

The Future - EU & Affordable Housing ?

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Housing Europe

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EU debate

State of the Union

Manifest 24-29



Response to the EU fossil fuel crisis



URSULA VON DER LEYEN
EUROPEAN COMMISSION PRESIDENT

- *Green Deal & Positioning vis-a-vis China/US*
- *Covid Pandemic*
- *Ukraine Invasion*
- *All with an impact on Housing*
- *State of the Union 2023 ?*



Call to housing policymakers to stick together



NICOLAS SCHMIT
COMMISSIONER FOR JOBS & SOCIAL RIGHTS

“Housing is a European problem with national and local solutions.”

The EU can help to put together all the actors and have good exchanges of views and practices, to have a positive dynamic.”

Ambitious high-level EU initiatives must leave no one behind

What is the Housing Dimension?



The richness of the Housing Europe Network



43,000 local housing organisations
25 countries
24,936,000 dwellings
roughly 200,000 new dwellings per year
over 200,000 dwellings refurbished per year
roughly €40bn in new investment per year
7,500+ staff employed by the federations
300,000+ staff employed by local providers

One goal
To provide decent & affordable housing for all



Our members
ALBANIA – AUSTRIA – BELGIUM – CYPRUS
CZECH REPUBLIC – DENMARK – ESTONIA – FINLAND
FRANCE – GERMANY – GREECE – IRELAND – ITALY
LUXEMBOURG – NETHERLANDS – NORWAY – POLAND
PORTUGAL – SLOVENIA – SPAIN – SWEDEN
UNITED KINGDOM – ARMENIA – SWITZERLAND

Our partners
BELGIUM – CROATIA – GREECE – FRANCE – ITALY
KOSOVO – LATVIA – EASTERN EUROPEAN REGION

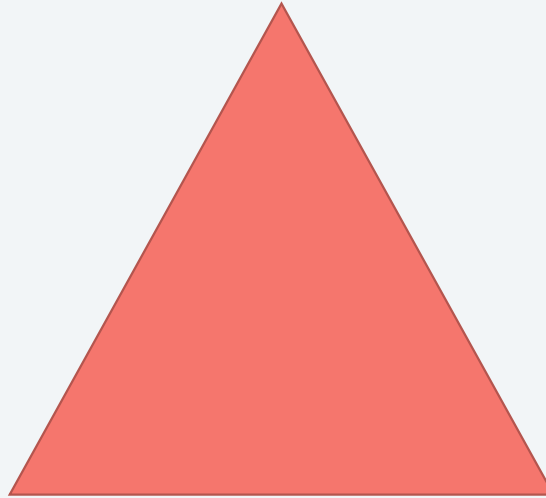
#HousingEvolutions



3 fundamental principles for Housing



Affordability

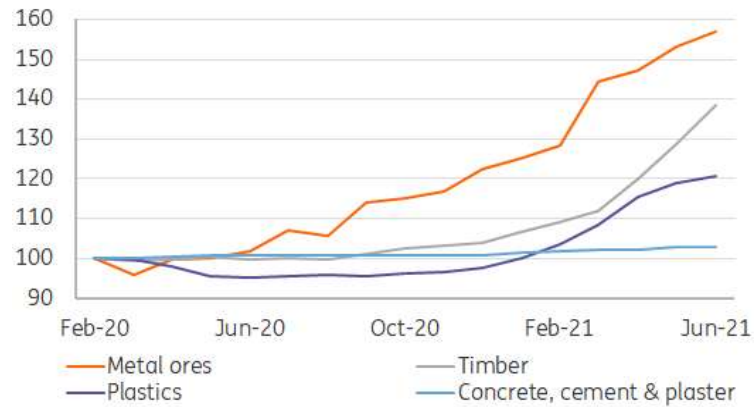


Availability

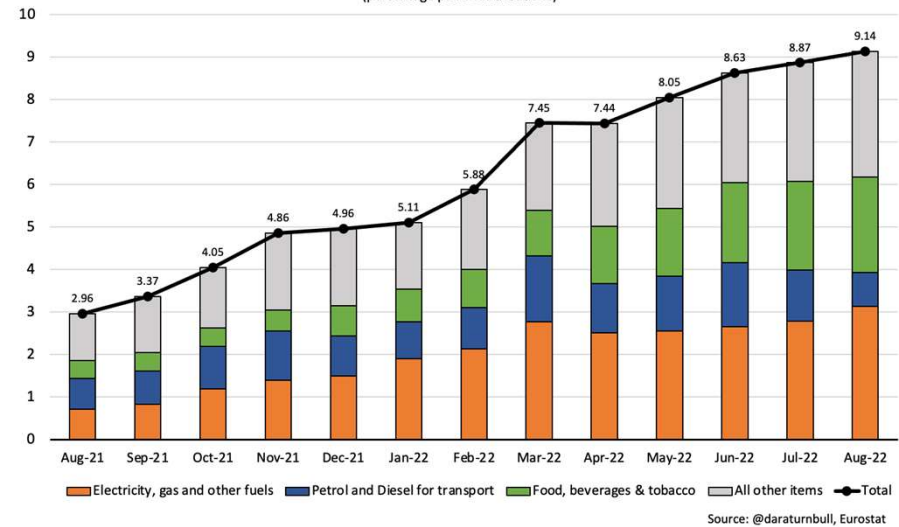
Sustainability

The balance between those 3 objectives is difficult to reach –
Regulations are a determining factor BUT so are external factors

Skyrocketing material prices & high inflation



What is driving high inflation in the Eurozone?
(percentage point contributions)



The State of Housing in Europe 2023



This edition of Housing Europe's report on the State of Housing in Europe focuses on how public, cooperative and social housing is contributing to the **fair energy transition** and **helping residents and communities cope with the current cost of living crisis.**



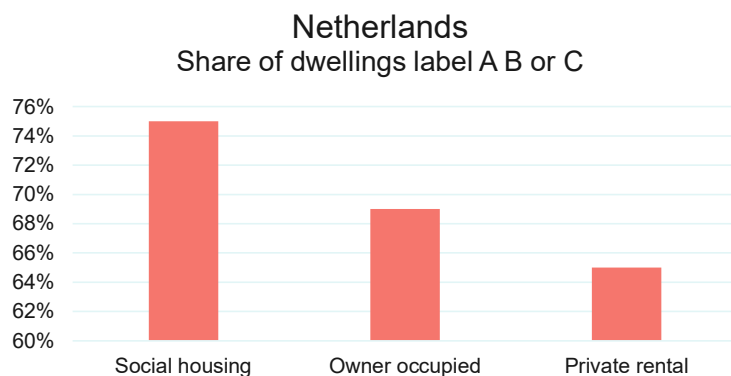
Covering 17 countries, inputs from 22 organisations

Available from June 20 at www.stateofhousing.eu

Public, cooperative, and social housing

and the fair energy transition

- Strong commitment from the sector, showing significant improvement over the past decade
- Often better performance than purely privately owned stock



Some examples

○ **France: 46% of social housing is A,B or C**

Vs only 25% among the total housing stock

○ **Austria: 96% pre-1980 was renovated**

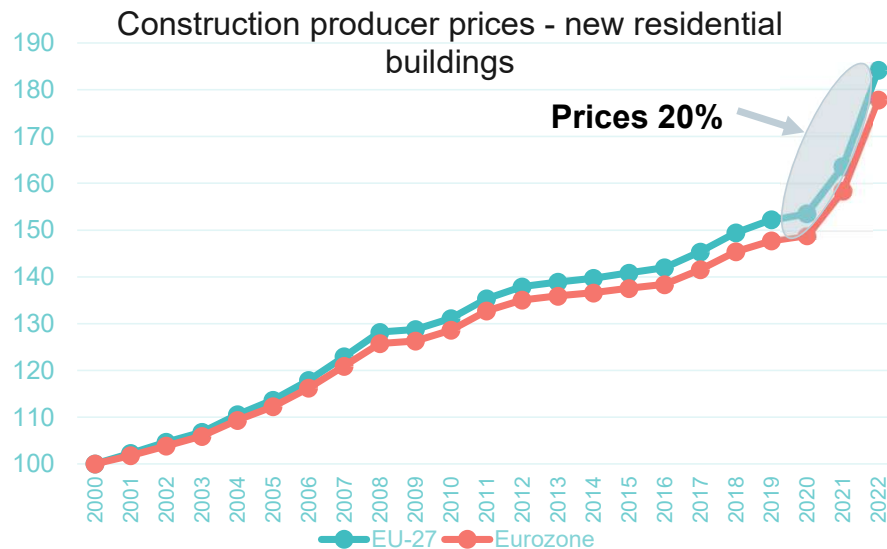
Vs 60% among total housing stock

○ **Estonia: renovation of apartment buildings**

Started much earlier and progressing more rapidly than private houses

Increasing efforts in uncertain times

- However, huge effort is still required
- Current context is marked by increasingly unsustainable **costs for construction and renovation**, to which lately the increasing **cost of financing** has been added
- Uncertainty about future developments



Some examples

- **France:** 1.8 million dwellings to renovate by 2034 investment from €5 billion to at least €7.5 billion
- **Germany:** risk renovation projects cut by 1/4 and new construction by 1/3
- **Austria:** cost of materials increase by 38% from 2020 to 2022

Risk of backlogs at times of increasing cost of living

- Hardest hit have been households on low incomes, like those typically living in social housing, who tend to spend the highest share of their budget on essential goods such as energy and food
- Role of government measures and social/affordable rents

Ability to make ends meet 'with difficulty or great difficulty'



Some examples

- **France:** 10% increase in rent arrears from end 2021 to end 2022
- **Denmark:** the number of warnings before eviction increased by 22% from 2021 to 2022
- **Netherlands:** number of households living in energy poverty increased by 90,000 from 2020 to 2022

Social and affordable housing

Responses from the sector

- In many cases social housing companies have had to defer payments, increase advance payments for energy, halt rent indexation
- Working with residents: from energy coaching to financial advice to help accessing available funding
- **Availability, affordability and sustainability: striking a balance** is becoming increasingly difficult
- **Especially in the current uncertain geopolitical and economic context, this will require a concerted effort with local national and European institutions to increase investment, and implement different approaches reflecting the different starting points.**





EU debate



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