



**“Social housing practices and financing schemes in
Europe –Which ways for Cyprus?”**

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The European Federation for Public, Cooperative and Social Housing

About us in brief

Network of national and regional housing provider federations

- 4,500 public, voluntary housing organisations
- 28,000 cooperative housing organisations

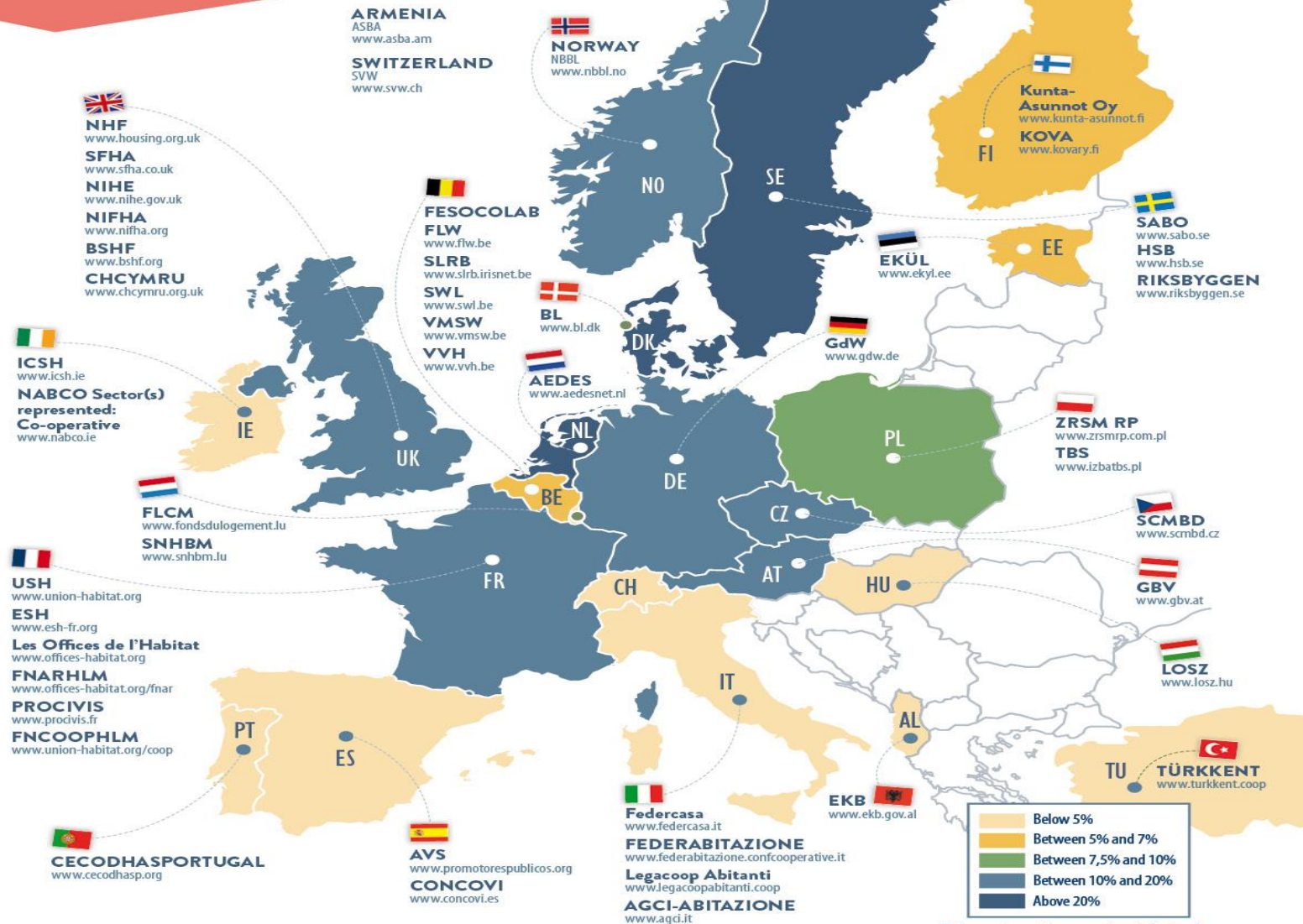
45 members in 24 countries (19 EU Member States)

Manage 26 million dwellings, about 11% of existing dwellings in the EU



OUR MEMBERS

ASSOCIATE MEMBERS



OUR PARTNERS

- Fondazione Housing Sociale (Italy) - www.fhs.it
- Habitat for Humanity - www.habitat.org/emea
- Social Housing & Property Rights in Kosovo - www.shprk.org
- TEI - Technical Educational Institute of Athens - www.habitat.org/emea

Our added value

Advocacy

Through the constant **monitoring** of the work of the EU in the field of housing and related **advocacy** work, **being heard** at the top level by developing a positive message to EU leaders.



Capacity Building

Conferences, workshops, study visits, exchange of **good practices, toolkits**, e.g. Housing for All campaign [#housing4all](#), funding opportunities etc...

Research

Research briefings, social housing country **profiles, reports (State of Housing), toolkits**. The observatory identifies and analyses key trends and research needs in the field of housing and social housing at European level



The role of affordable housing providers increase...

The sector

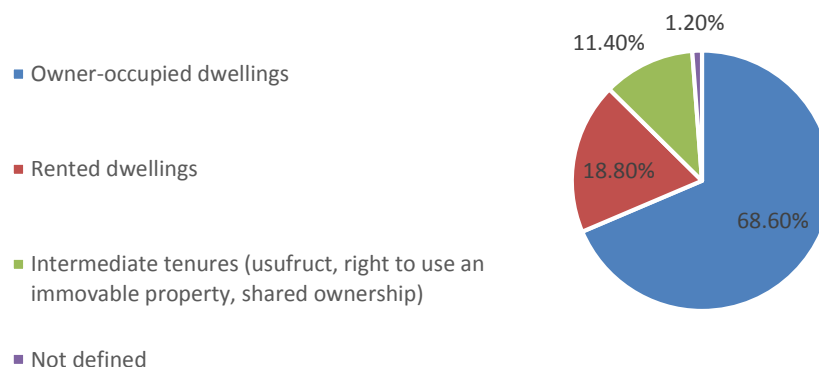
- **has strong expertise in renovation** activities –better energy performance than private rental/homeowners sectors;
- **caters for low-income families**, people with special needs;
- **combines environmental and social justice** considerations;
- **makes renovation affordable** for low-income residents;

... and it is getting widely recognised on EU level that it should be a key area of intervention of national and regional housing policies.

State of play in Cyprus

- Diversified tenure and high share of secondary homes-**lack of social rental housing**
- Policy preference towards **affordable home ownership**
- High share of the population with **arrears on mortgage or rent**
- **Second highest share of population unable to keep their home adequately warm after Bulgaria** (EU SILC)
- Numbers of new dwellings dropped: from 16,644 to a low of 2,390, respectively (2009-2015)
- Housing investment has recently picked up, and the decline in housing prices has moderated.

Tenure structure in Cyprus in 2011



Addressing affordable housing needs ...

- Shortage of affordable housing (increasing poverty of locals, immigrants)
- Sustainable development of residential areas (social mix)
- Debt management and mediation
- Social services (de-institutionalization)
- Renovating existing buildings (energy poverty)



Housing Europe, the international reference point for housing policy expertise

- ✓ Promoting evidence-based policies
- ✓ New Working Group on housing systems in transition
- ✓ Knowledge exchange about the delivery of housing solutions
- ✓ Exchange of experts, peer-to-peer learning possibilities
- ✓ Meetings at EU level

How to tackle the challenges in Cyprus?

The starting point...

Adoption of an evidence-based **National Strategy on Affordable Housing** defining

- Target group
- Tenure type (social, cooperative, public)
 - Ownership issues – full, partial and right to buy
- Regulatory framework for the governance
 - rent regulation, regulation and supervision of minimal housing
- Responsible long-term institution (already existing or new one) that cooperates with social care providers
- Dedicated financing
 - Pension funds, Philanthropic Funds, Sovereign Wealth
 - Cities, Regions, National Government support
 - EU funding schemes

In order to adapt to a changing environment:

- **Promoting holistic thinking**

Working with different social services in Cyprus (i.e. education, health and employment) and other housing providers in across Europe

- **Developing partnerships with European cities**

Partnership with cities, with local and regional authorities as we are facing common concerns

- **Improving the quality of existing homes**

Innovations and better skills



Sharing good practices



Social Housing



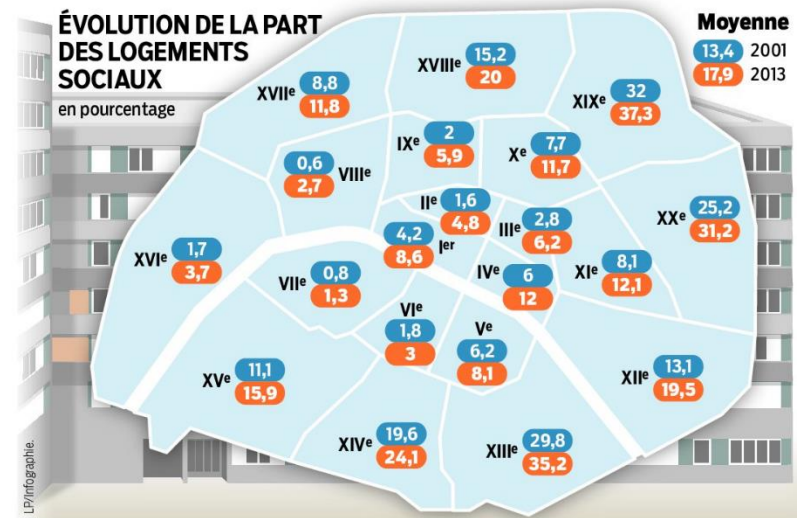
Examples

- European Responsible Housing Initiative
- Programme of Housing Development of Slovakia
- Limited Profit Associations in Austria
- City of Paris measures for social housing

Measures to increase the availability of social housing in the city of Paris

Instruments to reach the goal:

- a first purchasing right by the municipality on properties for sale
- an obligation at least 30% of dwellings to social housing in all projects by private developers covering over 800 m²
- Financing new construction by HLM providers or give them access to land
- One third of the city's investment budget is dedicated to housing



Limited Profit Housing Associations (LPHA) in Austria

- Limited-profit housing associations are enterprises whose activities are directly geared towards the fulfilment of the common good in the field of housing and residential matters.
- They provide social and affordable housing with rents covering costs (below market rents)
- As they are only allowed limited profit, public funding is needed to provide investment capital and to make it affordable to people.
- Control by state authorities and independent monitoring organisation



Programme of Housing development in Slovakia

- Ministry of Transport and Construction of the Slovak Republic + municipalities
- State provides subsidies to municipalities to improve housing development, and to increase a share of public rental housing for low-income households.
- acquisition of social rental housing in public sector, acquisition of related technical infrastructure and elimination of so-called systematic failures of residential buildings
- Possible to combine subsidy with the long term low interest loan from the State Housing Development Fund). Rent may be determined maximum up to 5% of the acquisition costs per year.



Debt prevention (1)

- Setting-up a **counselling service** system who can assist people in risk of eviction (ex. Aedes, Netherlands, FSH housing association, Denmark)
- **Social services** (home visits by social workers, France)
- **Loan rescheduling, debt reduction and write-off, mortgage-to-rent, equity schemes, mediation** (ACER, Italy)
- Creating a **legal obligation** on courts and other agencies involved in evictions to promptly inform housing and social care agencies (Ireland, Germany, Belgium, etc.)



Debt prevention (2)

- Promoting finance inclusion of social housing tenants and **tackling borrowing from ‘loan sharks’** (Welsh My Home Finance model)
- **Moratorium** on evictions (general suspension), winter bans, suspension of the eviction on humanitarian grounds (Cyprus, Greece and Spain)
- **Direct payments** from social welfare benefits of mortgage, rent or utility costs and arrears & active support with money management (France)
- **BIG DATA system** to officially record citizens’ payments so the housing company can give early advice (Sweden, Netherlands)

Ageing



Examples

- Better matching homes with needs of senior citizens in the Hague
- Development programme for housing for older people in Finland
- Dementia friendly community in Ireland

The city of the Hague:

Senior citizens real estate agent

- The agent helps seniors people with decreased mobility to find a more suitable home in the private sector
- The social housing organisation can **offer the available dwellings** to families on the waiting list
- Rent support available for those with limited income



Photo: Kirsi Tuura

Development programme for housing for older people 2013–2017 in **Finland**

- State housing policy to ensure that older people can live in their homes **safely**
- Measures: repairing the existing building stock, developing a new kind of housing solutions and sheltered housing, developing housing environments from the perspective of the older people and matters related to services that support housing
- Part of this programme is ongoing Elevator – Accessible Finland 2017 project



© Photo: Sari Mahonen

Dementia friendly community HUB

- **HELM HOUSING ASSOCIATION**
in Belfast, N. Ireland
- Integrating residents with the local community
- Objective: to become the first Dementia-Friendly Organisation in the housing sector
- Tools: a range of social activities, an establishment of Community Integration Group
- Key results: reduced the stigma associated with dementia, creating better understanding of the condition within the community



EU funding schemes

Structural Funds



TAIEX



- ESF supports social inclusion, technical assistance for setting up affordable housing systems
- ERDF supports construction/energy efficiency/mitigation
- Technical Assistance
- supports public administrations & Representatives of their social partners
- facilitates the sharing of EU best practices (workshops, study visits, etc.)
- finances affordable housing for vulnerable population
- construction/retrofit



- Loan, Technical assistance, ELENA supports model/project development
- EFSI (Juncker Plan) available for high-risk bigger projects
- € 6,5 bn grant to the 'secure, clean and efficient energy'

ESF helps developing the system of Social Housing in Czech Republic

Beneficiary
Budget

Ministry of Labour and Social Affairs

77,56 % is covered by ESF (under Operational Programme Employment),
22,44 % by State budget.

Timeframe
Operations

Febr 2016-Dec 2020

Methodical and informational support to help setting up and developing the system of Social Housing (SH) in Czech Republic and to provide adequate methodical support to 14 municipalities and other SH providers.



The support include:

- a) international cooperation
- b) research and analysis
- c) education and methodologies
- d) collection and distribution of information

A Liaison centre is to be established.



Poland- Poznan affordable housing

Particularity: no financial intermediary

- **direct loan to a social housing association** (POZNANSKIE TOWARZYSTWO BUDOWNICTWA SPOLECZNEGO SP ZOO).
- Will be used for the **construction of up to 1300 affordable residential units in Poznan.**
- Loan from EFSI: €33 million out of the total €66 million
- The Project is expected to increase the capacity of Poznan to respond to housing need from those in the **average income bracket of the population** primarily within the existing urban area, thus reducing the risk of urban sprawl, migration and increasing the efficient use of resources.



Photo: <http://www.eib.org/infocentre/press/releases/all/2017/2017-027-contributing-to-social-inclusion-in-poland-eib-finances-1300-affordable-housing-units-in-poznan-under-ipe?lang=de>

Setting up an investment platform for social and affordable housing

- EFSI financing: €95million out of the total €496 million
- Agreement between the EIB & Bank Gospodarstwa Krajowego (BGK), the Polish development bank
- Set up an investment platform supporting social and affordable rental housing projects **in different municipalities across Poland until 2021**
- Construction/retrofitting
- Eligible: municipal authorities and registered social and affordable housing providers, such as non-profit housing enterprises (TBS)



3 Pillars:

- I. the National Programme for Support of Social Housing (and receives EIB support EUR 190m)
- II. individual loans EUR 95m by EFSI
- III. BGK own funds –intermediated loans

Lisbon, the 1st EU municipality to receive EFSI direct support

- In the frame of its Urban Renewal Strategy: one of the focus is social housing
 - social inclusion to help migrants & vulnerable local residents
 - 250 million eur
 - guarantee and EIB funds -30 years
 - Expected job creation: 133 + 10
-
- **renovation of existing social housing and the construction of new accommodation**
 - energy efficiency measures to mitigate the impact of climate change
 - Involved housing association: Gebalis



France- Picardie Pass Renovation (2014-2025)

- thermal renovation in **2000 private dwellings** in the region.
- Budget: €63 million (from EFSI, ERDF and ELENA)
- Public Service for Energy Efficiency (PSEE) focuses on a self-regulated economic model.



The model allows the ability to:

1. owners get a free energy audit
2. Personalised work plan with construction firms for individual owners
3. The owners pay 300 eur at the beginning and then pay in instalments (from 50 % to 75 % on energy consumption)
4. carry out the renovations, monitoring the work

1000 contracts signed so far.

Positive societal and economic impacts

Affordable housing helps ...

- mitigating increasing poverty and declining purchasing power
- improve health of their tenants by renovating their homes and adapting them to the old age
- making better use of energy
- integrating people in a culturally diversified society
- sharing the benefits of urban growth

Above all, affordable housing helps people live in dignity and maintain trust within and between communities





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