

Housing in a changing world

Our Main Future Challenges

Discussion
Versailles, July 4th 2014

What are the 5 main future challenges for housing providers in Denmark

1. Rising segregation from country to city, but also within cities (economical and social segregation)
2. Finance for renovation; during downturn -> big allocations to National Building Fund. Now slow upturn -> difficult to even reach level before downturn.
3. What is our role in the DK Welfare model 2.0? Responsibilities, costs, sector identity, recruitment to meet demands on social innovation and new forms of cooperation, effect measurement
4. Aging population -> new housing forms and closer to cities -> expensive land-costs which we cannot meet due to legal restrictions...
5. More flexible housing forms -> the bigger, the better (youth, families, elder, disabled...) – but again legal restrictions on size and price
6. Effective management – Deloitte report; double whammy -> deliver on effective management and operation + welfare





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1. Urbanisation and shortage of housing in the growing big towns
2. Households forced to take big loans because of price rally...
3. Young people have difficulties find descent housing...
4. Demographic development with many elderly...
5. Not enough rental apartments specially in the big cities...





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1.- The changing society

In the following years the Spanish society will face the following changes:

- Ageing of the population: By 2050 the life average will be 82 years for men and near 87 for women.
- The 40% of the population will be more than 65 years old
- Decline of the members of the families
- In the following 10 years Spain will loose 2.6 millions of inhabitants

Consequently, a new design of the houses will be required.

2.- The economic change

The Spanish economy is changing toward a new model in which the labour mobility will increase. At the same time, the access to housing will move ownership to the rental system.

Houses must be adapted accordingly to this new situation.



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3. Impact of the human flow from rural areas to the neighborhoods and cities

In 2050, the 80% of the Spanish population will live in cities. This will lead to overcrowded urban areas in need of services, maintenance and sustainable urban mobility.

In consequence, the existing urban areas must be renovated and the new ones must be designed having into account sustainable and environmental issues.

4. Transition towards a low carbon and a fair energy society

This will require rethinking the design of houses and quarters, also will be needed a deep impact renovation action in order to achieve the commitments of EU 20/20/20 and Kyoto.



What are the 5 main future challenges for housing providers in your country?

5.- Ensuring the access of the citizens to the energy

The shift to new energy model is also a shift toward a new more sustainable economy model.

Access to energy is essential for achieving social objectives and improve the quality of life of the population and the fight against fuel poverty.

In accordance to this, houses must be adapted to the new renewable generation of technologies and to a more open electricity market.





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The main changes are the result of two phenomena:

- The transformation of the socio-economic conditions of European countries (increase in the number of households and their fragmentation, immigration, Ageing and fragility of youth employment, etc.);
- The economic crisis that has led to the reduction of public spending, on the one hand, and the increase in people at risk of poverty, on the other.



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So the main challenges for Italian public sector are as follow:

1. The diversification of demand, both in the most vulnerable people, which require a variety of offer: temporary housing for young people and workers, adapted housing for the elderly, complementary services to housing, either in the intermediate level which now includes workers who are at risk of losing the job and young people who can no longer find the security of a fixed place.
2. The reduction in funding dictates the need for a cultural change of organizations, enabling to leave the established practice to seek new ways to finance its activities and to establish new partnerships with the private sector non-profit organization.
3. In this context, increases the need to obtain a recognition of the role played by the public sector by the state and the regions, and therefore to obtain a fair compensation through tax reductions.
4. The articulation of demand is leading to a diversification of the operators of housing and the emergence of new actors. The public sector must deal with these new operators and defend their role in protecting the weaker population, but at the same time must fight against the marginalization of this population, which may be a result of isolation of public sector.
5. The Italian social housing have been built for about 50% before 1990, and thus have poor energy performance: the challenge of today and tomorrow is to find the resources, even with the help of private ESCOs, to renovate these buildings (about 400,000 dwellings) and fight against energy poverty and CO2 production.





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Dr. Christian Lieberknecht

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What are the 5 main future challenges for housing providers in your country?

- 1. Care of the elderly**
- 2. Immigration and internal migration**
- 3. Energy transition in the residential quarter**
- 4. Mine, yours, his, hers ... ours**
- 5. The 25-hour society**



What are the 5 main future challenges for housing providers in your country?

1. Care of the elderly

- According to forecasts the number of people in need of care (2.4 million in 2011) in Germany will increase to 2.9 million by 2020 and will have almost doubled at 4.5 million by 2050.
- Altogether more than two thirds of the people in need of care are being looked after at home.
- Due to lower average retirement incomes in the future and further shortage of skilled workers in the care sector this trend will continue to grow.
- By now about one third of the nursing relatives – mostly female – are already 65 years old or older.
- Currently there are only about 600.000 dwellings in Germany which are more or less age-appropriate. About 350.000 of them are managed by GdW enterprises.
- Experts estimate that by the year 2020 there will be a demand for 3 million age-appropriate dwellings – this cannot be realised without public subsidies
- In addition to public subsidies the housing associations have to continue their permanent and never-ending fight against rising costs due to higher taxes, higher standards, new directives and legislation.



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2. Immigration and internal migration

- In Germany about 15 million citizens, respectively 18.9 % of the entire population currently have a migration background.
- However, less than half of this group (6.6 million) have a foreign citizenship yet.
- Especially in agglomeration areas migrants are a key demand group and so will be in the future – overall characterized by a strong orientation towards traditional values.
- In spite of larger households family incomes are significantly lower than those of parts of the non-migrant population.
- Almost two thirds of migrants which have unfavourable prerequisites and chances for integration and participation, live in deprived residential areas.
- Therefore especially those problematic quarters obtain an increasing importance for the progress and success of the integration process.
- The housing industry's aim will be to consider integration activities less from a problem solving perspective but more in potential focused terms.
- Internal migration will continue in future – although at a low level. At the same time the number of shrinking regions will increase, including many cities that are less economically successful.
- In some cases they will have lost 20 % of their population by 2030.
- But: the still rising number of immigrants (in 2013: 1.2 million) and the internal migration into big cities cause a huge need for affordable housing in new buildings.



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3. Energy transition in the residential quarter

- The quarter – the living space in which housing takes place – is gaining importance for the implementation of the turnaround in energy policy.
- It has developed into a key area for good and innovative solutions.
- Concepts of decentralized energy supply which are currently being tested help to master the balancing act between climate protection and affordable housing.
- The combination of power and heat supply is an important potential for the future, therefore the challenge is to develop concepts which match the capabilities but also the society's changing requirements and desires.
- With its considerable housing stock and property portfolio the housing industry can play an active role in the energy turnaround.



What are the 5 main future challenges for housing providers in your country?

4. Mine, yours, his, hers ... ours

- In the future common and sustainable economic activity will gain importance.
- "Sharing Economy" and "Collaborative Consumption" are used by English media to describe the new trend of producing and consuming together.
- In doing so sharing goes way beyond the joint use of objects.
- Not only property such as cars, bicycles or second-hand objects are being commonly used, swapped or sold – sharing also applies to common recreational activities.
- The housing industry has a chance to increase the customer loyalty and, in parts, the potential to generate other fields of business.
- A web-based professional organization is a prerequisite for success.
- Cooperations will help to increase efficiency or build networks and hence expand user potential.



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5. The 25-hour society

- Increasing work intensity and varying working hours, including working at night and weekends, characterize future life – at the expense of joint leisure time and repose.
- Time for sleeping reduces because people are busy with work and also permanently utilize leisure facilities, be it on-site or online.
- "Multioptionality" describes the agony of modern people, who don't want to renounce any of those attractive offers.
- On the one hand there is a wish for increasingly better and rapid supply, on the other hand more and more people are looking for a balance.
- The 25-hour society significantly influences the life of tenants and landlords or owners in very different respects and therefore has an impact on their living preferences and communal life in the quarter.
- A lot of different demand groups' needs in terms of residential location are characterized by a wish to make use of numerous options in professional and private life.
- But flats or homes also offer an important retreat when demands and options of the outside world grow over one's head.
- Clear outlines as well as natural and unpretentious materials allow a recovery of the senses.



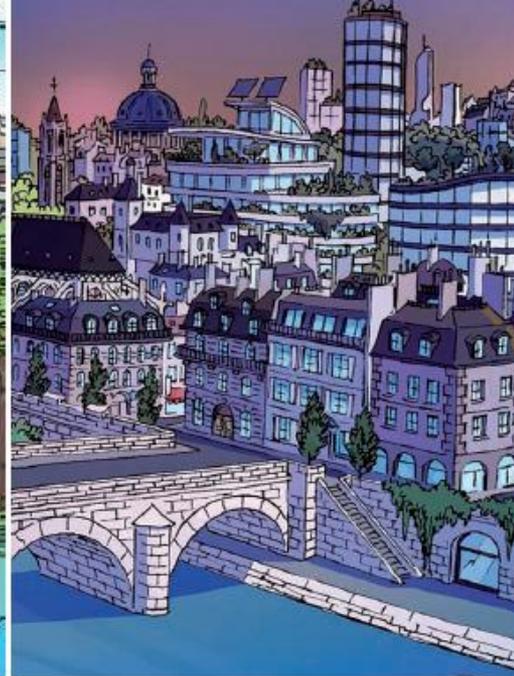
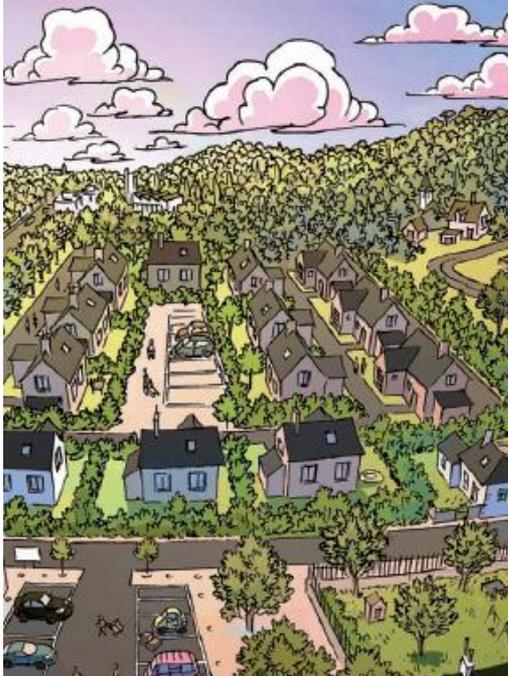
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We can expect many changes as esh manage in France over 2 million social housing social rented !



What are the 5 main future challenges for housing providers in your country?

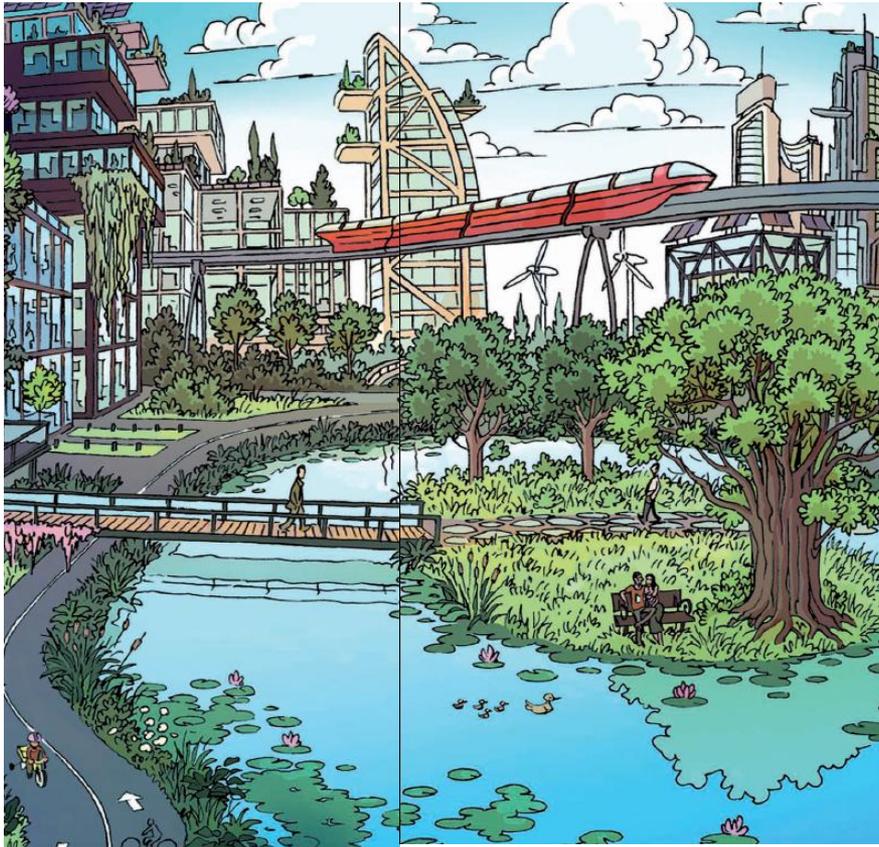
France 2060 !

- In 2060 the demographic transition has revolutionized housing and urban society as a whole :
 - **Cities and urban planning must adapt to the elderly**, such as housing fit today the elderly.
 - **A strong idea**: it will make the city accessible in all areas for the elderly.



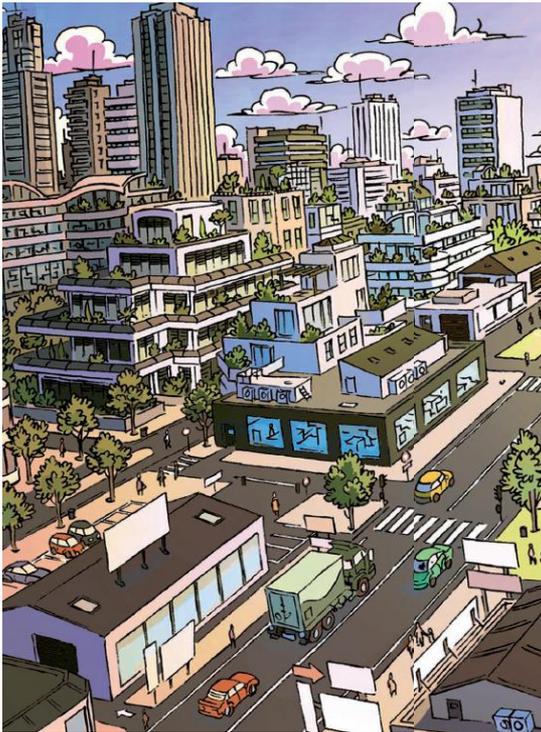
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- In 2060 the **transition towards sustainable development** has revolutionized the city and the ecological dimension will be present in all aspects ...



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- In 2060 **the digital revolution** has reshaped the business organizations, deleted current jobs in large numbers to create new ...



What are the 5 main future challenges for housing providers in your country?

But changes are coming in 2014/15!

- In 2015 we face big challenges also:
 - **Modify our business model** because of budget problems of the state which may adversely affect the objectives of new construction of 150,000 housing
 - **Meet face some neighborhoods crime problems** induced by drug trafficking high paying people
 - **Prepare the rise of new cities (“Grand Paris”)** as part of a new phase of decentralization should confide in 2015 the housing authority to the regions and within regions and cities to EPCI.





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The 5 main future challenges for housing providers in Estonia

1. **Lack of energy resources** – requires new smart technologies to improve energy efficiency as most of the housing stock in Estonia is not energy efficient
2. **Rapid rise of the number of apartment associations** – amendment to the legislation will double the number of apartment associations after 2018 in Estonia (from 10000 to 20000), requiring implementation of new development strategies for cooperative movement to support the new associations in their activities for sustainable housing stock
3. **Lack of affordable housing** especially for young families and specialists – requires development of rental market and a well-functioning rental housing stock that doesn't exist in Estonia today
4. **Increased poverty risk and inequality** - as significant part of the population don't have financial resources to invest in housing, solutions like sustainable housing subsidies and renovation grants are needed
5. **Ageing of the population** – requires changes in the renovation strategies as f.e. most of the apartment buildings in Estonia are designed without elevator, therefore the renovation will be actually rebuilding the existing housing stock in the future to add the elevators into the old constructions)



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What are the 5 main future challenges for housing providers in your country?

We have following future challenges for housing co-operatives in Turkey:

1. Especially in big cities, due to insufficient supply of affordable social housing, housing needs of low income people will not be met. The government will continue to produce dwellings through Housing Development Administration by using public lands and resources but will be unable to meet housing needs of increasing low and middle income people. As the main housing provider for low and middle income households co-operatives will need financial support and competitive equality with other housing providers.
2. Urban renewal, rehabilitation and transformation will be needed in old urban areas and in squatter settlements in terms of energy efficiency, earthquake resistance, living quality and infrastructure needs. Housing co-operatives should develop new ways of organizing, financing, construction and operation of these kind of renovation projects.
3. In construction of new settlement areas and housing units, environmental protection, energy efficiency, infrastructure needs, social services for different kind of age groups and affordability are ignored by housing providers due to profit concerns in market conditions. Housing co-operatives as non-profit housing providers should be pioneer in environmental, social and economic sustainability.
4. After construction of new settlements, housing co-operatives should be liquidated due to the legal obligation in Turkey. Also housing co-operatives can only be active in construction of dwelling units and can not give different kind of services in education, health, consumption, rental housing, etc. So, co-operative kind of organisation and created environment can not be sustainable. Laws should be changed in order to ensure that housing co-operatives are multi-purposes to meet all needs of inhabitants and sustainable.
5. Democratic structure of housing cooperatives will be damaged and central unions of them under threat of closure by new legal arrangements. There will be a need of enabling environment for housing co-operatives.

