

SOCIAL AND AFFORDABLE HOUSING IN EUROPE

BACKGROUND

This briefing note looks at the changes taking place in social and affordable housing needs and provision throughout Europe. It also highlights examples of 'best practice' and innovation in social and affordable housing delivery in the ROI and UK.

Various factors have contributed to what has been termed a 'housing crisis'. Economically, a steep rise in the price of houses has put home ownership beyond the reach of first-time buyers.

Demographic changes throughout the EU Member States have contributed to demand including smaller household sizes, a rise in single person households and an increasingly mobile migrant workforce.

EUROPE

A recent report (July 2007) on social housing in Europe¹ states that:

Many countries have recognised that if the social sector is to be sustainable, there is a need for additional provision, better maintenance and improvement, regeneration and a wider range of services. However, almost no additional streams of funding have been identified. The majority of investment schemes involve either using existing assets more effectively, selling property on the market, or mechanisms by which land values can be used to cross-subsidise development.

Trends in social housing management in Europe² point to key changes in how social and affordable housing is being delivered. These include:

- A move away from state provision towards delivery by not-for-profit private providers, e.g. housing associations;
- More responsibility for a community/social welfare role of providers;
- A growing business/performance ethos within the social housing sector as it becomes more of an industry/profession;
- A widening of services within the sector that includes provision, allocation and maintenance; and
- Housing providers managing loan portfolios with an increase in private investment in the sector.

¹ 'Social housing in Europe' (July 2007), Eds. Christine Whitehead and Kathleen Scanlon; LSE London available at: <http://www.lse.ac.uk/collections/LSELondon/pdf/SocialHousingInEurope.pdf>

² 'Managing Social Rental Housing in the European Union: Experiences and Innovative Approaches' (October 2007) Heino, J. et al available at: <http://www.cecodhas.org/images/stories/research/manag%20study.pdf>

General trends in the provision of social housing across Europe are:

- ❑ The decentralisation of housing policy;
- ❑ The privatisation of public housing; and
- ❑ A reduction in public finance.

The need for greater efficiencies in social housing policy has led to increasingly flexible public interventions with the capacity to adjust to local needs. Belgium is the only country where decentralisation is fully implemented with total autonomy for each of its regions. In Germany, Italy, Spain and Austria the central state shares responsibility with regional authorities and in all the other EU countries housing policy is the responsibility of the State³.

A 2007 European publication⁴ based on 27 EU Member States found that across the EU the social housing sector is diverse in terms of size, governance, forms of tenure and overarching housing policy frameworks. To provide some clarity national policy frameworks are classified as 'universalistic' or 'targeted', with many countries in Europe applying a mixture of these categories to their provision of social housing. The table below shows where countries from the 27 Member States studied fall into a particular category.

Table: Approach to housing provision in the EU Member States

Size of the Social Rented Sector	Universalistic	Targeted	
		'Generalist'	'Residual'
> = 20%	The Netherlands Denmark Sweden	Austria	United Kingdom
11% - 19%		Czech Republic France Finland Poland	France
5% - 10%		Belgium Germany Italy	Ireland Belgium Estonia Germany Malta
0% - 4%		Slovenia Luxembourg Greece	Hungary Cyprus Portugal Bulgaria Lithuania Latvia Spain

Source: 'Housing Europe 2007'

³ Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory at: http://www.cecodhas.org/images/stories/research/he2007_en.pdf

⁴ Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory at: http://www.cecodhas.org/images/stories/research/he2007_en.pdf

The 'universalistic' model is based on a particular concept of social welfare and aims to provide the entire population with decent quality housing at an affordable price. Countries in this category have a higher proportion of social rented housing which is allocated through waiting lists with or without priority criteria. There are rent guarantees for disadvantaged households and housing allowances in place. While it is a key objective of this housing model is ensuring social mix, the publication stresses that urban segregation in large scale social housing neighbourhoods built in the 60s and 70s still face problems with social segregation, despite the initial conception of social housing.

The 'targeted' approach works on the assumption that housing will be met by the market according to demand. Social housing will only be needed where the market is unable to supply households with decent affordable housing. Within countries that apply the targeted approach there is a wide variation in the type and size of the social housing sector. The review⁵ further sub-categorises the 'targeted' approach into 'Generalist' and 'Residual'.

The 'Generalist' model follows the traditional social housing of Western Europe of housing workers and middle income households, often with a contribution from employers, while 'Residual' targets vulnerable households heavily dependent on state benefits.

Targeting social housing at vulnerable and special need low income groups has led to a concentration of deprivation in housing estates. This has in turn led to a '*stigmatisation of social housing tenants and barriers to social inclusion through exclusion from mainstream services and facilities, etc.*'⁶ There is increasing debate in Europe of the need to implement social mix in housing development in order to avoid stigmatisation and social exclusion.

The general position now is that the emphasis should be on mixed communities with improved access to services and jobs. Mechanisms to achieve this often involve restructuring land use to increase values and to provide funding. The approach is perhaps most developed in England, but is of increasing interest across Europe.⁷

Recent studies of social and affordable housing in Europe⁸ all point to the growing welfare role of housing providers. One study concludes that:

⁵ Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory at:

http://www.cecodhas.org/images/stories/research/he2007_en.pdf

⁶ Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory (p 23) at:

http://www.cecodhas.org/images/stories/research/he2007_en.pdf

⁷ 'Social housing in Europe' (July 2007), Eds. Christine Whitehead and Kathleen Scanlon; LSE London available at: <http://www.lse.ac.uk/collections/LSELondon/pdf/SocialHousingInEurope.pdf>

⁸ 'Social housing in Europe' (July 2007), Eds. Christine Whitehead and Kathleen Scanlon; LSE London available at: <http://www.lse.ac.uk/collections/LSELondon/pdf/SocialHousingInEurope.pdf>; 'Managing Social Rental Housing in the European Union: Experiences and Innovative Approaches' (October 2007) Heino, J. et al available at:

<http://www.cecodhas.org/images/stories/research/manag%20study.pdf>; and

Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory at:

http://www.cecodhas.org/images/stories/research/he2007_en.pdf

Overall our findings show that state withdrawal from welfare provision is leaving a gap that, in many cases, social housing actors are expected (or feel compelled) to fill at local level. This gap stretches beyond the provision of a dwelling: it calls for a wider remit and for establishing new governance arrangements which allow these actors to accomplish a number of (at times) conflicting objectives⁹.

European studies highlight an overlap, or potential overlap in more joined up thinking on social housing and 'Neighbourhood renewal'. However, experts have argued¹⁰ that the increase in managerialism among social housing providers has been at the expense of personal and welfare based services;

... 'tensions between the property and welfare approaches are likely to lead in the future to domination of property-based approach because of ongoing managerial and external pressures on social housing organisations.'

POLICY IN EUROPE

A conference on social housing in Europe in September 2006¹¹ reflected that across Europe there has been a decline in the social rented sector due to several factors. These included the actions of government in cutting back capital subsidies for construction, the promotion of home-ownership through subsidisation and the sale of social housing to tenants. Mortgage products have also made home ownership more accessible and with the growth in the 'buy to let' sector, more properties were available in the private rented sector. Low income households throughout Europe have had more choice in housing options. Well publicised anti-social behaviour on social housing estates had also made them a less popular option. Since social housing increasingly targets the lowest income category rather than the entire electorate and with political and economic pressures, there was little appetite for increased government spending.

However, more recently the provision of social housing has become a key priority in most EU countries including Spain, France, Hungary, the UK and the RoI¹². *'Improving and modifying the existing stock to meet rising aspirations and to reduce concentrations of poor quality housing and deprived households are seen as priority issues in most countries.'*¹³

⁹ 'Managing Social Rental Housing in the European Union: Experiences and Innovative Approaches' (October 2007) Heino, J. et al (p 91) available at:

<http://www.cecodhas.org/images/stories/research/manag%20study.pdf>

¹⁰ Walker (2000: 281-288) in 'Managing Social Rental Housing in the European Union: Experiences and Innovative Approaches' (October 2007) Heino, J. et al available at:

<http://www.cecodhas.org/images/stories/research/manag%20study.pdf>

¹¹ 'Current Developments in Housing Policies and Housing Markets in Europe: Implications For the Social Housing Sector' Edited by Darinka Czischke (13 September 2006) at:

http://www.cecodhas.org/images/stories/research/collPPP/cecodhas%20observatory%201st%20colloquium%20on%20the%20future%20of%20social%20housing%20in%20the%20eu_proceedings%20en.pdf

¹² Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory at:

http://www.cecodhas.org/images/stories/research/he2007_en.pdf

¹³ 'Social housing in Europe' (July 2007), Eds. Christine Whitehead and Kathleen Scanlon; LSE London available at: <http://www.lse.ac.uk/collections/LSELondon/pdf/SocialHousingInEurope.pdf>

Privatisation

Privatisation has taken different forms across the EU. Right-to-buy policies for sitting tenants, introduced in the UK in the 1980s, was followed by others and a recent massive sale of properties to sitting tenants has taken place recently in Eastern European countries. Stock has been transferred from the state to private social providers; for example in the UK to housing associations and in Germany to foreign private pension funds.

Social housing in Germany has decreased in the last 20 years with low and middle income key workers, including key workers in growth areas hardest hit. It is thought that recent policies in Germany could backfire. Where municipal housing companies kept rents low, private, often foreign investors can upgrade the best housing stock and sell it after three years, thus decreasing the supply of social housing¹⁴.

Promoting construction of affordable housing

Many EU countries are committing funds to the construction of social and affordable housing. 'Developers' Contribution' in order to gain planning permission in England and RoI involves the developer committing to provide social and affordable housing in any new development ranging from up to 20% to up to 50% in London¹⁵. Spain's 'Housing Plan 2005-2008' encourages social and affordable housing provision through rehabilitation of existing stock, occupation of vacant dwellings for rental and a requirement that 30% of new construction in urban areas must be for social housing. In France a 'Plan for Social Cohesion' was adopted in 2004 to develop the supply of an affordable rental sector in the public and private sector as well as social access to home ownership. In January 2007 a draft law was presented allowing those who could not gain access to decent housing legal redress¹⁶.

In the RoI there has been evidence that rural Local Authorities were more in favour of accepting monetary contributions toward social housing provision than taking a proportion of the housing in a development. This was not the case in Dublin where the transfer of dwellings for social and affordable housing was favoured; in 2004, 70 per cent of social and affordable housing delivered under Part V was in Dublin¹⁷. The research also criticised the fiscal treatment of housing in the RoI. Tax incentives for second and holiday homes meant that homes remained vacant, doing nothing to address housing needs and more importantly possibly diverting construction away from Dublin where need was greatest¹⁸.

EXAMPLES OF 'BEST PRACTICE'

This section of the paper will look at examples of 'best practice' in terms of design for social and affordable housing and community cohesion in the RoI and England. Housing policy in both jurisdictions promotes mixed tenure housing developments

¹⁴ 'Social housing in Europe' (July 2007), Eds. Christine Whitehead and Kathleen Scanlon; LSE London available at: <http://www.lse.ac.uk/collections/LSELondon/pdf/SocialHousingInEurope.pdf>

¹⁵ Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory at: http://www.cecodhas.org/images/stories/research/he2007_en.pdf

¹⁶ Housing Europe 2007: Review of Social, Co-Operative and Public Housing in the 27 EU Member States' CECODHAS European Social Housing Observatory (p 23) at: http://www.cecodhas.org/images/stories/research/he2007_en.pdf

¹⁷ 'Housing Affordability in the Republic of Ireland: Is Planning the Cause or Cure?' Michelle Norris and Patrick Shiels; Housing Studies, Volume 22, Number 1, January 2007 pp. 45-62.

¹⁸ 'Housing Affordability in the Republic of Ireland: Is Planning the Cause or Cure? Michelle Norris and Patrick Shiels; Housing Studies, Volume 22, Number 1, January 2007 pp. 45-62.

that include private, social and affordable housing. Both also have legislation requiring private developers to apportion a percentage of new housing developments to social and affordable housing; up to 20% with up to 50% in London.

DUBLIN

There are no official figures for housing stock in the RoI, but it is estimated that there are approximately 127,000 social rented housing units representing approximately 7% of the total housing stock. The sale of local authority units to tenants means a reduction of approximately 1500 units a year¹⁹. Fatima Mansions and Dublin Docklands provide examples of best practice in design, while Ballymun combines an example of a massive housing project that combines design with community development.

Fatima Mansions

Major renewal projects are underway for council housing estates in Dublin which over the next five years aim to produce 914 social and 480 affordable homes. This represents an estimated investment of €4.147 billion through Public Private Partnerships. Four estates in Dublin City are being refurbished and renewed.

Fatima Mansions, one of the estates, was described by a representative of Dublin City Council as their 'single success story to date'²⁰. Fatima Mansions housing complex is located in the south inner city and the value of the project is €200 million. The project began with the demolition of all existing flat blocks on the site and their replacement with over 600 units that include a mixture of social, affordable and private housing. Included in the project are community, commercial, retail and leisure facilities.

Dublin Docklands

The Dublin Docklands Authority was created by legislation in 1997²¹ to lead a project of physical, social and economic regeneration in the East side of Dublin. A Master Plan of the project is reviewed by the Docklands Authority every five years to ensure that it can meet its objectives in light of changing economic and social circumstances.

The development area comprises 1300 acres and is taking place over a 15 year period (1997-2012). It will create 30,000 – 40,000 new jobs and deliver 11,000 new homes of which 2,200 (20%) will be social and affordable housing. The population is expected to grow from 17,500 in 1997 to 42,500 in 2012. Total public and private investment is estimated at €7 billion.

In 2006 the project completed and allocated, through a partnership between the Docklands Authority and Dublin City Council, 116 social housing units in the Grand Canal Dock area at Gallery Quay. These comprised of three bedroom units and 18 three-bedroom duplexes. Another 85 units of affordable housing are located on Longboat and Forbe's Quays.

¹⁹ 'Irish Council for Social Housing Submission to National Development Plan 2007 – 2013 at: http://www.icsh.ie/eng/policy/national_development_plan/icsh_submission_to_national_development_plan_2007_2013

²⁰ Conference in Belfast 'Meeting Northern Ireland's Housing Needs', 5 March 2008.

²¹ Dublin Docklands Development Authority Act 1997.

Ballymun

Ballymun just outside Dublin is being regenerated at an estimated cost of €410 million that has to date over run its budget to €942 million. Ballymun provides an example of how a housing estate that suffered extreme deprivation is being turned around with input from residents.

The Comptroller and Auditor General's Special Report on Ballymun Regeneration was welcomed by the Minister for Housing, Urban Renewal and Developing Areas on the 3 March 2008. The Report marked a decade of achievement. The Minister described the regeneration as fundamentally building a sustainable community. The new 'town' will have a traditional style main street with retail outlets and two hotels. Ballymun is also the preferred route for the Metro North link to the airport. Facilities already delivered include:

- ❑ The Axis Arts Centre opened in 2001;
- ❑ Civic Centre opened in 2003;
- ❑ Sports and Leisure Centre opened in 2005;
- ❑ Coultry Park opened in December 2005;
- ❑ Balcurris District park opened in 2007; and
- ❑ A further landscaped park at Poppintree under construction comprising playing pitches, playgrounds and a range of facilities for different age groups.

Balcurris in Ballymun received a commendation in the British Homes Awards 2007 Affordable Housing Project.

ENGLAND

Poundbury

Poundbury in Dorset has been built as an urban extension on 400 acres just outside Dorchester. It was conceived in 1988 as a model for the development of new homes on green field land and building began in 1993. There are over 1,000 people now living there with a planned population of 5,000. Although it has been criticised for its neo-traditional design, the Guinness Housing Trust who are delivering the thirty percent of social and affordable dwellings in the village describe it as their most successful and trouble free site. With an emphasis on mixed tenure and mixed income, the social and affordable housing is indistinguishable from the open market housing.

Greenwich

A new category in 2007 'Excellence in Affordable Housing Delivery' was awarded to the Rubicon development in Greenwich at the London Planning Awards in January 2008²².

Rubicon is a major regeneration scheme redeveloping a 2.7 hectare site. It will be completed in 2008 with the previous 203 poor quality units having been replaced by 510 homes; houses, flats and maisonettes. Providing a diverse tenure mix, there will be a range of adapted homes for people with disabilities. Of the housing units, 256 are for sale and 254 affordable with two thirds of the affordable housing for rent and one third for shared ownership/intermediate market rent. The affordable housing integrates with the development as a whole with different accommodation mixed

²² <http://www.lqgroup.org.uk/info/news/lq-development-rubicon-wins-award-for-excellence-in-affordable-housing-delivery-at-london-planning-awards-on-the-15th-january-2008,594,AR.html>

within the same building and design. All the properties meet the Lifetime Home²³ requirements.

Kings Cross

This development behind King's Cross Station is built on old railway land. It won the overall Mayor's Award for Excellence in Planning awarded in January 2008. Argent, a mixed use developer is providing nearly new homes along with offices, shops and leisure and medical facilities on a 64.5 acre site.

The £2 billion development will deliver almost 2,000 new homes of which 40% will be affordable. It is also planned to create and estimated 25,000 jobs and improved transport facilities.

April 2008

²³ Incorporates 16 design features for accessibility and adaptability in housing.