



## Urban and housing financing



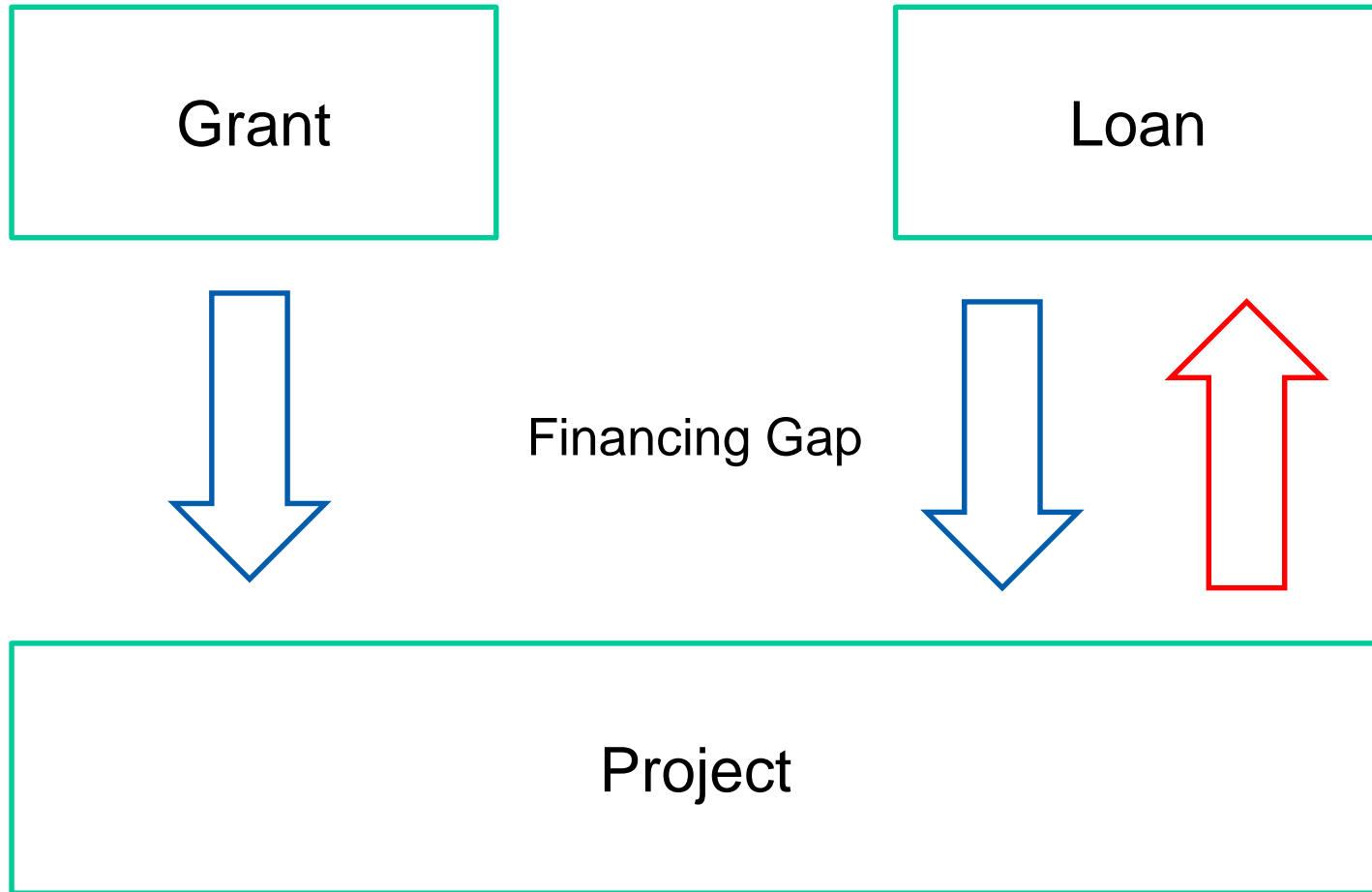


### Non-revenue generating sector

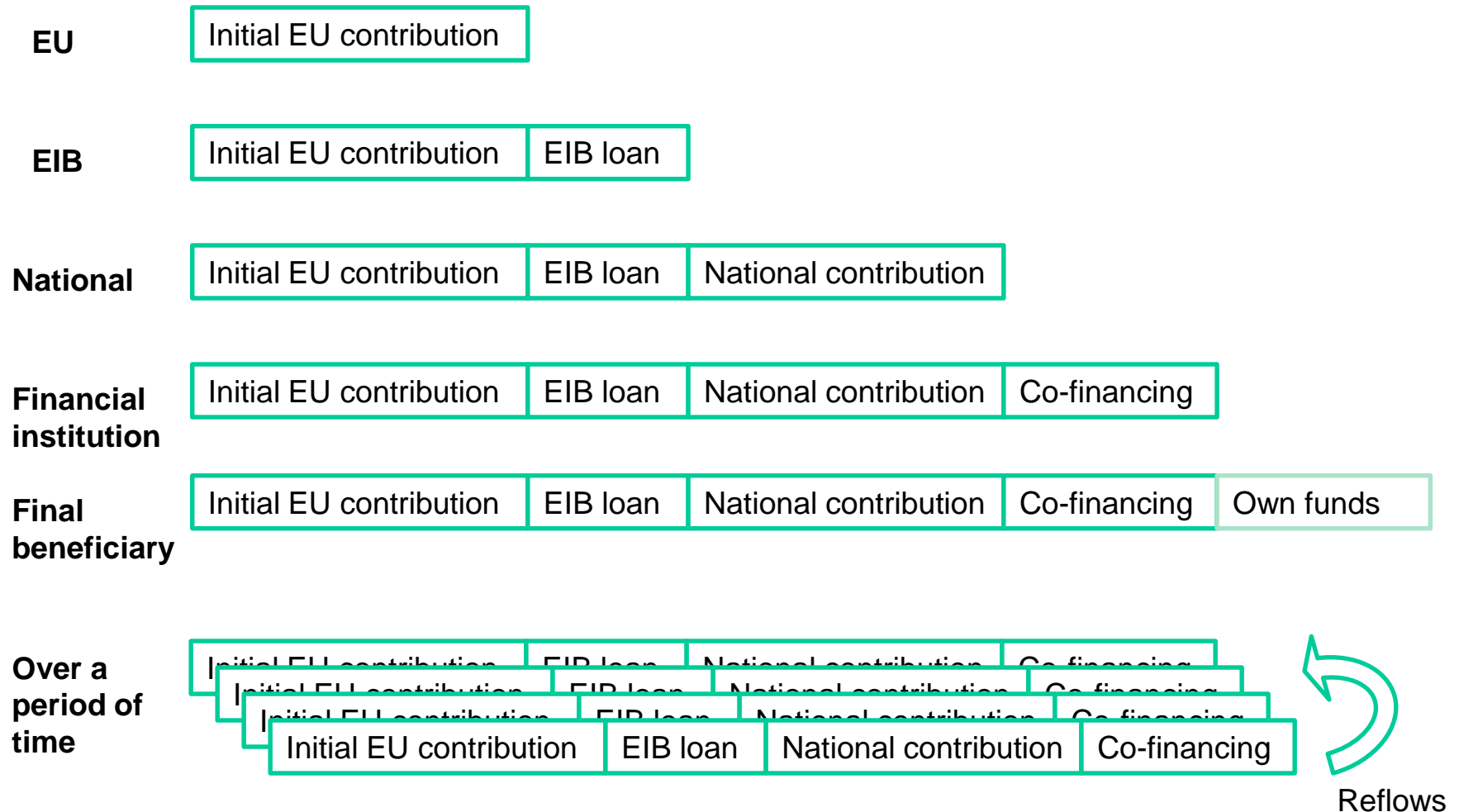
- Grants
- Loan cofinancing

### Revenue generating sector

- Grants
- Financial instruments
- Example JESSICA

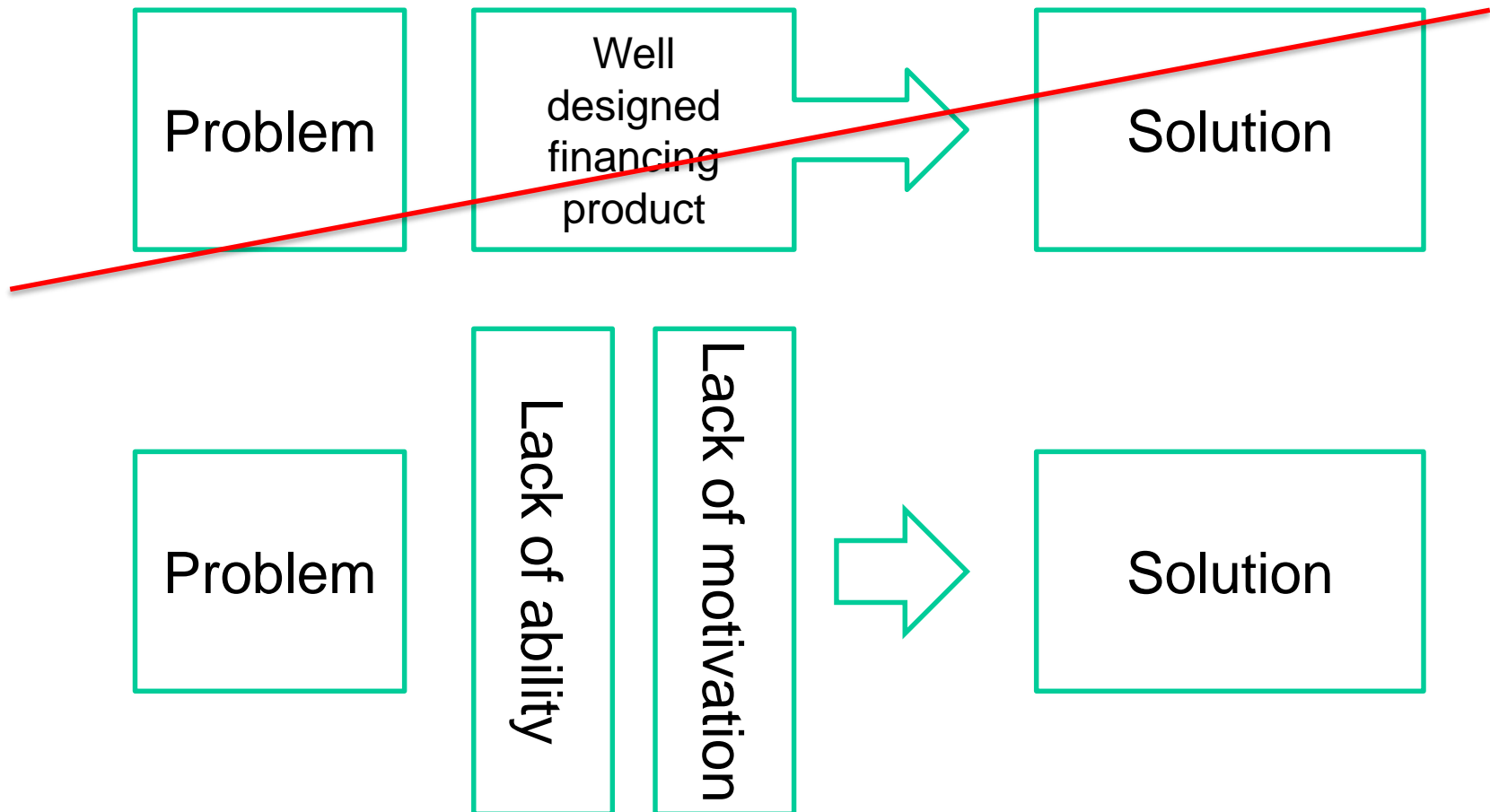


# Concept of financial instruments





# Problem solving





## Challenge – shrinking cities

- What to build?
- How to finance?
- How to reduce operating costs?



## EIB Lending criteria



- Comprehensive public policy for housing
- Promoter capacity
- Good urban location
- Construction costs within comparable range
- Sustainable financial structure for construction and operation
- Tenant affordability
- Promotion of social inclusion
- Clear eligibility criteria
- Clear unit allocation rules
- Majority of rental properties
- Clear plans regarding future sell-offs



## Case studies

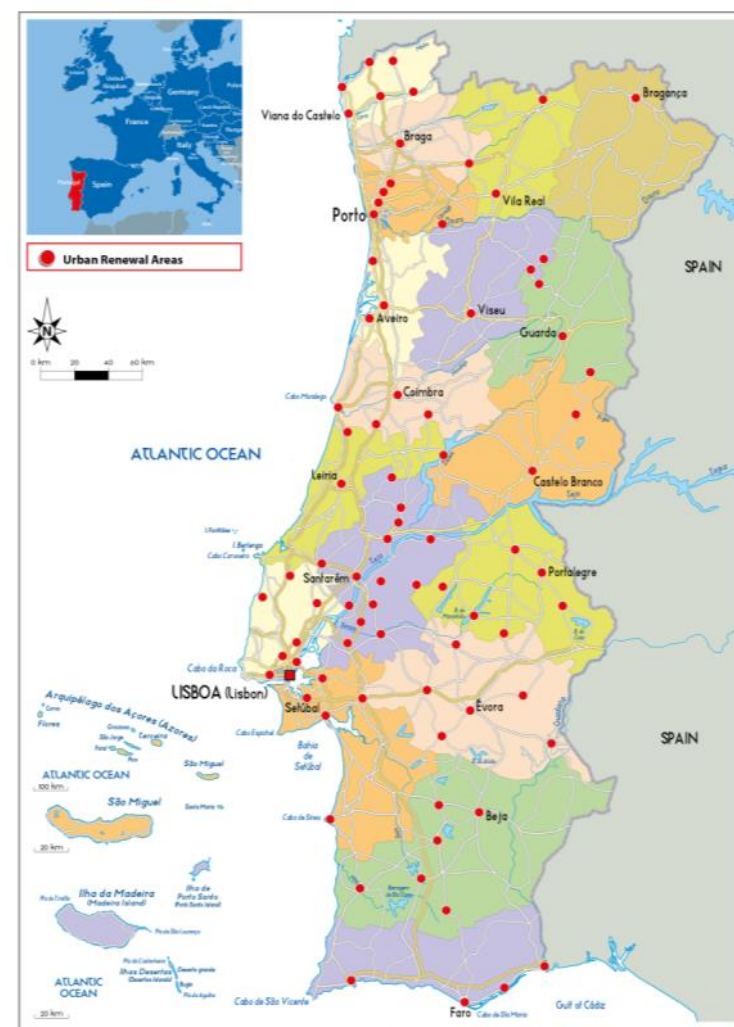


# IFRRU 2020 Financial Instrument – Portugal



- ❖ IFRRU 2020 Financial Instrument to support urban rehabilitation and revitalization, including the promotion of energy efficiency in housing
- ❖ IFRRU 2020 to blend ESIF, EIB and CEB resources and resources expected to come from financial intermediaries
- ❖ EIB loan to leverage self-sustaining use of ESIF resources for long-term investment and mobilizing public-private co-operation
- ❖ Projects to be located in priority areas in different cities where an integrated regeneration plan is in place (residential areas, city centers, historical centers, waterfront areas, formal industrial areas and brownfields)
- ❖ Based on previous JESSICA experience and developed on the basis of ex-ante assessment (identified market failures and financing gaps)

Project: IFRRU 2014-2020 – Portugal



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European Investment Bank. GraphicTeam 3694 Akbas M. 88314 01/2017



# Poland Social & Affordable Housing Investment Platform

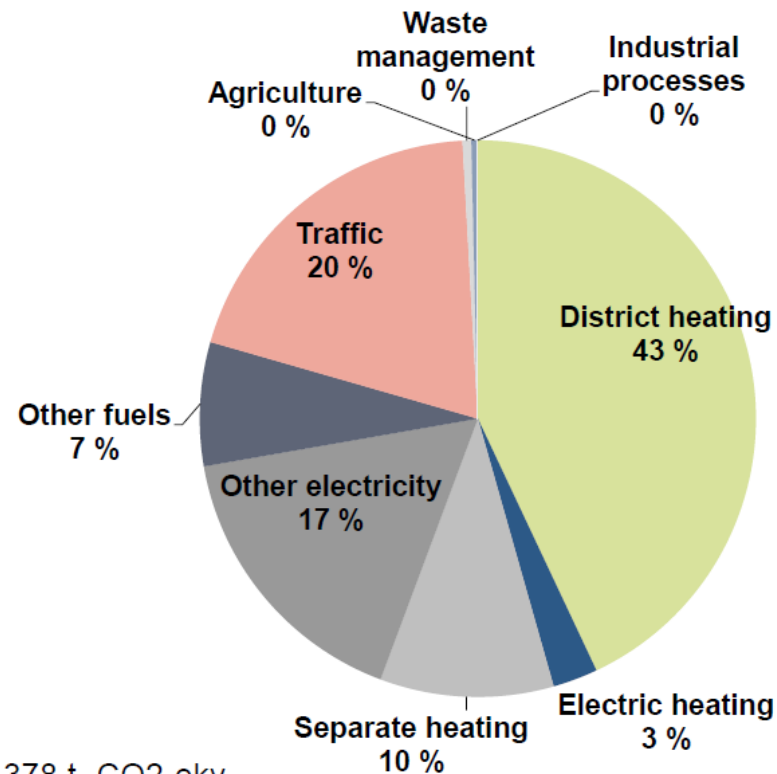
- Investment Platform of EIB and BGK (promotional bank of Poland)



- Market survey and joint marketing actions
- Common approach, joint due diligence / appraisal
- European Investment Advisory HUB
- New financing product in Poland
- New sector and new promoters for EIB



## GHG Emissions in Turku (2010)



**Total:** 1.378 t.-CO<sub>2</sub>-ekv.

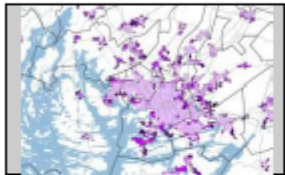
**Per inhabitant:** 7,8 tonnes

*Source: Kasvener 2010, Environmental Protection Office and Valonia*

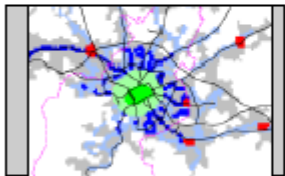
## Current situation



- Dense urban structure
- 65 % of the population in sustainable mobility zones
- 55 % of the jobs in the city-centre



- Expanding urban sprawl since 1980's
- 39 % of the population in areas with less than 20 inh./ha



- 30 % of all journeys made walking, 13 % by bike and 13 % by PT
- 3 % increase in PT-journeys in 2012
- GHG emissions reduced 16% since 1990

- Expanding urban sprawl
- Increasing car traffic
- Dependency on fossil-fuels
- + Dense urban structure
- + Increase of PT and renewable energy

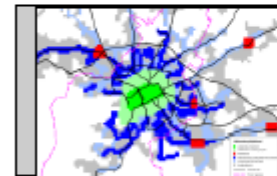
## Future vision



- Unified urban structure
- Population and job growth in sustainable mobility zones



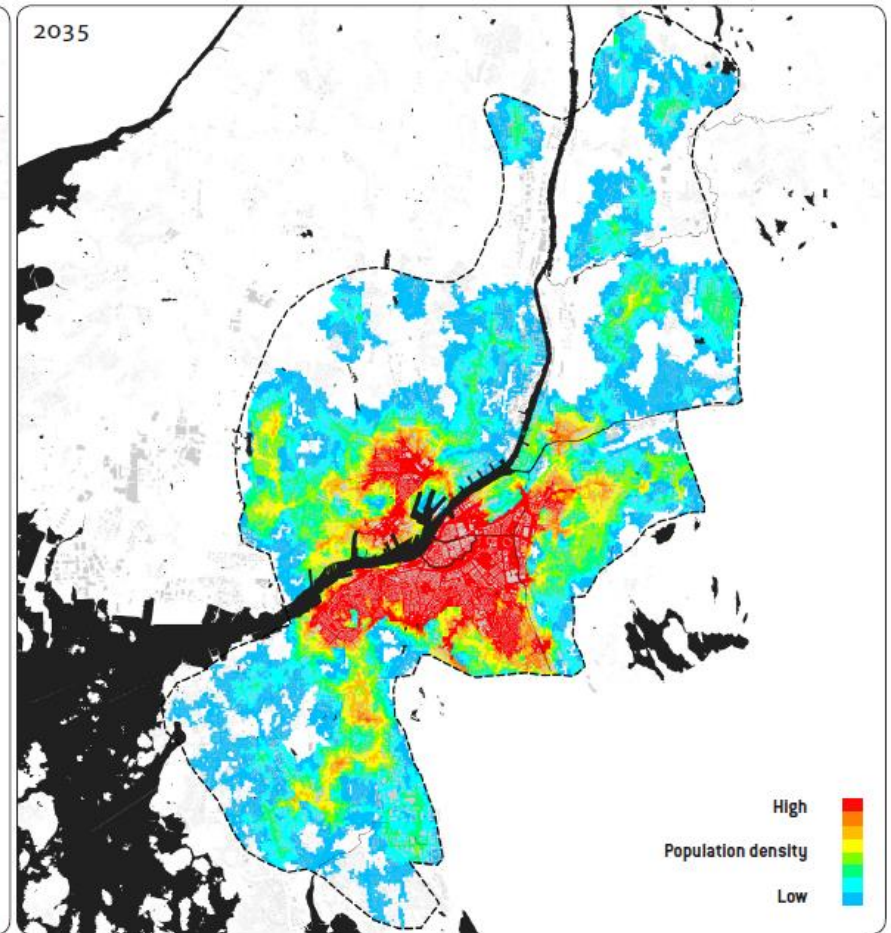
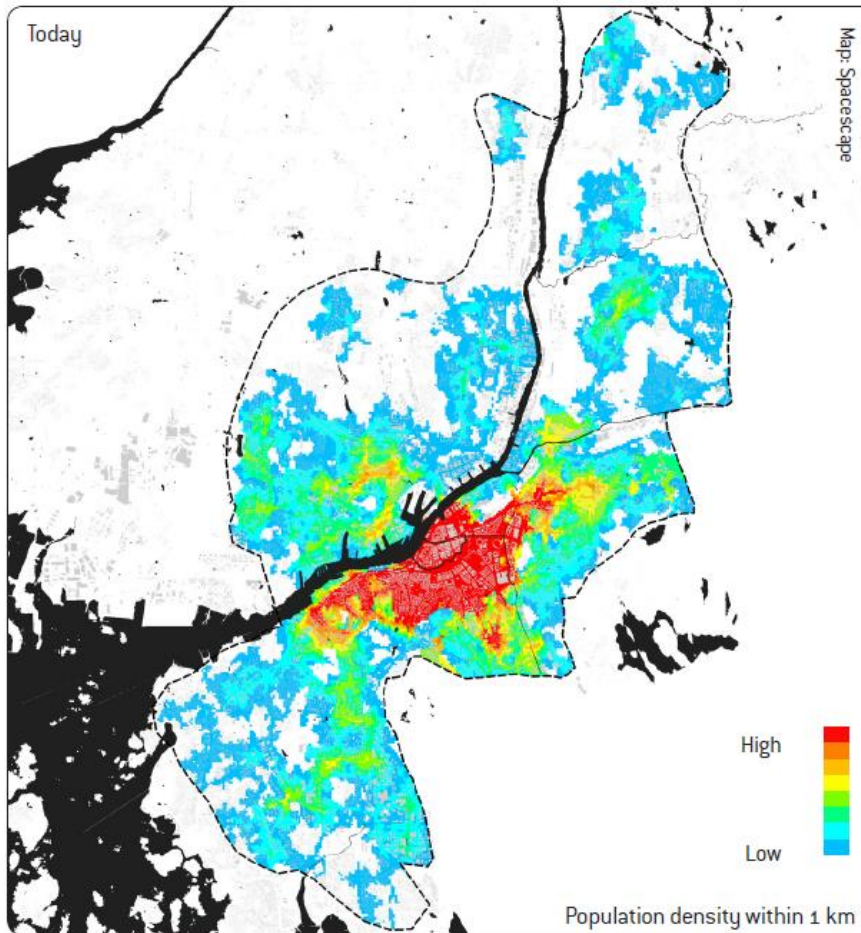
- Prevent urban sprawl
- Decrease in number of granted building permits into sparsely populated areas



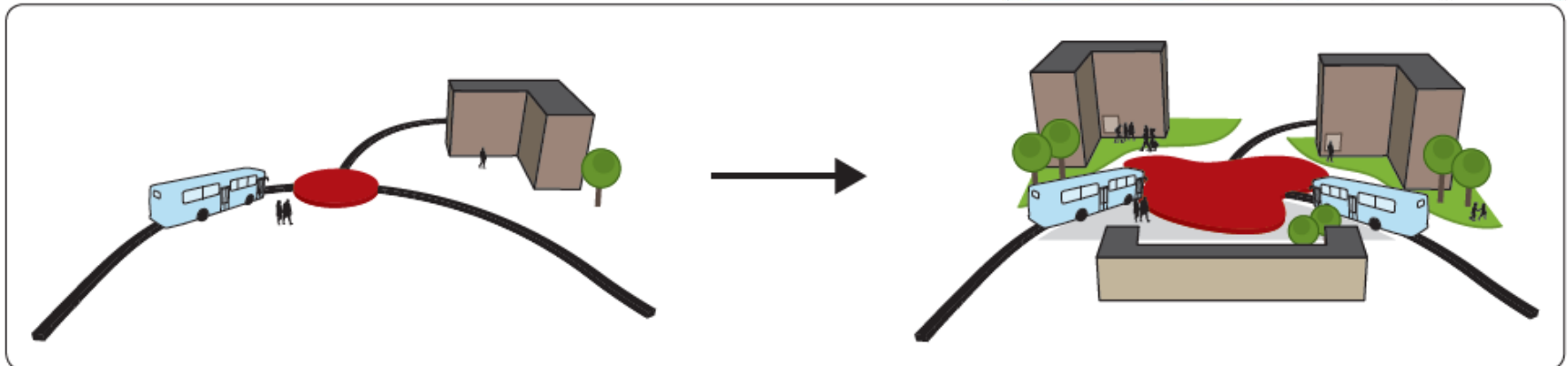
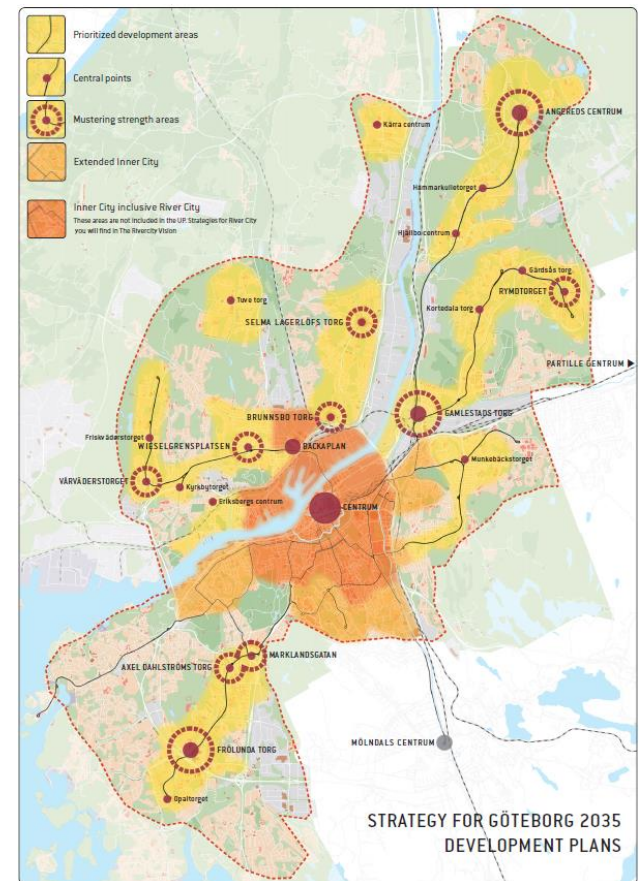
- Sustainable mobility system
- Smart and renewable energy
- 30% GHG emission reduction from 1990-level by 2020

- + Unified and dense urban structure
- + Population and job growth in sustainable mobility zones
- + Turku is a city of walking, cycling and PT
- + Smart energy system based on renewables
- + Attractive and economically viable city



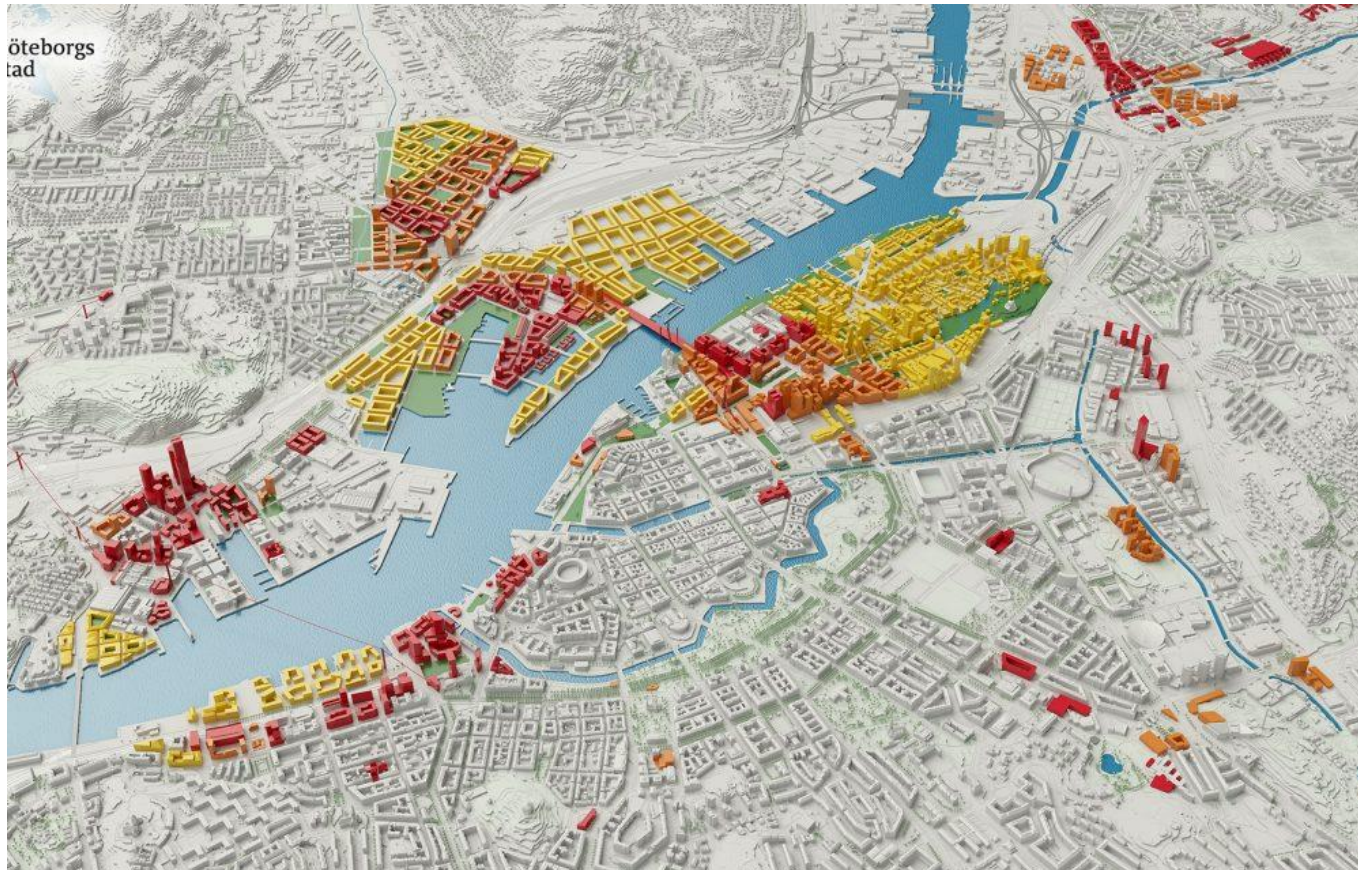


- Urban design challenges
- Reuse of urban space





## ▣ New construction





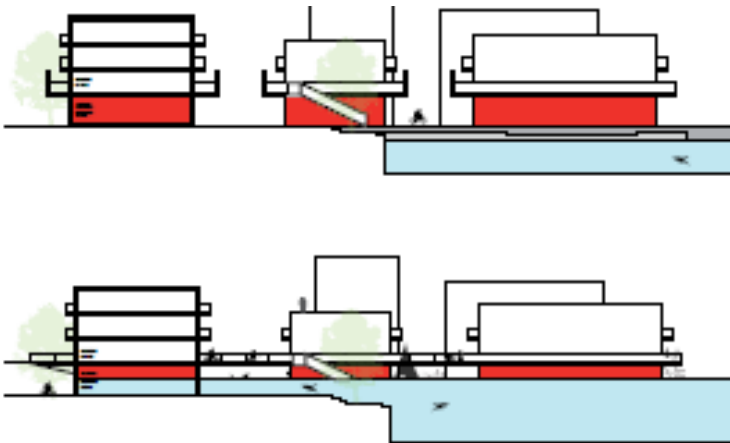
# Climate adaptation



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# EIB Lending in Social and Affordable Housing

Total 2011-2016: EUR 7.4 billion

