

exchange



EU POLICIES & HOUSING IN 2010

NEW PERSPECTIVES

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Disclaimer

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INTRODUCTION

2010: HOUSING ON THE EU AGENDA, FEATURES MORE STRONGLY AS A BUILDING THAN AS A FUNDAMENTAL RIGHT

On the eve of Marseille Housing Ministers meeting, in November 2008, the European Commission published a proposal for a recovery plan which, for the first time, identified construction, including of course housing, as a key sector to support economic growth and offer a way out of the crisis. Together with the approval of the climate package which set an ambitious roadmap towards a low-carbon economy, these proposals have radically changed the position of the construction sector on the EU policy map.

As the new Commission and Parliament start their new terms, it will also look at how the EU policy landscape has changed over the last 5 years with regards its interactions with housing policies. It will focus on changes in **cohesion policies** (opening of Structural Funds, Covenant of Mayors); the emergence of an **EU energy policy** with the adoption of the Climate package (including all measures linked to energy efficiency) and outline the **changes implied by the Lisbon Treaty**. The implications of the latest EU State aid and competition policy rulings are also highlighted.

The economic crisis is driving policy change in this field, with on the one hand housing markets at the root of the financial downturn and on the other increased investment in public housing used in many EU countries to revive the economy. In the meantime, public spending cuts in 2010 mean that all governments are looking at alternative ways to finance housing policies.

What has not changed on the landscape however, are the unmet housing needs, with housing prices remaining high and affordability of housing continuing to be one of the most pressing un-resolved social issues.

2010 is the year to fight against poverty and social exclusion, lets hope housing and Urban development will be seen, not only as potential energy saving sector, but as a fundamental tool for social integration.



A/ Housing as Service of General Interest, new Treaty and case law development: increased precision on what is social housing

NEW TREATY PROTOCOL

SIEG Protocol in the new Treaty

Article 1

The shared values of the Union in respect of services of general economic interest within the meaning of Article 16 of the Treaty on the Functioning of the European Union include in particular:

- the essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users;
- the diversity between various services of general economic interest and the differences in the needs and preferences of users that may result from different geographical, social or cultural situations;
- a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights.

Article 2

The provisions of the Treaties do not affect in any way the competence of Member States to provide, commission and organise non-economic services of general interest (NESGI).

NEW TREATY SOCIAL CLAUSE

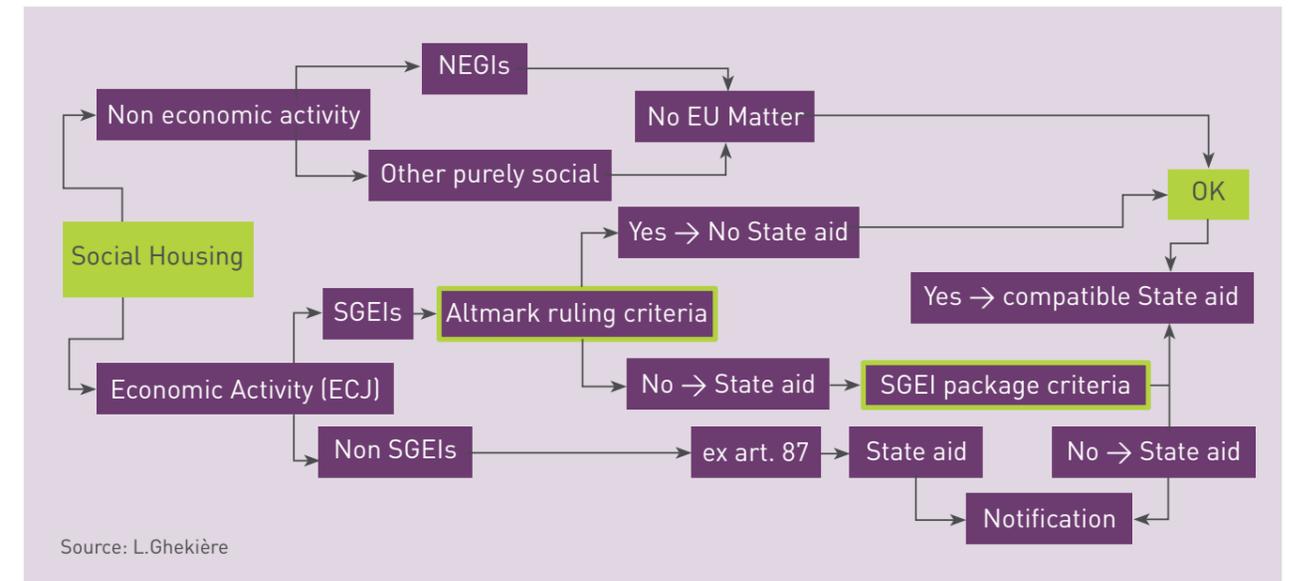
The Treaty of Lisbon entered into force in December 2009 and brought some interesting innovations which will have an impact on how EU competition and Internal Market rules can be implemented in the housing policies field.

In addition, all EU policies have to be "social proof" as a new transversal social clause has been introduced. Finally as noted in the chapter on cohesion, the objectives of the European Union have been outlined and a territorial cohesion objective added to the social and economic cohesion. All these new elements now need to be translated into policies and laws.



STATE AID EU RULES AND HOUSING

As far as State aid is concerned, it might change the current rules which restrict State aid to housing for vulnerable households.



Two articles of the Treaty are important to consider for public support to urban renewal schemes and for social housing provision.

For the first objective, it is possible to grant State aid to foster the economic development of a given geographical area, it is the Article 107 TFEU; to use it, notification of the State aid is compulsory.

The second article of the Treaty is the 106 TFEU (former Article 86). Social housing sector is receiving State aid to deliver a housing service of general interest. To be compatible with competition rules and not provoke any "unfair" competition between economic actors, these State aid need to be fulfil 4 Altmark criteria (from the Altmark court case):

- Social housing organisation must have public service obligation.
- Parameters of compensation must be set in advance in an objective and transparent manner.
- Compensation cannot exceed what is necessary to cover the costs incurred in the delivery of the public service obligations.
- Cost are evaluated on the basis of a "well run enterprise".

If these four criteria are not fulfilled, then the State aid decision of 2005 which exempts notification obligation of State aid for social housing and local SIEG (and hospitals) applies. Exemption of notification is granted if the provider is entrusted by an official act to deliver SIEG with clear compensation of costs. If no legal act is specified these two aspects (entrust, compensation), then the State aid must be notified (or it is illegal).

In 2009, Member States should have reported and explained precisely how they implement the State aid decision, with the aim to review if needed this decision in 2010. 3 years of implementation of the State aid decision have allowed an evaluation of its limits:

- Most Member states are not answering strictly to the criteria set by the decision.
- Compensation is still not defined in most of the cases (specially when integrated projects are implemented) because it is extremely complex to calculate.
- Again, the question of whether these State aid is really distorting the internal market and creating unfair competition is open.



DUTCH CASE, SWEDISH CASE

In 2009, two “State aid to housing/urban renewal” cases have been almost closed and are interesting to consider in more details. The Dutch case is a combination of the Article 106 and 107 TFEU.

What's the Swedish case?

In 2005, the European Property Federation (EPF) filed a complaint to the European Commission about the Swedish municipalities support for their housing companies. However the Commission did not open a case against Sweden, but requested complementary information. Since then a governmental investigation has looked at the questions and the Swedish government has had discussions with the Swedish Private Property Federation, the Swedish Union of Tenants, the Swedish Association of Municipal Housing Companies (SABO) and other stakeholders to find a solution. By the 23rd of March 2010 a Government Bill is expected to be presented to the Swedish Parliament, which will be decided on in June 2010. New laws are expected to come into force from 1st January 2011.

What is the complaint about ?

The complaint was filed by the European Property Federation (EPF) on behalf of the Swedish Private Property Federation and concerns the municipalities support for their housing companies. According to a report by Ernst & Young Real Estate the support to the municipal housing companies was in total SEK 12m in 2002. According to the report the support consisted of under-depreciation of properties, support which reduces the cost of lending/favourable guarantee, cost of equity and direct support.

The result of national consultation and expected content of the proposal from the Swedish Government is:

- Municipal housing companies will operate on the same conditions as any private housing company and receive no advantage from their owners (local municipalities) that they would not be able to get in the market.
- The apartments will still be possible to rent by everybody irrespective of income, ethnicity, age or type of household. That means that the municipal housing companies is not defined as Social Housing or Services of General Interest (SGI) – they never have been defined in that way.
- The municipal housing companies should be run in a businesslike way, which means that a profitability perspective should apply and the companies will act in line with the normal standard on the market. However, this can be combined with an active social responsibility. Municipal housing companies will still be champions in corporate social responsibility and their role in the development of the local community remains.
- The rents will be set in collective negotiations between the tenants' union and the landlords at local level. The role of municipal housing companies in setting the standard for rents is to be removed. Instead negotiated rents will set the standard – no matter if it is negotiated with a private landlord or a municipal housing company.

What is the Dutch case?

In a letter of the 14 July 2005, the European Commission expressed doubt on the compatibility of the Dutch social housing support systems with EU Competition rules, identifying a possible “manifest error”. For the Commission, the fact that more than 30% of the housing stock is owned by bodies that receive State aid, mainly in the form of financial guarantee, seems disproportionate with the aim of housing “the most vulnerable”.

The final answer took more than 4 years, due to intense political debates in the Netherlands, and a change of the Minister in charge. The European Commission published the agreement on the notification of State aid in December 2009.

What is into the agreement?

The Dutch government introduced an income ceiling as an eligibility criteria to access social housing and clearly stated that the housing corporations (social housing non-for profit providers) should strictly focus on answering the housing needs of the most vulnerable and to build and manage social real estates (with a precise list of what can be included into it). It introduced a maximum rent price of 650€ on the whole territory. The notification is also concerning a major urban renewal programme where 250€ millions should be invested in the next 10 years in 40 targeted areas. Social housing provisions stays under the article 106 TFEU when the urban regeneration scheme has been approved under the 107 TFEU.

What can we conclude ?

Basically, the universal approach of housing provision policies, does not fit into the current EU competition rules. This is the basis of the problem in Sweden and in the Netherlands. The question today, is to know whether, the protocol on SIEG does or does not open doors for a universal approach, meaning that housing policies should not be targeted to provide for the most vulnerable only, but can have a wider role. This highly political question will be answered by the new Competition Commissioner and the new European Parliament but we do not know in what way.

It can be with a renewed and more open/flexible exemption of notification of State aid in the social housing sector, with a broader directive on SGEI and the subsidiary principle, which would be a recognition of the specific position of SGEI providers and the need to adapt regulation.

SGEI QUALITY OF SERVICES

In parallel to the compatibility check of State aid in the social housing sector and local Services of General interest with the Competition rules, the European Commission began a process to reinforce mutual learning and exchange of knowledge on how best to ensure the delivery of quality in social services.

The services directive is one piece of legislation which radically changed the landscape on the European scene for various reasons, including the fact that it was one of the first cases where the European parliament imposing its view against the Commission and the European Council, or because it raised (negatively) the visibility of EU policies among citizens, with big demonstrations against it paving the way for rejections of the Lisbon Treaty when submitted to referendum.

For housing policies, the changes implied by the Services directive are significant. Indeed, social housing providers are usually managed by “entrusted bodies”, thus not allowing the free provision of social housing by any enterprise. This could be considered a barrier to freedom in the internal market. This is however allowed, as it is important to control the quality of the service providers for public services (paid by authorities), in the adopted Service directive under the article on social services of general interest (including social housing).

Since then, social services providers have constantly asked the EU institutions for improved legal certainty; a demand answered with Communication, and various initiatives such as a “helpline” managed by the European Commission to answer questions from local authorities on implementing EU rules in the provision of their local services.

The Commission also developed an exchange on quality of social services between Member States (peer review of the open method of coordination on social inclusion, (see our chapter on inclusion policies) and Barroso promised to develop a quality framework, sort of minimum requirements for social services in its 5 years programme (2009-2014). At the same time, the European Commission financed a number of pilot projects to better understand what is quality in social services and the different control checks already existing. The European Standardisation Committee (CEN) is currently working on a standard for residential services for the elderly as well as on principles for quality in social services (consultation till June 2010).

REGIONAL AID SCHEME

Before closing the chapter linked to State aid rules, it is important to mention the current regional aid scheme. Any region shall apply a maximum ceiling of aid to its territory in order to ensure fair competition between regions in the EU. But if the principle is easy to understand, the application of it has been problematic in the housing sector for 2 reasons:

In the EU 12, the amount of Structural Funds which can be mobilised to housing is sometimes in competition with State aid granted, in the same territory to enterprises, while “State subsidies” to housing is generally to individual. Housing subsidies, even if State aid, should not be seen as State aid to support enterprises. The same apply to State aid given to increase energy efficiency in housing. The ceilings might be a problem for some regions, when indeed, more investment in green and smart economy should be strongly supported.



Commission website/ Frequently asked question

Integrated approach to green State aid, services of general interest and regional State aid would most probably foster the development of green and efficient housing actors.

According to the Regional Aid Guidelines 2007-13 (see IP/05/1653), individual notification is necessary whenever the aid proposed is more than the maximum allowable amount of aid that an investment with eligible expenditure of €100 million can receive in the region concerned (notification threshold). Of these measures, an in-depth assessment is necessary where the aid beneficiary has a market share of more than 25% or the production capacity created by the project exceeds 5% of the market (while the growth rate of the product market concerned is below the EEA GDP growth rate).

What are the main principles of the compatibility assessment?

The fundamental principles are set out in the Commission's State aid Action Plan and have already been translated into guidelines for other types of aid, e.g. research, development and innovation, risk capital, environmental aid (see MEMO/08/31). The core element of these principles is the balancing test.

The idea behind this test is to disentangle the positive and negative effects resulting from an aid, evaluate them and then balance them. That means first looking at the purpose of State aid: to what extent does it contribute to the equity objective of economic cohesion? Furthermore the test looks at the design of the aid measure: is State aid the appropriate instrument to remedy the problem? Does it induce a change of behaviour in the aid recipient? Is it proportionate? These positive effects have to be balanced against possible negative effects the aid might have.

In which way will the Commission assess the proportionality of the aid?

Member States must provide evidence that the aid amount is limited to the minimum needed for the investment to take place in the assisted region. In case the investment would not take place without the subsidy, aid will generally be considered proportionate if, because of the aid, the return on investment is in line with the normal rate of return applied by the company in other investment projects, with the cost of capital of the company as a whole or with returns commonly observed in the industry concerned. In case there is an alternative location for the investment, aid will generally be considered proportionate if it equals the difference between the net costs for the beneficiary company to invest in the assisted region and the net costs to invest in the alternative region.

In no case can the aid intensity be higher than the applicable regional aid ceilings defined in accordance with the Regional Aid Guidelines 2007-13 (see IP/05/1653).

B/ Housing, refurbishment, Urban renewal programme: Applying EU internal market rules reveals difficulties

PUBLIC PROCUREMENT RULES: APPLYING THE TRANSPARENCY PRINCIPLE

The public procurement directives were adopted in 2003. 6 years of implementation and case law are showing the need to adapt these rules to the complexity of urban renewal programmes and most importantly to open new roads to partnership financing energy efficiency refurbishment. We are highlighting a few of the areas identified lately by the European Parliament in a initiative report from MEP Heide Rhule to identify the needs of all stakeholders.

THE DISTINCTION BETWEEN THE NOTION OF WORKS CONTRACTS AND SERVICES CONTRACTS

The well-known case law established in Aurox C-220/05, gives rise to a series of questions for the social housing sector.

Indeed, in this ruling, the European court establishes a clearly defined distinction between works contracts and services contracts in the area of urban development and the related services (marketing, studies, etc.) were considered to be additional to the works to be undertaken and this therefore led these complex and combined contracts to be reclassified as being works contracts. However, works contracts that are governed by stricter conditions to guarantee that they are opened up to genuine competition do not allow for the flexibility that is required to put together this type of complex urban development/renewal operation which requires to undertake a whole range of activities in order to foster not only the economic, but also the social & cultural development of the neighbourhood in order to promote cohesion. It is difficult for this complex and somewhat uncertain task to comply with the rigorous demands of the public contracts procedure in terms of duration, the establishment of a set price and the division of public works contracts.

RECLASSIFICATION OF CONCESSIONS AS PUBLIC CONTRACTS

This question of the reclassification of services contracts as works contracts is also relevant to concessions, which may be reclassified as public contracts which, however, constitute a far more flexible instrument with which to successfully undertake these urban development operations.

PARTNERSHIPS BETWEEN PUBLIC ENTERPRISES

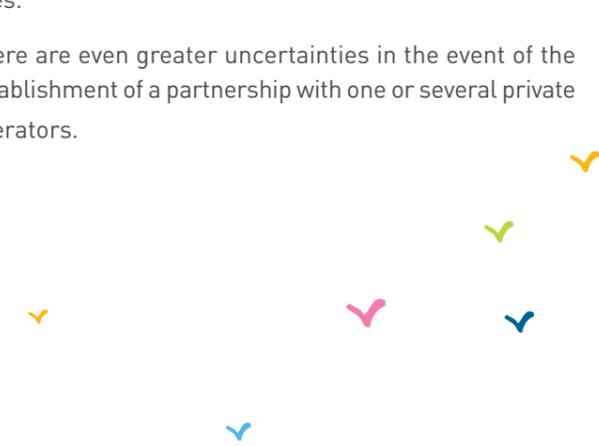
A interpretative communication or directive on concessions has been awaited for a long time. The aim of this communication will be to introduce greater clarity and legal security. The initiative, which should favour the use of a more flexible instrument, whilst at the same time ensuring transparency and opening up to competition, should not limit itself to proposing provisions that are comparable to those found in the public contracts directives, notably the provision on competitive dialogue, but rather it should propose a genuine flexibility.

PARTNERSHIPS AND TRANSPARENCY

In order to be as efficient as possible or to reduce costs, public enterprises are encouraged to pool their means and resources. This initiative gives rise to several questions regarding the application of the public contracts directives and the "in-house" notion. Whilst the ECJ regularly specifies the definition of "in-house" and whilst the recent rulings on cooperation between public authorities mean that it is possible to use the collaboration between public bodies, this type of partnership is still being held back by the areas of uncertainty related to case law.

Furthermore, in the same territory different public enterprises may be involved in the same project and the coordination of their actions (construction of new housing, renovation work, etc.) also gives rise to many questions regarding the application of the public contracts directives.

There are even greater uncertainties in the event of the establishment of a partnership with one or several private operators.



Partnerships with private partners

On 5 February 2008 the Commission adopted an Interpretative Communication on the application of Community law on Public Procurement and Concessions to Institutionalised Public-Private Partnerships (IPPP).

The Communication explains the EC rules to comply with when private partners are chosen for IPPP. Depending on the nature of the task (public contract or concession) to be attributed to the IPPP, either the Public Procurement Directives or the general EC Treaty principles apply to the selection procedure of the private partner. The Communication expresses the view of the Commission that under Community law one tendering procedure suffices when IPPP are set up. Accordingly, Community law does not require a double tendering — one for selecting the private partner to the IPPP and another one for awarding public contracts or concessions to the public-private entity — when IPPP are established.

The Communication also states that as a matter of principle IPPP must remain within the scope of their initial object and cannot obtain any further public contracts or concessions without a procedure respecting Community law on public contracts and concessions. However, it is acknowledged that IPPP are usually set up to provide services over a fairly long period and must, thus, be able to adjust to certain changes in the economic, legal or technical environment. The Communication explains the conditions under which these developments could be taken into account.

FOR THE PROVISION OF A SERVICE

The instruments that have been proposed in the various EC communications, namely contractual PPP and institutional PPP, would appear to be suitable for simple operations. However, the same problems of flexibility and, above all, of the continuity of the instrument, are posed for complex urban development and renewal operations for which the institutional PPP instrument is used.

Whilst the failure to impose a dual form of competition at the time when the partnership structure is created and also when the general interest mission is awarded to this structure, may represent a useful provision, a further question is still raised regarding the life span of the created structure.

Indeed, a partnership structure may be created in order to carry out work specifically within an urban development or renewal programme. However, in accordance with the EC texts, this partnership should then be terminated upon completion of the programme.

A new programme or an extension to an existing programme would require the work to be once again opened up to competition or the creation of a new structure, which would mean losing the benefit of the know-how developed by the original structure.

How is it possible to reconcile this question of the life span of the partnership in full respect of the principles of transparency and competition? Is one of the open questions which will be answered by the new Commission

The uncertainties are even greater in cases in which the partner with which the public enterprise have to collaborate cannot be exposed to competition since it is the owner of the buildings or of the land that is required for the purposes of the proposed urban development programme.

PRIVATE INITIATIVE PARTNERSHIP

A private partnership has no interest in opening itself up to competition over its own property in order to cooperate with public/general interest developers. Today, in some countries, private partners that are also the owners are considered to be the holders of exclusive rights, which mean that they open competition have to be organised. Several countries have raised their voice to ask the Commission a clearer definition of who holds exclusive rights.

Similarly, rather than constituting public contracts for social housing enterprises, does the acquisition of housing sold by private operators constitute a sales contract that can be freely entered into by the parties?

PARTNERSHIPS IN THE AREA OF ENERGY SERVICES

Directives 93/73 and 2006/32 provide for the establishment of energy services contracts. The costs of energy efficiency measures for any given stock of housing could be covered by lower energy costs in each housing unit. Since these contracts have not yet been well developed, it is currently impossible to say which rules should apply in the case of housing stock of which the public authority is the owner: concessions or services? Works contracts, private initiative partnerships? There is an urgent need to review the works contracts directive and to propose measures to clarify the rules for concessions so that the energy services directives may be implemented.

URBANISME ET MARCHÉS DE TRAVAUX

The housing policy and the social housing policy are closely linked to the urban planning policies that may be carried out by the authorities.

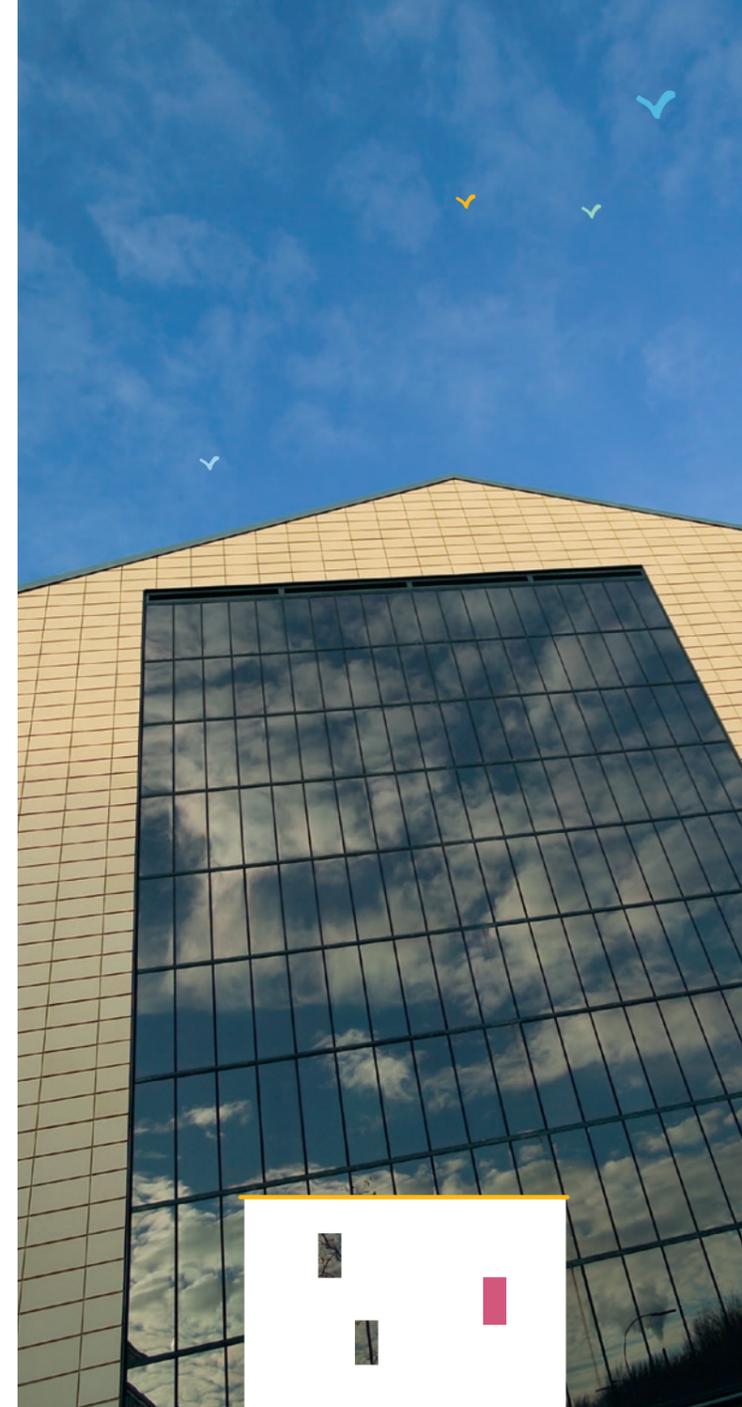
The existence of a political will to devise solutions in order to produce housing, and particularly social housing, may lead to the establishment of specific urban provisions and obligations.

To produce housing, the public authorities may impose minimum percentages of social housing that must be provided as part of private property operations or reserve the right to issue authorisation for the construction of property projects in exchange for the provision of social housing programmes.

This obligation is now considered as an element that may lead the initiative to be re-categorised as a public contract. Indeed, there are those who consider this requirement to provide a minimum percentage of social housing to be the trade-off for acquiring a public contract.

It is both necessary and indispensable to reaffirm the freedom that the public authorities have to programme their urban development plans and to promote proactive housing policies.

We see that as far as Internal market rules are concerned, and more specifically on public contracts, the current EU framework is not adapted to all activities local, regional authorities are implementing when urban planning and urban renewal projects are shaped. The public contracts provisions are not instruments that may be used to guide all of the actions of the public authorities in that domain and the European Commission is considering, in the light of the current examples, how to shape future proposals of legislation.





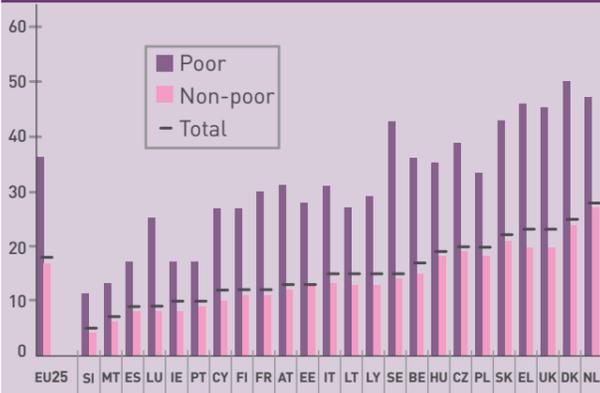
C/ Housing & EU Social policies: a greater visibility but a risk of residualisation

FIGHTING HOUSING EXCLUSION

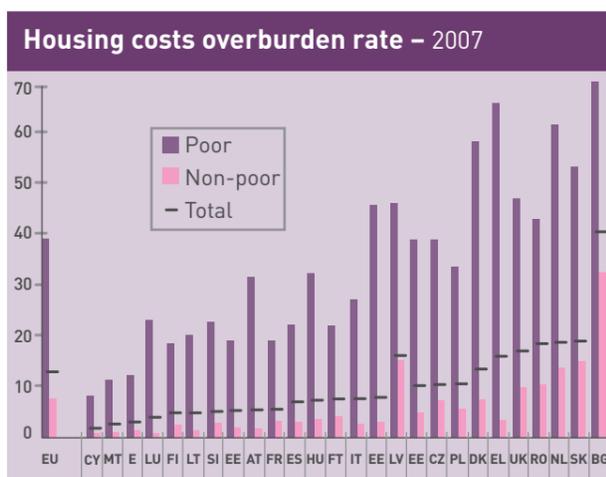
In 2009, the inclusion strategy focussed on policies to fight housing exclusion. Since 2000, the open method of coordination has been used to facilitate exchange and coordinate efforts between members states on social protection modernisation and social inclusion policies. In the field of social inclusion, a number of common objectives have been agreed and revised in 2006 (streamlined) including access to services, in which housing is listed. The joint inclusion and social protection report is produced to serve as recommendation for the Spring Council and the 2009 report has been released in March 2010 with a chapter describing the housing situation of poor households and main trends of policies to tackle the issue.

Here are some important extracts from the report of the Commission:

Share of housing costs in total household income net of HA (Housing allowances), 2007

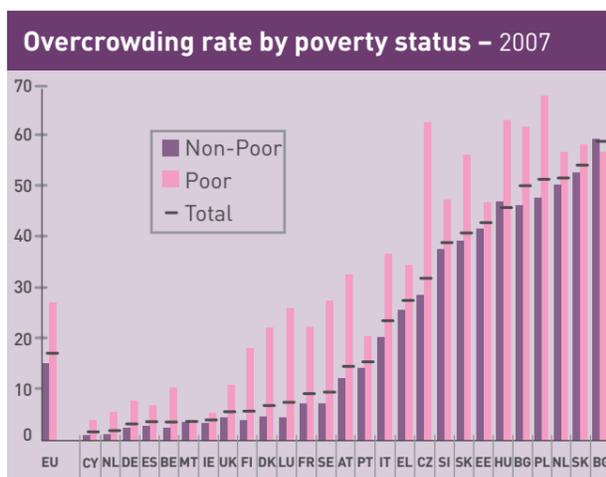


One important output of the European year is the agreement on common EU housing indicators to measure: housing affordability and decency after years of debates between Member States and Eurostat. Now, and from 2011 with new EU census, it is possible to compare data and to measure progress.



Note: share of the population living in a household where housing costs (net of housing allowances) represent more than 40 % in the total household income (net of housing allowances). Data on DE omitted because key components of the housing cost variable are missing. Source: EUROSTAT; EU-SILC 2007

On housing deprivation, given the very different situation of Member States, it was agreed to use more than one indicator. Overcrowding of dwellings has different implications in different contexts.



The composite indicator taking in account the physical condition and quality of the housing estates gives additional information:

The 2010 Joint Report on Social Protection and Social Inclusion: main housing conclusions

The sharing of responsibility for policy and delivery between national and local authorities, service providers and NGOs is often complex. The most successful strategies display effective **governance** with strong co-operation between all involved.

Almost all Member States identify homelessness and housing exclusion as a concern. National or local **strategies** are essential to raise awareness, improve policy coordination and implementation, and identify resources.

Strategies are generally made more effective with **targets**, such as on the prevention of homelessness; a reduction in its duration; targeting the most severe homelessness; the improvement of the quality of services for homeless people or on the supply of affordable housing.

Accurate and consistent **data** on homelessness is still lacking in most Member States and this constitutes one of the main obstacles for the development of robust, evidence-based policies. The forthcoming Census represents a unique opportunity to collect harmonized data in this area.

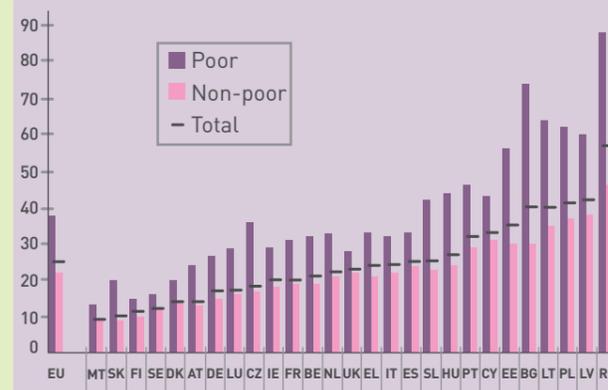
The multiple causes of HHE are often compounded and **integrated policies**, in line with the active inclusion principles, are needed, combining financial support to individuals, effective regulation and quality social services, for which the specific obstacles the homeless face in accessing them should be taken into account.

Social and public housing are often the main solution for HHE, but excess demand is widespread and the quality of housing stocks remains a challenge. In this context, the EU structural funds, in particular the ERDF, could play an important role in convergence regions.

Concentrations of housing exclusion and homelessness can only be addressed through **housing and urban regeneration programmes** to promote sustainable communities and social mix.

Source: From DG Employment and social affairs, the main conclusions of the joint report on housing can be summarised as above, graphs are also from DG Employment; social inclusion unit.

% of the population affected by at least 1 housing deprivation factor – 2007



It is worth noting that, for the first time, the existence of comparative data at EU level, for the 27 Member States, allows more accurate measurement of the importance of housing in the fight against poverty. It will not be possible to reach the proposed EU target of 20 million less people living in poverty by 2020 without finding a way to reduce housing costs for the most vulnerable households, this including energy costs.

THE RIGHT TO HOUSING

With the entry into force of the Treaty of Lisbon, the Charter of fundamental rights including the right to housing assistance is part of the legal base for EU policies (article 34.3). In addition, a transversal social clause has been introduced (article 9 of TFEU), aiming at ensuring that EU policies have a positive social impact. However it is not yet clear how this clause will be implemented.

AGEING & HOUSING

Adapting EU society to an ageing population is a topic of growing concern which also includes housing. A number of Research budget lines are currently available to support innovation in the development of products adapted to the needs of older people. The DG INFSO (Information society) responsible for the development of a digital Europe is also mobilising its programmes to ensure that Information Technology improves access to adequate services for all. However, beside these initiatives, and even if demographic change has been identified as one of the main common challenges we are facing in Europe, no EU strategy has been developed to facilitate exchange of the responses to this challenge. Adapting to ageing is included in the EU 2020 proposal from the Commission under the Flagship initiative "Innovation Union" as follows: "technologies to allow older people to live independently and be active in society". In the course of 2010, the flagship initiatives will be shaped into EU proposals. This particular flagship initiative could present an opportunity to support housing innovation.

ANTI-DISCRIMINATION

Since 2009, a new anti-discrimination directive has been under discussion. The first one, called the "race-directive" prohibited discrimination in the housing sector as well as access to employment and other services on grounds of race. In the race directive, some flexibility had been introduced so that anti-discrimination in accessing housing would not transform housing estates into ghettos and to allow some "positive discrimination" to help ensure social mix and social sustainability of a given area. The new directive proposal covers discrimination to access services, including housing, based on all other grounds (gender, age, sexual orientation, religion, disability). During the negotiation phase, Member States have introduced a change to the directive which rules that eligibility criteria to access housing cannot be considered as discriminatory. However, this directive may never be agreed, as discussions are extremely controversial and some Member States are very reluctant to agree to new EU legislation in this field.

INTEGRATION OF MIGRANTS

Integration of migrants remained high on the political agenda, especially as the economic crisis is affecting first the recent migrants and provoking tensions between communities. However, even if still considered as a top priority and included as such in the "Stockholm agenda", defining the new Immigration policies for the next years, no actions at EU level have really been taken. An integration forum is supported each year, hosted by a city and

a website has been established to facilitate the sharing of experiences. These measures if small today, can however, inspire future initiatives, notably, under the future Flagship initiative "European Platform against poverty".

EUROPEAN YEAR 2010 AGAINST POVERTY AND SOCIAL EXCLUSION AND HOUSING FOR THE MARGINALISED COMMUNITIES

To start the 2010 EU year, the European parliament agreed in April to open structural funds eligibility criteria to housing expenditure for marginalised communities. Firstly proposed for EU 12 only and mostly for Roma population, it has been open to EU 27 and to any marginalised community following negotiation between the European parliament, the Council and the Commission. This new rule fills a gap to tackle housing exclusion outside urban renewal integrated programmes as the current rules are implying and helps to cover in particular rural and peripheral areas. The European parliament has been very mobilised too, during this debate, which was the first item on the agenda of the Regional Affairs Committee following the 2009 EU elections, to open the possibility to all EU 27, arguing that marginalised communities, unfortunately, exist throughout the entire EU territory.

Finally, during the EU 2010 year against poverty, many events at all levels will be organised. Each political party is planning to take position. In December, a consensus conference addressing the question "what is homelessness" will take place. The outputs of 2010 will serve as a strong basis to take actions and deliver over the next decade the proposed target of 20 million people living in poverty in the EU.

FIGHTING ENERGY POVERTY

One rising issue on the EU agenda is the fight against fuel poverty which, despite the lack of common definition in the EU, is a phenomenon affecting between 50 and 125 million people in the EU. First in the liberalisation package of gas and electricity market, agreed in May 2009, articles on social prices for elderly and disabled people have been included obliging energy providers to ensure that these two categories of the population have access to affordably priced energy. Secondly, as energy efficiency is also more present on the EU agenda, tackling the issue of energy poverty by increasing energy efficiency offers policy makers a win-win solution that is easier to get consensus on.

D/ Housing and the EU Urban agenda : a renewed commitment

The URBAN dimension of EU policies merits an additional report and it is not the aim here to describe it fully however, a short review of the current trends and more importantly of the links with housing policies is worth mentioning.

URBAN REGENERATION

The Leipzig charter constituted a key milestone in the history of EU Urban policies. The charter, agreed by all Member States in the informal Council meeting, in May 2007 in Leipzig, is now a key reference used in EIB loans agreement, Structural Funds operational programmes and project proposals. The Member States are developing a common methodological framework to implement the Leipzig Charter and since then, regular high-level meetings and Informal Ministers meetings are organised by each Presidency.

The 2007-2013 period does not have any URBAN initiatives as the Urban dimension is supposed to be mainstreamed into the operational programme. Today, the Commission is trying to evaluate the impact of this policy without having sufficient information from the regional level to be able to complete a substantive analysis.

In the meantime, capitalisation on the two previous URBAN initiatives is ensured via the URBACT network which launches every two years a call for new networks of cities wishing to exchange practices, tools, urban governance models, participation of citizen good practices between them. The URBACT is already a great success with more than 250 cities participating.

3 networks are of particular interest for housing practitioners: the HOPUS (Housing Praxis for Urban Sustainability; SUITE (Social and Urban Inclusion Through housing) and CASH (Cities Action for Sustainable Housing) and will soon deliver concrete tools to facilitate local housing policies. But many other networks, focussing on social inclusion; deprived neighborhoods or low-carbon urban strategies are also delivering important instruments and opportunities to exchange around local housing policies.

LOW-CARBON CITIES/ SMART DISTRICT

The merging issue in the Urban policies is definitely the integration of planning to develop "smart and green cities". The transport dimension of these strategies is very important, however the housing part of it is growing.

The interest of policy makers for local energy efficiency funds such as JESSICA model; or the development of ELENA technical assistance facility to help local authorities developing their low-carbon cities strategy is growing fast. In addition, following the recovery plan, research budget have also been redirected to develop technological solutions to build "smart districts". We can clearly see the emergence of an "industrial policy" of cities development which include housing (being ever the core element for structuring new districts which will be composed of intelligent and positive building, providing back into the grid, power produced locally and to which electric vehicles will be plugged in).

In parallel, and at a much lower scale, the 7th PCRD, research programme, also financed research on the cities social future, asking civil society to define their needs (Social polis).

Example

Technical assistance for cities aiming at low carbon development: the Province of Barcelona

The province of Barcelona will be the first to receive funds from the European Local Energy Assistance facility (ELENA). This first agreement, announced at the launch of the EU Sustainable Energy Week (22 to 26 March), will be signed in April. It will allow the Catalan province to implement a €500 million project (which includes the refurbishment of the housing stock, the improvement of the public lighting and the installation of photovoltaic panels), which aims at saving 280 gigawatts of hours in energy per year and to reduce annual CO₂ emissions by 170 000 to 200 000 tons.

Finally, future EU policies will be implementing the new objective included into the Lisbon Treaty to ensure, with social and economic cohesion, also territorial cohesion and it will most probably give a new impetus to Urban policies. The first sign of it, has been the announcement by the new Commissioner for Regional policies, that Urban policies will constitute its priority for the next five years, starting by asking its services to produce a reflection called "cities of tomorrow" on the future challenges for the European cities, potential solutions based on current good practices and how to make the link with the future priorities of the Cohesion Policy after 2013.

E/ Housing and EU Cohesion policy: a new and promising approach

2009 will be remembered as a major breakthrough year in the work to ensure that the housing sector can reach the overall energy efficiency target of the EU.

THE OPENING UP OF STRUCTURAL FUNDS FOR ENERGY EFFICIENCY IN HOUSING

As part of the European Economic Recovery Plan agreed in April 2009, an amendment to the regulation on the ERDF was adopted stating that energy efficient refurbishment and the use of renewable energy in existing homes can now benefit from up to four per cent of each member state's ERDF allocation in all Member States. Up to this point, only EU-12 countries could use Structural Funds for (1) the renovation of the common parts of multi-family residential buildings and (2) the delivery of modern social housing of good quality through renovation and change of use of existing buildings owned by public authorities or non-profit operators. Operations should take place within an integrated urban development plan or an Operational Programme priority on urban development.

As a result of the change, from June 2009, the ERDF can be used to co-finance national, regional and local schemes related to the insulation of walls, roofing and windows, solar panels, and replacement of old boilers throughout the EU. Member States, which have the responsibility of defining the categories of housing which may benefit from the measure. This should be done, according to the regulation, with the view "to support social cohesion". This is a clear signal that measures should be targeted at housing owned or rented by low-income households.

There is no additional funding, however, which means that this new measure requires a shift in the priorities set at regional level. It is up to Member States and their national and regional authorities to decide whether to make use of it.

Existing data reveals that very few countries have taken up this opportunity so far. More worrying is the fact that EU-12 countries, which had the opportunity to mobilise Structural Funds for housing since 2007, have a slow absorption rate of the funds. It is now known that among the obstacles were: first, the lack of experience in developing integrated urban plans prior to designing housing projects (it was indeed one condition stipulated in the regulation). Second, the inadequacy of some geographical eligibility criteria defined by the European Commission. A third obstacle, less known however, is related to State aid issues as, due to the high proportion of individual home owners in the EU-12 countries, it was difficult to exclude the possibility that financial support be granted to persons which develop economic activities, thus affecting competition. Although those obstacles are being progressively removed, not all regions of the EU-12 countries see energy efficiency in housing as a priority.

Example 1

Refurbishment of housing in France (with support of ERDF)

In this French Region Franche-Comté, 406 dwellings will be renovated thanks to 973 946€ of co-financing from the ERDF, of which 50 will reach the low consumption standard (between 40 and 65 kWh/EP/m²/year according to the geographical area)

Example 2

Training housing associations staff to install and use smart meters in UK (with support of ESF)

20 local households in Birmingham (UK) are testing cutting edge smart meter technology in their homes and giving feedback to support the development of a more user-friendly smart meter for household use. As well as testing the technology, this project is helping local households learn more about how their use of energy can reduce their energy usage and save money on fuel bills. Staff of local housing associations are trained with the support of the European Social Funds to help residents manage the system.

USING STRUCTURAL FUNDS TO CREATE REVOLVING FINANCING INSTRUMENTS FOR ENERGY EFFICIENCY IN CITIES

In addition to the change in the ERDF regulation (which answers the question of whether housing can benefit from the Cohesion Policy), it is interesting to look at how these funds can be used to improve energy efficiency in housing. There is indeed a growing tendency to combine a grant approach with a loans. One of the good examples of this is the JESSICA model.

After a slow start, the JESSICA model is becoming a serious alternative to grant-based approaches in order to finance energy efficiency in housing. The JESSICA model consists in dedicating part of the Structural Funds to create revolving funds (thus delivering loans and not grants) to support integrated urban development, including energy efficiency investments.

Today, many of these funds (that could be set up at the national, regional or local level) are in the starting blocks: in Lithuania, a 230 million € national fund (of which 127 million € from ERDF), has been created to enable commercial banks to lend money at a fixed interest rate of 3% (much lower than the market) to housing associations (cooperatives or condominiums) to carry out refurbishment works. In Estonia, a similar national scheme is now in place and has already led to loans for about €3.3 million to housing associations. In the Polish region Wielkopolska, an urban development funds is being put in place with €66 million capital to finance revitalization projects. In Portugal several revolving funds are being set up and are to be invested in residencies for students and the elderly.

This model of revolving funds using Structural Funds is, according to many analysts, targeted at those projects that just fail to be "commercial" and provide necessary equity, loans or guarantees to encourage other investors to fund projects.

OTHER OPPORTUNITIES FOR HOUSING PRESENTED BY EU COHESION POLICY

The impact of EU Cohesion policy on housing is not limited to the energy aspect. Providers of affordable housing, which are also in many cases operators of urban and community development, can use Structural Funds (in particular in the combined way foreseen by article 8 of regulation 1080/2006 on ERDF and article 3 of regulation 1081/2006 on ESF) while performing community activities.

Example

Cultural Centre Hovsjö House in Sweden (with support of ERDF and ESF)

The housing company Telge Hovsjö in Södertälje is beneficiary of EU funding for the construction and management of a cultural centre. This centre which will cost 32 million Swedish kronas to develop employment, education and entrepreneurship services in the housing area of Hovsjö. The project is managed by the housing company Telge Hovsjö in cooperation with the municipality and the local businesses.

LOAN FUNDING FOR ENERGY EFFICIENCY

1. ERDF to equity of the fund

ERDF
EUR 17 Million

KREDEX (FUND)
EUR 49 Million

2. Additional funding up to 50 % of total

DEVELOPMENT BANK (CEB)
EUR 29 Million

3. Favorable funding to the commercial banks

Swedbank

SEB

State guarantee

Apartment building
Apartment building
Apartment building

Apartment building
Apartment building
Apartment building

4. Loan to the apartment associations. Commercial Bank takes the risk of the lenders



F/ Housing and EU Energy policy: a strong but not yet fully exploited lever

In March 2008, the EU agreed on an ambitious climate package for three targets to be reached by 2020:

- **20% less Green House Gas emissions (GHG):** this target as been translated into the EU Emissions Trading Directive (EU ETS) directive and effort sharing Decision
- **20 % more Renewable energy:** binding target have been agreed in the renewables Directive
- **20% more energy efficiency:** the end-use energy services directive and the energy efficiency action plan are two of the instruments in place, however no binding targets have been yet agreed.

Throughout 2009, preparations for the UN negotiations in Copenhagen dominated the climate agenda. The EU aimed to play a leading role, using its commitment to a minimum reduction of carbon emissions by 20 per cent by 2020 as an indication of its own ambition.

Yet the EU's headline commitments require on-the-ground delivery to provide a convincing example of its international leadership. And there is no more pressing area for action than energy efficiency; an area that has seen growing EU legislation but limited EU spending.

Another target set out in the the climate package is an increase in the share of renewables by 20%. Integrating micro-generation of energy in housing projects will contribute considerably to this goal. However, for the moment, renewable energy mega projects (solar or wind farm) are under consideration for EU support, with micro-generation solutions (but should be better supported in the coming years in particular in Research programmes). The third commitment of the Climate package is to increase energy efficiency by 20%. However, this commitment is the only one of the three which has not being translated into a binding target in an EU directive.

The housing boom of the last two decades resulted in urban sprawl and house and energy prices increases while locking in inefficient energy practices. But to change the approach will require considerable up-front financing. Coming up with this ready cash will call for creative thinking that may take EU budget planners, financial institutions and energy utilities outside their traditional zones.

INVESTMENT IN HOUSING AND ENERGY EFFICIENCY IS SEEN AS WIN-WIN-WIN OPTION

Although housing policy is a local issue and not an EU competence, energy security and climate change mitigation are key EU public goods, with growing EU responsibilities (Lisbon Treaty). The residential sector and commercial buildings account for 40 per cent of the EU's total final energy use and carbon emissions, with 67 per cent of energy consumed in buildings in the residential sector. The sector also has significant untapped potential for cost-effective energy savings which, if realised, could mean that in 2020 the EU will consume 11 % less energy. Additionally, this does not take into account the potential of housing as an energy producer through the installation of renewable energy generation.

FIGHTING FUEL POVERTY

The inhabitants of newly retrofitted energy efficient properties then benefit from the resulting reduction in energy poverty, a key cause of bad health and social exclusion. National treasuries likewise benefit from a corresponding fall in the need for energy poverty relief payments and direct energy subsidies. All of these positive outcomes make investment in energy efficiency a logical policy choice, but the reality of the up-front financing barriers means it is yet to demonstrate its potential at mass scale. (see also the chapter on social dimension of housing policies)

EPBD

To date, the most visible outcome of EU energy efficiency policy is increased legislation: one element of the 2008 Climate Action and Renewable Energy (CARE) package was an effort-sharing agreement for carbon emission reductions in sectors including housing that are not covered by the emissions trading scheme (ETS). Energy efficiency in buildings was also a priority identified in the 2006 Energy Action Plan with the largest cost effective savings occurring in the residential sector; a number of implementing measures such as the Energy Performance of Buildings Directive (EPBD) then followed.

We also have the End-use Energy Services Directive, the Renewable Energy Directive, and the Ecodesign of energy-using products directive.

However, without the addition of an overarching and binding target for energy efficiency and the right financial instruments, legislation alone will have a slow and limited impact. The EU has therefore also introduced a number of financing opportunities, which aim to help deliver these objectives.

A NEW RESEARCH PRIORITY: ENERGY EFFICIENCY OF BUILDINGS, SMART DISTRICT AND LOW CARBON CITIES

In parallel to the EPBD, increased funding has been made available for know-how and best practice exchange initiatives, research in construction and refurbishment methods and materials and, more recently, eco-efficient refurbishment works and the incorporation of renewable energy in existing buildings.

This financial support is channelled through a range of funding programmes managed at European level such as the Intelligent Energy Europe programme, the European Research Framework and through nationally managed funds such as the European structural funds (see the chapter on structural Funds).

EU project funding

The Intelligent Energy Europe (IEE) programme is managed by the European Agency for Competitiveness and Innovation (EACI), an executive arm of the European Commission. Between 2007 and 2013, the IEE programme budget amounted to €730 million, increasing from €88.3m in 2009 to €150m in 2013. In 2009 approximately 25 per cent of the budget has been allocated to the building sector.



EU research funding

Various Directorate of the European Commission have engaged part of their Research budget (all under the 7th Research framework programme) to develop innovations in building and housing:

- **DG INFO:** ICT for energy efficiency in social housing
- **DG Environment:** Renewables in housing
- **DG Energy:** SAVE, ALTENER (see above)
- **DG RESEARCH:** CONCERTO (urban integrated development network of exchanges); nano-technologies for energy efficiency in building components...

For more information: Energy Efficient Buildings-European Initiative E2B-EI website: <http://www.e2b-ei.eu/>

POTENTIAL SOURCES TO FINANCE ENERGY EFFICIENCY

In addition Europe's financial institutions, active in all member states, in particular the Council of Europe Development Bank (CEB) and the European Investment Bank (EIB), have also been adapting their products and services to the energy efficiency "market".

Although in need of development, the contribution of carbon-trading and efficiency based market mechanisms promoted through EU law also stands to have an impact at local level. Following the revision of the ETS in the 2008 CARE package, auction revenues from 2013 onwards can be used for efficiency measures, while "white certificate" systems can be implemented (whereby certificates which prove energy reducing refurbishment has been carried out can be auctioned or sold as a marketable good). But these policy instruments remain optional under EU law. There is significant room turn these options into substantial future funding streams to support the energy transition on the ground.

There is, however, much more that can be done via structural funds. In its opinion on the EPBD, the European Parliament called for a significant increase in the maximum amount of European regional development allocation that may be used to support energy efficiency including district heating and cooling and renewable energy in housing. In addition, the Parliament also proposed that by 2014 at the latest there should be established a dedicated Energy Efficiency Fund based on contributions from the Community Budget, the EIB and member states for energy efficiency and renewables in buildings.

Financial institutions adapt to the efficiency agenda

The reinforcement of energy and climate change objectives and the ongoing strengthening of the EPBD have led Europe's financial institutions to adapt their products and services to changing political priorities. They have recognized the considerable lending opportunities in the required improvement of the energy performance of housing and social housing and this area has become a priority target.

In collaboration with the European Commission, the EIB has recently launched the 'ELENA' facility, with €15 million of European Commission funds for local authorities for financing their costs associated with the development of municipal investment projects or programmes contributing to the overall EU energy targets. ELENA is also funded by the Intelligent Energy Europe (IEE) programme and will contribute to technical assistance costs related to eligible investment projects, such as retrofitting of public and private buildings, sustainable building, energy-efficient district heating and cooling networks, or environmentally-friendly transport.

In addition, the JESSICA scheme, revolving fund for urban development is also a potential tool to finance energy efficiency refurbishment (see chapter on urban and cohesion policies) the building sector.

Spain: Barcelona province to be the first to receive ELENA funding

The province of Barcelona will be the first to receive funds from the European Local Energy Assistance facility (ELENA).

ELENA, which is managed by the European Investment Bank (EIB) on behalf of the European Commission, brings technical support to cities and regions wanting to implement sustainable energy projects, especially in the transport and buildings sectors. This first agreement, announced at the launch of the EU Sustainable Energy Week (22 to 26 March), will be signed in April. It will allow the Catalan province to implement a €500 million project, which aims at saving 280 gigawatts of hours in energy per year and to reduce annual CO₂ emissions by 170 000 to 200 000 tons.

→ Source: Council of European Municipalities & Regions,

SMART METERS: EMPOWERING RESIDENT TO CONTROL THEIR ENERGY CONSUMPTION

Another important development in this field to mention is the constant emphasis on giving to consumers the power to control their consumption by giving them in real time information on their consumption. Smart meters are included in the recent EU 2020 strategy proposal as a necessity to build smart grids so that the energy internal EU market can be completed and that consumers can have the benefit of it. It is also seen as a key to promote the provision of more renewable energy (smart grid will help in facilitating access to the network to more energy providers).





CONCLUDING REMARKS: WHAT CAN WE EXPECT NEXT?

EU 2020 Strategy

On the 3rd of March, the European Commission proposed a strategy that should deliver what it termed “**smart, sustainable, inclusive growth**”.

With 5 overarching targets:

- 75% of the population aged 20–64 should be employed
- 3% GDP in R&D
- 20/20/20 goals of the climate change package
- Early school leavers under 10% and at least 40% tertiary degree
- 20 million less people should be at risk of poverty

To be delivered by 7 flagship initiatives:

- innovation union;
- youth on the move;
- digital agenda;
- resource-efficient Europe,
- industrial policy for globalisation;
- agenda for new skills and jobs;
- European platform against poverty

This proposal discussed and endorsed by the European Council on the 25/26 March 2010 will shape future EU proposals, ranging from EU budget, the future cohesion policy, agricultural policy to the future EU research programme.

If the Head of States and government have not agreed on specific targets levels specially on poverty, they endorsed it as key objective and now the Commission has to come with concrete proposals.

In addition, the Commission proposal is shifting from an “energy efficiency” to a broader “resource efficiency agenda” which will have further consequence on the building and urban development sector. As an example, they are working on a “Water efficiency in building” Directive for the end of the year.



Investment in housing can be paid back by affordable rents if social housing providers have access to long-term loans with subsidised rates (or other forms of State aid such as preferential price for land) and produces tax revenues higher than the relatively small amount of State aid that is needed to build homes at an affordable price.

Finally the contribution of the social housing sector to reducing greenhouse gas emissions (GHG) and energy dependency should be equally supported. The opening of Structural Funds to energy efficiency investments creates jobs and should be much more widely used by Member States.

Investing in affordable and energy efficient homes creates employment, fosters local economic development, decreases energy bills and GHG emissions and improves the life of citizens. These investments more than pay back as they generate tax revenues through economic activities and the savings of unemployment benefits and health expenses.

So why are public policies failing to answer basic housing needs and how could EU policies help to overcome obstacles to answer these needs?

Of course, housing policies remain designed at local and national level, and rightly so. But a number of legal initiatives are directly designed at EU level, shaping housing policies. While some are fostering the economic efficiency of the whole sector, others are clearly an obstacle to the development of an adequate answer to housing needs.

If the European Union is serious in its objective for 2020 to empower people in an inclusive society, then people’s basic needs have to be answered.

If the European Union is serious about its objective to reduce by 20% GHG emissions, increase by 20% its energy efficiency and use of renewable energy, then housing energy consumption must be drastically reduced, which will in turn decrease housing costs for households.



THEREFORE WE NEED ALL EU POLICIES TO BE MOBILISED:

A/ Broad economic guidelines and Stability pact: the way local authorities’ debt capacities are constrained by the stability pact is an obstacle to green investments which would have a positive impact on public finance in the medium term. New rules should be designed to foster environmental investment, especially when it decreases future public expenditures. It is also a constraint to social investment.

B/ Clarification and adaptation of public procurement rules to increase flexibility of local providers to answer needs (Public-private partnerships), redefinition of the boundary between services and works contracts to include and foster the development of energy efficiency refurbishments (provide legal certainty to ESCOs), decrease the administrative costs linked to it (revised thresholds) and better consider the use of social clauses to foster economic development.

C/ Revised State aid rules applying Services of General & Economic Interest (SGEI) to foster the best cost-effective solution (currently focussing State aid to market failures limits the use of a much more integrated approach to neighbourhood development policies) and to allow for higher regional amounts if State aid is directed to reducing carbon footprint.

D/ Mobilise cohesion policies to ensure their contribution to local sustainable development strategies to create communities which are socially, economically and environmentally sustainable and where all are enabled to reach their full potential.

E/ Investment in refurbishment of social housing to green the economy and boost the research and development capacities of Europe and increase the quality of life of European citizens. One sector can deliver economic development, social cohesion, jobs and make the EU climate package a reality and it is not, so far, on the EU agenda: the housing sector. European Investment Bank (EIB) constitutes an under-used instrument.

F/ Adapt the European society to demographic changes by mobilising research into new services and products for social innovation.



EU strategy for 2020: how can social housing contribute?

ENSURING TO ALL DECENT LIFE CONDITIONS WILL CREATE GROWTH AND JOBS IN A GREENER SOCIETY

Housing is a pre-condition to being able to engage in and contribute to society. Without a decent home, people lack the basics and children might not be able to follow a normal education. Health problems generated by bad housing conditions are not only a cost to society but an obstacle for people who are unable to contribute fully to society as they struggle to survive.

Every year, less than half a million social homes are built across the EU 27. Every year, except in 2009,

housing expenditures in EU households budget drastically increase. In addition, the current crisis is affecting employment at a level which will increase the number of households without employment income and therefore the need for social housing. At that speed, we will need 50 years to meet housing needs and offer a decent home to EU citizens!

Investing in social housing fosters local economies, creates employment, increases the quality of life of citizens, decreases our carbon footprint (as new-built homes are much more energy efficient than in the past and can even be passive energy homes) and reduces health public expenditure.

RELAUNCH OF ECONOMIC POLICIES SUPPORTING THE REAL ECONOMY BROAD ECONOMIC GUIDELINES AND STABILITY PACT

1. Reassess rules of stability pact to adapt the cost/benefit analysis to the need to develop a low-carbon society.
2. Investments in infrastructures that answer the basic needs of citizens need to be prioritised and new financial rules developed.

CLARIFICATION AND ADAPTATION OF PUBLIC PROCUREMENT RULES

3. Redefine the boundary between services contracts and public work.
4. Increase legal certainty for Partnerships.
5. Improve flexibility of public procurement and apply it only if proven added-value.

REVISED STATE AID RULES

6. Revise the Altmark package.
7. Revise regional State aid ceilings/rules to encourage green investments.

RENEWED COHESION POLICIES

Invest in local sustainable development strategies

8. Develop a "Neighbourhood" financing programme.
9. Invest in energy efficiency in housing to boost innovation.
10. Develop low-carbon urban development strategies.
11. Develop skills for cohesion and local green economy.
12. Improve housing conditions of marginalised groups.

EU ENERGY POLICIES GOING BEYOND SINGLE MARKET

Investment into refurbishment of social housing to green the economy

13. GHG emissions auctions revenue financial support for retrofitting.
14. White certificate development.
15. Promote tax incentives to green investment in the housing sector and reduced VAT on renting housing.
16. Promote the approach of whole life cycle in construction.
17. Rethink housing costs
18. Promote smart grids for decentralised production of energy.
19. Include a public service obligation to contribute to energy efficiency and fight fuel poverty.

BOOST RESEARCH AND SKILLS TO INCREASE SOCIAL INNOVATION

Adapt European society to demographic changes by mobilising research to new services and products for ageing population and social innovation

20. Research into new services and products for ageing population.
21. Mobilise Research budgets to the develop smart cities and positive housing.

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CECODHAS-Housing Europe is the European Committee for social and cooperatives housing, a network of national and regional social housing federations gathering 4.500 public, voluntary housing organisations and 28.000 cooperatives housing. Together the 45 members in 19 EU members States manage 25 millions dwellings. CECODHAS-Housing Europe members work together for a Europe that provides access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where all are enabled to reach their full potential.

The European Union should in the future:

- Invest in social innovation; local social capital and social infrastructure by promoting all forms of enterprises and local initiatives.
- Lead the green industrial revolution by promoting energy efficiency and renewable energy in housing.
- Commit to ensuring that all citizens have access to a decent and affordable home and a life in dignity by actively promoting policies to implement it.

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