housing as well as to tenants in private rental sector), but not on new leases. Regulated rents are applied regardless of the social and economic status of tenants⁵⁰.

Only some **new municipal rental flats**, subsidized by the state and let at non-profit rents, are socially targeted: beneficiaries of this type of housing assistance are households with defined incomes and persons disadvantaged due to health, social, and other reasons. This system of new social housing construction has existed since 2003 and is still being developed. This represents only about **0.6%** of the national housing stock⁵¹. There are also a small number of units which serve as social service related housing provision (housing with social care, shelters, asylum housing, temporary housing). Furthermore, in 2009 two new programmes were launched aimed at increasing the availability of social housing by opening funding to all types of developers willing to provide social rented flats with limited size and limited rents to people with lower income, but their implementation is lagging behind due to lack of funding⁵².

Who provides social housing?

Municipalities are currently the only providers of social rental housing. Since 2009, **private providers are also eligible** to develop new long-term social housing with the use of state subsidies, including developers, housing co-operatives, and non-profit organizations.

How is social housing financed?

Essentially, most of the financing needed to cover capital investment costs for new municipal housing comes from the **municipal budget**. The **State Fund for Housing Development** is in charge of providing co-financing through investment grants within specific programmes. Although this portfolio includes programmes to support the construction of rental, social or cooperative apartments these programmes are currently not operational due to the lack of resources in the fund's budget.

Who can access social housing?

The allocation policy includes **income ceilings (depending on the municipality)** and priority **target groups according to specific programmes** (people with low incomes, seniors and persons threatened by social exclusion).

RECENT DEVELOPMENTS:

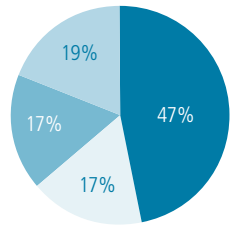
In March 2006, a new Act on Housing Rent was adopted for the period from January 2007 to December 2010 (in Prague until the end of 2012). The aim of this temporary law is to close the gap between the two differentiated levels of rents (regulated vs market rents), by allowing owners of dwellings with regulated rents to unilaterally increase the rent up to four times, using a fixed algorithm establishing a limit to possible rent increases. The cancellation of rent regulation means that in about 400 000 instances an agreement has to be found between tenants and landlords on future rents. In case no agreement is reached, a court will decide.

49. On the contrary, right to buy type of legislation applies to housing cooperatives since 1992, allowing the resident to ask for the transfer of the ownership title to the flat free of charge. Nevertheless, the majority of residents preferred to keep the cooperative ownership form, and housing cooperatives represent today about 19% of the total housing stock in the country.

50. Lux, Martin (2011). Le logement social en République Tchèque. In Houard Noemie et al. Loger l'Europe – le logement social dans tous ses Etats. Ministère de l'Ecologie, Du Développement, des Transports et du Logement

51. Sunega, Petr. Rental housing in the Czech Republic -selected issues and future development. presentation at the International Union of Tenants XVIIIth Congress, Prague, 30.9. –3.10. 2010

52. Pittini, Alice, and Czischke, Darinka (2009). Housing issues in Eastern European countries.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	47% Owner occupied 17% Private rent 17% Social rent 19% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	na		
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	17%		2007
		Social rental stock as% of rental stock	na		
		Number of social rental dwellings per 1000 inhabitants	na		
	Production of social housing	Social housing as% of new completions	na		
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	na		
	Affordability	Social rent as % of market rent (average)	From 60 to 20%		2009
		Share of housing costs in disposable income (%)	22.5	22.9	2009
		Housing cost overburden rate (as % of population)	9%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	342.2	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	143.1	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	19.4%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	113.6	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	95.5%	96.9%	2001
		Hot running water (as % of dwelling stock)	95.1%		2001
		Central heating (as % of dwelling stock)	81.7%		2001
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	1.2		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	3.7	2.8	2009
		Number of private households (*1000)	4366.3		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	7.3%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	1.5	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.5	4.9	2009
		Population at risk of poverty or exclusion (%)	14%	23.1%	2009
		Population with severe housing deprivation (%)	6.2%	6.0%	2009

What is social housing?

In Denmark social housing (or, more specifically, not for profit housing) consists of **housing for rent provided at cost prices by not for profit housing associations**. A specific feature of the Danish social housing model is the principle of **tenants' democracy**, which is basically a way to organise the running of each housing estate based on the central role played by residents. Currently not for profit housing makes up about 20% of the total housing stock in the country.

Who provides social housing?

Social housing has been provided since the turn of the 20th century by non for profit housing associations. There are **about 700 housing associations**, which own 8000 estates, also defined as 'sections'. They are legally regulated by the state, but owned and organised collectively by the association members themselves.

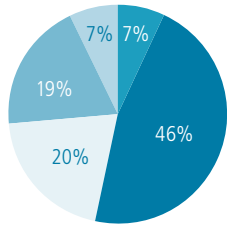
How is social housing financed?

A project is usually financed as follows: 91% of the capital is borrowed by the housing association from banks; The municipality pays 7% of the cost up front in the form of an interest-free loan for base capital, and guarantees part of the mortgage; The remaining 2% is covered by tenants' deposits. Furthermore, individual housing allowances from the municipality are available for tenants who need help in paying the rent.

The model for financing social housing in Denmark also includes a **revolving fund**: by law, social housing must be rented at cost rents, which are based on historic costs. Rents are not reduced when mortgage loans are redeemed. Instead the proceeds go into the National Building Fund, established in 1966, which is used by not for profit housing associations for renovation work and most recently also to finance new construction.

Who can access social housing?

Waiting lists are **open to everyone** from a minimum age of 15 years old. The majority of vacant units are assigned by the respective housing associations on the basis of time on the waiting list and household size. Although there are no income ceilings for beneficiaries, there are **limits for costs of construction (and therefore rents) and size of the dwellings**. Furthermore, there are priority criteria for the allocation of dwellings, defined on the basis of local conditions (priority can be given for instance to families with children, disabled people, refugees, elderly, students, divorced people, people who need to move closer to their work. In deprived areas with many unemployed inhabitants, priority can be given to "role models" such as people with a job or students). Finally, municipalities have the right to assign tenants to at least 25% of vacant housing association units and they have in some cases, in agreement with the housing association, reserved a right to approve all assignments. In case of direct allocation by the municipality, beneficiaries so not have to be registered on a waiting list.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	46% Owner occupied 20% Private rent 19% Social rent 7% Cooperatives 7% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	2680		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	1087		2009
	Social housing stock	Social rental stock as% of total housing stock	19%		2008
		Social rental stock as% of rental stock	51%		2008
		Number of social rental dwellings per 1000 inhabitants	95		2008
	Production of social housing	Social housing as% of new completions	22%		2009
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	500	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	33.8%	22.9%	2009
		Housing cost overburden rate (as % of population)	24.4%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	812.5	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	118.4	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	103.8	51.9	2009
Cost of construction		Construction cost index (2005=100)	115.7	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	96%	96.9%	2009
		Hot running water (as % of dwelling stock)	na		
	Central heating (as % of dwelling stock)	98%		2009	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.6%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	4.2	2.8	2009
		Number of private households (*1000)	2391.1		2009
		Average number of persons per households	2.1	2.4	2009
	Unemployment	Unemployment rate	7.4%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	4	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.6	4.9	2009
		Population at risk of poverty or exclusion (%)	17.4%	23.1%	2009
		Population with severe housing deprivation (%)	1.3%	6.0%	2009

What is social housing?

According to the National Housing Development Plan 2008-2013, social housing in Estonia consists of **rented housing provided mainly by municipalities to households in need and in disadvantaged situation, who are unable to secure housing for themselves and their families**. It should be pointed out though that often the term „social housing“ is used with a wider meaning in national housing support programmes, to include residential buildings and housing associations. Due to the high privatization rate, a large part of less advantaged groups are owners of their dwellings and live in condominiums organized in housing associations⁵³ (about 60% per cent of the population are members of such associations).

Social rental housing in Estonia currently represents only **about 1%** of the total housing stock in the country⁵⁴ and the overall rental sector is very small. About 96% of the dwelling stock is currently in private ownership.

Who provides social housing?

Local governments are responsible for evaluating the need for social housing services and provide housing to those in need. Rental social housing is currently provided only by **municipalities**,

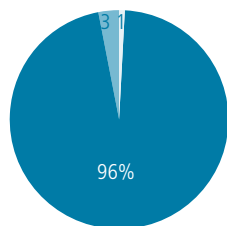
despite the fact that the legal framework would allow for other types of providers as well.

How is social housing financed?

Social housing is financed by municipalities through **transfers from the central government or through grants provided by the Estonian Credit and Export Guarantee Fund (KredEx)**, a public limited company which can finance up to 50% of a project cost. In 2006, 81% of the funding for housing services came from local government budgets, 18% was own financing by the recipients and 1% came from the state budget⁵⁵. Furthermore, the state allocates **housing allowances** to unemployed people and to families with many children. People with very low income can get **support for utilities payment** (electricity, water, etc.).

Who can access social housing?

Access to the service is organised via social welfare departments of local district administrations all over Estonia. In 2006, the number of inhabitants in social dwellings was 4020 (1394 in Tallinn). Out of a total 1682 inhabitants in social housing in 2006, 1630 were of pension age and 1070 were persons with special needs⁵⁶.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	96% Owner occupied 3% Private rent 1% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	651		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	1%		2008
		Social rental stock as% of rental stock	25%		2008
		Number of social rental dwellings per 1000 inhabitants	5		2008
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	485	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	15.5%	22.9%	2009
		Housing cost overburden rate (as % of population)	4.4%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	179.0	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	158.9	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	44.5%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	115.3	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	67.1%	96.9%	2002
		Hot running water (as % of dwelling stock)	68.0%		2002
		Central heating (as % of dwelling stock)	59.0%		2002
STATE INVOLVEMENT		State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.1%	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-0.2	2.8	2009
		Number of private households (*1000)	548.5		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	16.9%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	na		
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	5	4.9	2009
		Population at risk of poverty or exclusion (%)	23.4%	23.1%	2009
		Population with severe housing deprivation (%)	12.2%	6.0%	2009

53. CECODHAS Observatory Research Briefing, year 2 issue 3.

54. Non-profit associations established by apartment owners for the purpose of shared management of the legal shares of the building and plot of land.

55. Dol, K. and Haffner, M. (2010). Housing statistics in the European Union. Dutch Ministry of the Interior and Kingdom Relations, The Hague.

56. Estonian National Housing Development Plan 2008-2013.

FINLAND

What is social housing?

Social housing in Finland consists of **dwelling**s subsidised with loans with interest subsidies from the Housing Finance and Development Centre of Finland (ARA), **rented at cost-based rents, to tenants selected on the basis of social and financial needs**. The right to housing is established by the Constitution, and the purpose of social housing is to facilitate the access to secure and high-quality housing for all. Local authorities have the responsibility to facilitate access to housing at the local level and must also provide housing for certain vulnerable groups⁵⁷. The stock of social housing in the country corresponds to **about 16%** of the total housing stock.

Who provides social housing?

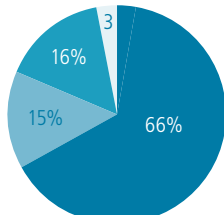
Currently, about 60% of all ARA-subsidised rental dwellings are owned by municipalities and managed through **municipal companies or, to a lesser extent, directly by the local authority**. **Limited profit housing companies** play a complementary role. Insurance companies and industrial enterprises used to develop rental housing in the past (especially in the 1970s and 1980s) but they have meanwhile sold most of their housing stock.

How is social housing financed?

Finland has had a **special housing financing institution** starting from the early post-war years, but the role of these institutions changed from provision of preferential loans to securitisation of subsidised loans. Nowadays, financial resources are obtained through loans from various banks and special financing institutions, for which the **Housing Finance and Development Centre for Finland (ARA)** provides conditional guarantee and pays interest subsidy. Since 2003, ARA has obtained its funds entirely from repayment (revolving fund)⁵⁸. Rental housing subsidised by ARA⁵⁹ is let at cost rents to tenants selected on the basis of social appropriateness and financial need. **Dwellings are released from regulation after a period which varies between 10 and 45 years**. **Housing benefits** are also available helping beneficiaries to pay for rent, maintenance, heating and water supply⁶⁰.

Who can access social housing?

Priority is given on the basis of **social needs and urgency**. Income is an important factor but there are no fixed income ceilings.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	66% Owner occupied 15% Private rent 16% Social rent 3% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	2784		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	1659		2009
	Social housing stock	Social rental stock as% of total housing stock	16%		2008
		Social rental stock as% of rental stock	53%		2008
		Number of social rental dwellings per 1000 inhabitants	85		2008
Production of social housing	Social housing as% of new completions	13%		2009	
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	531		2008
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	18.5%	22.9%	2009
		Housing cost overburden rate (as % of population)	4.6%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	413	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	122.5	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	58%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	114.6	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	99.1%	96.9%	2009
		Hot running water (as % of dwelling stock)	97.1%		2009
		Central heating (as % of dwelling stock)	93.4%		2009
	STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.5	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	4.7	2.8	2009
		Number of private households (*1000)	2482.0		2009
		Average number of persons per households	2.1	2.4	2009
	Unemployment	Unemployment rate	8.4%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	14.5		2008
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.7	4.9	2009
		Population at risk of poverty or exclusion (%)	16.9%	23.1%	2009
		Population with severe housing deprivation (%)	0.7%	6.0%	2009

57. Ibid.

58. Such as homeless, refugees, students, mental health patients, substance abusers, young people requiring special support, and disabled.

59. Donner, C. (2011). Rental housing policy in Europe. Christian Donner, Vienna.

60. Exceptionally, in areas of low housing demand, ARA might approve sales from the housing stock.

What is social housing?

Social housing provision in France is **housing provided by 'HLM' organisations**, which are specific actors entrusted by the state to fulfil a mission of general interest (where HLM stands for *Habitation à Loyer Modéré* –organisations providing housing at moderated rents). The social housing sector in France accounts for **about 17%** of the stock. It is a specific sector of the housing market, which is governed by legislative and regulatory provisions, separate from common law and regulated by the Construction and Housing Code (*Code de la Construction et de l'Habitation*, CCH). The provision of social housing includes construction, development, allocation, and management of rented social housing as well as of dwellings for social home ownership.

Who provides social housing?

French social housing is built and managed by HLM organisations, as well as to a lesser extent by semi-public enterprises (*Société d'économie mixte*, SEM) and some non-profit associations. Providing the biggest part of the social housing stock, HLM organisations include both **publicly and privately owned companies acting on a non-profit basis and under the control of the Ministry of Housing and Finance**.

How is social housing financed?

Rents are based on the net construction cost, which is lowered by subsidies (from the State and local authorities) and tax incentives. **Housing benefits** are also available to help the poorest households paying the rent. On the other hand, if a household's income increases to the point that it exceeds the income ceiling, rents rise accordingly.

Most of the funding for new construction comes from finance loans, where the main lender is the Caisse des Dépôts et Consignations (CDC) which provides funds from the **'Livret A' accounts**. This is a savings fund with regulated interest rate and not subject to tax. Every French household has the right to open a tax free Livret A Savings Account at their local bank. Their savings are pooled by the CDC, which pays a fee to the banks for collecting the funds and a defined interest rate⁶¹. Other sources of financing include employers' grants and discounted loans (the so called *'1% Logement'*, which was designed to promote housing for employees), and guarantees from local authorities or the HLM guarantee fund (CGLLS). The typical financing scheme for an operation in 2009 was as follows: 76.5% from CDC loan (Livret A); 10% equity capital; 8% local authorities' subsidies; 3% state subsidies; 2.5% employers' grants⁶².

Who can access social housing?

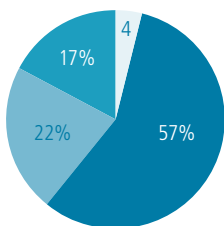
Access to social housing is limited by **income ceilings**, which are set at the national level by specific regulation and vary according to the area where the dwelling is located as well as the number of household's components. Income ceilings are set at a level which virtually includes a large proportion of the population to be accommodated in social housing allowing for a certain degree of socio-economic mix. Nevertheless, over the past three decades the sectors has seen a constant increase in the proportion of poor households, with currently 35% of all HLM households on incomes below the poverty line. Furthermore, the Law on the Right to Housing (commonly referred to as **DALO**) introduced in 2007, establishes priority access for bona fide applicants in the following 6 categories: homeless; people at risk of eviction who don't have the possibility of finding another accommodation; people with temporary accommodation; persons in unhealthy or unfit accommodation; households with children in overcrowded or indecent dwellings; disabled. The law allows for people to seek for legal redress vis-a-vis the local authority in case their request for an accommodation is not answered.

RECENT DEVELOPMENTS

Under the so called "Grenelle de l'Environnement", HLM's are engaged in a plan to renovate by 2020, 800.000 social Housing units in order to improve their energy efficiency. This programme is supported by the EU through the ERDF. Currently l'Union sociale pour l'Habitat – the umbrella organisation bringing together all HLM federations - has launched a process of thinking on a new business model taken into account the needs for affordable housing in France and the pressure on public funds for the State and the local authorities.

61. Donner, C. (2011). *Rental housing policy in Europe*. Christian Donner, Vienna.

62. To stress the importance and specificity of the Livret A system, Lawson defines the French system for financing social housing as 'Saving scheme model'. See Lawson, Julie (2010). 'European Housing strategies, financing mechanisms and outcomes'. In: *Financing social housing after the economic crisis*, CECODHAS housing Europe, Brussels.

TOPICS						
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008) 57% Owner occupied 22% Private rent 17% Social rent 4% Other 'Other' includes: tenancy of a furnished unit, sub tenancy and free housing.					
		INDICATORS	DATA	EU AVERAGE	YEARS	
	Housing stock	Total dwelling stock (*1000)	31264		2009	
		Multifamily dwelling stock out of total dwelling stock (*1000)	13642		2009	
	Social housing stock	Social rental stock as% of total housing stock	17%		2008	
		Social rental stock as% of rental stock	44%		2008	
		Number of social rental dwellings per 1000 inhabitants	86.5		2005	
	Production of social housing	Social housing as% of new completions	12%		2009	
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	509		2005
		Affordability	Social rent as % of market rent (average)	67.5%		2010
Share of housing costs in disposable income (%)			17.1%	22.9%	2009	
Housing cost overburden rate (as % of population)			3.4%	12.2%	2009	
Total housing cost in Purchasing Power Standard (PPS)			416.5	477.5	2009	
Harmonised index of consumers price in housing (2005=100)			118.7	121.9	2010	
Residential Mortgage debt to GDP ratio index (%)			38%	51.9%	2009	
Cost of construction		Construction cost index (2005=100)	120.4	114	2010	
Quality of housing stock		Bath/shower (as % of dwelling stock)	98.5%	96.9%	2006	
		Hot running water (as % of dwelling stock)	98.5%		2006	
	Central heating (as % of dwelling stock)	93.0%		2006		
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na			
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	5.4	2.8	2009	
		Number of private households (*1000)	27392.9		2009	
		Average number of persons per households	2.2	2.4	2009	
	Unemployment	Unemployment rate	9.7%	9.6%	2010	
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	71.0		2008	
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.4	4.9	2009	
		Population at risk of poverty or exclusion (%)	18.4%	23.1%	2009	
		Population with severe housing deprivation (%)	3.0%	6.0%	2009	

63. Chodorge, M. (2010) 'Tools and systems today to finance social housing: the case of France'. In *Financing social housing after the economic crisis*, CECODHAS Housing Europe, Brussels.

64. The total number of socially promoted rental dwellings has been decreasing over the years as accommodations drop out of the binding rent limits. In North Rhine-Westphalia for instance, the number of promoted dwellings decreased from 15600 in 1999 to 13089 in 2004, to 8701 in 2008 (Source: Ministry of Construction and Traffic of the federal state North Rhine-Westphalia).

GERMANY

What is social housing?

In Germany the term 'social housing' is rarely used and legal texts generally refer to **'publicly subsidised housing' or 'housing promotion', which represents about 5% of the national housing stock**⁶³. Today public intervention in housing policy in Germany is not linked to specific providers, but entails public subsidy of any kind of housing providers in exchange for the use of a dwelling for social purposes (enforcing income ceilings and lower rents) on a temporary basis. It should be noted that social housing is, since 2006, entirely a competence of the Lander (provinces), which have implemented different programmes and funding schemes. Local authorities are in charge of ensuring affordable accommodation for those unable to secure adequate housing themselves, while the federal state remains responsible for housing allowances to individual households and rent regulation.

Who provides social housing?

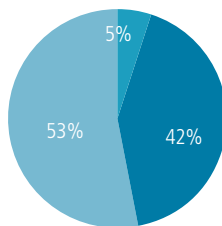
The institutional non-profit sector was dissolved in 1989, and at the same time extensive assets owned by municipalities were transferred to private market-oriented owners⁶⁴. Today providers of publicly subsidised housing include municipal housing companies and cooperatives (which constitute the traditional non-profit sector) as well as private landlords, commercial developers and investors with a variety of shareholders. From a legal point of view, **all housing companies are considered market actors**, although municipal housing companies act according to local policies and housing needs.

How is social housing financed?

It is very difficult to give a comprehensive picture of the financial mechanisms for social housing provision because municipalities and provinces have a great deal of responsibility for housing policy and therefore there are no centralised records and because funding programmes have evolved over time. In general, public subsidies (grants or tax relief) cover the gap between the perceived rent and cost rent. Public subsidies decrease progressively and at the same time the rent increases. At the end of the amortization period (typically 20 to 40 years for dwellings newly built with public subsidies, and 12-20 years for renovated dwellings) the dwelling can be let or sold at market rates. In practice though, municipally owned companies often continue to operate the units as de facto social housing in terms of rents and access. Housing allowances are also available for people below certain income ceilings, notwithstanding whether they rent or own their house.

Who can access social housing?

The target groups are defined by the legislation as households who cannot secure themselves with an adequate accommodation and need support. The policy supports in particular low-income households as well as families and other households with children, single parents, pregnant women, elderly, homeless and other needy persons.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	42% Owner occupied 53% Private rent 5% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	39268		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	20892		2010
	Social housing stock	Social rental stock as% of total housing stock	4,6%		2008
		Social rental stock as% of rental stock	7,8 %		2008
		Number of social rental dwellings per 1000 inhabitants	22,6		2008
	Production of social housing	Social housing as% of new completions	15%		2008
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	490		2009
	Affordability	Social rent as % of market rent (average)	77.6%		2010
		Share of housing costs in disposable income (%)	31%	22.9%	2009
		Housing cost overburden rate (as % of population)	23.6%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	771.5	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	113.5	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	47.6%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	111.5	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	na		
		Hot running water (as % of dwelling stock)	na		
		Central heating (as % of dwelling stock)	92.3%		2006
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na		
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-2.5	2.8	2009
		Number of private households (*1000)	40188		2009
		Average number of persons per households	2.0	2.4	2009
	Unemployment	Unemployment rate	6.8%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	1.6	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.5	4.9	2009
		Population at risk of poverty or exclusion (%)	20%	23.1%	2009
		Population with severe housing deprivation (%)	2.1%	6.0%	2009

What is social housing?

Unlike the rest of EU countries, Greece has no social rental sector. The social housing sector in the country consists of **dwelling for home ownership provided at low cost to workers and employees by the Workers Housing Organisation (OEK)**. OEK also provides various forms of housing assistance, such as grants in settlements, loans for purchase, construction, repair, enlargement and completion, rent subsidies, special and pilot programmes for the housing of vulnerable social groups. About 1500⁶⁵ housing units on average are delivered annually by OEK, accounting for about 95% of the total annual building activity of the public sector.

Who provides social housing?

Currently the only organisation that provides social housing in settlements all over Greece is **OEK**, a tri-party organisation operating under the auspices of the Ministry of Labour and Social Security, with its own financial resources.

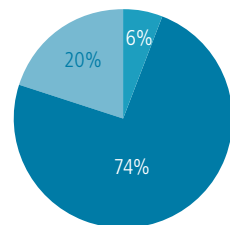
How is social housing financed?

OEK is financed through **contributions by workers and employees of the private sector (1% on salaries) and by their employers (0.75% of their wage bill)**.

Dwellings built by OEK are ceded to beneficiaries at cost, which represents approximately 1/2 of their commercial value in the free market.

Who can access social housing?

OEK beneficiaries are workers and employees (including financial immigrants) in the private or public sectors who are insured for wage in a main social security organisation and who make contributions into OEK, as well as pensioners of all these categories.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	74% Owner occupied 20% Private rent 0% Social rent 6% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	na		
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	0%		2008
		Social rental stock as% of rental stock	0%		2008
		Number of social rental dwellings per 1000 inhabitants	0		2008
	Production of social housing	Social housing as% of new completions	1%		2009
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	na	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	30.2%	22.9	2009
		Housing cost overburden rate (as % of population)	22.2%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	552.3	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	131.31	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	33.9%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	116.6	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	97.8%	96.9%	2001
		Hot running water (as % of dwelling stock)	na		
		Central heating (as % of dwelling stock)	62.0%		2001
STATE INVOLVEMENT		State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.4%	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	4	2.8	2009
		Number of private households (*1000)	4317.8		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	12.6%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	1.3	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	5.8	4.9	2009
		Population at risk of poverty or exclusion (%)	27.6%	23.1%	2009
		Population with severe housing deprivation (%)	7.6%	6.0%	2009

65. Buyers were mainly private equity funds which could benefit from discounted prices, usually about half of the corresponding market values. Up until 2009, OEK programmes are currently suspended since 2010.

66. Act on Residential and Commercial Leases (No. LXXVIII. of 1993).

67. Currently the idea of developing social housing developments for "victims" of the credit crunch are being discussed.

* Hegedus, Jozsef 'Social housing in Hungary', in Scanlon K., Whitehead C.(2007), *Social Housing in Europe*. London School of Economics, London

HUNGARY

What is social housing?

Social housing in Hungary is regulated under the so-called Housing Law⁶⁶. It does not give a general definition of social housing, but only refers to *social housing as rental unit owned by municipal governments and allocated based on social criteria*. Publicly owned housing in Hungary has decreased from 20% to 3.7% over the latest twenty years, and today it is concentrated in the biggest municipalities. The privatisation process was already ongoing before the 1990s, but the mass scale privatisation started in 1990, when the public stock was sold to tenants at a give-away price (10-15% of the market value). Sitting tenants who could afford it generally bought their flats, and households who remained tenants in the public sector were essentially the neediest ones*. At the same time, the government moved out of the housing sector and local governments were given increasing responsibilities in this field and there have been no programmes for social housing development since 2004⁶⁷. As a result of decentralisation, local governments are free to decide how to manage their housing stock and different approaches have emerged.

Who provides social housing?

Local governments are responsible for local housing policy making, which in practice consists of rent setting, managing the municipal housing stock and operating local subsidy schemes. Social rental units are owned by local governments, but while smaller cities tend to manage directly their housing stock, in

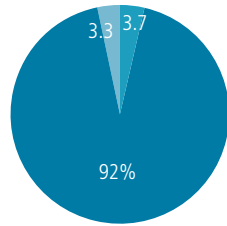
larger cities the typical solution is to create companies (joint stock companies or limited liability companies) owned by local governments. There is also a very limited number of social housing units owned and managed by NGOs or Public Companies.

How is social housing financed?

Public housing is basically **financed from the municipal budget**. It is up to the local governments to define rents: rent levels are usually very low, but there are big differences between towns and according to the quality of the stock. The central government may contribute through different programmes to the capital cost (municipal rental construction grant, interest rate subsidies, etc.) and to the rental payment (housing allowances). From 2000 to 2004, for instance, the central government operated a programme to increase social rental stock providing investment grant to the local governments up to 75% of the investment costs (to construct or acquire housing for the purpose of social rental, cost based rental, young family housing, elderly homes, and pension homes). Within this programme, rents were based on the principle of long-term recovery and as a minimum of 2% of the construction cost.

Who can access social housing?

Although the Housing Law specifies that the allocation should be based on '**social criteria**', there are not specific definitions of these criteria. Generally, target groups of social housing provision are young married couples, single parents and families on low income.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	92% Owner occupied 3.3% Private rent 3.7% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	4303		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	3.7%		2008
		Social rental stock as% of rental stock	53%		2008
		Number of social rental dwellings per 1000 inhabitants	15.9		2008
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	429	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	23.2%	22.9%	2009
		Housing cost overburden rate (as % of population)	8.9%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	244.6	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	162.9	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	16.7	51.9	2009
Cost of construction		Construction cost index (2005=100)	123.1	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	91.3%		2005
		Hot running water (as % of dwelling stock)	91.5%		2005
	Central heating (as % of dwelling stock)	56.7%		2005	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na		
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-1.7	2.8	2009
		Number of private households (*1000)	3790.6		2009
		Average number of persons per households	2.6	2.4	2009
	Unemployment	Unemployment rate	11.2%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	1.2	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.5	4.9	2009
		Population at risk of poverty or exclusion (%)	29.9%	23.1%	2009
		Population with severe housing deprivation (%)	12.5%	6.0%	2009

What is social housing?

Although in Ireland there is not an official definition of social housing, by reference to different Housing Acts⁶⁸ it is possible to assert that the main purpose of social housing provision is to provide appropriate and decent housing via defined providers for lower income and social disadvantaged population groups, at an affordable cost, with adequate standards as regards size, design and specifications, and also to ensure fairness in the relationship between landlords and tenants. It also includes additional social care and welfare support, particularly in special needs/sheltered housing, but also as part of community and neighbourhood enhancement. Since 2010, social housing has been expanded to social housing supports. Social housing accounts for **about 8.7%** of the total housing stock.

Who provides social housing?

The National government department of the Environment, Heritage and Local Government together with the Housing Ministry, are responsible for developing the regulation of the housing provision. The main providers of social housing are the **local authorities** (borough, city, county and town councils), while the approved not-for-profit, **voluntary housing associations and co-operative housing societies** are expanding their role owing at the moment about 18% of the social housing stock.

How is social housing financed?

Local (public) authorities are mainly financed through capital grant subsidy transfers from the government within annual budget allocations for their approved social housing programmes. Approved housing bodies may also apply to the local authorities for capital funding loans up to the full approved cost incurred for the development of their housing projects. Social housing rents are related to the income of tenants (an arrangement which is colloquially termed 'differential rents'⁶⁹), and due to the residualisation of the sector, rents are relatively low. An alternative funding arrangement is currently under consideration, based on direct private borrowings by the approved housing bodies, which will then make the dwellings available for social housing services in return for a State funded annual payment related to a percentage of the rental value of the dwellings and certain other allowances.

A new form of financing known as leasing is currently being expanded to deliver social housing supports. In this scenario a revenue payment known as a payment and availability agreement is being used by the state, through local authorities to secure accommodation from the private sector as well as from voluntary and co-operative housing bodies. There is combined with some limited capital funding in an attempt to leverage some non state loan finance.

Who can access social housing?

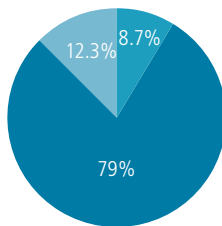
Social housing in Ireland is targeted directly at the poorest households. Besides income ceilings, there are additional criteria which give priority to certain groups. Such criteria include existing housing affordability difficulties; existing unfit or overcrowded housing conditions; medical or disability circumstances; homelessness; young persons leaving institutional care; the needs of the elderly and persons or families living a nomadic way of life. Demand for social housing has increased from 56000 households in need in 2008 to 98000 in 2011.

RECENT DEVELOPMENTS

In future with significantly reduced capital funding for new social housing there will be greater emphasis on approved housing bodies obtaining access to loan finance either through the Housing Finance Agency or private institutions. A mixed funding model will be expanded through the leasing programme. Furthermore, from the point of view of regulation, the Government is introducing a new regulatory framework for approved housing bodies which is currently in progress. There are also plans by the Government to provide enhanced landlord tenant regulation.

68. 1966-2009

69. Redmond, D. and Norris, M. 'Social Housing in the Republic of Ireland'. In Scanlon, K. and Whitehead C. (2007) *Social Housing in Europe*. LSE London.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2004) 79% Owner occupied 12.3% Private rent 8.7% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	1554		2004
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	8.7		2008
		Social rental stock as% of rental stock	41		2004
		Number of social rental dwellings per 1000 inhabitants	na		
	Production of social housing	Social housing as% of new completions	7%		2005
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	371	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	15%	22.9%	2009
		Housing cost overburden rate (as % of population)	4.1%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	398.8	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	na		
		Residential Mortgage debt to GDP ratio index (%)	90.3%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	94	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	94%		2002
		Hot running water (as % of dwelling stock)	na		
		Central heating (as % of dwelling stock)	59%		2002
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	2.1%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	4	2.8	2009
		Number of private households (*1000)	1486.9		2009
		Average number of persons per households	2.8	2.4	2009
	Unemployment	Unemployment rate	14.7%	9.6%	2011
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	-7.5	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.2	4.9	2009
		Population at risk of poverty or exclusion (%)	25.7%	23.1%	2009
		Population with severe housing deprivation (%)	1.0%	6.0%	2009

What is social housing?

An official definition of social housing in Italy has been provided for the first time in 2008⁷⁰. Social housing consists 'mainly of dwellings rented on a permanent basis; also to be considered as social housing are dwellings built or rehabilitated through public and private contribution or the use of public funding, rented for at least eight years and also sold at affordable price, with the goal of achieving social mix⁷¹. Social rental housing currently represents **about the 4% of the national housing stock**.

There are three main types of publicly supported housing: subsidised housing (*edilizia sovvenzionata*), assisted housing (*edilizia agevolata*) and agreed housing (*edilizia convenzionata*). For more information about the definition and the financial support for these three housing scheme, see the table below.

Who provides social housing?

The public sector is mainly represented by the former IACP, created in the 1903 as public bodies and now transformed into autonomous public agencies with different legal statutes. They own and/or manage public housing stock, and their activities are targeted to low income households. Municipalities own social rental dwellings, and in some cases they also manage them directly (limited phenomenon). In terms of the size of the public sector, although over a million dwellings were built in the post war period, the public social rented sector never grew significantly larger, because large segments of the stock are continuously being sold off.

Housing cooperatives and other private providers have been involved in the provision of social housing since 1978. Most recently, new operators are also entering the social housing scene, mainly Foundations for social Housing development (created by the bank Foundations in partnership with Regions, Municipalities and other private investors).

Different providers are involved in different housing schemes (see table below): subsidised housing provision is a competence of the public sector (municipalities and public housing agencies), assisted housing have been carried out almost exclusively by cooperatives, and all private and public providers engage in the provision of agreed housing, but the most active are building firms and cooperatives.

How is social housing financed?

Financing is provided by the Regions. Municipalities together with the Regions co-finance personal aids for the rental sector, and allocate land to providers. The central government is responsible for macro-programming and co-financing of projects through housing allowances, co-funding of urban renewal programmes and programmes to support social rental housing. Most recently, the National Housing Plan⁷², set the basis for new forms of public/private partnerships, through the creation of an **integrated real estate fund** consisting of a national fund and a network of local revolving funds dedicated primarily to financing social housing. Few such funds have been so far implemented but this financing modality represents a real revolution but also a challenge, particularly for the public sector.

The amount of public funding varies according to the different types of publicly supported housing as explained in the table below.

	DEFINITION	FINANCIAL MECHANISMS
SUBSIDIZED HOUSING	Rental housing owned by the public sector. It is addressed to those with lowest income.	Subsidies cover between 60% and 100% of the cost, and the rents are proportional to the income of the tenant. Rents in the public sector are very low, corresponding on average to 1/4 of market rents.
ASSISTED HOUSING	Housing provided both for rent and for sale and aimed at households on low to middle income.	Subsidies for rental assisted housing are between 20 and 60% of the cost and the rent is limited to the minimum price of the market or the 4.5% of the construction cost. Assisted housing for sale is entitled to between 10 and 30% subsidies and the price of the dwelling may not be higher than that of subsidised housing.
AGREED HOUSING	Private housing provided for rent or for sale, whose transfer costs or rents are regulated by a specific agreement drawn up between the Municipality and the housing provider.	Providers benefit from a discount on the local tax for building permission, and a lease on the land for 99 years.

Who can access social housing?

Social housing in Italy has a mission of general interest in 'safeguarding social cohesion, to reduce the housing problems of disadvantaged people and families who are unable to access housing in the open market'⁷³. Regions have the responsibility to define the requirements for access to social housing, as well as rules for setting rents. In the case of public social housing, the eligibility is based on a set of criteria for registration in waiting lists in all Italian regions. These are: income of the applicants; address (whether there is an occupational or residential link with the municipality), and nationality. Priority in accessing social housing is given to people in bad living condition, family with several children or to people experiencing enforced cohabitation.

RECENT DEVELOPMENTS

Due to cuts to local budgets and the consequent need to increase financial means at the municipal level, the exemption from the municipal tax on real residential property applied to social rental housing is most likely to be eliminated.

At the same time, both in the public and private sector, the phenomenon of rent arrears is increasing due to the general impoverishment of Italian families. If we add to this the fact that the current system for rent setting in the social rental sector is based on the households' income, it is clear that the public rental sector will have to sustain increasing expenditures while income from rents will be reduced. Furthermore, the possibility of raising money through the sale of public stock is currently very limited due to the financial crisis. *'All these elements are putting the sector under severe pressure, with an increasing risk of collapse'*⁷⁴.

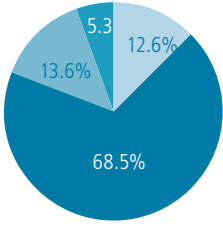
70. Decree of 22 April 2008

71. Ministry of Infrastructure Decree of 22 April 2008

72. Decree Law 112/2008 - Law 133/2008, art. 11

73. Decree of 22 April 2008

74. Anna Pozzo – technical director of Federcasa (2011). Communication with the author.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008) ⁷⁵ 68.5% Owner occupied 13.6% Private rent 5.3% Social rent 12.6% Other*				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	na		
		Multifamily dwelling stock out of total dwelling stock (*1000)	54.9%		2008
	Social housing stock	Social rental stock as% of total housing stock	5.3%		2008
		Social rental stock as% of rental stock	28%		2008
		Number of social rental dwellings per 1000 inhabitants	29		2001
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	479	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	17.1%	22.9%	2009
		Housing cost overburden rate (as % of population)	7.6%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	346.8	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	118.9	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	21.7%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	113.9	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	99.4%	96.9%	2009
		Hot running water (as % of dwelling stock)	99.6%		2004
		Central heating (as % of dwelling stock)	94.7%		2004
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.8%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	4.9	2.8	2009
		Number of private households (*1000)	24609.7		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	8.4%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	5.2	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	5.2	4.9	2009
		Population at risk of poverty or exclusion (%)	24.7%	23.1%	2009
		Population with severe housing deprivation (%)	7.3%	6.0%	2009

75. The tenure split is based on the occupied dwelling and not on the total housing stock.

* 'other' includes: free right of users

What is social housing?

Social housing in Latvia consists in **'social houses' and 'social apartments' rented by municipalities at affordable rents to vulnerable households**. A social apartment is a municipally owned apartment, which is let out to a family who is recognized as entitled to rent the apartment. Contracts are concluded for a maximum of six months, and can be renewed if the household still complies with the conditions set by the municipality. Furthermore, social houses are municipally owned buildings with a special social status, where all apartments are social apartments. Social housing represents a minor part of the municipal stock, and only 0.4% of the national housing stock and it is concentrated in the larger cities.

Who provides social housing?

Social housing in Latvia is provided exclusively⁷⁶ by municipalities. However some larger municipalities have created specific companies to carry out management and maintenance of the public stock.

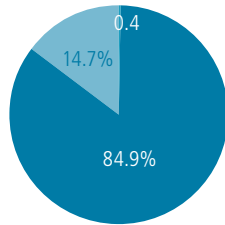
How is social housing financed?

The local authorities are responsible for financing social housing through their local budgets. Since 2006, investment in new social housing is co-financed by the central government via special funds. The subsidy programme also encourages public-private partnerships for the construction and renovation of social housing, but so far there has been almost no involvement of private stakeholders.

Tenants pay a monthly rent which is very low, up to one third of the locally set municipal rent level. Often the municipality also subsidizes utility costs for the low-income households.

Who can access social housing?

In Latvia, access criteria to social housing are specified in local decrees passed by the local municipalities, and the target population is low-income households.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2010)				
	84.9% Owner occupied 14.7% Private rent 0.4% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	1042		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	744		2009
	Social housing stock	Social rental stock as% of total housing stock	0.4%		2010
		Social rental stock as% of rental stock	2.5%		2010
		Number of social rental dwellings per 1000 inhabitants	na		
	Production of social housing	Social housing as% of new completions	1%		2009
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	461	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	18%	22.9%	2009
		Housing cost overburden rate (as % of population)	8.6%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	186.2	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	184.22	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	36.6%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	152.5	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	60.3%		2008
		Hot running water (as % of dwelling stock)	61.6%		2008
		Central heating (as % of dwelling stock)	61.2%		2008
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	1.1%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-5.7	2.8	2009
		Number of private households (*1000)	863.4		2009
		Average number of persons per households	2.5	2.4	2009
	Unemployment	Unemployment rate	18.7%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	-3.5	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	7.3	4.9	2009
		Population at risk of poverty or exclusion (%)	37.4%	23.1%	2009
		Population with severe housing deprivation (%)	22.7%	6.0%	2009

76. There is only one example of an NGO which was contracted by the city of Riga to run part of the public stock as social housing

LITHUANIA

What is social housing?

Municipal apartments let at a rent fixed by the state represent social housing in the country. After the privatisation of the housing stock, only 3% remained as public social housing, which is now let for rent to particularly disadvantaged groups.

Besides social rental housing, subsidies to mortgage loans are also given by the state to disabled families, orphans, families raising more than three children, and young families.

Who provides social housing?

Municipalities are the only providers of social housing in Lithuania.

How is social housing financed?

The construction and management of publicly owned housing is entirely financed by public funds. In the past 90% of the cost was financed by the state budget and 10% by the municipality, but now the ratio has changed and the municipal share is becoming bigger.

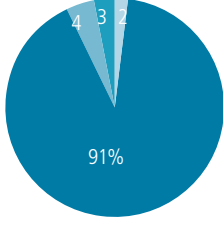
Rents in municipal social housing vary depending on location but on average they are lower than market rents are lower by tenfold.

Who can access social housing?

Social housing tenants include disadvantaged groups such as orphans, disabled, invalid children, retired couples, young families and families with many children.

RECENT DEVELOPMENTS

The development of the social housing stock using public and local government funds have been established as a priority, and the government aims at achieving a level where the rental housing share would account for 18% of the total housing stock in 2020 (in 2003 it accounted for only 10%), including social housing at 4-5%. This stock is being formed by purchasing low demand dwellings on the market and adapting them to social needs, as well as through new construction.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	91% Owner occupied 4% Private rent 3% Social rent 2% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	1308		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	3%		2008
		Social rental stock as% of rental stock	43%		2008
		Number of social rental dwellings per 1000 inhabitants	11.7		2005
Production of social housing	Social housing as% of new completions	na		2009	
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	390		2005
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	15.9%	22.9%	2009
		Housing cost overburden rate (as % of population)	5.5%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	168.2	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	170.8	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	22.6%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	116.1	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	71.1%		2008
		Hot running water (as % of dwelling stock)	61.6%		2008
Central heating (as % of dwelling stock)		73.5%		2008	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.5%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-6.2	2.8	2009
		Number of private households (*1000)	1392.7		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	17.8%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	-23.7	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	6.3	4.9	2009
		Population at risk of poverty or exclusion (%)	29.5%	23.1%	2009
		Population with severe housing deprivation (%)	16.8%	6.0%	2009

LUXEMBURG

What is social housing?

In Luxembourg social housing is **low cost housing provided both for rent and for sale to people with low income**. Social rental housing represents 2% of the total housing stock in the country.

Who provides social housing?

Social housing providers are public developers. The most important is the *Fonds pour le développement du logement et l'habitat*, commonly referred to as **Fonds du Logement** (Housing Fund), which manages the largest social rental stock in Luxembourg. The Fund is an autonomous public body established by a law on housing aid that was introduced on 25 February 1979. It acts under the supervision of the Housing Ministry and its competences include the construction of low-cost housing, the purchase and development of building sites, and the renovation of housing buildings.

The second provider is the **Société Nationale des Habitations à Bon Marché** (National Affordable Housing Company), a joint-stock company created in 1919, whose shareholders are the State, some municipalities and some public institutions. Its activities include construction, land purchase, the elaboration of development plans,

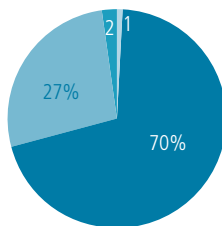
drawing up and realization of infrastructures for land development. It provides mainly affordable housing for home ownership. The third actor is represented by the municipal governments the main towns and cities, which provide building sites and housing for rent as well as for access to ownership.

How is social housing financed?

For rental housing, state subsidies finance up to 70% of the construction cost. Rents are set and regularly updated on the basis of the tenant household's income. In the case of affordable housing for sale, public support (50% of study and infrastructure costs) is available under the condition that at least 60% of the home-buyers are people who qualify to obtain a construction subsidy from the state (based on the household income). Furthermore, to guarantee social mix, at least 10% of the dwellings in each new development must be social rental housing.

Who can access social housing?

Households which do not own, use or have a right to occupy a dwelling and whose income is below certain limits determined by law are eligible for social housing.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	70% Owner occupied 27% Private rent 2% Social rent 1% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	188		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	68		2009
	Social housing stock	Social rental stock as% of total housing stock	2%		2006
		Social rental stock as% of rental stock	7%		2006
		Number of social rental dwellings per 1000 inhabitants	7.8		2008
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	389	
Affordability		Social rent as % of market rent (average)	20.5%		2010
		Share of housing costs in disposable income (%)	13.6%	22.9%	2009
		Housing cost overburden rate (as % of population)	3.7%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	505.4	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	124.1	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	42%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	11.9	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	99.0%		2008
		Hot running water (as % of dwelling stock)	99.7%		2008
		Central heating (as % of dwelling stock)	72.8%		2008
STATE INVOLVEMENT		State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.8%	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	17.2	2.8	2009
		Number of private households (*1000)	202.0		2009
		Average number of persons per households	2.4	2.4	2009
	Unemployment	Unemployment rate	4.5%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	15.1	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.3	4.9	2009
		Population at risk of poverty or exclusion (%)	17.8%	23.1%	2009
		Population with severe housing deprivation (%)	1.7%	6.0%	2009

What is social housing?

Housing policy in Malta strongly encourages home ownership, therefore the tendency is to distinguish between affordable housing (generally for sale, most recently shared ownership) for middle income people and social housing (for rent) for the neediest. 'Social housing' therefore refers to **the provision of housing and housing assistance to households that are in particularly severe need, usually on a rental basis**. Rental social housing is represented by Government owned dwellings and constitutes 6% of the total housing stock. Under the Right-to-Buy Scheme tenants of Government units have the possibility to become owners of the flat they live in. Since 2005, there is also a shared ownership scheme.

Who provides social housing?

The setting up of the Housing Authority in 1976 represented the cornerstone of social housing policies in Malta and brought about schemes aimed at improving the housing condition of very low income groups and promoting home ownership. The Department of Social Housing of

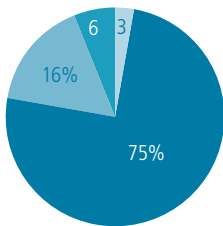
the Ministry for the Family and Social Solidarity manages some properties belonging to private landlords whose residential properties were requisitioned and rented at a regulated rent regime (dating back from 1939), and also rents dwellings built by the Housing Authority.

How is it financed?

Social housing construction is directly supported by public resources through the Housing Authority.

Who can access social housing?

Registration on waiting lists (managed by the Department of Social Housing) is based on income ceilings. Furthermore, priority is given to particular target groups and according to their housing conditions. In the past units for rent were reserved only for people on the Department of Social Housing waiting list. The Authority is now creating tenure mixture when allocating units. Thus, units are sold to people under Shared Ownership some are allocated for rent by the Department and others are reserved for the elderly and others for special needs groups⁷⁷. In this way the Housing Authority is preventing slums from being created.

TOPICS						
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)* 75% Owner occupied 16% Private rent 6% Social rent 3% Other					
		INDICATORS	DATA	EU AVERAGE	YEARS	
	Housing stock	Total dwelling stock (*1000)	139		2009	
		Multifamily dwelling stock out of total dwelling stock (*1000)	na			
	Social housing stock	Social rental stock as% of total housing stock	6%		2007	
		Social rental stock as% of rental stock	na			
		Number of social rental dwellings per 1000 inhabitants	na			
	Production of social housing	Social housing as% of new completions	na			
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	349		2005
		Affordability	Social rent as % of market rent (average)	na		
Share of housing costs in disposable income (%)			11%	22.9%	2009	
Housing cost overburden rate (as % of population)			3.6%	12.2%	2009	
Total housing cost in Purchasing Power Standard (PPS)			213.0	477.5	2009	
Harmonised index of consumers price in housing (2005=100)			142.0	121.9	2010	
Residential Mortgage debt to GDP ratio index (%)			na	51.9	2009	
Cost of construction		Construction cost index (2005=100)	na	114	2010	
Quality of housing stock		Bath/shower (as % of dwelling stock)	98.2%		2005	
		Hot running water (as % of dwelling stock)	97.1%		2005	
	Central heating (as % of dwelling stock)	1.2%		2005		
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.3%		2009	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-1.5	2.8	2009	
		Number of private households (*1000)	141.7		2009	
		Average number of persons per households	2.9	2.4	2009	
	Unemployment	Unemployment rate	6.8%	9.6%	2010	
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	5.4	1.7	2010	
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4.1	4.9	2009	
		Population at risk of poverty or exclusion (%)	20.2%	23.1%	2009	
		Population with severe housing deprivation (%)	1.3%	6.0%	2009	

*Estimation based on Housing Statistics in the European Union 2010 (Kees Dol and Marietta Haffner) and Housing Europe 2007 (CECODHAS)

77. Specific schemes have recently been created to target certain vulnerable groups like engaged young couples or the elderly (increasing provision of small scale sheltered housing for disabled persons and the elderly). Special attention is also being given to youth leaving institutionalised care.

THE NETHERLANDS

What is social housing?

The Netherlands is the country with the largest share of social housing in the EU, accounting for about 32% of the total housing stock, and some 75% of the rental stock in the country.

There is not a single definition of social housing in the Netherlands, although The Dutch Constitution states (Article 22) that the promotion of adequate housing is the object of the care of public authorities, and the Dutch Housing Act (1901) gives a legal framework for the way the provision of social housing is organised. In a 2010 decision by the European Commission on the Dutch social housing system, it was defined as the provision of housing at below market price to a target group of disadvantaged people or socially less advantaged groups, as well as to certain categories of key workers. The target group as well as the exact modalities of the service are defined by the public authorities. Social housing providers can also provide other related services to the target group.

Who provides social housing?

Registered social housing organisations in the Netherlands (**Woningcorporaties**) are private non-profit organisations (associations and foundations) with a legal task to give priority to housing households on lower incomes. They operate on the basis of a registration and are supervised by the national government. Although housing associations work within a legal framework set up by the State, they are independent organisations, setting their own objectives and bearing their own financial responsibilities. Social housing organisations are the most important agents on the Dutch housing market and their task is not only to build, maintain, sell and rent social housing stock but also to provide other kinds of services, directly related to the use of the dwellings, to the occupants. There are currently about 425 such registered social housing organisations.

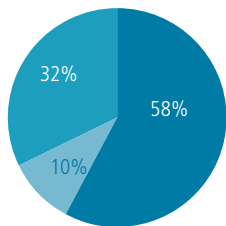
How is social housing financed?

While maintaining their social commitment, **social housing organisations in the Netherlands have been financially independent from the central government since the so-called Bruterling (or 'balancing-out') agreement in 1993** between the State and the national federations of social housing organisations. The Dutch financial strategy has been defined as a 'Revolving Fund Model'⁷⁸, where housing associations act as independent body in an environment of guaranteed capital market loans and rent-price regulation. More precisely, registered social housing organisations can benefit from a three-level security structure: the first element is the Central Fund of Social Housing (CFV), an independent public body that acts as a supervisor of the organization's financial situation and intervenes to give support to the organization incurring financial difficulties. The second security instrument is the Guarantee Fund for Social Housing (WSW), a private organization created by housing organisations themselves that acts as solidarity fund among them. The mutual guarantee this Fund enables social housing organisations to benefit from favourable conditions and interest rates when financing their activities on the open capital market. In case these two instruments are not sufficient to overcome organisations' economic problems, the State and the local authorities can intervene by acting as a last resort.

Who can access social housing?

Mechanisms for allocation and criteria vary according to the local/regional situation. In general, up until recently, access to social housing in the Netherlands was never restricted on the basis of income and was virtually open to all citizens. However the recent decision by the European Commission mentioned above challenged this universal approach by targeting social housing provision to a limited group of people (disadvantaged people or socially less advantaged groups, as well as to certain categories of key workers), primarily defined in terms of income.

78. Lawson, Julie...

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	58% Owner occupied 10% Private rent 32% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	7107		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	2059		2009
	Social housing stock	Social rental stock as% of total housing stock	32%		2008
		Social rental stock as% of rental stock	75%		2008
		Number of social rental dwellings per 1000 inhabitants	138		2008
	Production of social housing	Social housing as% of new completions	19%		2009
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	431		2008
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	28.1%	22.9%	2009
		Housing cost overburden rate (as % of population)	13.2%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	805.3	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	111.5	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	105.6%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	113.2	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	100%	96.9%	2009
		Hot running water (as % of dwelling stock)	100%		2009
		Central heating (as % of dwelling stock)	94%		2009
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na		
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	5.4	2.8	2009
		Number of private households (*1000)	7269.8		2009
		Average number of persons per households	2.2	2.4	2009
	Unemployment	Unemployment rate	4.5%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	1.9	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	4	4.9	2009
		Population at risk of poverty or exclusion (%)	15.1%	23.1%	2009
		Population with severe housing deprivation (%)	0.5%	6.0%	2009

What is social housing?

It is difficult to define what constitutes 'social housing' in Poland. It is commonly understood that it includes **rental dwellings and social rental dwellings owned by municipalities, dwellings with regulated rents provided by non-profit housing associations (called TBS), and dwellings provided by state-owned companies or the state treasury for their employees. Usually cooperative dwellings with tenement title** to use cooperative apartment (as opposite to owner-occupied title) are also considered as social housing. All 'protected dwellings', i.e. dwellings for disabled persons and other groups with special needs or shelters for the homeless constitute social housing as well. Owner-occupied housing constructed or purchased with state aid (in particular, the programme 'home for every family') is also considered as social housing. In the VAT regulations there is the term of 'social housing programme' as the basis for applying a lower VAT rate on building materials and services.

Who provides social housing?

In Poland, social housing in the form of municipal housing is still an important part of the stock (about 8% in 2009) but recently production of new municipal housing has almost stopped (3400 in 2010). Since 1996 the TBS system was implemented (79300 dwellings completed, out of which 3100 in 2010). TBS (not-for-profit) companies, created in 1995 by a programme to create low cost housing rental housing in which often tenant contribute financially up to 30% of the construction costs. Today there are 393 TBS companies registered, which can take several legal forms and be privately or publicly owned or present mixed ownership. Co-operatives still administer 19.4% (2009) of the total housing stock in Poland and provide two main types of tenure: owner occupied right to co-operative dwelling (83% in 2009) and tenement-type right to co-operative dwelling (17%).

How is social housing financed?

The public bank Bank Gospodarstwa Krajowego (BGK), currently issues preferential credits to TBS and cooperatives for construction of social dwellings. Loans cover up to 70% of project value. TBS organizations cover the remaining 30% through their own resources and often require tenants to fill a part of the gap between the cost of construction and the amount of the public loan. This contribution is refunded when leaving, but gives no right to purchase. In August 2011, an amendment of law on TBS was accepted by the Parliament and, under certain conditions, if the landlord company wishes, some TBS dwellings may be privatized with market price. Rents are cost-based and limits are imposed by law. In housing cooperatives the tenant – who is a member of the cooperative – pays 30% of the cost upfront and then a rent that covers maintenance costs.

Municipalities mainly use their own budget to expand the stock of municipal dwellings, through new construction and acquisition of existing dwellings. Rents in municipal dwelling are set at the local level. Owners of the stock since 2004 are free to establish the rent, but if it exceeds 3% of the replacement value of the unit, the increase of rent in communal stock must be explained in writing. Furthermore, municipalities can also apply for subsidies from a Subsidy Fund located in BGK for the construction and renovation of social rental dwellings for the poorest. In the case of social rental dwellings provided by municipalities, rents are maximum 50% of the municipal rent, and in this case tenants have no right to housing allowances.

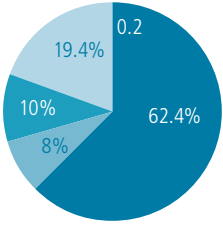
Finally, the central state also subsidises municipalities and NGOs for the construction and renovation of dwellings aimed at the homeless and people with special needs (so-called protected dwellings).

Who can access social housing?

Criteria vary according to the different programmes. In general, the access to social housing is based mainly on people's income. Tenants residing in social dwellings are families with moderate income, who have no legal title to any other dwelling, who are not able to buy a place in the open market or rent a flat on market. The maximum income per person per household is defined by the law and refers to the average salaries in regions (TBS stock) or is defined by the local authority (communal stock).

There are also specific limitation on the floor area of the apartment to be assigned to families according to the number of persons and the special needs in communal stock.

79. This was a competence of the National Housing Fund, which operated at BGK, but the fund was liquidated in 2009. The Bank continues the program, with the same conditions of issuing mortgages, till finalizing the service of applications delivered to the Bank by the end of September 2009. The Government works on new forms of financial support for social rental housing offered by TBS.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	62.4% Owner occupied 8% Private rent 10% Social rent 19.4% Cooperatives 0.2% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	13302		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	10		2009
		Social rental stock as% of rental stock	64		2009
		Number of social rental dwellings per 1000 inhabitants	34.9		2009
	Production of social housing	Social housing as% of new completions	5		2010
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	348	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	21.1	22.9	2009
		Housing cost overburden rate (as % of population)	8.2%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	250.1	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	131.2	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	18.2%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	115.8	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	87.1%		2009
		Hot running water (as % of dwelling stock)	95.5%		2009
	Central heating (as % of dwelling stock)	78.3%		2009	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na*		
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	0.8	2.8	2009
		Number of private households (*1000)	13319.2		2009
		Average number of persons per households	2.8	2.4	2009
	Unemployment	Unemployment rate	9.6%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	-0.1	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	5	4.9	2009
		Population at risk of poverty or exclusion (%)	27.8%	23.1%	2009
		Population with severe housing deprivation (%)	15.2%	6.0%	2009

* The data is not available for Poland. Therefore the housing public effort in Poland in 2007 corresponds to the 0,08 of GDP (European Union Housing Questionnaire synthesis, French Housing Minister, 2008).

What is social housing?

The term “social housing”⁸⁰ is largely used by authorities and institutional bodies in Portugal, with a legal concept based on 1983’ legislation defining social housing as **housing built and bought with the financial support of the State**, through fiscal benefits and financing for acquisition of land, construction and promotion of housing. It includes the provision of housing for sale or rent to persons/households below a certain income, as well as measures related to specific groups which are targeted by housing and urban renewal programmes (see below). This task can be made by public bodies (municipalities, central government, etc), cooperatives, Private and social institutions. Social housing represents 3,3% of the national housing stock.

Who provides social housing?

In Portugal there are promoters and managers of social housing **in both the public sector, as in the cooperative sector or voluntary sector / non-profit**.

Municipalities (directly or through Municipal Housing Companies) are the main providers of social housing in Portugal. Within the public sector also involved in social housing provision are the Institute for housing and Urban renewal (IHRU)⁸¹ and regional bodies (such as the IHM, EPERAM in Madeira). Housing co-operatives, co-financed by the State, provide housing at controlled costs. Finally, in the voluntary / non-profit sector there are organisations whose primary mission is not to provide social housing, but they do so for historical reasons or for reasons intrinsic to their main activity. They usually provide social dwellings in specific territories or for specific vulnerable populations. There are no private landlords acting on a for-profit basis involved in social housing provision.

How is social housing financed?

Social Housing is one of the decentralized powers in the Municipal Councils, with programmes emanating from the Government (IHRU) through initiatives that support municipal or cooperative entities. The support usually provided by municipalities by IHRU is translated into a financial contribution of the investment in construction (which may be of two types, cumulative: the grants and subsidized loans). Programmes may still exist (as is this example PROHABITA) to support the rehabilitation / upgrading of buildings. Cooperatives receive similar support from IHRU plus, as a rule and where there are protocols of cooperation in support of the municipalities, which is most often done through the transfer of land for construction for a certain period.

An insufficient level of public support combined with low rents which often do not cover construction costs make the current financing system for social housing in Portugal rather unsustainable.

Who can access social housing?

There are various programmes in Portugal which contain different kinds of criteria for eligibility and priority to access to social housing:

PER Rehousing Programme that gives priority to people living in shanty towns in the major metropolitan urban areas

PROHABITA - the priority is given to people whose income is lower than three annual minimum salaries, that do not own any dwelling in national territory and that are not beneficiary of any kind of public financial support for housing purposes.

“Porta 65 Jovem” – support to young people to access rented housing. One of the criteria for granting this allowance is that the gross monthly income of the household “should be adequate to the interval between 1 and 4 times the maximum rent admitted in the area”.

Urban Rehabilitation Programmes that concern the rehabilitation of rented buildings/dwellings which were affected by the long period of rental freezing⁸² and therefore suffered severe degradation.

NRAU – the New Urban Renting Regime establishes a housing rent allowance benefiting low-income households with rental contracts prior to 1990, in order to counteract the updating of frozen housing rents.

RECENT DEVELOPMENTS

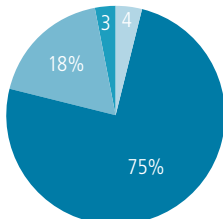
CECODHAS Portugal⁸³, the national platform representing social housing providers in the country, has recently presented to the new government a package of proposals to reform the Social Housing market in Portugal. Requests include strengthening social housing services improving demand side support (i.e. housing allowance to families) and introducing innovative management and financial instruments (i.e. investments fund or housing management funds). Proposals also include the modernization of legislation in order to take into account the new challenges motivated by demographic and social changes.

80. The Institute for Housing and Urban Rehabilitation (IHRU) also uses the expression ‘housing at controlled costs’.

81. IHRU directly manages the stock of social rented housing it still owns, and it is also responsible for the implementation of specific programmes addressing support to acquisition and rehabilitation of dwellings

82. Rent freezing was implemented in the whole country following the 1974 revolution and it lasted until 1986, although the limits to rent updating continued and were until recently in practice for all contracts previous to 1990

83. See List of CECODHAS members, at page...

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	75% Owner occupied 18% Private rent 3% Social rent 4% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	5880		2011
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	3,3%		2008
		Social rental stock as% of rental stock	16%		2008
		Number of social rental dwellings per 1000 inhabitants	na		
Production of social housing	Social housing as% of new completions	na			
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	557		2011
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	15.9%	22.9%	2009
		Housing cost overburden rate (as % of population)	6.3%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	235.5	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	121.2	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	67.5%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	113.8	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	65.6%		2001
		Hot running water (as % of dwelling stock)	na		
		Central heating (as % of dwelling stock)	3.8%		2001
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.6%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	1,9	2.8	2011
		Number of private households (*1000)	3925.5		2009
		Average number of persons per households	2.7 ¹⁴	2.4	2009
	Unemployment	Unemployment rate	11,1%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	0.4	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	6	4.9	2009
		Population at risk of poverty or exclusion (%)	24.9%	23.1%	2009
		Population with severe housing deprivation (%)	4.7%	6.0%	2009

What is social housing?

In Romania, the term social housing (or 'social houses') is officially defined as **'public dwellings with subsidized lease, allocated to individuals or families whose financial position would not otherwise allow them access to tenements leased on the market'**. There are also other housing programmes aimed at fulfilling specific social needs (housing for young people and young specialists, necessity housing for people who are evacuated from dwelling due to seismic risk, among others) but they are not considered as social housing according to the legal definition.

The stock of social housing is entirely owned by local authorities and it represents the 2.3% of the national housing stock.

Who provides social housing?

The construction of social houses is a shared responsibility between the authorities of the local public administration and the central public administration. The requests for social housing are submitted to the authorities of the local public administration. This information is periodically centralised and sent to the Ministry of Regional Development and Tourism in order to establish the total housing need and to plan the investments for social housing construction, within the limits of the approved budget. The authorities of the local public administration can also build social houses entirely from their own funds (it applies mainly for larger municipalities) and they can buy houses from the free market and use them as social houses. The amount of public stock is very small, as mass privatization resulted in an increase in private housing from 67.3% in 1990 to over 90% in 1993, up to 96% today.

How is social housing financed?

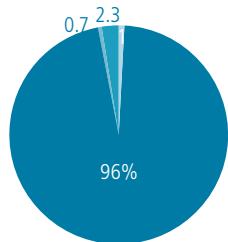
Public housing is generally financed from local budgets and transfers from the state national budget through transfers to the Ministry of Regional Development and Tourism's budget.. As the money allocated from the state budget doesn't represent a big amount, the number of social dwellings built each year is low. Other persons or companies could support the social housing construction through donations or contributions.

Who can access social housing?

According to the Housing Law the families or persons with a monthly average net income per person below the overall national monthly average net income on total economy are entitled to social housing. Social housing units are allocated by the authorities of the local public administration according to their criteria, determined annually. The following categories of persons can benefit from social housing: persons and families evacuated or that are to be evacuated from the houses retroceded to the former owners; young people of maximum 35 years old; young people leaving social care institutions; disabled and handicapped; retired people; veterans and widows of war; beneficiaries of the provisions of the Law 341/2004 on the acknowledgement of the martyr heroes and warriors that contributed to the victory of the Romanian Revolution in December 1989, as well as of those who died or suffered from the anti-communist insurrection from Brasov in November 1987 and beneficiaries of the provisions of the Law no. 118/1990 regarding the rights for politically persecuted persons by the dictatorship since March 6th, 1945, as well as for the people deported abroad or prisoners.

84. Romanian Housing Law, 114/1996, republished with consequent amendments

85. Communicated by the National Institute of Statistics in the Statistics Gazette prior to the month of request, as well as prior to the month of the housing allocation

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	96% Owner occupied 0.7% Private rent 2.3% Social rent 1% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	8329		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	2.3%		2008
		Social rental stock as% of rental stock	na		
		Number of social rental dwellings per 1000 inhabitants	8.9		2008
Production of social housing	Social housing as% of new completions	4%		2009	
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	390		2009
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	25.3%	22.9%	2009
		Housing cost overburden rate (as % of population)	15.5%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	138.4	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	160.4	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	4.9%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	148.2	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	58.9%		2008
		Hot running water (as % of dwelling stock)	57.2%		2008
		Central heating (as % of dwelling stock)	51.9%		2008
	STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	1.4%	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	-1.7	2.8	2009
		Number of private households (*1000)	7395.7		2009
		Average number of persons per households	2.9	2.4	2009
	Unemployment	Unemployment rate	7.3%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	0	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	6.7	4.9	2009
		Population at risk of poverty or exclusion (%)	43.1%	23.1%	2009
		Population with severe housing deprivation (%)	28.6%	6.0%	2009

What is social housing?

A new act on subsidies for housing development, valid since January 1st 2011, has adopted a definition of social housing as **'housing acquired with use of public funds, addressed for adequate and humanly decent housing of individuals who are not able to ensure housing with their own effort'** and meet the conditions under this Act. Social housing is also permanent housing in residential buildings or accommodation financed from public funds and provided within the care under specific regulations'. In the Slovak Republic, two types of housing stock can be considered as social housing: new social flats constructed using a state subsidy under the ownership of municipalities, earmarked for social needs and occupied according to defined criteria (according to a scheme that has been in place now for 14 years), and a small part of the existing public stock owned by municipalities. As regards to this latter, it should be noted that dwellings are occupied by sitting tenants of former state owned housing who have not bought their dwellings and who still benefit from a permanent right to use the dwellings and regulated rents which are usually extremely low. According to expert estimates, these dwellings correspond to only about one fourth of the municipal housing stock. Discussion is ongoing as to whether and how to reform this sector (as well as the privately owned restituted stock to which the same conditions in terms of rent and tenancy apply), for instance by introducing means-testing of tenants.

Who provides social housing?

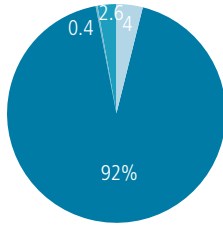
Social housing is provided only by municipalities. Until the end of 2010 there was a legal opportunity to access public funding for social housing provision by non-profit organisations, created and controlled by the municipality, but this option was never really implemented (with one exception) and it is not contemplated in the new legislation.

How is social housing financed?

New social housing construction is financed using a combination of subsidies and soft loans. Funding comes from state budget and the State Housing Development Fund, a revolving fund created in 1996 (at the beginning financed purely from the state budget, recently partially from the state budget and own sources). Subsidies cover up to 30% of construction costs (excluding land price) and soft loans have an annual interest rate of 1% with a repayment period of up to 30 years and with maximum 80% loan to value ratio. To increase provision of new public housing for low income households, the programmes comprise a third element, a subsidy programme for technical infrastructure necessary for housing construction. The financial responsibility of running the social housing stock, however, rests with the municipalities. Social housing rents in new municipal housing are based on long-term cost recovery and they can be up to 5% of the construction costs per year. Housing allowances are available only for those whose income is below the minimum subsistence level. Paradoxically, 'new' social housing rents are higher than 'old' regulated rents which are still applied in part of the municipal stock.

Who can access to social housing?

The main criterion for the access to housing is determined by the income level of the households. Limits to floor area of the dwellings also apply. Socially vulnerable groups can be given priority in the lists of applicants (handicapped, single parents with small children, deinstitutionalized patients, mentally handicapped and homeless). The final decision on the actual allocation rests with the municipality. In the case of municipal stock let to tenants of former state owned housing, no specific criteria are applied.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	92% Owner occupied 0.4% Private rent 2.6% Social rent 4% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	1767		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	2.6%		2008
		Social rental stock as% of rental stock	87%		2008
		Number of social rental dwellings per 1000 inhabitants	8.5		2008
	Production of social housing	Social housing as% of new completions	12%		2009
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	326		2008
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	22.0%	22.9%	2009
		Housing cost overburden rate (as % of population)	9.4%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	310.3	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	122.3	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	14.5%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	116.8	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	92.8%		2001
		Hot running water (as % of dwelling stock)	90.5%		2001
		Central heating (as % of dwelling stock)	74.3%		2001
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.8%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	2.3	2.8	2009
		Number of private households (*1000)	1756.5		2009
		Average number of persons per households	2.8	2.4	2009
	Unemployment	Unemployment rate	14.4%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	0.6	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.6	4.9	2009
		Population at risk of poverty or exclusion (%)	19.6%	23.1%	2009
		Population with severe housing deprivation (%)	4.2%	6.0%	2009

What is social housing?

In Slovenia 'social housing' is official defined as 'non-profit rented dwelling'x and it is addressed to people on low to middle income. At present, social housing represents about 6% of the national housing stock. This is considered as new social housing, as opposed to the concept of social housing used before the 1991, in the context of the former socialist period^x. In 1991, two arrangements were established, social housing (provided by municipalities and targeting only very low-income people) and non-profit housing (for low to middle-income households). The two programmes were merged into one in 2003 (although different tenants still have different arrangements), and the same year the Housing Fund of the Republic of Slovenia was created. The Housing Fund's main tasks are provision of loans, being a co-investor and a partner in public-private partnerships.

Who provides social housing?

Currently social housing providers are municipalities as well as 60 registered not-for-profit organisations. Municipalities or groups of municipalities often set up a municipal housing fund.

How is social housing financed?

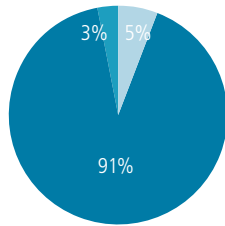
The Housing Fund of the Republic of Slovenia is a public financial and real estate fund established to finance and implement the

National Housing Programme, stimulating housing construction, renovation and maintenance of housing and residential buildings. Municipalities must finance the provision of social-rented dwellings for people with the lowest income from municipal budget. In the case of non-profit organizations, municipalities must contribute 40% of the construction cost, and obtain the remaining 60% of funds from the National Housing Fund in the form of favourable loans.

Non-profit rents cannot exceed prescribed limits, expressed as the percentage of the value of housing unit. Furthermore, upon entering the sector, new tenants have to pay a participation fee (unless their income is particularly low). For service users below certain income thresholds, the rent is split between the tenant and the municipal housing department.

Who can access social housing?

To be eligible, tenants must be citizens of Republic of Slovenia, they have to have certain housing and social conditions and must pay participation fee and guarantee deposit. Priority is given to families with children, households with unemployed members, young persons and families, disabled, and to claimants whose profession or activity is considered as important for the local community.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2007)*				
	83% Owner occupied 3% Private rent 4% Social rent 10% Other				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	798		2004
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	6%		2007
		Social rental stock as% of rental stock	na		
		Number of social rental dwellings per 1000 inhabitants	na		
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	na	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	14.6%	22.9%	2009
		Housing cost overburden rate (as % of population)	3.9%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	324.6	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	134.3	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	11.4%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	126.3	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	92.3		2004
		Hot running water (as % of dwelling stock)	na		
	Central heating (as % of dwelling stock)	79.1		2004	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.9%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	7.2	2.8	2009
		Number of private households (*1000)	791.3		2009
		Average number of persons per households	2.6	2.4	2009
	Unemployment	Unemployment rate	7.3%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	0	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.2	4.9	2009
		Population at risk of poverty or exclusion (%)	17.1%	23.1%	2009
		Population with severe housing deprivation (%)	17.5%	6.0%	2009

* Estimation.

What is social housing?

The right to housing is guaranteed by the Spanish Constitution⁸⁶. Social housing in Spain consists of the so-called **Vivienda de Proteccion Publica** (publicly protected housing). It represents a peculiarity compared to social housing models in most EU countries, in that it is **housing provided almost entirely for owner-occupation**. Only a small proportion of this housing, currently on the increase, is offered for rent. The main characteristic of protected housing is that construction, renovation and buying are subsidized by the State through reduced interest loans to providers. In exchange for this, dwellings complying with a number of conditions concerning size and quality are sold or let at prices below market to people with revenues below certain income ceilings.

The entire home-ownership sector represent 85% of the total housing stock in Spain, while the rental sector is the smallest in Europe, corresponding to 11% of the total housing stock, and it is concentrated quite exclusively in few main cities such as Barcelona and Madrid. Just about 2% of the stock is social rental housing.

Who provides social housing?

Public support for protected housing is dwelling-based, and open to all sorts of providers: public developers, commercial developers as

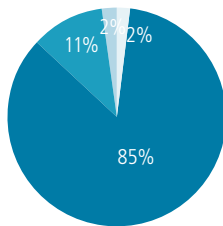
well as not for profit organisations and cooperatives, as well as individuals who alone or collectively want to buy or rehabilitate a home.

How is social housing financed?

Protected housing is mainly financed through funding from the National Housing Plan (and to a lesser extent from regional plans), as well as borrowing from private credit institutions. The state stipulates agreements with credit institutions, which commit to providing loans at favourable conditions. Besides access to favourable loans, protected housing in some cases can also benefit from direct public aid (grants or subsidisation of loans).

Who can access social housing?

On the basis of income distribution, depending on the type of VPO, broadly speaking over 80% of households virtually have access to this type of housing⁸⁷. The person who buys / is allocated / builds for personal use the dwelling: must not own or have a permanent right to use another dwelling, must not have obtained financing from the Housing Plan over the previous 10 years, and must have an income below certain levels. Disabled people and depended persons have the priority, and the regional governments can establish other types of requirements.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	85% Owner occupied 11% Private rent 2% Social rent 2% Other 'Other' includes: vacant or unknown dwellings				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	25129		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	2%		2008
		Social rental stock as% of rental stock	15%		2008
		Number of social rental dwellings per 1000 inhabitants	10.9		2008
	Production of social housing	Social housing as% of new completions	16%		2009
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	544		2008
	Affordability	Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	18.6%	22.9%	2009
		Housing cost overburden rate (as % of population)	10.9%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	363.3	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	126.8	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	64.6%	51.9%	2009
	Cost of construction	Construction cost index (2005=100)	122.3	114	2010
	Quality of housing stock	Bath/shower (as % of dwelling stock)	na		
		Hot running water (as % of dwelling stock)	99.5%		2008
		Central heating (as % of dwelling stock)	63.8%		2008
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	1.2%		2009
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	3.5	2.8	2009
		Number of private households (*1000)	17076.3		2009
		Average number of persons per households	2.1	2.4	2009
	Unemployment	Unemployment rate	20.1%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	1.4	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	6	4.9	2009
		Population at risk of poverty or exclusion (%)	23.4%	23.1%	2009
		Population with severe housing deprivation (%)	1.1%	6.0%	2009

86. Number of person per dwelling: 1,85 (2010)

87. Romanian Housing Law, 114/1996

What is social housing?

In Sweden the concept "social housing" is not used. The corresponding sector is called "*allmännyttig*", which literally means "**public utility**" or "**for the benefit of everybody**". In an international context the concept "public housing" is adequate. This sector consists of rental dwellings, owned by municipal housing companies that are organized as joint-stock companies (limited companies). In most cases the local authorities holds all the shares. These housing companies have a general interest objective – to promote the provision of housing in their municipality – but operate on business-like principles.

Who provides social housing?

Municipal housing companies must work for the purpose of promoting public benefit and it must have a general interest objective by promoting the supply of housing in the municipality, not only housing for the most vulnerable but for all kinds of people.

How is social housing financed?

There are no general housing subsidies anymore. Investments in public housing must be financed by the income from the rents. Public housing companies have no special benefits or advantages compared to the private rental sector.

Who can access social housing?

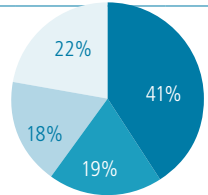
To avoid stigmatisation of public housing estates or residential areas the sector is open to anybody. There are no income limits or the like. The purpose is to provide housing for all, *also* for the less advantaged. However in practise it is typically not rich people

who live in the public housing sector. In comparison with other sectors and tenure forms, the residents in public housing are on average less well off. They have a lower income, show higher unemployment rates and receive more social benefits. They are also to a greater extent single persons or single parents and more often immigrants.

RECENT DEVELOPMENTS

One of the main challenges today is how to meet demand for new housing in expanding regions, housing for the young "baby boomers" of the early 1990s, and the demands from the growing elderly population and from the immigrants. At the same time, it is increasingly urgent to cope with the need for renovation and energy measures in the estates from the 1960s and 1970s, including measures to increase accessibility for disabled persons

Last but not least, a new Act on public municipal housing companies in force since January 2011 has brought about some changes in the sector. Last but not least, the Act states that public housing companies must now operate according to 'business-like principles', which means that there shall be no special advantages (no direct municipal support or particularly favourable loans are provided and in the case of municipal guarantees, those should be offered at market price) but the companies have to be run on their own merits, with the same required rate of return as comparable private housing companies. Thus the public housing companies should not operate on a non-profit basis, but apply correct pricing, including a certain profit margin – though they need not maximize profits. They also must offer tenants the opportunity of having a degree of influence.

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008)				
	41% Owner occupied 19% Private rent 18% Social rent 22% Cooperatives				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	4508		2010
		Multifamily dwelling stock out of total dwelling stock (*1000)	2511		2010
	Social housing stock	Social rental stock as% of total housing stock	18%		2010
		Social rental stock as% of rental stock	48%		2010
		Number of social rental dwellings per 1000 inhabitants	84		2010
	Production of social housing	Social housing as% of new completions	13%		2010
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	479	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	24.1%	22.9%	2009
		Housing cost overburden rate (as % of population)	10.2%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	540.0	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	120.8	121.9	2010
		Residential Mortgage debt to GDP ratio index (%)	82%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	122.6	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	100	96.9	2008
		Hot running water (as % of dwelling stock)	100		2008
		Central heating (as % of dwelling stock)	100		2008
STATE INVOLVEMENT		State involvement	General Government expenditure for housing and community amenities (as % of GDP)	0.8%	
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	9.1	2.8	2009
		Number of private households (*1000)	na		
		Average number of persons per households	na		
		Unemployment	Unemployment rate	8.4%	9.6%
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	5.3	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	3.7	4.9	2009
		Population at risk of poverty or exclusion (%)	15.9%	23.1%	2009
		Population with severe housing deprivation (%)	1.2%	6.0%	2009

UNITED KINGDOM

What is social housing?

Social housing in the UK is **low cost housing allocated on the basis of need**. With the exception of Northern Ireland, where it is provided only for rent, in the rest of the United Kingdom social housing includes the provision of rental dwellings, affordable home ownership, as well as shared ownership schemes. It is generally provided by councils and not-for-profit organisations such as housing associations, although there are differences across countries (see below). Social housing accounts for 17.5% of the total homes in England, while it is about 24% of the total housing stock in Scotland, about 17% in Northern Ireland and about 16.4% in Wales*.

Who provides social housing?

The reduction of council house building to virtually nothing, combined with sale to sitting tenants and the transfer of over one million local authority dwellings to housing associations between 1988 and 2009 have meant **housing associations** are now the majority delivery vehicle for affordable housing in England, currently managing 54% of social housing. A decline in public provision of social housing occurred also in Scotland and in Wales, although in Scotland the **local authority** housing stock continues to be larger than that of registered social landlords, and in Wales the social housing sector is evenly split between local authorities and registered social landlords. The situation is different in Northern Ireland in that there was no large scale stock transfer of public housing to housing associations. Instead, Local authorities transferred their homes to the Northern Ireland Housing Executive, Northern Ireland's strategic housing authority which currently manages over two thirds of the social housing stock in the region.

How is social housing financed?

The provision of new housing and associated land costs is financed through three funding sources, housing association's reserves, government grants⁸⁸ and private finance, which consists of bank loans or funding raised on the capital markets. Prior to 2007, development of new social rented homes was also cross-subsidised through the provision of low cost home ownership, but following the global financial crisis opportunities for this type of activity have diminished. Capital subsidy is coordinated by the devolved administrations, and more specifically by the Homes and Communities Agency in England, Scottish Government's Housing and Regeneration directorate, the Welsh Assembly Government's Housing Directorate, and Northern Ireland Housing Executive. Furthermore, social housing also benefits from discounted land and development contributions under "section 106" provisions, which require that a proportion of affordable housing is included at least in major developments.

Tenants in social rented homes pay a weekly rent which is well below market level (in 2007 social housing rents were equivalent on average to about 56% the price of market rents). Property rents are related to the valuation of the individual property as well as to area based incomes, and are increased according to a specific formula⁸⁹. Subject to a means test tenants may be eligible

for Housing Benefits – administered by local authorities - to cover either all or a proportion of their weekly rent. In fact the balance between supply side and demand side subsidies has changed significantly over recent decades in favour individual housing benefits.

Who can access social housing?

As for the beneficiaries of social housing, since implementation of the 1977 Housing Act, all municipalities in the United Kingdom are theoretically obliged to provide housing for **those in housing need**, assuming they meet a certain number of objective criteria and match the target groups to be cared for with priority. Social housing is targeted to vulnerable groups within the population, and priority is generally given by law to certain categories, including people who are **homeless**. In 2003, the Parliament in Scotland adopted the Homelessness Scotland Act, a law which goes beyond the 1977 Housing Act. As of 2012, all Scottish citizens who are not adequately housed will be able to file claims in court to obtain permanent housing from their local authorities if their application for permanent housing is not dealt with.

Under the **Localism Bill**, most provisions of which are expected to come into force in 2012, local authorities in England will have more discretion to formulate their own criteria to determine who may qualify for social housing in their areas. The measure builds on 2009 guidance encouraging councils to make use of local freedoms to prioritise applicants with, for example, a local connection. It is likely to lead to objective measures of housing need being superseded by the particular preferences of local authorities, although central Government retains the power to prescribe what types of people may or may not qualify for social housing where it deems such intervention necessary.

RECENT DEVELOPMENTS

The social housing sector in England is undergoing significant changes. The Localism Bill, expected to take effect in April 2012, will abolish the social housing regulator, the Tenant Services Authority. The regulatory function will be carried out by the investment body, the Homes and Communities Agency (HCA), through a dedicated Regulation Committee that has a special statutory status that it is hoped will avoid the problems previously encountered when investment and regulation were previously undertaken in the Housing Corporation. Under the HCA, regulation will focus more on issues of governance and viability. Consumer protection remains a regulatory function but the HCA will have only a "longstop" role, able to intervene only where "serious detriment" is caused by the breach of a regulatory standard.

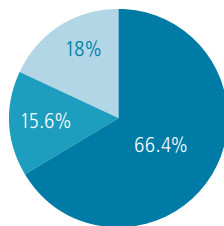
Meanwhile, the regulation of housing association tenancies is being changed so that it will now be possible to grant time-limited tenancies (subject to a minimum of five years, or two years in exceptional circumstances). This replaces the former requirement for open-ended (so-called "lifetime") tenancies that meant the tenant could remain in the home indefinitely unless there were a specific ground for possession such as rent arrears or anti-social behaviour. "Lifetime" tenancies remain available as an alternative, however.

88. In the case of English housing associations, the proportion of developments funded by grants from Government in 2007 was about 35-45% depending on location, but recently grant rates have risen to between 45% and 60% again.

89. Rents are increased or in the case of 2010/11 according to a formula which is the level of the Retail Price Index (RPI) in the preceding September + 0.5%. Social rents are also subject to an upper limit which is dependent on the size of the property and its market value at 1999 prices. While rents are below this upper limit and no more than 5% above, housing associations can raise their rent by a further £2 per week. Conversely when rents are more than 5% above the target rent they are required to reduce the rent charged by a maximum of £2pw year on year until the rent falls to within no more than 5% over the target rent.

90. Data have been reviewed/updated by national correspondents according to the latest statistics available.

* Communities and Local Government (2009) www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/stockincludingvacants/livables/

TOPICS					
SOCIAL HOUSING SECTOR	Tenure Status (%) out of total dwelling stock (2008) 66.4% Owner occupied 15.6% Private rent 18% Social rent				
		INDICATORS	DATA	EU AVERAGE	YEARS
	Housing stock	Total dwelling stock (*1000)	27108		2009
		Multifamily dwelling stock out of total dwelling stock (*1000)	na		
	Social housing stock	Social rental stock as% of total housing stock	18%		2009
		Social rental stock as% of rental stock	54%		2009
		Number of social rental dwellings per 1000 inhabitants	80		2009
	Production of social housing	Social housing as% of new completions	na		
	HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	443	
Affordability		Social rent as % of market rent (average)	na		
		Share of housing costs in disposable income (%)	28.8	22.9	2009
		Housing cost overburden rate (as % of population)	16.7%	12.2%	2009
		Total housing cost in Purchasing Power Standard (PPS)	694.4	477.5	2009
		Harmonised index of consumers price in housing (2005=100)	na		
		Residential Mortgage debt to GDP ratio index (%)	87.6%	51.9%	2009
Cost of construction		Construction cost index (2005=100)	107	114	2010
Quality of housing stock		Bath/shower (as % of dwelling stock)	99.0%		2001
		Hot running water (as % of dwelling stock)	100 %		2001
		Central heating (as % of dwelling stock)	94.0%		2001
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	na		
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	6.7	2.8	2009
		Number of private households (*1000)	26753.3		2009
		Average number of persons per households	2.3	2.4	2009
	Unemployment	Unemployment rate	7.8%	9.6%	2010
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	2.6	1.7	2010
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	5.2	4.9	2009
		Population at risk of poverty or exclusion (%)	22%	23.1%	2009
		Population with severe housing deprivation (%)	2.9%	6.0%	2009



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Sources for country figures

TOPICS		INDICATORS	SOURCES
HOUSING SECTOR	Housing stock	Tenure status out of total dwelling stock	Housing Statistics in the European Union 2010 (Kees Dol and Marietta Haffner) ¹⁵
		Total dwelling stock (*1000)	
		Multifamily dwelling stock out of total dwelling stock (*1000)	
	Social housing stock	Social rental stock as % of total housing stock	
		Social rental stock as % of rental stock	
		Number of social rental dwellings per 1000 inhabitants	
	Production of social housing	Social housing as % of new completions	
HOUSING MARKET TRENDS	Availability	Number of dwellings per 1000 inhabitants	CECODHAS General Survey 2011
	Affordability	Social rent as % of market rent (average)	
		Share of housing costs in disposable income (%)	
		Housing cost overburden rate (as % of population)	Eurostat (2010)
		Total housing cost in Purchasing Power Standard (PPS)	
		Harmonised index of consumers price in housing (2005=100)	Eurostat (2010)
		Residential Mortgage debt to GDP ratio index (%)	
	Cost of construction	Construction cost index (2005=100). For Italy: ISTAT	Eurostat (2010)
	Quality of housing stock	Bath/shower (as % of dwelling stock)	
		Hot running water (as % of dwelling stock)	
		Central heating (as % of dwelling stock)	
STATE INVOLVEMENT	State involvement	General Government expenditure for housing and community amenities (as % of GDP)	United Nation Statistics Division (COFOG 2009)
SOCIO-DEMOGRAPHIC TRENDS	Population	Crude rate of population change	Eurostat(2010)
		Number of private households (*1000)	
		Average number of persons per households	
	Unemployment	Unemployment rate	
	Immigration	Crude rate of net migration with adjustments (*1000 inhabitants)	
HOUSING AND SOCIAL EXCLUSION	Population and social conditions	Inequality of income distribution (quintile share ratio)	EU-SILC (2009-2010)
		Population at risk of poverty or exclusion (%)	
		Population with severe housing deprivation (%)	



List of member organisations of CECODHAS Housing Europe by country



LIST OF MEMBER ORGANISATIONS OF CECODHAS HOUSING EUROPE BY COUNTRY

AUSTRIA

The Austrian Federation of Limited-Profit Housing Associations (GBV) www.gbv.at

BELGIUM

The Federation of housing cooperative companies in Brussels (FESOCOLAB)

The Walloon Housing Fund (FLW) www.flw.be

Housing Company for the Brussels-Capital Region (SLRB) www.slr.birisnet.be

The Walloon Housing Company (SWL) www.swl.be

The Flemish agency for social housing (VMSW) www.vmsw.be

CZECH REPUBLIC

The Union of Czech and Moravian Co-operative Housing (SCMBD) www.scmbd.cz

DENMARK

Boligselskabernes Landsforening (BL) www.bl.dk

ESTONIA

The Estonian Union of Co-operative Housing Associations (EKÜL) www.ekyl.ee

FINLAND

Kunta-asunnot Oy www.kas.fi

VVO www.vvo.fi

FRANCE

ADOMA www.adoma.fr

Entreprises Sociales pour l'Habitat (ESH) www.esh-fr.org

Federation Nationale des Associations Régionales d'Organismes d'HLM (FNARHLM) www.fnar-habitat.org

Federation Nationale des Sociétés Coopératives d'HLM (FNCOOPHLM) www.hlm.coop

Les Offices Publics de l'Habitat www.offices-hlm.org

PROCIVIS UES-AP www.procivis.fr

Union Sociale pour l'Habitat (USH) www.union-habitat.org

GERMANY

GdW Bundesverband deutscher Wohnungs – und Immobilienunternehmen (GdW) www.gdw.de

GREECE

The Workers' Housing Organisation (OEK) www.oek.gr

HUNGARY

The Hungarian Association of Housing Cooperatives and Condominiums (LOSZ) www.losz.hu

IRELAND

The Irish Council for Social Housing (ICSH) www.icsh.ie

National Association of Building Co-operatives (NABCO) www.nabco.ie

ITALY

AGCI-ABITAZIONE www.agci.it

FEDERABITAZIONE www.federabitazione.confcooperative.it

FEDERCASA www.federcasa.it

Legacoop Abitanti www.legacoopabitanti.coop

LUXEMBURG

The Fund of for the Development of Housing and Living Conditions (FDL) www.fondsdulogement.lu

The National Affordable Housing Company (SNHBM) www.snhbm.lu

THE NETHERLANDS

AEDES www.aedesnet.nl

POLAND

The Polish Chamber of Commerce of Low Cost Social Housing (TBS) www.izbatbs.pl

Związek Rewizyjny Spółdzielni Mieszkaniowych (ZRSM RP) zrsmrp.com.pl

PORTUGAL

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SPAIN

The Spanish association of public social housing and land providers (AVS) www.promotorespublicos.org

Confederation of Spanish housing cooperatives (CONCOVI) www.concovi.es

SWEDEN

HSB Riksförbund www.hsb.se

RIKSBYGGGEN www.riksbyggen.se

The Swedish Association of Public Housing Companies (SABO) www.sabo.se

UNITED KINGDOM

The Building and Social Housing Foundation (BSHF) www.bshf.org

Community Housing Cymru (CHC) www.chcymru.org.uk

The National Housing Federation (NHF) www.housing.org.uk

The Northern Ireland Federation of Housing Associations (NIFHA) www.nifha.org

The Northern Ireland Housing Executive (NIHE) www.nihe.gov.uk

The Scottish Federation of Housing Associations (SFHA) www.sfha.co.uk

AFFORDABLE HOUSING

Generally defined as housing that is available for purchase or rent at a market value affordable for the majority of the population (Norris et al 2004). In particular, the term is used to describe housing provided at sub-market prices to households on low incomes (Oxley 2004).

AT-RISK-OF-POVERTY

The at-risk-of-poverty threshold is set at 60 % of the national median equivalised disposable income after social transfers. People whose income is below this threshold are at risk of poverty. The at-risk-of-poverty rate is the share of people with an equivalised disposable income (after social transfer) below the at-risk-of-poverty threshold, out of the total population (Eurostat).

CONSTRUCTION COST INDEX

The construction cost index (CCI) is a European Union business cycle indicator showing the trend in the costs incurred by contractors in the construction of buildings. The CCI combines the indices for material costs and for labour costs which are the most important cost components for construction. In the aggregation of these two cost components their relative weights are taken into account. Data collected by Member States are transmitted to Eurostat as an index, with the year 2005 as base year (Eurostat).

CRUDE RATE OF NET MIGRATION PLUS ADJUSTMENTS

The most immediate way to calculate the migration flux in a country is the *net migration* which corresponds to the difference between immigration into and emigration from the area during the year (net migration is therefore negative when the number of emigrants exceeds the number of immigrants).

Since most countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is generally estimated on the basis of the difference between the total change and the natural change of population between two dates (that is, net migration is considered as the part of population change not attributable to births and deaths). In Eurostat database, it is then called *net migration plus adjustments*.

The *crude rate of net migration plus adjustments* is defined as the ratio of net migration plus adjustment during the year to the average population in that year, expressed per 1000 inhabitants (Eurostat).

CRUDE RATE OF POPULATION CHANGE

The crude rate of population change is the ratio of the population change during the year to the average population in that year. The value is expressed per 1000 inhabitants. Population change is the difference between the population sizes on 1 January of two consecutive years (Eurostat).

DWELLING

Dwellings are buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences; movable structures, such as caravans, used as principal residences of households are included. (Eurostat)

A dwelling is a room or suite of rooms and its accessories in a permanent building or structurally separate part thereof which

has been built, rebuilt, converted, etc., and is intended for private habitation. It should have a separate access to a street (direct or via a garden or grounds) or to a common space within the building (staircase, passage, gallery, etc.). Detached rooms for habitation that are clearly built, rebuilt, converted, etc., to be used as a part of the dwelling should be considered as a part thereof. (A dwelling may thus be constituted of separate buildings within the same enclosure, provided they are clearly intended for habitation by the same private household, e.g. a room or rooms above a detached garage, occupied by servants or other members of the household.) (UNECE)

DWELLING STOCK

The dwelling stock includes only conventional (permanent) dwellings, whether occupied or not. The simple term "dwelling" is generally used instead of "conventional dwelling". The dwelling stock does not include rustic (semi-permanent) and improvised housing units (e.g. huts, cabins, shanties), mobile housing units (e.g. trailers, caravans, tents, wagons, boats) and housing units not intended for human habitation but in use for the purpose (e.g. stables, barns, mills, garages, warehouses). (UNECE)

GENERAL GOVERNMENT EXPENDITURE FOR HOUSING AND COMMUNITY AMENITIES (as % of GDP)

This indicator is extracted from COFOG (Classification of the functions of Government). COFOG is a classification defined by the United Nations Statistics Division. Its purpose is to classify the purpose of transactions such as outlays on final consumption expenditure, intermediate consumption, gross capital formation and capital and current transfers, by general government. Total general government expenditure is broken down by types of expenditure; '*Housing and community amenities*' is one of these types. It includes:

- housing development
- community development
- water supply
- street lighting
- R&D Housing and community amenities
- Housing and community amenities n.e.c.
- (United Nation Statistics Division)

HARMONIZED INDEX OF CONSUMER PRICES - HOUSING

Harmonized Indices of Consumer Prices (HICPs) are designed for international comparisons of consumer price inflation. HICPs are used by the ECB for assessing price stability for monetary policy purposes. The ECB defines price stability on the basis of the annual rate of change of the euro area HICP. HICPs are compiled on the basis of harmonized standards, binding for all Member States. The common classification for Harmonized Indices of Consumer Prices is the COICOP (Classification Of Individual Consumption by Purpose). A version of this classification (COICOP/HICP) has been specially adapted for the HICPs. Sub-indices published by Eurostat are based on this classification. HICPs are produced and published using a common index reference period (2005=100). (Eurostat)

HOUSEHOLD

A household is a small group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. Collective households such as boarding houses, halls of residence and hospitals and the persons living in them are excluded. (Eurostat)

HOUSING ASSOCIATION

A non-governmental organisation that owns, provides and constructs social housing and/or dwellings for purchase, usually below market prices. (Norris et al 2004)

HOUSING COST OVERBURDEN RATE

Housing cost overburden rate is defined as the share of population living in households where the total cost of housing accounts more than 40% of household disposable income (Eurostat).

HOUSING COOPERATIVE

A cooperative is 'an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise'. A housing co-operative is a housing business – a consumer co-operative mutually owned by its members – that operates in accordance with the Co-operative Principles and Values. A cooperative dwelling can be defined as a dwelling for rent or for ownership where the resident is entitled to live after buying a share of the cooperative.

HOUSING TENURE

Tenure refers to the arrangements under which the household occupies all or part of a housing unit (OECD, 2001). Types of tenure include ownership by a member of the household, rental of all or part of the housing unit by a member of the household, or other types such as cooperative sector.

KEY WORKERS (housing for)

Key worker housing refers to accommodation for public sector or service employees unable to afford to buy or rent housing locally on the open market.

INEQUALITY OF INCOME DISTRIBUTION

The ratio of total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income (Eurostat).

LOCAL AUTHORITIES

All sub-regional government structures including city, county, borough and town councils and municipalities. (Norris et al 2004)

OWNER OCCUPIED HOUSING

Housing owned by the occupiers. The housing may be owned outright or through a mortgage loan, but the owners have the opportunity to purchase the full equity. (Norris et al 2004)

OVERCROWDING RATE

According to EU-SILC a person is considered as living in an overcrowded dwelling if the household does not have at its disposal a minimum number of rooms equal to: one room for the household; one room per couple in the household; one room for each single person aged 18 or more; one room per pair of single people of the same gender between 12 and 17 years of age; one room for each single person between 12 and 17 years of age and not included

in the previous category; and one room per pair of children under 12 years of age (Eurostat).

POPULATION AT RISK OF POVERTY OR EXCLUSION

This indicator summarizes number of people who are either at risk-of-poverty and/or materially deprived and/or living in households with very low work intensity. Interactions between the indicators are excluded. At risk-of-poverty are persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers). The collection "material deprivation" covers indicators relating to economic strain, durables, housing and environment of the dwelling. Severely materially deprived persons have living conditions severely constrained by a lack of resources, they experience at least 4 out of 9 following deprivations items: cannot afford i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone. People living in households with very low work intensity are people aged 0-59 living in households where the adults work less than 20% of their total work potential during the past year (Eurostat).

PRIVATE RENTED HOUSING

Housing owned by a private individual or agency and rented to the occupiers for profit, generally at market rates. (Norris et al 2004)

PUBLIC HOUSING

Social Housing provided by a government agency, usually a local authority, or by a publicly owned company.

RESIDENTIAL MORTGAGE DEBT TO GDP RATIO INDEX

The residential mortgage debt to GDP ratio index is a measure of the level of mortgage indebtedness of a country compared to GDP (European Mortgage Federation).

RESTITUTED DWELLINGS

The term, used with regards to former communist countries, refers to dwellings which were confiscated, nationalised or in other way expropriated after World War II and subsequently - following the fall of communism in the region and the reform of the housing sector - privatized to the benefit of the former owners or their heirs. As a consequence, private owners replaced former public owners and sitting tenants stayed in their respective dwellings with more or less legal protection.

SEVERE HOUSING DEPRIVATION

The severe housing deprivation rate corresponds to the share of the population living in a dwelling which is considered as overcrowded, while also exhibiting at least one of the housing deprivation measures. Housing deprivation is a measure of poor amenities and is calculated by reference to household with a leaking roof, neither a bath, nor a shower, nor an indoor flushing toilet, or a dwelling considered too dark (Eurostat).

SHARE OF HOUSING COST IN DISPOSABLE INCOME

This indicator gives an idea of the amount of cost for housing compared to the income. Housing costs are calculated after deduction of housing allowances (Eurostat).

SHARED OWNERSHIP

Scheme to facilitate home ownership through the partial purchase

of dwelling from the State or a housing association. Occupiers are usually given an option to purchase the dwelling fully at a later date. (Norris et al 2004)

SOCIAL HOUSING

Housing for households whose needs are not met by the open market and where there are rules for allocating housing to benefiting households (CECODHAS, November 2006)

Development, renting/selling and maintenance of dwellings at affordable prices as well as their allocation and management, which may also include the management of housing estates and neighbourhoods. Increasingly, management of social housing can encompass social aspects: for example, care services are involved in housing or rehousing programmes for specific groups or in debt-management for low-income households. In most cases, however, specific care institutions cover the care component and collaborate with social housing providers (European Commission, 2010)

TOTAL HOUSING COST IN PURCHASING POWER STANDARD (PPS)

The purchasing power standard, abbreviated as PPS, is an artificial currency unit. Theoretically, one PPS can buy the same amount of goods and services in each country. However, price differences across borders mean that different amounts of national currency units are needed for the same goods and services depending on the country. PPS are derived by dividing any economic aggregate of a country in national currency by its respective Purchasing power parities.

PPS is the technical term used by Eurostat for the common currency in which national accounts aggregates are expressed when adjusted for price level differences using PPPs. Thus, PPPs can be interpreted as the exchange rate of the PPS against the euro (Eurostat).

UNEMPLOYMENT RATE

Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were: a. without work during the reference week, b. currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week, c. actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months (Eurostat).



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