

A large red geometric graphic on the left side of the page, consisting of a solid red cube-like shape at the top, with several white diamond shapes below it, some outlined in red and some solid white.

## Delivery of social housing in Italy: The cases of ‘Fondazione Cariplo’ and ‘Fondazione Housing Sociale’

06/09/2017

On 27 June 2017, EURO CITIES participated in the event ‘Towards a sustainable and affordable Housing market in Europe: what to learn from the Italian model?’ at the European Parliament in Brussels. The event was organised by the Fondazione Cariplo from Italy. The foundation supports the activities of social and civil organisations and is known to channel about innovation in social housing and providing funding for social housing investment in cities. EURO CITIES looked into the Fondazione Cariplo’s history and practices in detail.

### Philanthropic legacy

‘Fondazione Cariplo’<sup>1</sup> was established in 1991, in Italy, as a result of the privatisation of the Italian banking industry and acquiring the assets of ‘Cassa di Risparmio delle Provincie Lombarde’ (Savings Bank of the Lombard Provinces)<sup>2</sup>. ‘Cassa di Risparmio delle Provincie Lombarde’ was established in 1823 and was known for its philanthropic activities. It played an important role in fostering the growth of the local economy, culture and civil society<sup>3</sup>.

‘Fondazione Cariplo’ is believed to continue this legacy as it has donated more than 2.8 billion Euros for 30,000 projects, since 1991. It funds projects in the domains of social services (955 million euro), arts and culture (948.4 million euro). ‘Fondazione Cariplo’ has also supported scientific research (421 million euro) and environmental projects (145 million euro)<sup>4</sup>.

Due to the housing crisis in Europe, ‘Fondazione Cariplo’ has become increasingly more interested in long term investment in social and affordable housing. Reduction of public spending on housing (from 1.0% of GDP in 2009 to 0.6% of GDP in 2015)<sup>5</sup> and the high cost of construction (EUROSTAT statistics reveal an approx. 24% increase in the construction cost index and output price index in construction for new residential buildings between 2005 and 2016<sup>6</sup>) results in the fact that an estimated 18 million people are at risk of poverty or social exclusion in Italy.

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<sup>1</sup> <http://www.fondazionecariplo.it/en/the-foundation/the-origins/le-origini.html>

<sup>2</sup> International Encyclopedia of Civil Society edited by Helmut K. Anheier, Stefan Toepler

<sup>3</sup> <http://www.efc.be/organisation/fondazione-cariplo/>

<sup>4</sup> <http://www.efc.be/news/fondazione-cariplo-celebrates-its-25th-birthday-with-special-event-in-milan/>

<sup>5</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Construction\\_producer\\_price\\_and\\_construction\\_cost\\_indices\\_overview](http://ec.europa.eu/eurostat/statistics-explained/index.php/Construction_producer_price_and_construction_cost_indices_overview)

<sup>6</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Government\\_expenditure\\_on\\_housing\\_and\\_community\\_amenities](http://ec.europa.eu/eurostat/statistics-explained/index.php/Government_expenditure_on_housing_and_community_amenities)

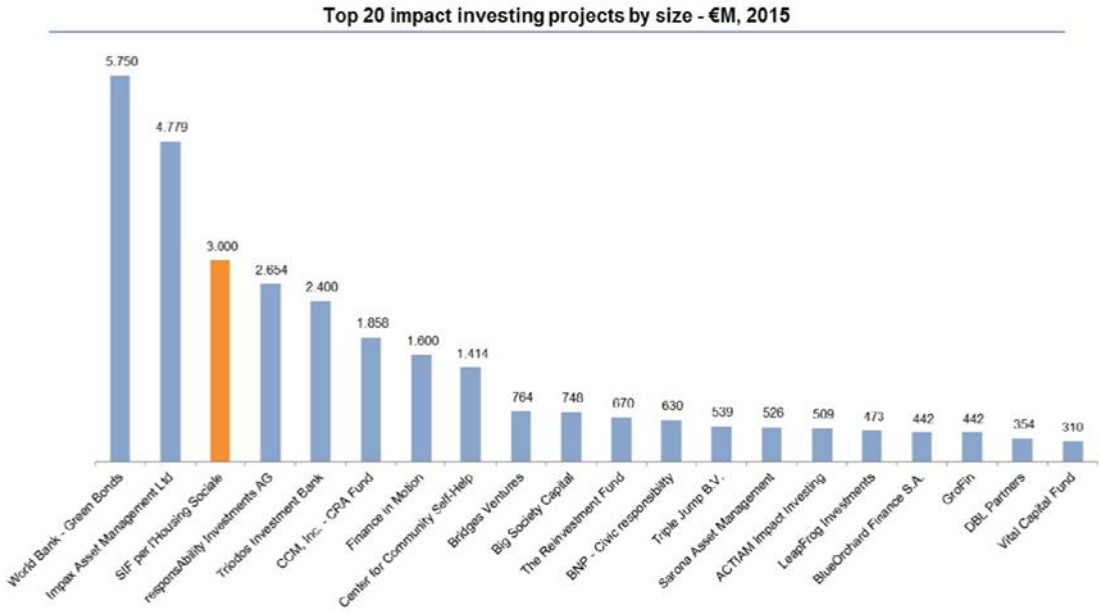
# Combined funding sources

Prior to 2006, 'Fondazione Cariplo' worked according to a traditional model of funding social housing - provision of grants. Since 2006, 'Fondazione Cariplo' teamed with other public and private sector organisations to promote ethical investment in housing via 'Fondo Abitare Sociale 1' (Social Housing Fund 1), the first ethical housing fund established in Italy. The 'Fondo Abitare Sociale 1' was focused on the Lombardy region and initially raised €85 million from public and private funding sources. Its current budget sums up to over €500 million. Private sector actors contributing to the fund are mainly local ones. They have a strong social mission and accept steady investment on returns at flat interest rates, over 25 years.

This model of provision of funding for social housing (at local and regional levels) was up-scaled in 2009. As a result, 31 local funds such as the 'Fondo Abitare Sociale 1' in the Lombardy Region were created by 2016 under the 'Fondo Investimenti per l'Abitare'(FIA, a national ethical real-estate fund for social housing). Their roles are to provide funding for over 270 projects, including over 20,000 'social homes' and 8,500 beds in temporary or students' accommodation, alongside local and neighbourhood services.

The FIA complements part of the Integrated Funds System (SIF) in Italy, which was introduced as part of the national Housing Plan Act in 2009, and raised a total of €3 billion and currently consists of a national fund of funds - 'Fondo Investimenti per l'Abitare' (FIA) - managed by 'Cassa depositi e prestiti DP Investimenti Sgr' (a bank with a strong social, public purpose). With assets of €2 billion, the fund invests in local real estate funds, providing up to 80% of equity with the balance funded by local investors.

Analysis below indicates that SIF is one of the world's most influential philanthropic institutions.



Source: Fondazione Housing Sociale, 2016<sup>7</sup>.

<sup>7</sup> Social Housing-The Italian model; presentation delivered during Towards a sustainable and affordable Housing market in Europe event on 27 June 2017 in Brussels.

# Benchmarking social housing transformation in cities

Beyond inducing change in financing social housing in Italy, in 2004 ‘Fondazione Cariplo’ together with ‘Regione Lombardia’ (Lombardy Regional Government) and ‘ANCI Lombardia’ (Association of Lombardy’s Municipalities) set up ‘Fondazione Housing Sociale’ (FHS). ‘Fondazione Housing Sociale’ is a social and technical advisor to the FIA fund and supports the development of effective and sustainable solutions in housing. It is experimenting with innovative models of delivering social housing, based on the principles of sustainability and responsible investment. It therefore establishes benchmarks for interventions in social housing in urban areas.

In the eyes of the managing director of Fondazione Housing Sociale, Marco Gerevini:

*‘Social housing is not simply about the provision of a place to live but is rather about a way of living. In addition to the various building aspects, great efforts and attention are indeed put into the social dimension of place-making, conceiving strategies, tools and services that can help to build flourishing communities and foster sustainable life styles’.*

## Sources:

<http://www.fondazione-cariplo.it/en/news/istituzionali/verso-un-mercato-sostenibile-di-housing-sociale-in-europa.html>

Ferri G., Starting Up Communities. Un design kit per l’abitare collaborativo, Milano: Bruno Mondadori, 2016

Ferri, G., Rizzica, C. (2016). Social Housing in Italy. New models in organizing a sociable way of living, Working papers in: ENHR 2016 conference, Belfast 28 June - 1 July