

Future perspectives of a European Housing Policy for a more social Europe:

Affordable Rental Housing for the Young -Make it Happen Now!!!!

International Tenants' Day, October 3rd 2011

On the occasion of the International Tenants' Day/UN World Habitat Day, October the 3rd, the International Union of Tenants will convene a conference in the Committee of the Regions on theme "Affordable Rental Housing for the Young".

IUT is a Non Governmental Organisation, founded in 1926, with the purpose of **safeguarding the interests of tenants**. IUT is a non-party political organisation, working along democratic lines and gathers 59 member associations in 45 countries. IUT is fighting for the **right to housing** as a fundamental right, the co-operation between tenants; residential democracy; right to participation and organization; **secure tenure** and non-discrimination; realisation of the right of everyone to sound and healthy residential environment, as also an **affordable and fair rent**.

51 million or nearly a half (46 %) of all young adults in the EU still live with at least one of their parents. The share of young adults living with their parents varies from 20% or less in Denmark, Sweden and Finland, to 60 % or more in Bulgaria, Slovenia and Slovakia. The highest rate is in Spain, 78%. In 16 EU member states, more than 50% young adults still have to live with their parents (source: Eurostat 2010)

In the northern countries where young people tend to leave home earlier, it is more likely they move to rented accommodation, often in the public sector. It occurs the opposite in southern Europe as rates of owner-occupation are high (67-68% in Portugal and Italy, 76-78% in Spain and Greece) and the availability of affordable-rented stock is low (none in Greece, 8-10% in Spain and Portugal, 23% in Italy).

Young people are increasingly squeezed out of the housing market; affordable housing in both the private and social rented sector is in short supply and buying a home is out of reach of many. IUT considers that delayed adulthood as a social phenomenon produced by housing conditions is a problem that employment and social policies should take seriously; in terms of the potential negative effects it can have on family life, labour market mobility and on the economy.

This is the reason why Tenants' Unions are now emphasizing the need to:

- ❖ Acknowledge the right to housing as a fundamental human right
- ❖ Build enough units of affordable rental housing across all territories and increase the supply especially in booming regions and university towns
- ❖ Give more priority to young tenants in the national housing allocation systems
- ❖ Give higher priority to the young in social housing and expand quality student accommodation
- ❖ Ensure a higher proportion of the affordable rental stock suitable for young people.
- ❖ Convert vacant office spaces and empty dwellings as housing accommodation for young people
- ❖ Deliver stable financing for housing by national youth housing programs and income-related housing allowances

Affordable rental housing contributes to the sustainability of a modernised welfare state

To facilitate youths' housing transition is important that housing stock becomes diversified. Housing markets should offer not only owner-occupied housing but also affordable rental housing. The recent sub-prime mortgage crisis clearly demonstrates how serious the risk of home ownership can be for those who couldn't afford it.

Young people now face a more drawn-out process of moving towards independent living than ever before

The barriers to access the housing market for the young are a vicious circle:

- ❖ high rents as to represent too large portion of their low income
- ❖ difficulties of young people to access the labour market and youth unemployment
- ❖ mortgages are not accessible for young considering the insecurity of their income
- ❖ shortage of affordable rental housing

Financial insecurity is one of the factors that raises serious obstacles for young people to become or try to stay independent. Young people are actually not a homogeneous group. But what young people often have in common is lower income, insecure terms of employment and little or no savings. At the same time they are new in the housing market which means few contracts and references. The high cost of private renting has also led to overcrowding. Co-habitation and co-housing are often the only possible way to leave the parental home.

A 10% increase in homeownership in a country is associated with an approximately 4% increase in the proportion living with parents. In the Netherlands, where fewer young adults live with their parents, 30% of the total housing stock is in the public sector, with housing built specifically for young students and workers. In contrast, only 8% of the housing in Spain is rental housing, and more than 78% of people own their dwellings. With little government assistance for first-time home buyers, it is quite difficult to make the move. The shortage of affordable housing which would allow young people to move away from home and live independent represents a problem for the whole economy.

Shortage of affordable rental housing will hamper the intellectual capital of EU

If the job mobility is difficult to attain because of the lack of affordable housing, companies and institutions will not get the employees they seek and need. The same problem is there for those seeking to accomplish higher education and the lack of decent and affordable housing will hamper the intellectual capital of EU's Member States. Producing an adequate supply and diversity of affordable rental housing can help young peoples' housing transition and boost EU's labour mobility.

The EU should make use of the structural funds to reduce social segregation and increase the housing opportunities for young adults

IUT considers that the European Fund for Regional Development (ERDF) and the European Social Fund (ESF) should have a social housing dimension and be used for the co-financing of national housing programs. **IUT urges the EU Commission, the European Parliament and the EU Council to ensure that this funding possibility is expanded for the new structural funds period 2013-2019.** The European Investment Bank (EIB) should also give grants and loans for social housing plans in the EU member states.

The "EU 2020-Strategy" constitutes an agreement to reduce poverty in the European Union by 20% before 2020. The high costs of housing are strongly linked to poverty and social exclusion, long-term difficulties in paying mortgage or rent can lead to relocation and homelessness and causes greater demands on social and affordable housing. **There are three key issues in housing the young: housing quality, affordability and availability.** Out of these three, **availability** is the main sticking point. Across Europe, it is difficult for people with a lower income to access decent, quality housing as the waiting lists for social housing are long. The EU should therefore ensure that member states' housing policies are offering **incentives for housing providers** to raise the level of the social housing stock in their respective countries. Housing access for the young is vital for a more inclusive society and a more social Europe.

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Liaison Office to the EU