

MANIFESTO – EUROPEAN ELECTIONS 2019



# AFFORDABLE HOUSING

LONG TERM INVESTMENT

FOR ANOTHER EUROPE CLOSER

TO ITS CITIZENS AND COMMUNITIES



L'UNION SOCIALE POUR L'HABITAT  
Les Hlm, habiter mieux, bien vivre ensemble

# Promote General Interest Missions in the European Union



JACQUES DELORS, PRESIDENT OF THE EUROPEAN COMMISSION

"Yes, your role is important! There will be no successful achievement of the Single Market without the necessary social rebalancing. Without the social component, without social housing. And you are social housing! Not only must you play a role in the construction of European social policy, but you must do so together. Organise and you will be recognised as an interlocutor of the European Commission."

Meeting with a delegation of representatives of the Social Housing Federations of the Member States led by Roger Quillot, President of UNFOHLM (USH) and founding president of CECODHAS (Housing Europe), Brussels July 1987



ROMANO PRODI, FORMER PRIME MINISTER OF ITALY  
AND PAST PRESIDENT OF THE EUROPEAN COMMISSION  
ALONGSIDE JEAN-CLAUDE JUNCKER, CURRENT PRESIDENT  
OF THE EUROPEAN COMMISSION

*"We can show leadership in Europe  
now in support of affordable housing"*

23 JANUARY 2019 - BRUSSELS

"In its latest report on the state of Social Housing in major cities across Europe, the World Bank has issued a warning to the leaders of the European Union about the consequences of the housing crisis and its effects on economic, social and territorial cohesion.

The World Bank also confirmed the conclusions of another report from the European Commission, namely that investment in social infrastructure including social housing, had been cut back because of economic and budget constraints, causing social tensions in the Member States and consequential social costs.

Affordable housing is a central issue for all major European cities. Especially so as we approach European elections and a wide-ranging debate on the future of the Union against the backdrop of Brexit and the rise of anti-European populism.

And yet considerable investment at the European level has demonstrated that spending on social housing makes a contribution to the EU itself: not only to the implementation of its policies, but also to the establishment of closer ties with its citizens in their daily lives and local communities.

This is clearly observable in France, in those buildings and districts which have hosted European projects, notably ERDF / FEDER and more recently EIB, for example energy-efficient investment in Moderate Rental Housing. This has contributed to better living conditions for occupiers, has reduced their heating bills and at the same time helped combat climate change—not to mention job creation at the local level as well.

Such practical and beneficial innovative approaches, instigated at European initiative, are clear justification for their more massive deployment. Access to such approaches needs to be simpler so as to ensure far more

target households benefit from them.

The revising of the 2021–2027 cohesion plan and of the EU Strategic Investment Plan are so many opportunities that should be seized upon in order to markedly step up the pace of progress.



Hence, we wish to make our voice heard in the forthcoming debate about the future of the European Union. And to do so as part of the campaign for the May 2019 European elections. We wish to open up the horizon to the holding of a **"European Summit Meeting on Housing,"** which we both advocate and actively support.

The Union Sociale pour l'Habitat (USH – Social Housing Union) seeks to make affordable housing one of the main issues during the upcoming European election campaign.

We wish to put Europe on a new and more secure footing by advocating positive policies for our citizens. Europe should be an incentive to act together and more effectively in rising to a challenge that affects all Member States, in order to:

**Provide Affordable Housing for All!"**

JEAN-LOUIS DUMONT,  
PRESIDENT OF USH

# The EU affordable housing crisis is a challenge for us all



LAURENT GHEKIERE, PRESIDENT OF THE EUROPEAN OBSERVATORY OF SOCIAL HOUSING EUROPE, DIRECTOR OF EUROPEAN AFFAIRS AND REPRESENTATIVE OF THE SOCIAL UNION FOR HOUSING TO THE EU

Undeniably, the availability of affordable and decent housing has become a growing and daily concern for the citizens of the European Union. The situation has grown to being pressingly acute in the last few years. According to Eurostat, the rising cost of accommodation in Europe's towns and cities has outpaced wages. According to the World Bank, European households fear not being able to find decent housing, and having insufficient income to afford it whether by renting or buying close to where they are most likely to have employment.

Home-to-work travel is a Europe-wide concern, alongside having the job to pay for a roof over one's head. Those on the move to new areas, single parent families and the ageing population in the larger cities are particularly hard hit.

The numbers of homeless are on the rise, particularly among the young. Homelessness is structurally embedded in the cities of Europe in spite of the legal enactments on the right to housing and despite the hard work of the housing and other associations.



Europe faced with the challenge of affordable housing



MARIO MONTI,  
COMPETITION COMMISSIONER

*"Social Housing is fully in phase with the objective of the Treaty. It is a legitimate element of public policy, and when limited to what is necessary, it is in the interest of the Community that it be supported."*

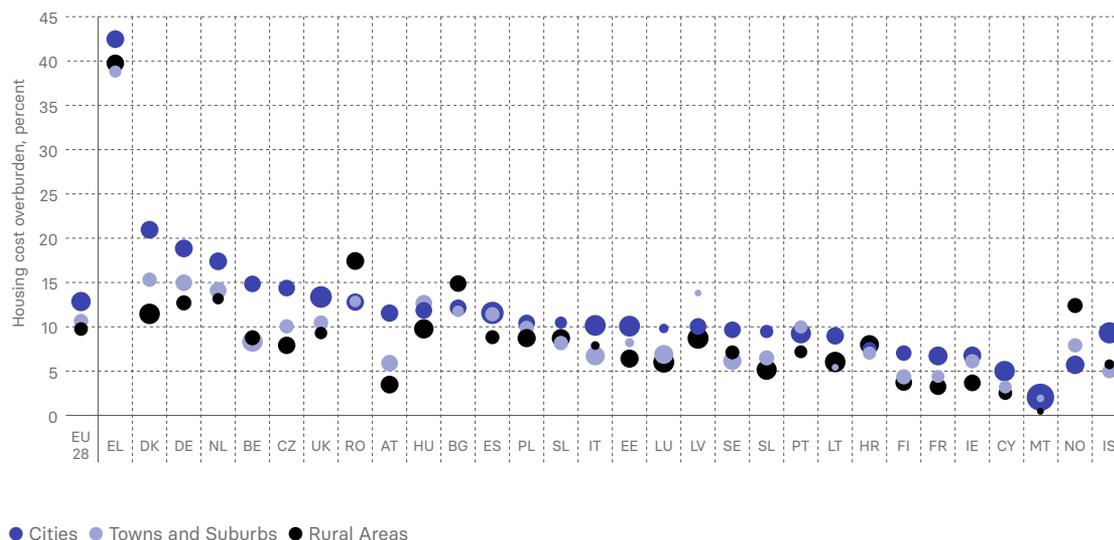
DECISION 209/01 OF 3 JULY 2001

## Decent and affordable housing for all: a fundamental condition of social and economic cohesion and an objective to strive after in the interest of the whole European Union

Lack of or poor housing lies at the very heart of the distressed social and economic conditions increasingly affecting EU citizens. According to the admonitory report of the World Bank, housing is a major cause of the erosion of the economic, social and territorial cohesion of the European Union. Housing quality (or lack of it) is an integral part of the new situation that Europe is challenged to respond to. We need to promote practical and accessible

solutions for citizens and adopt good practice and effective measures. Failure to respond to this challenge is closely connected with the rise of populism, with ghettoization in its many forms, with frustration at the lack of action on climate change, with the increasingly acutely perceived crises of democracy and of migration, and with the rise of inequalities between prosperous urban areas and the deprived, often isolated out-of-city areas.

### Housing cost overburden (+40% of income)



# At issue is the dearth of long-term investment in social infrastructure and of affordable housing

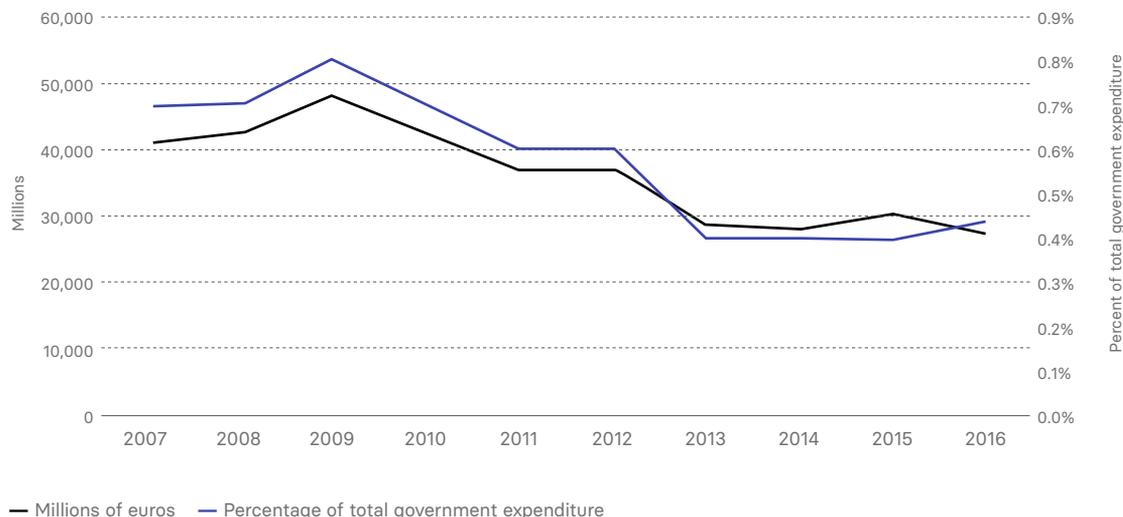
If accommodation is increasingly difficult to find centrally in the larger cities, this is because the supply of social and affordable housing has not kept pace with demand, while demand itself has risen due to the pressure of ever more mobile populations, both within countries and from outside them.

The lack of long-term investment is recognised as being caused by the inherent budgetary constraints of the European Union's economic governance, and by the rigidity of the Stability and Growth Pact—that is ripe for reform.

The ever more crying shortage of affordable housing and its rising

cost in numerous European cities are an indication of failed property markets. Because they are gripped by financial short-termism, action is required by public regulators with powers to act locally. If not, the availability of accommodation will be further squeezed by its diversion to meet the needs of the Airbnb short-stay tourist market.

## Public expenditure housing



— Millions of euros — Percentage of total government expenditure  
 Boosting Investment in Social Infrastructure in Europe : report of the high-Level Task Force on Investing in social infrastructure in Europe, Lieve Franssen, Gini del Bufalo, Edoardo Reviglioni, January 2018



LASZLO ANDOR,  
 COMMISSIONER FOR EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION

*"The financial crisis is closely connected to the housing crisis. Imbalances in the housing sector are in part the causes and consequences of financial turbulence.*

*It is clear that housing policy is a responsibility of national or regional governments, but certain decisions can be influenced by European policy."*

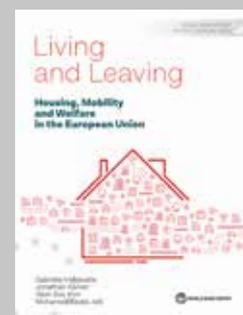
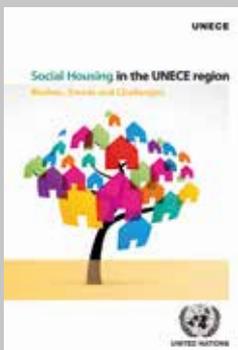
EUROPE REDRAWN SOCIAL HOUSING, EUROPOLITIQUE,  
 SUPPLEMENT 16 DECEMBER 2011

# EU crisis in affordable housing

All recent reports, whether from the World Bank, OECD, Council of Europe Development Bank, Eurostat, Housing Europe, European Mortgage Federation, FEANTSA, converge in their analysis, namely that there is a structural crisis in affordable housing in the European Union.



REPORTS AVAILABLE ON LINE FROM OUR EUROPE BLOG [HTTPS://UNION-HABITAT-BRUXELLES.EU/LOGEMENTABORDABLEUE](https://union-habitat-bruxelles.eu/logementabordable)



CORINA CREȚU,  
COMMISSIONER FOR REGIONAL POLICY

*"Social housing is essential by its contribution to our social fabric, an expression of solidarity, a barometer of growth and social inclusion in the regions and in urban areas. This is the reason why Europe supports social housing in all the Member States."*

17 JANUARY 2019

## Key figures

› **€2,000 Bn**  
(13.1% GDP): European housing expenditure (accommodation + charges).

› **+1.5%**  
Increase in European housing expenditure 2007/2017 (Eurostat).

› **€50 Bn**  
Shortfall in funding of the fight against energy poverty in Europe.

› **25%**  
of the personal budget of European households is spent on accommodation (Eurostat).

› **40%**  
of the personal budget of European lower income households (< 60% of median income) is spent on accommodation.

› **€194 Bn p.a.**  
Social costs induced by poor quality housing in Europe (Eurofound).

› **€7 Bn**  
Shortfall in investment on affordable housing in Europe.

## Current response from the European Union

› **€10 Bn**  
Investment in social infrastructure including affordable social housing from the European Fund for Strategic Investment (EFSI).

› **70,000**  
Households final beneficiaries of ERDF / FEDER funds for energy efficient renovation of HLM moderate rent homes in France (ERDF / FEDER 2009-2013 – Barroso 5-year Plan).

› **572,000**  
Households final beneficiaries of European Investment Bank affordable housing loans (2011-2015).

› **4%**  
Share of EFSI investment on social infrastructure compared to total EFSI investment

› **€5.5 Bn**  
Loans from the European Investment Bank (EIB) to social housing in the EU (2011-2015) of which 12.81% for France.

› **€6.2 Bn**  
Social housing loans from the Council of Europe Development Bank (CEB) (2000-2016).

› **€5 Bn**  
EFSI fund allocation to energy efficient home renovation (FEDER 2014-2020).

# Manifesto: European Parliament must use its powers of initiative on the issue of affordable housing and communicate more widely with European citizens

The European Union must monitor not only the achievement of Treaty targets in the fields of economic and social cohesion, but also the effective implementation of fundamental rights, in particular the right to decent housing.

The European Union must ensure the effective implementation of its Pillar of Social Rights, including access to social housing for those in greatest need.

At stake is the credibility of the European Union, of its institutions and of its Members of Parliament, if they fail in the performance of their duties to citizens and to communities.

That is why [as part of the May 2019 European elections](#), we call on candidates:

- › [to grasp the issue of housing which affects the daily lives of Europeans;](#)
- › [to act on a concern which lies at the heart of the economic, social and territorial cohesion of the Union](#)
- › [to make social and affordable housing an integral part of the campaign for the European elections.](#)

With our 30 years of experience in Brussels,<sup>1</sup> USH is a valuable contributor to the debate, with our proposed 5-point [European Action Plan for Affordable Housing](#). Mindful of the principle of subsidiarity, we invite you to fully exercise the powers of initiative vested in Members of the European Parliament.

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1. The narrative of moderate rent housing is also written in Brussels.



MARGRETHE VESTAGER,  
COMPETITION COMMISSIONER

*"The Commission has accepted social diversity and cohesion as valuable public policy objectives for which State aid may be granted to social housing in the framework of the 2012 Services of General Economic Interest decision."*

REPLY TO A WRITTEN QUESTION IN THE EUROPEAN PARLIAMENT

# EU affordable housing: Action Plan 2019-2024

1>

## EU URBAN AGENDA HOUSING PARTNERSHIP

In support of a dedicated European programme, encourage towns and cities to exchange views on local housing policy and good practice in the fields of the regulation of local housing markets and investment in the supply of affordable housing. **The EU Urban Agenda** and its **housing partnership** (Amsterdam Pact) should be renewed to allow the participation of the European Parliament and the creation of a framework for the implementation of this European programme, giving rise to an annual report of evaluation of its effectiveness.

2>

## SOCIAL INFRASTRUCTURE – AFFORDABLE HOUSING INVESTMENT FUND

Support investment in social infrastructure by setting up a European Investment **Fund dedicated to affordable housing** synergising with and gaining leverage from:

- › **Cohesion Policy** for the period 2021-2027 intended to boost investment into energy-efficient building renovation and extend it to local social innovation projects and migrant housing facilities,
- › **Strategic Investment Plan** aka the Juncker 2 InvestEU project, extending to social infrastructures including social and affordable housing, whilst ensuring that investment is no longer capped at the present 4%,
- › Continuing mobilisation by the **European Investment Bank** and by the Council of Europe Development Bank for financing affordable social housing as part of the new and higher priority given to strategic investment.

Develop a communication plan targeted to European citizens to inform more widely about the European funds for sustainable housing with a particular emphasis on the more vulnerable beneficiary households.



PIERRE MOSCOVICI  
EUROPEAN COMMISSIONER FOR ECONOMIC AND FINANCIAL AFFAIRS

*"Support from the European Fund for Strategic Investment to the social housing project developed by the Canopée network highlights the social dimension of the Juncker Plan, which it is intended to further strengthen in the future. This is a project we can be proud of and demonstrates how Europe brings considerable added-value to the daily life of people in France."*

24 JANUARY 2019

**3 >**

**EUROPEAN SEMESTER  
FOR THE REVISION  
OF THE STABILITY  
AND GROWTH PLAN**

Introduce partnership-style oversight of local housing markets and of national recommendations in association with the European Parliament, as part of the budget deficit calculations at the Member State level, whilst giving appropriate weighting to long term investment in social infrastructure, notably investment in affordable social housing. Take into account the cost avoided by adopting this policy of long-term investment in social infrastructure.

**4 >**

**EUROPEAN PILLAR  
OF SOCIAL RIGHTS**

The European Parliament must be the guarantor of the effective implementation of EU policy for housing in the context of the European Pillar of Social Rights (paragraph 19), that is, the “right of access to social housing or housing assistance of good quality” for the households whose needs are not spontaneously met by the sole action of the private local housing market. The European Parliament should produce an annual report of evaluation of the housing component of the European Pillar of Social Rights.

**5 >**

**SINGLE MARKET-  
COMPETITION:  
SUITABLE  
FRAMEWORK**

Consolidate the legal framework of housing and in particular secure provisions for State assistance in this field as part of Services of General Economic Interest providing housing services (EC Decision) and reduced rates of VAT for housing provided in the context of social policy (Directive), whilst ensuring that Member States are fully competent in the matter of defining their own social housing missions and public service obligations in accordance with the recent decision of the European Court of Justice (Case T 202/10 RENV II Social Housing – Decision accepting Member State’s commitment),

**Proposal for initiative organised by European Parliament:**

**EUROPEAN HOUSING  
SUMMIT**

**European Housing Summit** to be held annually, providing a central meeting point for all stakeholders, dedicated to the implementation and follow-up of the EU Affordable Housing Action Plan, including effective communication about its actions targeted to all EU citizens, as part of the **European Union initiative on the State of Housing.**

# Power of initiative

The next European Parliament must:

- › recover the initiative on the issue of affordable housing in the EU and make good use of its power of initiative;
- › ensure better communication by MEPs with electors, by publishing an annual report on the state of housing in the EU.

2014-2019



## EU Parliamentary session now ending: Work on Housing

- › **European Parliament:** proclamation of the European Pillar of Social Rights and its paragraph 19 – Right of access to social housing or housing assistance of good quality.
- › **Commission:** Juncker 2 Investment Plan for Europe – Eligibility for investment in social infrastructure.
- › **Committee of the Regions (CoR):** Initiative “European agenda on housing” (Imane Report).
- › **European Court of Justice:** ruling on Social housing Services of General Economic Interest (Case T202/10 RENV II).
- › **European Parliament Long Term Investment Intergroup.**
- › **Continuation of European Parliament Intergroup on Common Goods and Public Services.**
- › **Continuation of European Parliament Urban Housing Intergroup.**

2009-2014



2004-2009



## Work on Housing during Parliamentary Session

- › **European Parliament:** resolution on social housing in the European Union (Delli report).
- › **European Parliament:** written declaration on social housing (WD852010) signed by 5 political groups.
- › **European Parliament:** Revision of the public procurement legislative framework – exclusion of public-public cooperation from scope of public procurement, public-public cooperation applicable to cooperation between social housing organisations (Tarabella report).
- › **European Parliament:** European Regional Development Fund (ERDF)– renewal of eligibility to ERDF investment in energy-efficient social housing renovation, removal of financial cap.
- › **European Parliament:** Revision of VAT directive – renewal of reduced rate VAT for housing provided under a social policy framework.
- › **European Parliament:** Support for incorporation into the Charter of Fundamental Rights of the right to social and housing assistance (Article 34).
- › **Commission:** European Parliament supports decision to renew exemption of notification of State aid for social housing as a Service of General Economic Interest.
- › **Committee of the Regions:** European Housing Agenda (Hutchinson report)
- › **Set-up of European Parliament Intergroup on Public Services.**
- › **Continuation of European Parliament Intergroup on Urban Housing.**

## Work on Housing during Parliamentary Session

- › **Commission:** EU decision of notification of exemption of State aid for social housing as a Service of General Economic Interest.
- › **Commission:** communication on Social Services of General Interest (SSGI) including social housing.
- › **Commission:** communication on Services of General Interest (SGI), Social Services of General Interest (SSGI).
- › **European Parliament:** Single Market Services Directive, exclusion of social housing approvals from the scope of prohibition of authorisation regimes (Gebhardt report).
- › **Commission:** Barroso economic recovery plan: revision of European Regional Development Plan – eligibility of investment in energy-efficient social housing renovation, in the housing of marginalised communities and urban renovation, proposal supported by Parliament
- › **Set-up of European Parliament Intergroup on Urban Housing.**

# Our homes are where Europe's future starts!



With more than 23 million units, Housing Europe manages some 11% of housing assets in the EU. That percentage has been in decline since the beginning of the 2008 financial crisis. This is bad news for Europe.

Bad news for Europe because EU citizens need housing. And of course, they need more affordable housing.

Access to decent and affordable housing has become one of the central concerns of the citizens of Europe, more than 1 in 10 of whom spend more than 40% of their income on a place to live in. Having a home has become the largest and often most difficult to meet item of expenditure in the household budget. Housing on average accounts for 24% of monthly household outgoings.

Absence or shortage of affordable housing is on the way to becoming a weapon of mass destruction of social cohesion in Europe, whether in the major cities or in other deprived areas. In 10 years, house prices have risen again to close to their highs of just before the 2008 sub-prime crisis. In a mere 10 years have we forgotten the lessons of the past? Are we that unreasonable?

As a matter of absolute necessity, we must convince public opinion and, above all, persuade decision-makers, that housing is a common good, a necessity for society as a whole. Homes are not a commodity like any other. More than ever, is it now clear that housing needs to be protected from the excesses of uncontrolled market forces.

In the contemporary context of the increasing attractiveness of populist solutions, whose appeal is indicative of unprecedented social discontent in France, Europe must take the lead and show that its vision and actions are meaningful. Europe can assist Member States, —in the context of the particular cultural history of each—by reinforcing the strands of protection of the social fabric by the massive development of affordable housing.

In so doing, Europe will raise its profile as a standard-bearer of hope for the future of the citizens of Europe and demonstrate its ability to act as an institution of importance in their daily lives.

We must ceaselessly work for acceptance of the idea that housing is neither a cost nor an expense: but a true investment in the service of future generations:

**"Our homes are where Europe's future starts!"**

CEDRIC VANSTYVENDAEL,  
PRESIDENT, HOUSING EUROPE

# USH Brussels

## Expertise recognised and mobilised by European Institutions

### OFFICIAL REPORTS WHICH ACKNOWLEDGE THEIR DEBT TO USH BRUSSELS

- › **European Commission:** Report "Towards a Europe of Solidarity: Housing" published in the European Social Review.
- › **European Parliament:** Delli report on "Social housing: lever to emerge from crisis", "European Housing Charter" from the public services and urban-housing intergroups, provider of expert opinion to the EU Parliament Public Services intergroup chaired by Françoise Castex.
- › **Advice:** consulted in hearings before 27 Ministers of Housing during the informal meeting on housing held in Marseille.
- › **Committee of the Regions:** Imane report entitled "Towards a European Housing Agenda", Lambetz report on "State aid for Services of General Economic Interest", Destans report on "Social services of general economic interest" Lafay report on "The Place of housing in the European social approach."
- › **European Economic and Social Committee:** Hencks report on "State aid for services of general economic interest" and on "Social service of general interest."
- › **Council of Europe – Jacquard Parliamentary Report** and "Resolution on dynamic housing policy in Europe."
- › **United Nations – Economic Commission for Europe** "Operational guide to the set-up of a social housing approach."

## Follow USH initiatives on the social networks



LAURENT GHEKIERE  
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#LOGEMENTABORDABLEUE

#INVESTEUHLM

#EUROPEENNES2019



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**Issues handled:** Cohesion, Climate, Energy, Demographics, Urban Agenda, EFSI, ESIF, EIB.

#### Relations with the Parliament

Parliamentary commissions: regional development, budgets, employment-social policy, industry-research- energy, EU Parliament intergroups: Urban, Active ageing, Intergenerational solidarity, family policy, long term investment and reindustrialisation.



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**Issues handled:** SGEI, State Aid, Public service compensation, Basel III, Services Directive, Public Procurement, lower VAT rates, EU Pillar of Social Rights, European Semester.

#### Relations with Parliament

Parliamentary commissions on Economic and financial affairs, Single Market and consumer protection, Legal affairs, Sub-Commission on Human Rights, EU Parliament intergroup on "Common goods and public service."



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