

Brussels, 06 APR 2016
Ares(2016)1760085

Dear Mr Calon,

I refer to your letter of 7th March 2016 concerning EU rules for services of general interest in housing.

With respect to EU State aid rules, you suggest to revise and broaden the definition of "social housing" in the SGEI Decision from 2012 by removing the reference to "disadvantaged citizens or socially less advantaged groups", and to provide guidance on the use of the SGEI rules for social and affordable housing.

The Commission recognises the importance of social housing and the need for dialogue to achieve coherent policies across Europe. This is why we launched the *EU Urban Agenda* and the *Partnership on Housing* which bring together Member States, municipalities, consumers and housing providers.

The Commission also recognises that Member States have a wide discretion to define, organise and finance social housing. The scope of social housing can vary from one Member State to another, depending on the history and culture of public intervention in each Member State and on the prevailing economic and social conditions.

Under the existing State aid rules, Member States therefore do not have to notify aid measures for social housing at all. The European Commission rarely adopts formal decisions regarding social housing aid schemes. The Commission's role is, in any event, limited to verifying that Member States do not make manifest errors in the definition of social housing as a service of general economic interest, and that they comply with the basic conditions of the SGEI State aid rules, notably the necessity to avoid overcompensation.

Mr Marc Calon
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In exercising that role, the European Commission does not impose on Member States a specific notion of when social housing can represent a service of general economic interest. For example, in its Decision of 15th December 2009 regarding a Dutch social housing scheme (State aid case No E 2/2005 and N 642/2009), the European Commission accepted the definition proposed by the Dutch authorities.

I note, however, your points regarding the definition of social housing in the SGEI Decision. You are of course welcome to contribute further on this issue, once the SGEI rules next come up for review.

Finally, as regards guidance on the use of SGEI rules for social housing, I would refer you to the frequently asked questions on State aid rules to SGEIs published on the website of DG Competition. (http://ec.europa.eu/competition/state_aid/overview/public_services_en.html). For further queries you can also contact my services.

Yours sincerely,



Margrethe Vestager