



# ***Affordable housing in Europe & the rental market***

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# About us in brief

- **Network** of national and regional housing provider federations, **45 members** in **24 countries**
- About **43,000 housing organisations** on the ground
- Almost **25 million homes**
- Roughly **200,000 new homes** per year

*'We have a vision of a Europe which provides access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where all are enabled to reach their full potential.'*

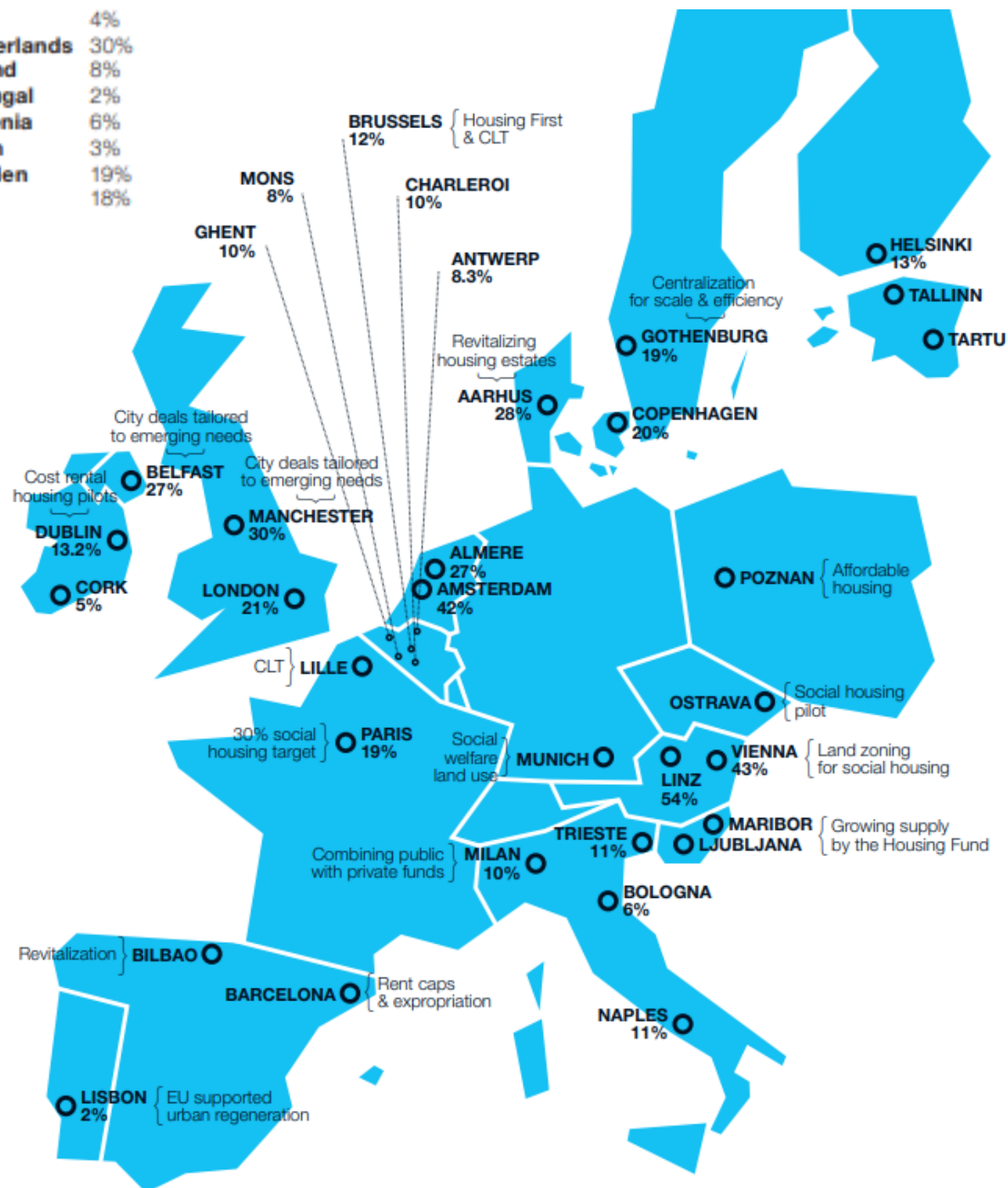
## THE EUROPEAN FEDERATION OF PUBLIC, COOPERATIVE & SOCIAL HOUSING



# THE SHARE OF SOCIAL HOUSING

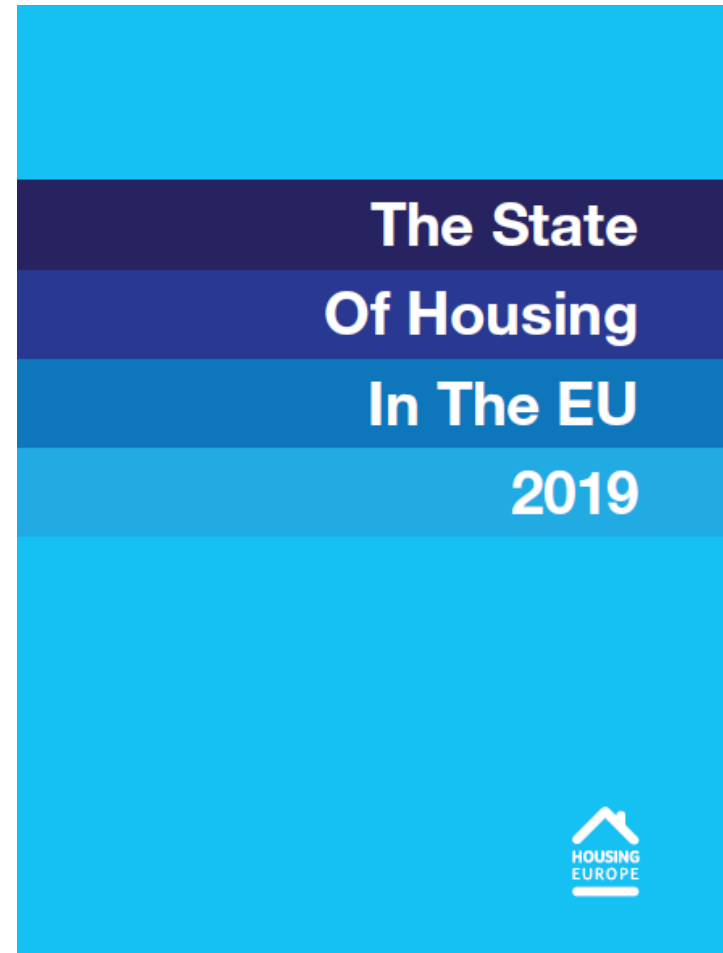
Austria	24%
Belgium	7%
Czech Rep	8%
Denmark	21%
Estonia	2%
Finland	13%
France	15%
Germany	4%
Ireland	9%

Italy	4%
Netherlands	30%
Poland	8%
Portugal	2%
Slovenia	6%
Spain	3%
Sweden	19%
UK	18%



# Biennial compass of Europe's housing sector

- 3rd edition
- Source: national experts, existing databases and literature
- Bringing together trends/figures and policy
- Available in English (and soon in French) at [www.housingeurope.eu](http://www.housingeurope.eu)
- **More than 6,500 views online over the last 2 months**



## **HIGHLIGHT: Addressing a structural problem with patchwork**

Europe's housing crisis, already identified in the 2015 and 2017 editions is **still a reality** many countries are confronted with

What we have seen, in the meantime, is that although this is clearly a **structural problem**, it continues to be addressed by decision makers with a **patchwork of, often costly, policy solutions**

# Increasing attention at international and EU level



## Housing affordability keeps hitting Europeans

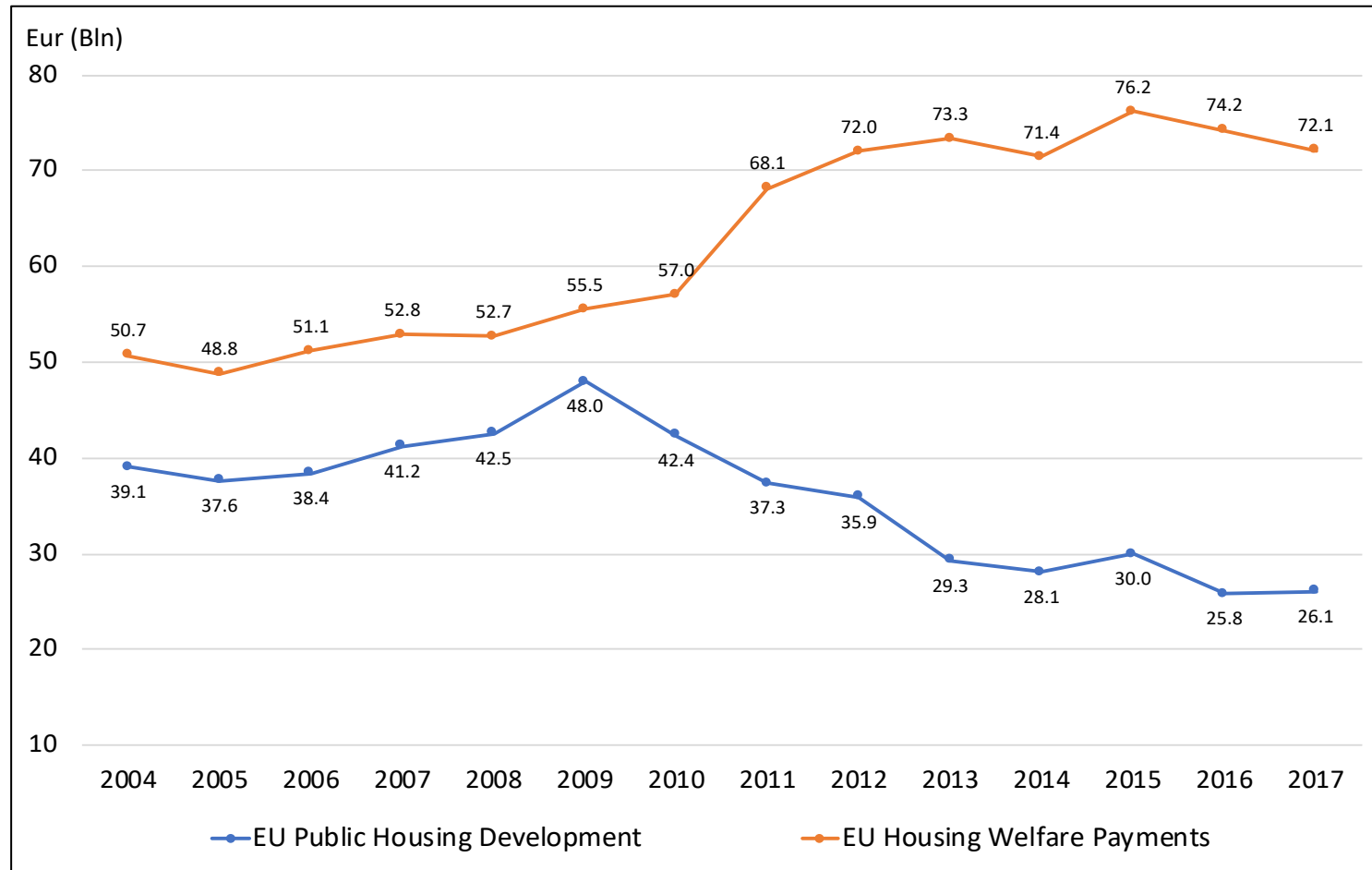
- 10.2% of households in the EU spent over 40% of their disposable income on housing costs in 2017, but this share increases to **37.8%** when considering households at risk of poverty
- When housing costs are taken into account, **156 million people** are at risk of poverty, vs 85 million before housing costs

# Insufficient investment in affordable housing

- Missing: **at least €57 bn** per year
  - Boosting Investment in Social Infrastructure in Europe (European Commission Taskforce, 2018)
- Public investment that could boost supply keeps falling in the EU - **from €48 bn in 2009 to just over €26 bn in 2017**
- Over the same time period, expenditure on housing welfare payments has increased by a third
- Increasing role of private investment & of the EIB



# Government spending on housing - Total combined spending by member states by type of support



Source: Eurostat (COFOG) [gov\_10a\_exp]

# Housing tenure has changed since the GFC

Table 1  
**EU Average Housing Tenure Status by Income Group**  
Source: EU-SILC [ilc\_lvh02]; Note: Figures are for EU-27 (i.e. ex-Croatia)

## Below 60% Tenure

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Owner (with mortgage)	11.4	11.8	13.4	13.5	12.5	12.6	12.4	13.4	12.1	12.1	11.4
Owner (without mortgage)	48.7	46.5	45.1	39.1	39.7	39.3	38.4	38.1	37.7	37.8	37.8
Market Rent	18.1	18.4	18.7	27.5	27.5	29.4	30.1	29.8	31.6	31.4	31.5
Reduced Rent	21.8	23.3	22.8	19.9	20.3	18.7	19.1	18.7	18.6	18.8	19.3

## Above 60% Tenure

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Owner (with mortgage)	28.5	29.5	29.5	30.6	30.5	30.1	30.5	30.1	30.1	29.8	29.8
Owner (without mortgage)	46.8	46.6	46.5	43.3	43.4	43.8	43	43.4	43.1	43.2	43.5
Market Rent	11.5	11	11.5	15.6	15.9	16.3	17	17.2	17.5	17.8	17.9
Reduced Rent	13.2	12.9	12.6	10.5	10.2	9.7	9.4	9.3	9.3	9.2	8.9

- **Market rent** has increased significantly
- Governments prefer **income top-ups** to building housing
- **Lack of construction** in many areas pushing up price of rental accommodation

## HIGHLIGHT: housing and the growing social divide

- More and more people are affected by the lack of affordable housing, **particularly in big cities** (middle class, key workers)
- Rising house prices also hinder **labour mobility** towards the most dynamic urban areas as well as upwards social mobility
- In **all but two of the 28 EU capitals**, most people disagree with the statement that finding good housing at reasonable prices is easy
  - Belfast and Athens

# Short-term lettings : Specific Examples

## Paris

- mandatory registration of short-term lettings with city hall
- In 2018, a fine of up to €25,000 and a penalty of €1,000 per day was introduced.
- City officials estimate there are 65,000 rooms and apartments available for short-term letting, with only 38% (around 25,000) registered

## Barcelona

- intensification of checks after 2016 that led to a new agreement with Airbnb giving City officials access to listings data (2018)
- In early 2019, listings of illegal apartments dropped by 95%

## Amsterdam

- fines of €6,000 for illegal lettings
- maximum of 30 day rentals of registered homes

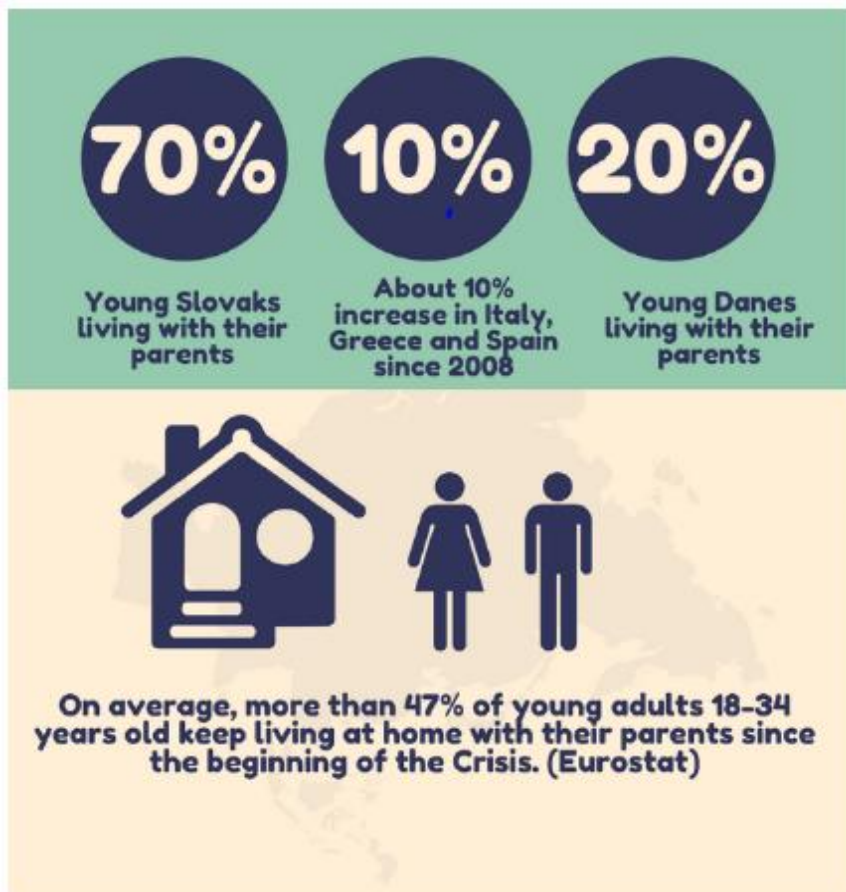
## Berlin

- 2016: introduction of a ban on short-term letting of entire flats space allowed), with breaches punishable by a €100,000 fine
- In March 2018 amendment: Home-owners can now rent out their home and rent out a second house for up to 90 days
- Fines of up to €500,000 for breaking rules



# Housing our young people

- For young people, just as for the population as a whole, the cost and quality of housing is key to **living standards** and **well-being**, an element of social inclusion
- a **generational gap** is starting to emerge
  - young people facing huge challenges in securing adequate housing
  - living in their parents' home



- Young people are being **priced out** of the housing market
- Long time in education, high student costs, increased labour market insecurity & tighter access to credit = **increasingly turning to rental solutions**
- Often victims of multiple **discrimination by landlords** (age, low-income)
- National measures have tended to incentivise young to stay at home
- Youth homelessness is increasing in many EU Member States

# The challenge of ageing

- The **EU population is the eldest in the world**
  - **17% over 65 years old**
- Some 70-80% of our existing building stock across Europe is unsuitable for independent living
- Adaptation needed & proper use of the ICT potential
- Supported housing concept





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