



The European Federation of Public, Cooperative & Social Housing

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## **“The Social Housing Agenda in Europe”**

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## The Discussant

- Gabriel Amitsis is Professor of Social Security Law in the Department of Business Administration (Unit of Health and Welfare Management) at the **Athens University of Applied Sciences** (known also as the Technological Educational Institute of Athens). He represents since 2016 the Athens University in **HOUSING EUROPE**, acting as Vice-Chair of the Working Group for Housing Systems in Transition.
- He was commissioned by the Greek Government (Ministry of Labour, Social Insurance and Welfare) as the policy Coordinator for “*The Green Paper on the National Social Inclusion Strategy*” (2013-2014), “*The National Social Inclusion Strategy* (2014-2015) and the “*National Strategy to prevent and combat homelessness*” (2014-2016).

## A brief comment about Greece

Greece is the European country most impacted by the 2009 financial crisis, given that there were neither primary social safety nets for poor people, nor supplementary policies in case of specific needs, as social housing regimes.

After a seven years financial support by the Economic Adjustment Programmes (2010-2018), Greece remains one of the very few EU Member States without any inclusive housing regime. This lack has created new social risks, particularly given that Greece was in 2015 the EU Member State recording by far the highest proportion (40.9%) of the population living in households where housing costs exceeded 40% of their disposable income.

The debate on the development of a social housing regime is promoted so far by the academic and research community, strongly supported by HOUSING EUROPE - **The European Federation of Public, Cooperative & Social Housing.**

# Key Social Housing definitions

*“**Social housing** is an umbrella term referring to rental housing which may be owned and managed by the state, by non-profit organizations, or by a combination of the two, usually with the aim of providing affordable housing” (Wikipedia, the free encyclopedia, 2017)*

*“**Social housing** corresponds 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” (HOUSING EUROPE, 2017)*

*“**Social housing** is sustainable housing with non-profit rents, or/and rents according to the self - cost principle and/or where the access is controlled by the existence of allocation rules favouring households that have difficulties in finding accommodation in the market” (International Union of Tenants, 2005)*

## The global Social Housing discourse

This discourse has been developed in the context of the *human rights based approach* to housing.

*“The belief that markets will provide housing for all has failed. The current crisis is a stark reminder of this reality. A home is not a commodity—four walls and a roof. It is a place to live in security, peace and dignity, and **a right for every human being**»* (UN Special Rapporteur on Adequate Housing, [http://www.unog.ch/80256EDD006B9C2E/!httpNewsByYear\\_en"/2FC845D6FF54A6F0C12574EB00342538?OpenDocument](http://www.unog.ch/80256EDD006B9C2E/!httpNewsByYear_en))

Housing rights principles provide a philosophical, social and political framework for social housing. There is a general tendency to equate housing rights with social housing, alongside a perception that housing rights involve creating an obligation on the State to provide a minimum level of shelter and housing for all.

## The context of the human rights-based approach

A conceptual framework that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. It seeks to analyse obligations, inequalities and vulnerabilities, and to tackle discriminatory practices and unjust distributions of power that impede and undercut human rights. Under a human rights-based approach, plans, policies and programmes are anchored in a system of rights and corresponding obligations established by international law. This helps to promote sustainability, empowering people -especially the most marginalized- to participate in policy formulation and hold accountable those who have a duty to act.

**But the adoption of a *human rights based approach* to housing is not enough; we need to develop policies, establish organizational structures and secure funding.**

## The European Social Housing discourse

Social housing was created in most European countries at the initiative of the private sector (charitable institutions and some private companies that build housing to accommodate their workers), as a response to the emerging housing needs brought about by massive industrialisation and urbanisation in the early 20th century.

Later on, in order to face the pressing housing needs of the post second World War period, many national states across Europe took over those private initiatives with the aim to generalise them to a wider scale.

Since the '90s there has been a trend to come back to the involvement of private and not-for-profit initiatives through a wide range of social agencies, albeit with continuing large-scale government subsidies and financing housing programming and sectorial regulation.

# The regulatory context of Social Housing in Europe

Most European countries have not adopted an official **definition** of 'Social Housing', and this term is not used everywhere. Instead we may find the terms such as 'Housing at Moderate Rent in France (HLM), 'Common Housing' or 'Not-for-profit housing' in Denmark, 'Housing Promotion' in Germany, 'Limited-Profit Housing' or 'People's Housing' in Austria, 'Protected Housing' in Spain, 'Public utility' housing in Sweden, etc.

In the majority of **old EU Member States**, the term 'Social Housing' is often used as a kind of shortcut for different types of housing provision which responds to administrative procedures as opposed to market mechanisms. Social Housing in the **new EU Member States** is in principle rental housing managed by municipalities, although in several countries recent schemes supporting the creation of new social housing tend to include also non-profit providers and/or cooperatives.



# The Social Housing framework in Europe - 1

Social housing in Europe is characterized by the wide **diversity** of national housing situations, conceptions and policies. A variety of approaches are implemented, in terms of:

**Providers:** a variety of actors are involved in the provision of social housing, ranging from local authorities and public companies to non-profit or limited-profit associations and companies, cooperatives and, in some cases, even private for profit developers and investors.

**Beneficiaries:** while in some countries social housing is virtually open to all citizens, with the sector playing a market regulating role and favouring social mix in accordance with local policies, in targeted systems social housing operates separately from the private rental market and only households for whom the market is deemed unable to deliver housing will benefit from it.

## The Social Housing framework in Europe - 2

**Tenures:** although social housing is mostly provided for rent, in many countries sale of dwellings is also possible, as well as the provision of intermediate tenures.

**Funding arrangements:** Social housing is financed through a variety of funding arrangements. Financing models vary significantly across countries, ranging from countries where the sector is almost 100% financed by public money to examples where housing providers are relying heavily on debt raised on the credit market. The situation varies according to a number of factors such as the level of maturity of social housing providers, the government's commitment to support the sector, and conditions on the mortgage market. Also the way rents are determined is key to the financial sustainability of social housing, as well as the existence of demand-side benefits.

## The EU Social Housing framework - 1

The EU acquis does not include social housing among the competencies of the Union. But a specific reference to housing is to be found in the art 34, paragraph 3 of the [Charter of Fundamental Rights of the European Union](#), which was incorporated into the Treaty of Lisbon and has full legal effect from 1 December 2009:

*“In order to combat social exclusion and poverty, the Union recognises and respects the **right to social and housing assistance** so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the rules laid down by Community law and national laws and practices”*

[http://www.europarl.europa.eu/charter/pdf/text\\_en.pdf](http://www.europarl.europa.eu/charter/pdf/text_en.pdf)

## The EU Social Housing framework - 2

The EU secondary legal machinery includes so far:

- The Commission Recommendation of 2008/867/EC laying down that Member States should provide services that are essential for supporting social inclusion policies, such as housing support and social housing.
- The Commission Recommendation of 2013/112/EU which addresses the housing and living conditions of poor children.
- The Union Framework for National Roma Integration Strategies which recognises housing as a key area of intervention for the inclusion of disadvantaged Roma people.
- The Directive of 2012/29/EU of the European Parliament and of the Council establishing minimum standards on the rights, support and protection of victims of crime provides for the provision of shelter or any other appropriate interim accommodation.

## The EU Social Housing framework - 3

**Affordability** and the **existence of rules for the allocation of dwellings** (i.e. allocation by administrative means, as opposed to market mechanisms) constitute the core common features of Social Housing in the **EU binding legislation about social services of general interest**.

Social Housing provision encompasses “*Development, renting/selling and maintenance of dwellings at affordable prices as well as their allocation and management, which may also include the management of housing estates and neighbourhoods. Increasingly, management of social housing can encompass social aspects: for example, care services are involved in housing or rehousing programmes for specific groups or in debt-management for low-income households*” (European Commission, Second Biennial Report on social services of general interest, 2010).

## The EU Social Housing framework - 4

The **right to access to social housing** is recognised as a tool to promote the access to all services of general economic interest (SGEI). The general interest missions entrusted by the Member States to social housing providers are defined by the EU primary law (arts.14 and 106.2 TFUE, art. 36 of the Charter of Fundamental Rights of the Union).

The public service obligations related to the conditions of social housing as a SGEI involves the Member States capping their rents and prices, setting conditions for the allocation of these affordable housing units to households whose requirements in terms of housing are not met by the market, and in general providing security of occupation of social housing via long leases. But in order to be recognised as a SGEI, social housing **must meet a public need**: the provision of housing to socially disadvantaged groups that, owing to constraints of solvency, cannot access housing under normal market conditions.

## The EU Social Housing framework - 5

**Access to social housing** is also recognised as a specific instrument of the non binding **European Pillar of Social Rights**, adopted in spring 2017 by the European Commission. The Pillar sets out 20 key principles and rights to support fair and well-functioning labour markets and welfare systems. More in detail, the Commission recognises (*Annex: Chapter III- ADEQUATE AND SUSTAINABLE SOCIAL PROTECTION, Number 19/a on housing*) the importance of:

- Access to social housing or housing assistance of good quality shall be provided for those in need;
- Vulnerable people having the right to appropriate assistance and protection against forced eviction;
- Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.

# The added value of Social Housing in recession times - 1

While the social housing systems across Europe have more than 100 years of history in a number of countries, the broader context has been changing substantially during the 2008 economic crisis.

a) Social housing is now seen as **a very important economic stabiliser**. Housing market stability must create conditions under which all citizens can find an adequate answer to their needs.

b) Social housing is also seen as **a key active inclusion mechanism**, given that housing has become the highest expenditure for Europeans and overburden rate remains stable at high level, hitting disproportionally harder the poor. Looking at housing costs in relative terms, the average EU overburden rate among people at risk of poverty has increased significantly, while it has slightly decreased for those with higher incomes.



## The added value of Social Housing in recession times - 2

c) The most self-evident argument in favour of investing in adequate and affordable housing is that it **allows people to fulfil a basic human need**, and it enables access also by people on low incomes who would otherwise risk being excluded from the housing market. Importantly, it also provides gain in purchasing power for residents who can benefit from reduced housing costs.

d) The provision of good quality social housing can actually **help reducing other areas of public spending** such as healthcare, social protection and social services, while at the same time stimulating growth and local employment.

# Key issues of the European Social Housing Agenda

**Housing affordability** has become a key issue, impacting the lives of millions of European citizens. Housing costs is the single highest expenditure item for households, at about a quarter of total households' budget in 2015, increasing from 21.7 in 2000 and 22.5% in 2005 to 24.4 in 2015 (Eurostat, Annual National Accounts).

A large number of households are 'overburdened' by housing costs (i.e. they spend over 40% of their disposable income on housing) and this becomes more and more evident in the crisis-ridden countries like Greece, where more and more families appear to have difficulties to cover their housing expenses as the crisis keeps evolving. 11.3 of the overall EU population was 'overburdened' by housing costs in 2015, but this share increases to 39.3 if we look at people at risk of poverty.

# Key issues of the European Social Housing Agenda

The retreat of the state from housing policies is not a new trend, it's been happening in most Western European countries over decades. In some countries the crisis has exacerbated this trend by putting a further constraint on public budgets.

There is little comparable cross-country data on public investment in housing. However, if we take public expenditure on 'Housing and community amenities' compared to %GDP, the share has decreased in 15 countries since pre-crisis levels. Those countries where it has remained stable or even increased are typically starting from very low levels (with the exception of France and to some extent Austria and Finland).

The new supply of social housing was affected in many countries by budget cuts. In general, with few exception, **social housing providers have to cope with less public funding and rely more on private finance.**

## Key issues of the European Social Housing Agenda

**Major cities face a structural housing shortage** and house prices in areas of high demand are higher and raising faster with rents following similar upward trends. This means finding adequate and affordable housing in places where job opportunities are is increasingly hard.

At the same time, some of our cities and regions are experiencing outward migration and population decrease. Shrinking regions show high housing vacancy rates, abandoned properties and negative equity, as well as an increased need for services and revitalization of areas with an increasingly old population.

## Key issues of the European Social Housing Agenda

There is a clear consensus about the important role of housing retrofitting in meeting the climate objectives that have been collectively agreed in order to halt global warming. Although there is a lack of detailed understanding about **the drivers for energy renovation**, the social housing segment is particularly relevant for policy makers.

Despite the fact that social housing, cooperative and public housing make on average only 11% of the housing stock of the EU countries, their energy performance is on average better than the private rental or the homeowners sectors, the expertise of social housing providers in renovation activities is getting increasingly strong and it is the segment who by definition caters for low-income families, people with special housing needs and more generally people who can't find a decent and affordable accommodation on the private rental market nor through access homeownership.

## Key issues of the European Social Housing Agenda

Migration flows are contributing to widening the housing gap in already tight housing market areas. The extraordinary influx of migrants in 2015 commonly referred to as the 'refugee crisis' (Greece is the EU Member State most impacted by this unprecedented refugee crisis, given that almost 850.00 third country nationals arrived in Greece from Turkey in 2015) marked a peak in the need for housing in destination countries - both in terms of emergency accommodation and long-term solutions - as well as mobilizing resources for integration.

Global warming, war and poverty will mean that this is set to continue and implies that in many cases stays will not be temporary. Successful integration will be key to the success of the EU and requires access to rights and services with adequate housing being a pre-requisite.

## Key documentation on Social Housing in Europe

CECODHAS (2009): *Financing social housing after the economic crisis*, CECODHAS Housing Europe, Brussels.

CECODHAS (2012): *Preparing the future, Affordable housing and the challenge of an ageing population in Europe – Success stories*, CECODHAS Housing Europe, Brussels.

CECODHAS (2012): *The nuts and bolts of European social housing systems*, Housing Europe Review, CECODHAS Housing Europe, Brussels.

Eurofound (2016): *Inadequate housing in Europe – Costs and consequences*, Publications Office of the European Union, Luxembourg

Housing Europe (2015), *The State of Housing in the EU 2015*, Housing Europe, Brussels

Housing Europe (2017), *The State of Housing in the EU 2017*, Housing Europe, Brussels

# Thank you for your attention!

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