



EUROCITIES STATEMENT ON THE ROLE OF PUBLICLY SUPPORTED HOUSING IN THE EUROPEAN UNION

The housing sector is crucial to both economic growth and social inclusion in Europe's cities. It facilitates social cohesion, urban regeneration and job creation. Supporting affordable housing and housing of higher quality also expands opportunities for social and economic mobility. Public support plays a role in optimising supply in the housing market. Although housing is a national competence, EU legislation has a wider impact, including on housing policies and delivery at national, regional and local levels.

Housing and local diversity

Housing policies are more effective when adapted to local circumstances.

Housing policies are very diverse in EU member states. In some member states, city governments have developed 'social housing' programmes whereas in others the focus is more on 'affordable housing' and making sure people have access to housing, for example by providing grants to support home ownership. 'Social housing' programmes usually comprise housing provided by public authorities with subsidised rent.

We value and want to safeguard this diversity. The competence for housing issues should remain with member states and, ideally, with our local governments. This includes the choice of policy tools, deciding the means of provision, financing, and setting access conditions and prices for housing.

Local determination

The prerogative of cities to define their housing policies, to choose social housing or other approaches, and to decide on the eligibility to the subsidised housing market of broad sectors of the population must be maintained. A restriction of this right would contradict the principle of universal access to public services and would conflict with the principle of subsidiarity.

In order to continue to provide high quality, efficient, sustainable and user-oriented housing services, we place a high priority on the following:

- The freedom of Member States and their local authorities to define, organise and finance services of general (economic) interest, including housing in conformity with European Community rules (as mentioned in Article 1(3) of the Services Directive 2006/123/EC).
- As local authorities, we should also continue to be able to choose the form of provision of housing services based on an objective and transparent evaluation of the needs of our citizens (direct in-house provision, through our own enterprises, through inter-communal cooperation or through third parties).

These principles should be taken into account when evaluating existing and preparing any future EU legislation or policy with an impact on local housing policies.

The EU is currently taking action, through the application of state aid rules, which limits the ability of cities to deal with housing issues. According to the Almunia package on state aid, social housing is exempted from the duty to notify subsidy to the European Commission (prior notification). However, in this package the European Commission defines 'social housing' as restricted to 'disadvantaged citizens or socially less advantaged groups'.

Yet it is not for the European Commission to define 'social housing'. This definition should be deleted. Housing policy is a competence of the member states.

Cities delivering Europe 2020: what would help?

The Europe 2020 strategy has identified tackling poverty as one of Europe's main priorities. It is evident that the constant rise in the cost of housing is one of the main factors in poverty and social exclusion. Housing expenditure is the biggest component of consumer spending in the EU (In 2011, 22.9% on average¹).

Member states, including their local authorities, need to ensure that housing stocks are modernised and expanded to cope with demographic, social and climate-related challenges. This will actively contribute to the goals of the Europe 2020 strategy.

At EU level, there is still a lack of data on housing. We would welcome EU initiatives for benchmarking of housing policies in the EU. Cities could share best practice and improve their local policies, for example through in-depth visits and peer reviews. Creating a European Housing Observatory to collect data from national, regional and local authorities could be very useful. A better understanding of approaches adopted elsewhere could help city governments to develop the right solutions for affordable good-quality housing adapted to the demographic, social and environmental challenges they face.

¹ Ball Michael (2011) 2011 European Housing Review, Executive Summary, RICS