



April 2018

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Peace, bread and housing: Lisbon meeting of the EU-partnership for affordable housing

The 10th Housing Partnership meeting took place on 22-23 March 2018 in Lisbon and focussed on general housing policy recommendations which had been prepared by its members. Partnership also worked on the implementation of agreed and developed new actions in evolvement of its action plan. A highlight of the meeting was when members met one of the leading personalities in Portuguese housing policy since the revolution 1974, **Helena Roseta**, MP and Leader of Lisbon City Council. The right to housing is enshrined in Article 65 of the Portuguese constitution. Nevertheless, enforcement of this right is a problem. 500.000 affordable rental homes are missing in Portugal therefore, a massive investment is needed, together with legal regulations to ensure the security of tenure. Portugal counts 25% tenants and 75% homeowners, but 50% of these homeowners have mortgages, as **Helena Roseta** pointed out: “they are tenants of the banks.”

Members were deeply impressed by her vivid presentation of the development of housing policy in the country.

They learned that even the revolution’s song “Liberdade” refers to housing in its line “Peace, Bread and Housing”¹. The spirit of this approach could be felt at a study visit to Boavista, a rundown social housing city quarter of Lisbon-Benfica where an awarded, partly EU funded social housing project of high building and ecological standards is being realised allowing for the social and economic empowerment of its residents. **Rui Neves Franco**, Lisbon’s deputy councillor for housing and member of the partnership, pointed out the highest standards were met by construction costs of only 513 €/m².²



Members of the partnership in the Lisbon City Hall, in front **Michaela Kauer** and **Rui Neves Franco**

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https://www.youtube.com/watch?v=KpFEn24T_yuA&feature=youtu.be

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https://www.youtube.com/watch?v=yQkLEsnRSXs&list=PLZa4Wds79P02B_ScYC4UCtKV2Xah7jWnT&index=7&t=0s

To secure affordable housing, regulation is necessary

The International Union of Tenants (IUT), represented by Secretary General **Annika Wahlberg** and Head of EU office **Barbara Steenbergen** had prepared a set of policy recommendations from the consumers' perspective. The findings were backed by evidence from different Member States and cities and showed that core elements must be the security of tenancy and rent stabilisation. As **Barbara Steenbergen** from IUT EU Office put it "we need regulation to protect the weaker part in the market – unlimited rental contracts and rent caps are core elements here."

A second set of recommendations regarding land use and building ground had been elaborated by the City of Vienna. **Susanne Bauer**, senior research officer at Wiener Wohnen (Vienna Municipal Housing) explained that many cities were desperately in search of solutions to secure building ground at a price that allows to build affordable and social housing, "there are no universal solutions, but it must be clear that cities need to be enabled to plan their territory in a socially, environmentally and economically sustainable way – spatial planning can be core to achieve a social mix. Another powerful tool could be a zoning law for subsidized/fundable housing, where only buildings are to be constructed which meet certain requirements for social housing."

Housing Europe's secretary general **Sorcha Edwards** shared ideas about how to guarantee affordable housing costs when measures of improvement regarding energy efficiency were undertaken, such as encouraging schemes which offset rent increases through reductions in energy bills, fostering a district level approach when designing legislation and financing schemes

and facilitating the decentralisation of renewable energy production and ownership. Members agreed that better energy performance must not lead to 'renovictions' (evictions because of higher costs after renovation). A part of the discussion also dealt with the issue that touristic short-time letting platforms need regulation as they influence the housing stock in a city substantially when they extract housing from the regular rental market. This was highly appreciated by **Paula Marquez**, city councillor for housing and urban development of Lisbon, who had joined the meeting, stating: "We need more than the right to housing- we need a right to habitat."

The themes of the Lisbon meeting were picked up by the Catalan newspaper "La Vanguardia".³,

Gender dimension in affordable housing and urban housing database

Partnership discussed the gender dimension of affordable housing at several occasions during the meeting, one key aspect being female poverty linked to high housing and energy costs, and members agreed that more data is required on this. A great concern of members of the partnership was the housing overburden definition at EU level, which is common when 40 percent of disposable family income are spent on housing. Evidence in several countries and cities showed that this was too high, and partnership saw a need to go down to 25% in view of the lower income groups of society who are much more in danger of poverty. Indicators to allow cities to better analyse and steer housing stock were discussed as well, as sometimes rents and mortgages are linked to average or

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<https://ec.europa.eu/futurium/en/housing/administrations-must-control-and-regulate-rents-says-barbara-steenbergen-international-union>

minimum income. There was general agreement that affordable and social rents must be uncoupled from market rents in order to base policies on people's real economic and social needs. "What became also clear is that there is need to have a comprehensive database on housing at EU-level, which reflects the subnational and local patterns. This will allow for evidence-based policy development. It is more necessary than ever now that we have a stronger focus on housing in the European Semester and the country specific recommendations as the Growth and Stability Pact must contribute to social infrastructure investment", concluded **Michaela Kauer**, co-coordinator of the partnership, "of course, we will also continue to analyse our work with a clear gender equality approach when discussing housing policies and affordability."

Next steps

On **May 23**, the EU Partnership for affordable housing will invite to a workshop on the application of the state aid rules in the Committee of the Regions, and discuss compliance by exercising concrete cases. **Ronald Paping**, director of the Dutch Union of Tenants (**Nederlandse Woonbond**) will have an input on the Dutch case of social housing and its consequences for the middle-income households.

3rd Overview of Housing Exclusion in Europe 2018 reveals increasing housing exclusion and homelessness across Europe .

Since 2015, the European Federation of National Organisations Working with the Homeless (FEANTSA) and the Fondation Abbé Pierre have released a yearly 'Overview of

Housing Exclusion in Europe'. These annual reports look at the latest Eurostat data (EU-SILC) and assess EU countries' capacity to adequately house their populations.

The 2018 version reveals how millions of Europeans face housing exclusion on a daily basis as well as a dramatic picture of increasing homelessness across most of the EU – in particular amongst children, women and migrants.⁴

Setback for social housing in Austria

The Housing Investment Bank (WBIB) has initiated its self-dissolution. According to analysts, this means a severe setback for social housing in Austria. A broad front of experts had summoned the need for WBIB. According to WBIB, the reason for the decision to dissolve is the Federal Government's (Austrian people's party (christian-democratic and conservative (ÖVP) and right wing populist and national conservative Freedom Party (FPÖ) withdrawal to provide a deficiency guarantee.

The idea of WBIB was to provide cheap money for social housing without hitting the debt thresholds of the European Fiscal Compact. WBIB lends the money, which is guaranteed by the federal government (500 million euros). The state of Austria as a reliable guarantor allows the WBIB to get cheap loans from the European Investment Bank at 0.2 % interest. This money, in return, will be passed on to social housing developers at a rate of 0.5%.

⁴ <http://www.feantsa.org/en/report/2018/03/21/the-second-overview-of-housing-exclusion-in-europe-2017?bcParent=27>

"The fact that affordable housing is not a concern for the federal government is something I can not understand, we need the Housing Investment Bank," said Austrian Chamber of Labor President **Rudi Kaske**.

The need for affordable housing in Austria is high. The gap between income and rents gets bigger, rents increased by 4.1% compared to previous year, whereas inflation was 1.9 %.

In a recent poll of the Chamber of Labor, 42% of the people said they were overburdened by housing costs. 87% of the tenants had to accept a limited rent agreement as they could not find an unlimited contract guaranteeing security of tenure. **Elke Hanel-Torsch**, director of the Austrian Tenants Union **Mietervereinigung Österreichs**, confirmed this tendency: limited rent contracts cause not only a disadvantage for tenants but lead to increasing housing costs for the entire society: or the rent will be increased at the end of the contract, or the tenant moves out and has to search for a new flat- with new expenditures for deposit, real estate service agents and moving costs.⁵



Elke Hanel-Torsch, MVÖ

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<https://mietervereinigung.at/News/841/40135/Mieten-steigen-ungebremst-Mietervereinigung-fordert-rasche-Ma-nahmen>

The last minute denial of liability for the WBIB by the federal government came out of the blue. Negotiations with the EU institutions have been ongoing since years. Behind the scenes, experts say that the end of the WBIB will be convenient for the commercial banks.

Udo Bullmann is the new Socialist Group president in the European Parliament

The S&D Group in the European Parliament has a new president. March 20, Socialist MEPs in Brussels elected the German MEP **Udo Bullmann**. He received 88 votes, his opponent, the Belgian **Kathleen van Brempt** 61 votes. Bullman had already taken over the presidency of the group a few months ago provisionally by the Italian politician **Gianni Pittella**, who has switched to national politics. Bullmann has been a member of the SPD in the European Parliament since 1999. The 61-year-old from Hessen specializes in finance issues. He is a member of the European Parliament's Committee on Economic and Monetary Affairs, where he advocates stricter financial market rules and a future-oriented European investment policy.

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Barbara Steenbergen

Head of Brussels office

barbara.steenbergen@iut.nu