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**Housing policies
compared**

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Artist's impression of the development for 49 dwellings for the elderly and 15 lodgings at Carrer Ali Bei, 201. PMHB.

Índex

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Controlled rent increases, at least in neighbourhoods where there are situations of residential vulnerability, is becoming essential.



Housing policy comparisons



Josep Maria Montaner
Housing Councillor of Barcelona City Council

While the first edition of the new era for *Qüestions d'Habitatge* was dedicated to summarising and rethinking the Board's activity, ahead of the new times and the various strategies for facing the emergency housing situation, this second issue is based on the case study by the team from the Barcelona School of Architecture, ETSAB-UPC, led by Pilar Garcia Almirall with the collaboration of Lenimar Arends, Blanca Gutiérrez Valdivia, Daniela Idrovo and Gina Cleves, regarding a key issue to be addressed by any housing policy: a comparative study among case studies.

For any comparisons to be useful, they must be based on clarifying the parameters to be compared and being aware of the different contexts, linked to various traditions of social housing policies, which cannot be improvised.

The idea is to find out the number of new public houses that are built each year, and also to guarantee the right to housing, restoration processes, whether there are measures to control rent increases, what the process is to deal with squatters (whether due to ideology or through necessity) and how problems regarding housing emergencies and abnormalities, such as the mortgage crisis and empty housing, have been dealt with.

While preparing this issue, it has been confirmed that, as of 2014, rent prices have once again increased in Barcelona city. They are es-

timated to have increased between 6% and 7% in 2015. While one of the first measures taken by the new municipal government was to substantially increase the financial assistance for rent payment, for which it spent €9 million and helped some 2,000 families and living units, an uncontrolled increase in rent prices calls into question the capacity and effectiveness of these measures.

In this situation, reclaiming control over rent increases, at least in the popular neighbourhoods of the city where there is vulnerability with regard to housing, is essential. We must insist that a law be adopted, whether by the Catalan government or the Spanish government, that would allow municipalities to intervene in the event of an emergency and in the event of abusive rent increases. It is therefore highly useful to be aware of the procedures for the development of social rent housing that are in force in influential cities such as Paris, Amsterdam and Berlin, which have strong housing policies and are much more advanced in the defence of tenants' rights.

This issue will therefore allow us to reflect on and plan public housing policies, in a city with around 10,500 affordable houses, which should really have around 100,000. ☺



It is no longer possible, given the systemic failure, to continue to state that only private estate agents and banks can effectively manage housing.

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The public policy challenge of Barcelona housing: to converge with best practices across the european union or suffer even more and for longer



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Javier Burón
Housing Manager

The current state of the housing emergency (evictions, inability of broad layers of society to pay rent based on their salaries, displacement of low- and middle-income long-term residents from neighbourhoods by higher-income outsiders, etc.) and the challenges looming in the immediate future (growth of social housing exclusion, increasingly covering older segments of the population, the lack of a diversified and sustainable housing model for a society of pensioners, etc.) demands public housing policies, especially local ones (those with the greatest ability to connect the residential with social and public employment services). However, the Spanish State, Catalonia and (to a lesser extent) Barcelona have suffered from some real public policies regarding housing in the past decades.

Our public action in housing has been treated as a kind of stepchild, and has also been given the wrong goals (helping to genera-

te employment in the construction sector, sustaining the rate of accumulation of private capital employed in this sector in good times and socialising losses in times of crisis) and has been designed primarily by the financial and real estate lobby, rather than by the Administration or the citizens. Social, political and academic weakness around housing policy has traditionally had severe effects on us. However, the very serious events since the bursting of the bubble make a critical review of our past and a re-framing of our immediate future inevitable. It is no longer possible, given its systemic bankruptcy, to continue to believe that housing is managed effectively only by developers and private banks. It is no longer possible, given the need for affordable housing managed in the long-term and taking into account the communities where it needs to take place, to continue to deny the very important role of the public sector and the cooperative and limited-profit sectors in managing housing.

We need to converge with the best practices in housing that have come about in many EU states. This edition of Questions is a result of our interest in disseminating a comparative approach to housing policy. We are not foolish enough to place anyone on a pedestal, however. In all EU Member States both good and bad practices have been developed. In addition, currently pro-market elements batter against public and nominally for-profit private entities using the EU DG for Competition. But still, Amsterdam, Vienna, Paris, Berlin, Edinburgh, Stockholm and many others remain leaders that must be taken into account and, to some extent, emulated.

In this context, Barcelona has a special responsibility. It is a traditionally well-managed city with good technical teams, financially sound, with access to credit and a proven ability, compared to past decades, to accept structural challenges and emerge successful, at least partially, in many of them. Barcelona aims to strengthen, update and guarantee its public housing policies. In addition, the city is especially taken with the idea of helping to establish a network of Catalan, Spanish and European cities that gives citizens access to decent housing.

To this end, the Barcelona housing team is already working and will continue to work more vigorously in the coming years on a number of strategic challenges that can be summarised in the following verbs/actions:

KNOW (measure, weight and compare).

Although it may be hard to believe, in housing one of the first problems of public action (also of the formation of public opinion and enabling of citizen activism) is access to information that is high-quality, systematic and diverse. There is much information on housing, but little of it is from datasets over longer periods of time and is uncontested in relation to its quality. Therefore, one of the strategic challenges of today's housing team is to improve our own instruments in this area and to collaborate in generating metropolitan, national and government tools. In this context we must understand the efforts of the city of Barcelona for the creation of an inter-administrative Housing Observatory.

LISTEN (understand, monitor and encourage citizen participation).

Ten Housing Offices of the Housing Consortium of Barcelona (established by the City Council and the Regional Government) have as their first mission to be the eyes and ears of the local public service apparatus regarding housing. Obviously, they manage a portfolio of public properties and services available to the public. But they must also be a meeting place for neighbours and their administration that allows the characterisation of housing problems and, thus, helps refine public instruments to facilitate the creation of dynamic cooperatives within civil society and mediate more equitably between all actors in the market. For housing policy (with strong connections to social policy and labour policy) to work, it must be participatory. And that must significantly affect the model of the city's Housing Office in the coming years.

FIGHT to solve the housing emergency

We are aware that the main scourge that the city faces at the moment is the drama of evictions (and the connected phenomenon of irregular occupation). We are sparing no effort to solve it.

The city employs a series of financial, staff and material resources to try to detect, stop and solve as many of these cases as possible. We are becoming more and more effective. But we are aware that certain cases are not heard about in time or are not given an optimal, long-term solution. But we can also say that in 100% of cases where we intervene, we prevent people at risk of social housing exclusion from ending up homeless. Obviously the goal is for all of them to firstly be able to live in decent housing (reside in public housing or receive public assistance in renting a private residence) and, in the long term, for them to find work so that they can provide their own housing solution.

SUBSIDISE

Very much in connection with the problems of the housing emergency, but also as a structural instrument of housing policy, we understand that rent subsidies (provided they contain anti-fraud and anti-inflation mechanisms) should be strengthened. We believe that we are the first Catalan city, and the first in Spain, to devote signifi-

cant amounts of its own resources to public subsidies for state and regional rentals. In the future, we hope that these grants will become less important as a system to prevent evictions, and will become more relevant as a way to encourage affordable rent (optimally they will reach a size that could stabilise prices in some segments of the private rental market).

PRODUCE

Barcelona, Catalonia and Spain are still suffering the effects of a drama of incalculable proportions. In past decades, we have produced millions of public housing units, but almost all have been for home ownership (not for rent as in the EU) and do not qualify. That is, eventually a few become homes with prices set by the market (with the exception of the Basque Country, where housing units with public protection are not disqualified). That is why the city of Barcelona has set as one of its main strategic challenges to have 15,000 public and third sector rental units. To resemble the European cities cited above, there should be more than 100,000 rentals at below-market prices. Right now, though, we have barely 10,000. Given these figures, we are committing to produce in just over five years 50%

of what occurred in the past half century. Secondly, we will also produce housing for urban rehousing and leasehold. But the centre of gravity of our production programme will be in the area of public rentals: social, protected and affordable (these nuances are relevant). This will force the City to completely and totally replace the developer mentality (build and sell) with a management mentality (build, rent, service, satisfy, redesign, innovate, etc.).

ACQUIRE

However, not all our efforts will go to subsidising and building because we are aware that right now in the city there are few opportunities to acquire housing at very reasonable prices that can serve firstly to address the housing emergency, but also to strengthen public service in housing. Therefore, we will maintain, at least for some time, an exceptional policy of buying houses and buildings at below the public cost of production.

MOBILISE

Another area where action is needed, regardless of rent subsidies and production of public rental stock, is in the mobilisation of private housing (empty, underused, misused, etc.) into the affordable rental pool. We will use economic and financial means to attract a portion of private owners of housing into stable affordable rental schemes. It is not an easy task because in Barcelona, unlike other Catalan and Spanish cities, there is (relatively) little vacant housing and there are strong demand pressures on rental housing. At any rate, although it cannot become as structural an element of our policy as generating public rental stock, we must ensure that we take as much advantage as possible of existing housing for use as part of the affordable rental solution.

MUTUALISE

Since public action is key, the current housing team has not lost sight of the fact that we can only achieve decent, affordable housing that is sustainable over time if, in addition to public sector action, civil society is also active in this field. It therefore seems vital that housing cooperatives grow (pooling the resources of all kinds of a number of people

is stronger than individuals acting separately). We are not referring only to the cooperative for promoting housing, but particularly cooperatives that manage the useful life of buildings (cession-of-use housing). Housing that is affordable, non-speculative, social (but not public), environmentally sound and community-oriented. That which elsewhere in the EU is called co-housing and which we call *cohabitatge* should play an important role in the sophistication of local public action in housing, along with the involvement of civil society in solving collective problems. To do this, the public should help, facilitate and accompany. But the key is for civil society to generate power in terms of housing with its ability to be independent of government and politics.

COOPERATE

Along with *cohabitatge*, we handle other scenarios for healthy and necessary private partnership. We remain committed to the agree-

Barcelona hopes to strengthen, consolidate and guarantee its public housing policies.

Therefore, Barcelona city has set itself the goal of reaching 15,000 dwellings for public rental and the third sector as one of its main strategic challenges.

ement between the City and the Habitat 3 foundation, part of the Third Sector Housing Bureau of Catalonia. This foundation performs, with the support of the public budget, interesting work in mobilising private housing toward affordable rentals in the social support of tenants who need it, as well as empowering people through training and employability. Along with this experience, we also propose the need to direct private professional investment and popular savings to public-private companies that build/purchase housing stock to dedicate indefinitely to affordable rentals. An intermediate segment between market rent and public housing, i.e. affordable rent, is extremely necessary in our city. Such companies, known as housing associations elsewhere in the EU, are nominally for-profit to a limited extent. Without prejudice to compensating the investor, the business focus is not on short-term profit, but on the long-term maintenance of a stock of affordable rental property, well run and with stable users.

REHABILITATE

This is one of the last of the actions, but this should not be misinterpreted. In a city bounded by two rivers, the sea and the mountains and almost completely built out, there will be no public housing policies worthy of the name if there is not a policy of strong and mature rehabilitation. At present, various types of rehabilitations of buildings are subsidised. We are working to direct a portion of these resources to the rehabilitation of interiors of the housing of low-income families. In the same way, we are seeking formulas for agreement with neighbouring communities to gain critical mass in rehabilitation processes to be supported with a pool of deep funding: resources of owners, public subsidies, private credit and collateral, European public financial facilities, etc. This strategy of agreements with neighbouring communities will also be especially important in implementing the neighbourhood plans that are now beginning to confront the city.

PRESSURE

We conclude this summary with two less-than-amiable actions, but ones that should never be ignored. There are skills that are not

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**The Catalan and State authorities need
to consider adopting systems to control
and ensure balance in the private
rental sector.**
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municipal, but are key to addressing housing problems. And a lack of skills should not be confused with lack of interest or of voice. We must make known to the Catalan Parliament and Regional Government, the Spanish Courts and the National Government that certain actions must be carried out by them, for the benefit of all. The list is long, but we must mention, at least, the need for public budgets for European-style housing policies; creating a public banking service to serve affordable housing (something routine in many EU states); a tax reform that benefits, rather than penalising, occupied, restored, rental, public, cooperative, affordable or non-speculative housing; it is also necessary that the Catalan and Spanish authorities attempt to adopt systems for modulation and control of private rentals (currently in a very dangerous dynamic, as explained in this issue), such as those in important, responsible European cities. On these and other questions, Barcelona will lobby. We will push to better

meet the needs and interests of Barcelona's citizens, but also so that municipalism in terms of housing makes available the means and instruments already in the hands of our European counterparts.

SANCTION

The second not-so-friendly word derives from the need to penalise

those behaviours of citizens that are contrary to the general interest in housing. Fortunately, the idea that the owner of a property can do whatever he or she pleases with their property, even if it means serious problems for society as a whole, is being abandoned. There is a wide field of work regarding evictions, empty housing, substandard housing, duty to preserve, tourist housing, gentrification, etc. And the City will be increasingly present in this difficult field (our right is not yet sufficiently established to defend the public and civic interest against the obstacles that are numerous and hard to overcome).

Having said all this, and as a summary, in the coming years Barcelona will use more than 500 million euros in an unprecedented expansion plan for public, cooperative and affordable or non-speculative housing. Our public housing policies will mature before long. We hope to converge with EU best practices (though we have to build our own unique road), better meet a wide range of social



In the coming years, Barcelona will destine more than 500 million euros to an unprecedented plan to expand public, cooperative and affordable or non-speculative housing.

needs and above all create rules that allow for a thriving social economy market. That is, a market (which alone is unable to successfully manage this matter), a society and a state that, in housing, knows how to live with balance and the weighing of mutual interests in the decades to come.

Public housing policies, together with urban planning, social ser-

vices and employment, are required to properly process three variables that the market alone cannot manage: socio-economic access to adequate housing for the entire citizenry, the status of land and the future in the medium and long term. All these issues are only resolved when good administration and civil society are active and persistent. And that is what we are working towards. @

The demands of the population in terms of housing have completely changed. They are no longer aimed at problems purchasing housing but rather at accessing affordable rent.



Social housing policies from a local perspective public developers



Àngels Mira Cortadellas

Head of the Municipal Housing Board

If we think back simply and concisely, which I believe is necessary to be able to understand where we are and how we got here, we find that the social housing policies and their main players have been adapting over the years to the different social and economic situations and have based themselves on prevailing ideology at all times.

During the 1950s, 60s and early 70s, housing policies were traditionally structured based on the various State Housing Plans, which essentially encouraged the development of low-cost, accessible housing for a large part of the population who moved to large cities in search of work.

It was during this **first phase**, as we could call it, that the LARGE SOCIAL HOUSING ESTATES WITH OFFICIAL PROTECTION were built. These were driven by the corresponding Ministry, as housing for rent, and also, for the most part, with deferred access to the property. Public investment, mainly from the state, was aimed directly at land acquisition, minimum urbanisation of the new neighbourhoods and construction of buildings for low-cost housing.

Only some large municipalities such as Barcelona and Madrid had encouraged and financed developments of “cheap houses”, while the rest of the populations of the metropolitan areas had enough to deal with in welcoming and providing basic services to

newcomers, and assimilating the rapid growth they underwent. In the case of Barcelona, the Municipal Housing Board (PMHB) was created in 1927, which still exists today, although it has undergone many changes over time. By this we are referring to the various social and economic situations that have taken place over almost 100 years, with varying fortunes, and yet it has been able to survive through what we will call the *fourth phase*, caused by the “global crisis”, with enough dignity and an enviable situation.

Going back to where we were, the 1970s saw the start of awareness of and the need to encourage specific social housing policies in some of these municipalities in metropolitan areas, such as the cases of Terrassa and Sabadell, which created public companies, with 100% municipal capital, for the development of economic housing, with official protection, for sale. Currently, these companies (those which have survived) continue to act as a direct management entity for services related to housing in the municipalities they belong to.

Meanwhile, during the democratic transition, ownership was transferred from the Ministry to the autonomous regions, and therefore the management of all the housing that represented a significant part of the state's public assets, set out by entire neighbourhoods with a significant degree of autism towards the municipality in which they were located, and with significant urbanisation deficits,

lack of maintenance and various pathologies that had to be faced. That said, public investment in the area of housing, on both a state and regional level, continued to be among the lowest in Europe. On a municipal level, we began to see some activity, albeit timid, of housing development with official protection.

In the 1980s and 90s, we entered into a **second phase**, in which, despite the competence regarding housing that had been transferred to the autonomous regions, the STATE HOUSING PLANS were what determined the actions that were considered protectable, i.e., likely to be eligible for subsidies and/or regulated financing, and they negotiated the transfer of funds to each of the autonomous regions.

To encourage the development of housing at affordable prices (with official protection, appraised price, etc.), a whole system was structured, based on three lines: 1) subsidies to funds lost by developers – who are paid a small part of the cost, which is more significant in the case of developments intended for rent; 2) subsidies for buyers of these houses; and 3) specific financing conditions, which are better than those on the free market.

This change represented a turning point, although the effects of this system (which were damaging in many cases) were not felt until many years later, with the outbreak of the economic, financial and real-estate crisis which we are still facing today.

As such, what were known as “public developments” of social housing, with public financing, virtually disappeared, and developers of new social housing, whether public or private, had to search for means in the financial markets.

During the 1980s and 90s, municipalities found themselves having to assist the population with difficulties accessing housing, and they began to promote, through their own companies, the obtaining of land and development of housing with official protection. These houses were mainly for sale, which responded to the main demand at that time and did not undertake long-term debt or future management of this rental stock.

Public development companies of land and housing, essentially

local companies, represented a highly reduced cost that was perfectly feasible for their City Councils, as they virtually financed themselves with the product of their own activity (the development and sale of the houses).

After the turn of the century, we entered a period of ECONOMIC EXPANSION and a spiral of growth in the demand for and prices of housing (well above the increase in prices for all other products). We then enter a **third phase**, in which we see a series of collateral effects triggered: urban laws which require more land reserves for social housing, new municipal planning that foresees large sectors of residential growth, an increase in the population that is unable to access the free housing market – whether for rent or for purchase – due to the seemingly unstoppable escalation in prices, a desire to regulate the conditions of production, design and access to housing with official protection, etc.

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Over these years, local public companies became the executors of the forecasts of the State Housing Plans and Regional Plans, and, specifically, the social housing policies. They are the instrument of administrations for the implementation of social integration policies and construction and regeneration of the city, as they not only develop them for sale, but are also involved in transformation and urbanisa-

tion processes, and increase their assets by developing qualified homes for rent, which, once built, they then manage. Third-sector organisations and unions collaborate in this, but essentially in the development for sale; and private companies are engaged solely and exclusively in developing free housing, which is where the real business lies. In this scenario, in implementing new plans, land reserved through official social housing was to stop the City Councils in the form of percentage of transfer, and these were transferred to their public companies.

The growing demand for housing at an affordable price and the availability of land led public developers, in accordance with the mandates of their parent companies, to exponentially increase their production capacity, associated with an increase in their financial debt as the only formula for carrying out the investment.



We need to expand the stock of housing at very affordable prices to meet the increasing demand of families around €500.

However, with the product of their activity, not only did they become economically self-sufficient in the development and management of their assets, but this activity also left a sufficient margin to be able to continue providing the rest of the services related to housing which were entrusted to it, without having any impact on the budget of the City Councils and, especially, with positive results that allowed them to promote other lines of action, such as the intervention in building and housing restoration programmes, neighbourhood remodelling, and especially in the implementation of equipment and public work.

This was the situation until the time of the GLOBAL CRISIS, which saw a sudden change in the economic cycle, which leads to the **fourth phase**.

In this new scenario:
• The population's demands with regard to housing have completely changed. They no longer point us towards the problem of access to housing purchases, but rather to access to affordable rental housing and the adoption of policies which allow long-term stays in the housing (responding to the mortgage foreclosures and the situations of excessive debt of rent).

- The main source of income for public housing developers came to a sudden end, that of the margin in operations of development and sales of official social housing. Therefore, not only is it no longer necessary, but it is rather irresponsible to encourage the development of new housing if it is not with the direct involvement of the parent company.
- The occupants of public area rental houses often find themselves in situations of extreme need, and therefore cannot even deal with the payment of social rent, with an increase in delinquency, conflict and rotation. This means increased expenses and reduced income for public developers and managers.
- It is necessary to expand the market of rental housing at highly affordable prices (much below the fixed official social housing prices) to meet the ever-increasing demand of families with monthly incomes of around €500, who see access to social rental housing as their only option.
- Public companies are heavily in debt as a result of the expenses incurred in the acquisition and transformation of land and the development of housing, which cannot be placed on the market at official social housing sale prices.
- These companies' assets are real estate, with no market exit, and they therefore do not have the option of transforming them into the liquid needed to face the structural and financial expenses, with the additional risk, if these are subject to taxation, of falling into a situation of equity imbalance.
- Unsold houses are used to meet the growing demand for social rent, but the income obtained is completely insufficient to cover the financial debt and the rest of the structural expenses.

Faced with this situation, it had been hoped that the state administration, the precursor of the Housing Plans – executed almost entirely at the municipal level – would adopt measures to cover part of the investments made by instruments of local entities or minimise the difficulties in covering the financial debt, and to make it easier for official social housing built to reach the citizens with low income, thus contributing what was necessary to ensure the viability of the companies that had developed them.

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During the almost 100 years since its foundation, the PMHB has developed more than 30,000 dwellings, it has been involved in and is involved in processes for the rehabilitation and remodelling of districts and currently administers more than 6,000 dwellings.
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On the contrary, the latest changes to the “2009-2012 State Housing and Restoration Plan” were along the lines of withdrawing the assistance foreseen by the Plan itself, and the current “2013-2016 State Plan for promoting rental housing, building restoration and urban regeneration”, despite what was announced in the explanatory statement, does not set forth commitments with credit entities to encourage refinancing operations or financing new actions, and the assistance set forth is not enough to guarantee the viability of new operations.

If this weren't enough, through other regulations (such as an amendment to the Urban Rental Act), assistance was removed that had been in effect and that was due to previous plans, and with Law 27/2013 of the Rationalisation and Sustainability Act, despite remaining the competence of the municipalities, the “development and management of public social housing” this will be the case with financial sustainability criteria.

Despite this scenario and the crisis in the traditional model of social housing, which has been left with virtually no assistance, it maintains its strict regulation, by both the state and the autonomous regions, which further complicates the work of public housing managers.

During these crisis years, many of the municipal land and housing companies created in the years of the economic boom found themselves in a situation of imbalance and closed with great losses, and as such, many of them have been dissolved. Of those that remain, almost all of them have been sectorised. By this I mean that they have stopped being considered as non-financial market companies and are now considered “non-market” companies, with the automatic consolidation of their debt (usually significant debt resulting from mortgage loans to finance official social rental housing development) with the debt of the parent company to the effects of verification of compliance with regulations regarding budget stability and financial sustainability. This has placed City Councils, who at the time were committed to the creation of affordable rent housing areas, in a situation of excess debt.

This is not the case for the PMHB, which, as we have already mentioned, was created in 1927 to provide housing to the first mi-

gratory waves and which has managed to adapt itself and survive over times. Over its almost 100-year history, the PMHB has developed more than 30,000 houses, has intervened in restoration and remodelling processes of neighbourhoods, and is currently managing more than 6,000 social rent processes; it is currently in a situation of economic balance and continues to be considered as a public entity with market income, which comes mainly from rent.

In the new socioeconomic context, social housing developments alone are not viable, and the management of inexpensive, social, affordable or protected housing stock (whichever name may be used) is not viable either, even though models of excellence are used in its management. The years of self-financed social policies are over. In the specific case of the PMBH, with a construction programme of more than 2,000 houses over the next four years, being aimed mainly for rent, it is forecast that its cost will be covered with a 30% municipal contribution included in the Investment Plan of the current council, and the other 70% with external financing. It would not be possible to approach it any other way.

Therefore, in order to keep the corporate form of public sector entities that provide public services in housing, the companies in this sector would have to be able to count on the necessary public contributions to cover the cost of the service entrusted to them, and be prepared to undertake this, since they have specialised staff and experience in this sector, always somewhere between profitability and optimisation of resources and the public service being provided. Alternatively, this cost would have to be undertaken directly by the company providing the service.

We are witnessing the gradual adaptation and transformation of many of the surviving public companies, traditionally mainly aimed at developing land and housing, to other actions in social housing policies that provide services locally, such as: the management of its own rental housing area developed over the years; service brokerage for free rental housing to individuals; all of the services of the Local Housing Offices with agreements with the Catalan government; service for emergency housing, evictions and, ultimately, the one-stop housing service for citizens.

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We should think about developing new policies that facilitate access to housing and long-term stay of citizens with low incomes and that have enough resources to guarantee this access and long-term stay as just another public service.
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Having reached this point, we can see that we have reached a fifth phase, in which a major transformation is under way of the model and system to be adapted to the new circumstances and current demands of society regarding housing. We must, however, think about developing new policies that facilitate the access to housing and long-term stay of citizens with low income and that have enough resources to guarantee this access and long-term stay as just another public service.

Barcelona has advanced in one aspect that we consider to be very important: adopting a stable municipal assistance system for rent payment for users of the public areas managed by the PMHB. This assistance is structured around two agreements signed with the Department of Social Rights of the City Council: one exclusively for senior citizen housing (currently 22 developments with 1,200 users), and the other, which was created in 2010, for housing for vulnerable groups and the emergency office (with a further 1,000 beneficiaries). Pursuant to these agreements, and regardless of the rent amount for each house, tenants pay based on a percentage of their income, and the difference is paid directly to PMHB by way of an income subsidy.

We have also made progress when promoting agreements with financial entities and major holders to make empty homes available for social rent, whether through agreements obtaining usufruct for a period of 8 years (with SAREB and with LA CAIXA), or with the purchase by way of first refusal, as set forth in DL 1/2015, or direct purchase of housing, which then become part of the municipal assets.

The Municipal Housing Board, with its 100-year history, is dealing with the new housing challenges during these times of change, and hopes to be ready to respond to what is coming now and what is to come in the future. ☺



Housing policies



Social and urban diversity and accessibility to housing options are the main challenges facing European cities.



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Which future for housing policies after the crisis?

The crisis hasn't spared social housing. Economic models based on banking finance from the market and significant public aid have not coped well. The UK, Ireland, Italy, Spain and Portugal are experiencing breaks in the continuity of public social housing service by stopping construction of new housing. The withdrawal of banks from the sector and the suppression of public aid for investment has stopped any new offer of social housing in its tracks.

By contrast, economic models based on long term financing mechanisms that are highly regulated, such as dedicated savings accounts or real estate bonds (Denmark, Austria, France) and on diversified public aid have coped with the crisis better. In these countries, social housing plays a countercyclical role in terms of investment and jobs while ensuring continuity in the public service and the availability of an affordable supply of housing.

The EU influence is structural. The choices of organisation, financing and definition of the scope of intervention on the housing market are strictly framed by Brussels. The principle of subsidiarity, the wide discretionary margins of appreciation in the definition of this public service mission are not coping with what is been challenged by the Commission in the context of this check on state aid for Dutch local authority housing. Private operators have rushed into this gap, with a big increase in the number of com-



Laurent Ghekiere
Chairman of Housing Europe Observatory

plaints in Sweden, the Netherlands, Belgium, Luxembourg and lately in France. This mobilisation of private actors is proportional to the effectiveness of the social sector to influence the general conditions of access to housing. The bigger and more structured it is, the more it is attacked. Brussels has become a compulsory gateway for private actors to challenge the choices of national parliaments in terms of housing policy on which they have not been able to exert their influence in the context of the national debate. These complaints have led to in-depth reforms of the scope of the economic model for social housing in the Netherlands and Sweden. Challenging the principle of universal access mobilby introducing a single ceiling of income of €33,000 per year has deeply shaken the Dutch economic model for social housing and the residential mobility of households. In addition to the administrative burden of checking the income of two million household tenants, a number of them have found themselves, from one day to the next, between two stools: too rich to access or maintain themselves in social housing but not rich enough to access the private sector. More worrying is the fact that a form of blackmail has emerged in the Community dispute. In a striking example in Sweden, private operators withdrew their complaint for state aid for social housing on the same day that the government announced it was giving up classifying the communal public area

of services of general public interest and therefore the public service compensation granted to municipal housing companies. They thus obtained via Brussels what the Swedish parliament had refused them up until now in the name of social democracy and the effective implementation of the right to housing for everyone. In addition, instead of the legal security promised, we see a growing dispute and an increase in the number of state aid checks, in particular in the allocation of Structural Funds.

The recent measures adopted in the area of economic governance have amplified the intensity of this influence. The country-specific recommendations defined in the context of the 'European semester' are binding measures that may challenge the political choices of EU member states in terms of rental policy. For example, can the Swedish parliament refuse to abrogate the framing of rents, a recommendation proposed by DG Ecfm and approved in the Council of Ministers? What about the EU member states right to preserve their so-called 'exclusive' competence in terms of housing policy? This is a subsidiarity subject to a toll of some kind. It is a hot issue in France where such a framing of rents is being debated in the National Assembly and in the Senate as part of the Duflot law inspired by the German model. How can countries thus undo in the Council existing legislative provisions in domestic law or being debated in their own parliament?

As for Greece's recovery plan imposed by the Troika, this has led to the suppression of social housing considered as not necessary for a good that does not come under the category of primary need. The issue of the legitimacy of these decisions is now being asked on the eve of the European elections. This is because, beyond the issue of the conflict over competence, these decisions directly impact the purchasing power of several million households as housing is not only the main item of their expenditure but an item that keeps going up. How can one explain to Europeans that, in terms of state aid or macroeconomic

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Social and urban diversity and accessibility to housing are the main challenges confronted by European cities due to growing concentration of the population.

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governance, the European Parliament has been quite simply swept aside from the legislative process?

Numerous factors contribute to the maintenance of a high level of demand for housing in the EU. Residential mobility is growing and comes hand in hand with professional mobility and demand is concentrated in the urban areas where jobs and services are to be found but also where the shortcomings of the market are structural in terms of accessibility.

The demographic and sociological evolutions weaken the creditworthiness of demand, in particular for elderly people and single parent families, where the offer is either unsuitable in terms of products or inaccessible in terms of costs.

The social and urban diversity and the accessibility of the offer of housing are the major challenges that European towns will have to face up to with their growing concentration. Social housing, as a public service, must be in a position to respond to these new challenges. The European Union must guarantee and not hamper its accessibility, its mutability and its universality. It must accompany this with the support of structural funds and its cohesion policy and give up on its totally disproportionate market bureaucracy given the criterion of affection with the intracommunity exchanges of a local public service that is deeply anchored in the territories.

Future of Social Housing: waiting for the Judge

After years of proceedings, the EU General Court will soon be ruling on the substance of the European Commission's recent but established practice of manifest error in the classification of social services of general interest (SGEIs). What is now known as the 'Dutch case' pitted the European Commission against the government of the Netherlands over the definition and scope of social housing in the domestic housing market.

The Commission's requirement that authorities set an income ceiling for access to social housing and



The income of two million tenants has found itself, overnight, between a rock and a hard place: too rich to access social housing or to fall within its framework and not rich enough for the private sector.



The European Union must guarantee, and not pose an obstacle, to accessibility, evolution and universality of social housing.

the difficult negotiation of its amount by the Kros cabinet and the government (annual income of €30,000) led the then-prime minister to set a red line on the Lisbon Treaty meaning.

From this struggle emerged a new protocol specific to SGEIs, which establishes member states' full jurisdiction to define and organise SGEIs and lays down the principle of universal access and meeting the needs of local users. But it would take more than that to get the European competition authority to shift its practice in this area.

Taking advantage of this breach, private operators launched numerous proceedings in Sweden, Luxembourg, Belgium and most recently in France. In Sweden, the government even decided not to enter into a battle with the Commission, choosing instead to simply remove social housing from the scope of SGEIs to keep from having to set income ceilings. Its move pleased private operators, which were duplicated in other member states.

The legal certainty announced by the Monti package in 2005 gave way to an unprecedented wave of litigation in this sector. Nearly 7.6 million European households living in social housing are potentially concerned by these cases and face the risk of being caught in the middle, as in the Netherlands: too rich to obtain or keep access to social housing but too poor to afford housing on the private market. Dutch housing corporations, backed by their French counterparts and by Housing Europe, the European social housing federation, appealed the Commission's decision.

In the wake of the judgement handed down by the Court of Justice on 27 February 2014 in Case C-132/12 P, which sets aside the General Court ruling of 16 December 2011 in Case T-202/10 (*Stichting Wobolinie and others versus European Commission*), the latter case has been sent back to the General Court for a decision on the merits.

The question that arises is whether the member states can file an application to intervene in the pro-

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It is now up to the States to intervene before the General Court, to clearly and expressly assert its exclusive competence in defining the scope of the public social services and, more specifically, establish the conditions for allocating social housing based on the needs of the national territory and their collective and social preferences.

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ceedings in the case as referred back to the General Court (Case T-202/10 RENV) and thus to reiterate to the EU court their full jurisdiction for defining SGEIs, including social services of general interest.

“Manifest error of assessment of the manifest error!” The ball is now in the member states’ court.

Analysis of the Court of Justice and General Court judgements confirms member states' capacity to intervene in the case without having to demonstrate any legal interests in bringing proceedings, unlike other stakeholders.

The Court of Justice decision to refer the case back to the General Court is a clear signal by the judges that the merit of the case cannot be left unaddressed. Social housing corporations did the work of member states by appealing the Commission's decision and decision making practice before the Court of Justice. It is now for the states to intervene before the General Court, asserting clearly and expressly their exclusive competence to determine the scope of social public services and more specifically to establish the conditions for the allocation of social housing in terms of local needs and their collective and societal preferences.

Behind this residual conception of social services spelled out by the Commission in its decision on the Netherlands lie societal challenges, such as social diversity and urban diversity, on which no competition authority is competent to rule. The level of member states' participation in the General Court's proceedings will be a clear signal to citizens of their determination to bring this derailment under political control and to put an end to this manifest error of assessment of the manifest error. ☐



The new Spanish Housing Plan 2013-2016 subsidises the creation of public social housing as well as supporting tenants on low incomes.



02 Housing policies across the EU: latest developments

In 2011, the EU Network of Independent Experts on Social Inclusion warned that ‘housing and related services emerge as one area which has been particularly adversely affected by the economic and financial crisis’. Data from Eurostat on governments’ expenditure on “housing and communities’ amenities” confirm that on average public support for housing in the EU 27 has decreased, from 1.1% of GDP in 2003 to 0.8% in 2012.

Nevertheless, the fact that the formation of real estate bubbles has proven to be dangerous for the overall stability of the economy, and that the social and economic impact of the crisis is making access to good quality and affordable housing harder for a large share of the population, seems to have put housing back on the political agenda both at the European level and in many member states.

Looking at recent developments in EU countries, over the past 3 – 4 years, we have identified some key policy issues which at least two or more countries have in common.

Tackling over-indebtedness

Some member states were faced with a huge problem of defaulting mortgages that affected on the one hand over-indebted households who risked losing their



European Federation of Public Cooperatives and Social Housing

homes or simply could not cope with repaying their debt and on the other had the potential to further disrupt the stability of the banking system. This led to different measures: for instance, Italy and Spain set up programmes to support vulnerable defaulting households through solidarity funds, and Hungary and Ireland established ‘mortgage to let’ schemes. There were also temporary moratoria on repossessions as well as legal protection for households in debt at risk of losing their primary residence (Ireland, Portugal, Greece, later Spain). The Netherlands and Denmark encouraged re-negotiation of mortgage debt.

Tackling taxation bias towards home ownership

At the same time, many countries took the decision to modify tax subsidies incentivising high mortgage indebtedness that had for decades supported sustained growth of home ownership and pushed up house prices. For instance, reduction of mortgage interest deductibility was implemented in the Baltic countries, as well as in the Netherlands and Belgium although in the two latter cases the phasing out of such incentives will take some time. On the contrary, no changes to the taxation supporting home owners were implemented in Sweden. This

kind of measures, complemented by banks' more restrictive lending policies, are leading to less demand for home ownership.

Fostering the rental market

Interestingly, Spain and Portugal, two countries characterized by a high rate of home ownership and small rental sector, very recently introduced reforms to their tenancy law. In both cases the reform followed recommendations in this sense from the European Commission (through the 2011 CSRs in the case of Spain, and through the Economic Adjustment Programme in the case of Portugal), and reforms go in the direction of giving more flexibility to landlords for instance to increase rents and speeding up the eviction process, although with reference to protection of the most vulnerable tenants. At the same time in the Netherlands a complex process of reform of the rent setting system is on-going, aimed at splitting the rental sector into a regulated social sector and a non-regulated rental sector which is supposed to attract investment by private actors. In Germany, the rent setting system is also being reviewed but in the opposite direction, with the introduction of further caps to rent increases in high demand areas from 2015.

Reforming social housing

In recent years, a number of countries characterized by a small social housing sector have started developing new social housing programmes. This is true for a number of CEE countries: for instance, Bulgaria recently started a pilot project for social housing for vulnerable and minority groups. A new social housing concept is under discussion in Czech Republic, including temporary housing for emergency situations, as well as provision by the municipality both of social housing and affordable housing; the first one being more socially targeted while affordable housing would be allocated to people below the established income ceiling, with possibility to raise the rent if the

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Spain and Portugal are characterised as having a high ratio of property owners and a rather small property rental sector, and both have recently introduced legal reforms in relation to rental properties.

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income increases. Lithuania has announced a programme for the development of subsidised housing. Slovakia is finalizing a new concept of state housing policy which includes strengthening and developing the public rental sector.

Also countries in Southern Europe have adopted plans to support new social housing provision: Portugal introduced the new programme 'Social Rental Market'; the new housing plan in Italy includes funding for the renovation of public social housing as well as funding to the regions to increase social housing supply; and the new Spanish State Housing Plan 2013-2016 subsidises the creation of public social rental housing as well as support to tenants on low income (after cuts to subsidies in 2011 had almost completely stopped social housing construction). Ireland has announced a 6-year strategy to supply 35 000 social housing units, and a thorough reform of social housing delivery and management. This new programme comes two years after radical cuts in public funding to the sector. Luxembourg has introduced financial measures to foster construction of affordable housing and also started supporting provision of new rental housing through planning obligations.

Meanwhile, measures adopted in the Netherlands such as the establishment of an income ceiling for social housing and the introduction of a new levy on housing corporations are leading to a decrease in production of new social dwellings. In England, overall provision of affordable housing, including social rent, affordable rent, intermediate rent and affordable home ownership, peaked at 60 480 units in 2010-11 but decreased afterwards to 42 870 units in 2013-14.

In Belgium, Spain and Italy there is an on-going process of restructuring the social housing sector and in particular through mergers of social housing providers.

in Greece, the only body providing housing support in the form of housing allowances and guaranteed on housing loans, OEK, was abolished in 2012 as part of



In Belgium, Spain and Italy, there is a continuous process taking place to restructure social housing in general.



Ireland and Spain have implemented programmes that allow empty housing belonging to banks as social housing.

austerity measures. There have been no comprehensive attempts as of today to re-establish some form of social housing.

Mobilizing existing housing stock as private property for social use

For instance, Belgium and Luxembourg have established social rental agencies that act as an intermediary between private landlords and low-income households. Most recently there have been attempts to implement similar models in Italy, Spain and Hungary. Italy also provides tax incentives to landlords who are willing to charge moderate rents, agreed with the municipality, and has recently increased the related tax benefits. Malta has recently launched a programme to mobilize privately owned vacant homes for social housing, by guaranteeing rent benefits to the occupants. Ireland and Spain have implemented programmes to use empty homes owned by banks as social housing, and a similar scheme was recently launched in Portugal.

Taxation of empty homes is also being applied, in some cases at local level (Brussels, some Spanish municipalities), in other cases at national level (Portugal).

Another very interesting development is that some countries are trying to tackle speculation on land price, for instance through leasing instead of selling public plots in Luxembourg, or through Community Land Trusts (CLT) in Belgium.

Introduction/increase of housing allowances

Lithuania has recently introduced rent allowances, and Latvia and Bulgaria have increased the amount of housing benefits, although it remains limited. Luxembourg introduced rent subsidies, which in 2011 constituted the largest category of aid by the local social offices. Most recently, the Greek parliament adopted a 'humanitarian crisis' bill which includes the temporary introduction of housing allowances

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In some countries they are attempting to confront the phenomenon of land speculation: for example, Luxembourg leases, rather than sells, its public land to Belgium through Community Land Trusts (CLT).

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as well as a minimum quota of free electricity for the poorest households.

Programmes to facilitate access to home ownership

Italy, Slovakia and Poland have launched programmes aimed at helping young people / young couples to buy their first home. Romania and Slovenia also provide state guarantees on mortgage loans for first time buyers. England continues to support the Help to Buy scheme which provides equity loans or mortgage guarantees, and similar programmes exist also in Scotland, Wales and Northern Ireland. In England there is also a possibility for tenants of housing associations and councils to buy their home through Right to Buy/Right to acquire schemes while Scotland terminated its right to buy programme and the scheme is under discussion in Wales.

Introduction of homelessness strategy

In early 2014 the European Parliament adopted a Resolution on an EU homelessness strategy. The report urges among other measures the Member States to 'develop social and affordable housing adapted for the most vulnerable individuals in order to prevent social exclusion and homelessness'. Among the EU Member States, Czech Republic, England, Ireland, Luxembourg, Northern Ireland all launched a new homelessness strategy recently. ©

* The text is a chapter from the “State of Housing in the EU 2015” report issued by the Housing Europe Observatory.

You may access the full report online www.housing-europe.eu/resource-468/the-state-of-housing-in-the-eu-2015



In Europe, the concept of social/affordable housing refers to housing at prices below the free-market value through certain control methods.



03 Models of municipal housing policy in Europe and America

6.1. Presentation of study

This article is an excerpt of research commissioned by the PMHB in order to collect references on models of housing policies and systems providing social housing in other cities of Europe and the world. To address the next Barcelona housing plan, the opportunity arises to discuss tools, strategies and lines of action that are implemented in other countries to solve issues such as access to housing or the management of the public stock of social housing, analysing these policies. The essential motive is to better understand how these policies have been formed and try to extrapolate elements to the context of the city of Barcelona.

In the European context, there are four distinct models of welfare state with a clear impact on the structure, form of access and type of tenancy that make up the housing market. The social democratic model, based on the principle of universality, is a reference for countries with a higher level of social rental housing. The corporatist model develops the principle of subsidiarity, which encourages competition in the rental market in general, although private sector rentals exceed the social. The liberal model, based on restrictive social protection, promotes the status of owner/occupant, despite social rentals having a significant presence. The Mediterranean model deploys minimum social protection in housing, encourages the status of owner/occupant, produces a decline in renting and has little regard for social rentals.



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The work was based on case studies from documentary analysis, with information obtained from the review of various bibliographic sources, documents and statistics from different cities in Europe and America. The study addresses the cities of Amsterdam, Paris and Berlin with their corporatist systems, and London in Europe and New York and Bogotá in the Americas, all three with liberal systems. These welfare models would be in contrast to the Mediterranean model exemplified by the city of Barcelona. The sample selected to develop the case studies is geared to the thematic interests and research questions and to address a diversity of contexts in both housing policy and socio-economic and urban issues.

Addressing this reflection is very relevant at a time when it seems that policy and action lines in housing are not able to meet all the needs of the population and it is necessary to consider a change in strategy. The tradition of housing policies in Spain, after more than a century of existence, is revealed in the figures, measures and continuing forms of intervention. It is marked by a boost in home ownership and indiscriminate development in terms of construction. They have left the legacy of one of the largest stocks of housing in relation to the number of households and people in Europe, but with a structural lack of housing for the most vulnerable social sectors.

In Europe, the concept of social/affordable housing identifies homes with prices below the free market price as being subject to certain routes of direct control



Promotion of 120 homes with surface rights and 10 social rents on Carrer Dr. Aiguader, 15-17. Barcelona Municipal Housing Board (PMHB).

(such as limiting prices) or indirect control (through information databases on prices/public revenues). The tenancy regime and suppliers vary according to the model of the welfare state in each case. The historical course of each city's housing policy is also a factor that has a major impact on current policies. The stock of social rental housing - which is on the decline - has an important weight on the total housing stock; in Paris it is 17%, London 23%, Berlin 30%, New York 42% and Amsterdam 48%. Meanwhile, Bogotá offers only home ownership.

The main areas of study are oriented toward learning about:

Tools for planning and action in housing that define the long-term strategy, such as agendas; and shorter term local housing plans linked to the direct needs of each city. Instruments that attempt to scale the needs and incentivise actions, with adequate coverage.

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The social housing stock, which is in decline, has a significant weight over the total stock; Paris 17%; London 23%; Berlin 30%; NY 42%; and Amsterdam 48%.

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The housing supply system, identifying the different provider entities including associations, companies and housing cooperatives, which are often non-profit. Operational capacity and volume of activity and their significance due to their traditions and self-financing capacity, such as guarantee funds, or securing of aid, among others. These entities often deal with the management of housing stock, maintaining and renovating it. They also act in the allocation of housing, oversight of use and monitoring of users to optimise their ability to offer the “social housing” service that the city needs, always within its availability.

Public investment that is directed to housing in each country, funding sources that support municipal housing programs aimed at housing production, the type of aid to access or subsidise rentals or for the rehabilitation of the building stock.

Finally, the capacity of local government action according to the powers and budgetary autonomy in each case and subordinate actions of agents such as housing associations and other entities.

6.2. Comparative view

Comparative reading about models of housing policy and the ensuing activities is shown in Table 2, which details in summary each of the above axes. An interesting view that illustrates the scope of the actions carried out in each city and reflects elements that are most common, of those that are most unique. This profiles certain relevant elements that help underpin the dimension in action; they reinforce skills and operational capacity of local governments. Before referring to it, it is necessary to note some considerations to provide context for certain starting situations.

We must first contextualise by pointing out that action on housing transcends the political, economic, legislative and competency frameworks of local governments in general. In the Spanish case, the active dynamics of production, sale and quick profit expectations have encouraged investment and the high price of housing. They have therefore caused the greatest difficulties of access.

To reverse this situation requires a cultural change of the whole society and of the economic structures that since the dawn of the “era of developmentalism” have used residential construction as an economic engine. Such a change would make it possible to reserve a space for the concept of housing as a primary need as well as a durable asset, with long-term applications for its useful life and its social function providing shelter, roots and fulfilment of human needs. Progress in this area depends not only on municipal initiatives and policies on housing issues, but must also be seen as a social commitment. It requires the tacit and coordinated will of various public authorities in developing a wide range of measures that address economic, city planning and tax issues.

A second need is to explain that the cities studied

represent societies with very different socio-economic levels (see Table 1), especially in reference to the cost of living. This requires some kind of differentiation in terms of wages between the different countries. For example, the comparison between wage levels, taking as a basis the minimum wage and comparing based on units of equivalence proposed by the World Bank, shows the Spanish minimum wage to be just above Colombia (0.51) and well below countries such as Germany (2.01) the Netherlands (1.86), France (1.80), the United Kingdom (1.68) and the United States (1.24).

Table 1 Comparable minimum wage equivalence

Country	Monthly minimum wage	Comparable minimum wage	Equivalent salary rate
Germany	€ 1,445	USD 23,835	USD 2.01
Colombia	\$ 589,500	USD 6,109	USD 0.51
USA	USD 1,232	USD 14,784	USD 1.24
France	€ 1,430	USD 21,447	USD 1.80
Netherlands	€ 1,485	USD 22,268	USD 1.87
UK	£ 1,105	USD 19,961	USD 1.68
Spain	€ 649	USD 11,887	USD 1.00

A third question refers to the concept noted in the introduction and the significance of social housing. European models feature a housing stock in tenancy regimes that maintain the enduring nature of social housing and serve to de-commodify part of the housing stock to meet the housing needs of the population. This situation is achieved by action with a long tradition, which involves the creation of organisations such as housing associations (Amsterdam, Berlin, London) or equivalent companies (see table 2) (Paris, New York).



Visiting homes with surface rights on Aviguda Estatut, 57. PMHB.

Housing associations play the main role of providing social housing for various strata of society who need it, taking action on the promotion and management of social housing. Their aim is to act with criteria apart from own benefit, promoting social cohesion, employment and social integration of neighbours.

The experience of these countries is particularly instructive in regard to the management of housing stock, the robustness of their organisations, means of financing, innovative services, control and monitoring mechanisms oriented toward urban management, and improving the living conditions of neighbourhoods and their residents.

Given the constraints of our environment, we highlight points to consider as ways that may be useful for directing an improvement in performance in housing. These aspects have served to strengthen solvency in skills and operational capacity of local governments.

A first point to consider would be to implement **mechanisms to diversify affordable housing providers** and the public-private partnership to stimulate growth in the stock and quality of social housing. Examples of success that have been studied show mature and solvent organisations that have the capacity to act in the implementation and management of social housing. These are non-profit corporations, some private with limited profits and subject to reporting on their activity, spending and reinvestment of profits. They are subject to control over the quantity and quality of the service performed in accordance with: the number of households served, increase in the stock in social housing, whether new or refurbished, service quality based on the level of residential satisfaction of the residents (tenants), among others. Some also promote, in disadvantaged neighbourhoods, various social programmes, such as programmes aimed at employment, security management, youth activities and support for entrepreneurs and micro-enterprises.

A second point to explore is to promote **new ways of financing**, fund-raising for affordable rental housing. The first step would be to achieve greater dynamism in providing sufficient land in quantity and located in well served urban areas, or recovery of obsolete building stock, based on right of first refusal acquisition models. It has been found that decisive action in implementing the instruments of urban management is key to obtaining or transferring land for social housing, thereby securing the gains created by urban planning and development. Another way of raising funds should be through taxation, earmarking or allocating a portion of tax receipts used for public investment specifically for action on housing. Addressing the possibilities of promoting savings-housing systems that finance programmes that create affordable housing for rent or right-to-use. Or, as in the French case, to take back the public bank. (Explained in section 3).

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The main role of housing associations is to provide social housing to the different strata of society that needs it, and are involved in the development and administration of social housing.

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- Deploy entities that can exercise **direct or indirect control over prices or rents** in the public and private market. The successful experiences of reference would be the Paris Rents Observatory (OLAP), or rent evaluation systems developed by the housing associations themselves in Amsterdam. Monitoring and analysis of prices, both made searchable and public. The first is an annual publication that includes an assessment of private rental prices according to location, size, age of building and age of contract, among others. A publication that is accessible to the general public that shows private market benchmark prices and thus indirectly influences them. In the case of Amsterdam, this is an evaluation system that is more complex and open to citizens, which calculates in each case the value of the allowable income applicable for each housing unit based on parameters such as square metres and others, simulating a real pricing of the property. It should be noted that some experiences in publishing prices in Spain have been directed more to giving a general statistical market trend rather than estimating real value by product type with a capacity to influence the market.

• **Improving information channels and strengthening monitoring and development of the housing stock** is a priority to maintain the housing inventory in good condition. In the cases studied, it is evident that housing organisations have developed very precise mechanisms to know the status of the housing stock, its quality and the wellbeing of its tenants. In our case, some homes could be evaluated directly from the Municipal Housing Board of Barcelona, although it should also be addressed in the set of privately owned individual housing units. In that case, the possibilities for evaluating and monitoring of an important part of the housing stock should be articulated through the owners' associations and current management control systems. A task that could be performed well by en-

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The municipal housing policy models show that there is a high level of autonomy in the definition of local housing plans.

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gaging communication of data handled by various administrations of the regional government and the city government. This would require reviewing processes and enhancing the technical control of the actions that provide information (ITE building inspections, habitability cells) on the state of the (private and public) housing inventory. Strengthen the performance of the Barcelona Housing Consortium, opening channels of interaction and technical coordination between information units of the municipal housing offices, the housing Agency, the housing Observatory, capital transfers, municipal Capital Gains, and other entities relevant to this field such as the IBI Land Registry.

- **Increasing citizen participation** in the design of local housing strategies to be more tailored to the real needs of the population and including community members in the allocation of public housing.

Finally, some points have been highlighted that are explored and exemplified in the following section as lessons learned from the case studies that could be effective and guide the new housing plan of Barcelona.

Below, the comparative table highlights the major milestones in social housing in the cities studied. Municipal housing policy models show that there is a high degree of autonomy in defining local housing plans. However, in some cities a greater capacity for decision and action can be seen, as well as regulation and supervision of entities providing housing, as in the case of Berlin and Amsterdam, including rent control. While in other cases the activity and financing is subject to a more established system in the central (in Paris) or metropolitan (Greater London Authority) government. A special case is that of New York with the New York City Housing Authority (NYCHA), which concentrates its efforts on housing and federal funds. Finally, Bogotá focuses on decisive action parallel to the central government.

AMSTERDAM, THE NETHERLANDS				
Goal	To provide controlled, rented social housing at prices lower than those established by the free market.			
Operational time frame	The creation of associations handling the provision of social housing (housing associations) has been regulated since 1901.			
Public investment	More than 3.4% of GDP is allocated to this policy.			
Social housing percentage	Social rental	48%		
	Free market rental	24%		
	Free market property	28%		
Type of access	Social rental (up to €710.68/month) or regulated free market rental (from €710.68 to €1,148 /month).			
		Price per month	Annual salary	% spent on housing
Rental price (social and regulated free market)	Max. social housing	710.68	34,911	24.43%
Net family income	Min. free-market housing	710.68	29,900	28.52%
Housing expenses	Max free-market housing	1,148	44,656	30.85%
Housing provision				
<ul style="list-style-type: none">• Housing associations (425 associations encompassing 191,300 homes) and regulated private housing.• Local plans determine production needs.• 80% of land is municipally owned and public. Private entities are under the obligation to reserve 20 to 30% of all land to social housing.• They participate in the construction, refurbishment/improvement, urban renovation and recovery of the housing stock. Housing associations are always subject to provision requirements in terms of service and accountability. As are private bodies that embrace price regulation.• Housing associations manage their own stock and share a solidarity and guarantee fund.• Valuation criteria are established by valuation laws. These criteria are established via an electronic price allocation system that is reviewed yearly. The municipal housing survey overviews and assesses policies and initiatives.				
Finance programmes				
Grants for production	Property and VAT exemptions. Land quota deductions.			
Housing access grants	Purchasing guarantees, exemptions and deductions. Starting at €250 and ranging to 20% of the rental price.			
Refurbishment support	Ample grants for housing improvements in districts where renovation plans are in place. Refitting to meet thermal requirements and disability-related needs. Subsidies for the renovation of abandoned or unused housing stock (infrastructure).			
Local government initiative				
<ul style="list-style-type: none">• Entirely independent in terms of designing local housing plans.• Land use and development.• Manages grants and supervises housing organisations.• Applies value-related regulations (using technical criteria) and determines appropriate rental prices for the municipality.				

BERLIN, GERMANY				
Goal	To provide housing to people who are excluded from the market. To provide stable, rental housing by purchasing or promoting housing in consolidated districts.			
Operational time frame	Social housing tradition since 1919			
Public investment	More than 2% of GDP is allocated to this policy.			
Social housing percentage	Social rental	30%		
	Free market rental	56%		
	Free market property	14%		
Type of access	Social housing or subsidised rental.			
	Monthly rent	Price per m² month	Annual salary	% spent on housing
1 member family	€ 211	€ 5.42 / m²	€ 14,100	30%
2 member family	€ 409	€ 5.85 / m²	€ 27,300	30%
3 member family	€ 472	€ 5.91 / m²	€ 31,500	30%
4 member family	€ 531	€ 5.90 / m²	€ 35,400	30%
Housing provision				
• Housing associations				
• The urban housing development plan quantifies production.				
• New development projects assign land, for social housing, to public administrations, which provide them to social housing agents (via rental or transfer).				
• Housing companies, cooperatives and municipal housing companies are the main housing providers.				
• Housing companies and cooperatives play a prominent role (80 cooperatives holding over 186,000 homes).				
They efficiently manage the stock.				
• The housing plan has promoted control and stabilisation measures concerning long-term rental prices via partnerships between housing providers.				
Finance programmes				
Grants for production	Soft construction loans for rentals, alongside other aids.			
Housing access grants	Tailored support for rentals and grants for social access.			
Refurbishment support	Grants for improving the housing stock, although the main focus is on creating renovated housing.			
Local government initiative				
• Entirely independent in terms of designing local housing plans.				
• Land use and development.				
• Has financing, manages aids and supervises housing organisations.				
• Applies Lander directives in terms of rental prices.				
• Evaluates housing plan compliance.				

UNITED KINGDOM				
Goal	To increase housing offer of all kinds to boost social mobility and provide housing to people who are excluded from the free market.			
Operational time frame	Since 1919, via the Housing & Town Planning Act.			
Public investment	More than 3% of GDP is allocated to this policy.			
Social housing percentage	Social rental	24,1%		
	Free market rental	25%		
	Free market property	48,2%		
Type of access	Social rental, affordable rental (regulated prices, lower than 80% of free-market prices), intermediate housing (rental or sale, including shared property).			
		Price per month	Annual salary	% spent on housing
Rental price (social and regulated free market)	Social rent/local authority	€ 516*	€ 21,267 **	29.11%
Net family income	Social rent/Housing association	€ 660*	€ 21,267 **	37.24%
Housing expenses	Affordable housing	€ 930	€ 55,912 ***	19.95%
	Free-market rent	€ 1,551	€ 55,912 ***	33.28%
* Average rent according to socio-economic circumstances of beneficiary may be lower				
** Minimum annual salary (London). *** Average annual salary (London).				

Housing provision

- Housing associations (59% of the social housing stock), cooperatives and private companies.
- Strategic housing plans quantify production needs (London Housing Strategy). Established by each district.
- New developers (HCA) assign land, for social housing, to public administrations, which provide them to social housing agents (via rental or transfer). Housing associations also have land.
- Registered social providers (housing associations, cooperatives, etc.) are involved in the construction, refurbishment/improvement, urban renovation and purchasing/recovery of the housing stock.
- Each housing provider manages its own stock. ALMOs, public organisations that manage the public stock. TMOs manage housing belonging to associations or local authorities.
- HCA (Homes and Communities Agency) surveys and evaluates housing policies and publishes results and prices. It also surveys users' residential satisfaction so as to assess the quality of housing providers.

Finance programmes

Grants for production	Only from Housing Associations.
Housing access grants	Tax deductions and grants for rent, linked to family-related circumstances (Housing benefit), for public rentals, housing association rentals and private rentals alike.
Refurbishment support	Grants amounting to up to £5,000, special focus on disabled owners and owners older than 60 (Safer Homes Schemes).

Local government initiative

- Complete independence in terms of designing and managing urban renovation plans.
- Manages housing access grants (financing part of them) and supervises housing providers.
- Manages requests for affordable public housing and housing associations.
- Regulates social rental prices.
- Evaluates housing plan execution.

(HCA) Homes and Communities Agency

NEW YORK, USA				
Goal	To provide rental-based housing that is affordable in relation to family income (not exceeding 30% of families' income).			
Operational time frame	Created public housing between 1935 and 1970. Is now commodified.			
Social housing percentage	Social rental	41,85%		
	Free market rental	26,29%		
	Free market property	31,86%		
Type of access	Social housing or subsidised rental.			
		Price per month (70 m² house)	Annual income (4 person fam.)	% family income
Rental price (social and regulated free market)	Extremely low income	> € 866	> € 34,570	
Net family income	Very low income	€ 866 - € 1,442	€ 34,572 - € 57,663	30%
Housing expenses	Low income	€ 1,443 - € 2,307	€ 57,665 - € 92,261	30%
	Moderate income	€ 2,308 - € 3,460	€ 92,263 - € 138,392	30%
	Medium income	€ 3,461 - € 4,757	€ 138,393 - € 190,289	30%

Housing provision

- | |
|--|
| <ul style="list-style-type: none"> • New York City Housing Authority (NYCHA) • The housing plan establishes housing needs and determines plans and programmes to meet them. • Part of the land used for the programme comes from real estate development allocations managed by the NYCHA. • An important housing and promotion agency. Housing Preservation and Development (HPD), aided by other public corporations, undertakes construction, refurbishment, urban renewal and stock recovery tasks. • Housing Preservation and Development (HPD) is aided by other public corporations. • A Board establishes the directives concerning rental prices and determines stabilised price increases. |
|--|

Finance programmes

Grants for production	There is a Housing Financing Agency (HFA). It issues bonds to finance the construction and preservation of affordable housing, as well as managing low-interest loans.
Housing access grants	Housing rental and purchase subsidy programmes.
Refurbishment support	There is a Community Housing and Renovation Division with a specific programme (HOME) focused on refurbishment.

Local government initiative

- The New York City Housing Authority (NYCHA) has authority over housing issues and relies on federal funds. Its competencies include predicting rental housing needs and carrying out the appropriate measures, while also managing rental programmes (Section 8, among others).
- It manages real estate development allocations.
- It manages the preservation and modernising of public housing.
- It distributes rental grants.
- Programmes for community development, education, job generation, training for adults and business creation.

http://www.nychdc.com/HDC_%20A_%20Brief_History

housing because managing a large housing stock is a favourable position when negotiating with suppliers and customers to achieve benefits for their clients. A clear example is the regulation of the price of common services for the properties such as water, electricity, lifts and counselling, not exceeding 48 euros per month per flat.

Housing associations are funded from the self-management of the housing they manage. In addition to that, there is a Guarantee Fund for Social Housing (OSO) created jointly by the various associations, which is constituted as a private organisation created by associations themselves acting as a solidarity fund. (Gemeente Amsterdam, 2009).

- Planning Mechanisms

In Amsterdam, planning is a development tool with a permanent position on the agenda, with strategic long-term guidelines that go beyond the politicised vision of a single term in office and has a term of 12 years (2008-2020). To implement these strategies, there is also a four-year operational plan, “We Build Amsterdam (2011-2014)”, which allows strategic lines into concrete actions to be locked in over the short and medium term.

Both instruments have the same goal, an indivisible city where people, regardless of income, training and backgrounds can live in all districts of the city and can choose their home in the market. The planning process is participatory so that the public gets involved and is responsible not only in the planning process but especially in implementation and evaluation.

In planning, consideration is given to vulnerable and so-called "special" groups, such as young people, elderly people or those with illnesses. They are small housing units, one or two rooms, designed to accommodate one person. They also promote a small proportion of non-independent housing units, such as student residences or homes included in the programme of university cities, which rent accom-

[illegible]

One of the fundamental objectives of the housing policy is to generate a city of mixed neighbourhoods, accessible to residents and also newcomers and which offers plenty of opportunities and diversity.

[illegible]

modation for students (usually homes with shared kitchen and living room, equipped with single rooms for between 6 and 10 students).

- Incentive mechanisms for mixing and diversity

One of the fundamental objectives of housing policy is to create a city of mixed neighbourhoods, which is accessible to residents and newcomers and offers many opportunities and diversity.

The city of Amsterdam is strongly committed to diversification of tenancy regimes. This is regulated through the implementation of the 3 different types of tenancy regimes: ownership, social rent and free rent, both within a single plan or block, or even within the same building.

The aim is to create links between neighbours to help improve coexistence and social cohesion.

- Mechanism for awarding housing

The management of the housing stock being automated facilitates the impartial allocation of housing⁷, since it depends mainly on the time families became enrolled in the single register (WoningNet.nl). This system is interesting because it does not segregate families by place of residence but rather anyone can access housing anywhere in the city as units become available or new ones are built.

- Management of unoccupied built infrastructure

Another relevant strategy to consider is the impetus given to the renovation of vacant buildings. This makes it possible for inactive infrastructure that often ends up causing problems, including those related to security, to pass into the hands of housing associations or neighbours to generate new housing options and revitalise neighbourhoods.

7. <http://www.amsterdam.nl/wonen/leefomgeving/wonen/>.

This type of infrastructure can be public or private. In the case of public, it goes directly to bid and housing associations or even organised families can apply to remodel the building for residential purposes (always generating a mixed social composition). If it is private, agreement is reached with the property on improvements and if these cannot be assumed, the city government can serve as an intermediary for the purchase of rights of use of the property by lifting the rental of land and its return, as the case may be.

The case of Amsterdam shows how a system with different non-profit housing entities that manage public housing stock facilitates flexibility, innovation and diversity of mechanisms to promote access to housing of different people and the management and maintenance of the building inventory.

6.3.3. Participatory structures and neighbourhood improvement

London

Among the outstanding good practices considered interesting are participatory structures for connecting neighbours/tenants with managing associations and local authorities. In cities such as Amsterdam, Paris and London, in which each housing association is responsible for managing its own housing stock, groups with some communication infrastructure and demands regarding neighbourhood issues tend to organise.

In the specific case of the United Kingdom, there is a wide diversity of organisms with functions related to housing management in which the main task is citizen participation. These are groups that arise under housing associations and are formalised and act as genuine communication channels. They deal with issues related to the organisation of activities as well as instructing residents in the management and operation of housing services.

Particularly in London, there are some references

[illegible]

In the United Kingdom, there is a wide range of organisations with functions related to the administration of housing and their main objective is the participation of the citizens.

[illegible]

of these organisations that promote other types of citizen participation, complementary to the more institutionalised public consultation in the process of drafting housing plans or urban renewal programs. These organisations cooperate with others that are higher-level in a certain organic hierarchy that makes them more or less dependent on the local government. This is because some are located closer and are more controlled by the administration, while others are completely at the service of neighbours.

In general, these groups are very permeable and close to neighbours. Their function is to provide logistical, legal and documentary support in the management and maintenance of housing and residential complexes. They are also responsible for encouraging activities of coexistence, addressing and resolving some social needs of the neighbourhood, intervening in conflicts and channelling the demands of the residents to local entities. They consist of neighbours with an operational structure at different levels to direct the participation of residents with specific agencies. They have proven to be a good way of supporting disadvantaged neighbourhood

Examples include:

- Arm's Length Management Organisations (ALMOs):

The so-called “management organisations” (ALMOs) have led to a genuine change in management of public social housing. They were created in (2002) by municipal governments and non-profit organisations to facilitate the management of homes owned by local authorities by incorporating tenants with a greater voice in the way their properties are managed.

The governing board has a high representation of public housing tenants, these being one-third of the members; the rest of the board is made up of representatives of local authorities and independent representatives, often with experience in business and

loped, the land enters public auction with an initial value of 100% of its commercial value and, if there is no buyer, at 70% of the assessed value. In any case, the new use of the land will be exclusively for social housing.

(c). Declaration of habitability and use of vacant or abandoned buildings, regulations and regulatory framework suspended by lawsuit:
When empty buildings are identified, a deadline of 18 months is set to demonstrate use of at least 60% of the built area. If it is not demonstrated, a process of expropriation and qualification starts that reverts the building for the exclusive use of VIP social housing. Currently, this rule is suspended and is in legal analysis because a lawsuit was filed contesting the decree.

(d). Right of preference:
For relevant projects, the municipality's "right of preference" applies in favour of the Metrovivienda soil bank for land acquisition. In housing units that have received funding from the municipality, 10 years after receipt of the subsidy and in the case of expropriation of housing, the city government has the right of preference to reuse the housing supply of social housing for new homes.

(e). Participation in capital gains:
When rural land is incorporated into urban land or is part of an expansion, or the land is reclassified to allow residential use, or potential uses of land are increased based on the total amount of profit or capital gains of the project, municipalities will participate from 30% to 50%, as established by law. Income earned from capital gains has different urban uses, mainly the acquisition of land for projects and social housing.

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When vacant buildings are identified, a period of 18 months is established during which it must be demonstrated that at least 60% of the built area is in use.

(f). Public announcement of the project with its value and the market value of the land

The entities responsible for acquiring or decreeing the expropriation of property for the execution of projects of public utility or social interest can announce it in a public administrative act that will include the reference land values for the property involved with the project. Thus, with the “announcement of the project” it ensures that this new acquisition of public land will not include expectations of taking advantage and speculations arising from the execution of the project.

(g). Public funding of water and sewer networks in priority social housing projects

In projects where the cost of land, development or construction of the project require financing for the provision of water and sewer networks, the competent company to provide this service can advance the work and deliver this subsidy in kind during the project's implementation.

These instruments have helped to develop the constitutional principle of public function of property, but also to raise awareness among public and private stakeholders of the responsibility of generating land and housing for populations with the greatest housing deficit. Public purchases of land is still one of the instruments used, but the implementation of these planning instruments has generated other corporate accountability mechanisms to generate social housing and benefits for public acquisition of land for such projects.

6.4. Rent control in Berlin, Paris and Amsterdam

The city of Barcelona is characterised by a significant bulk of the housing stock in private rental, 30.1%, compared to the rest of Spanish cities with lower levels approaching 20% in Madrid and 15% in Valencia or Zaragoza.

A growing trend that has recently rebounded in 2001 compared to the previous census, in which rentals were in decline. Among the causes are the economic, social and market circumstances, which make renting a more flexible path to housing with good social acceptance.

In relation to Europe, the proportion of rental housing in Barcelona (30.1%) is far behind the percentage of other cities in which, as seen in the previous section, renting stands out as the main way to secure a home. Among European cities with the highest proportion of rental properties are Berlin with 85.93% (56% free, 30% social), Amsterdam with 72% (24% free, 48% social), Paris with 61.5% (44.3 free, 17.2% social) and London with 42% (25% free, 24.1% social). Also relevant are the city of New York with 78.14% (26.29% free, 41% social) and Bogotá (45% free).

This situation based on the welfare state models in

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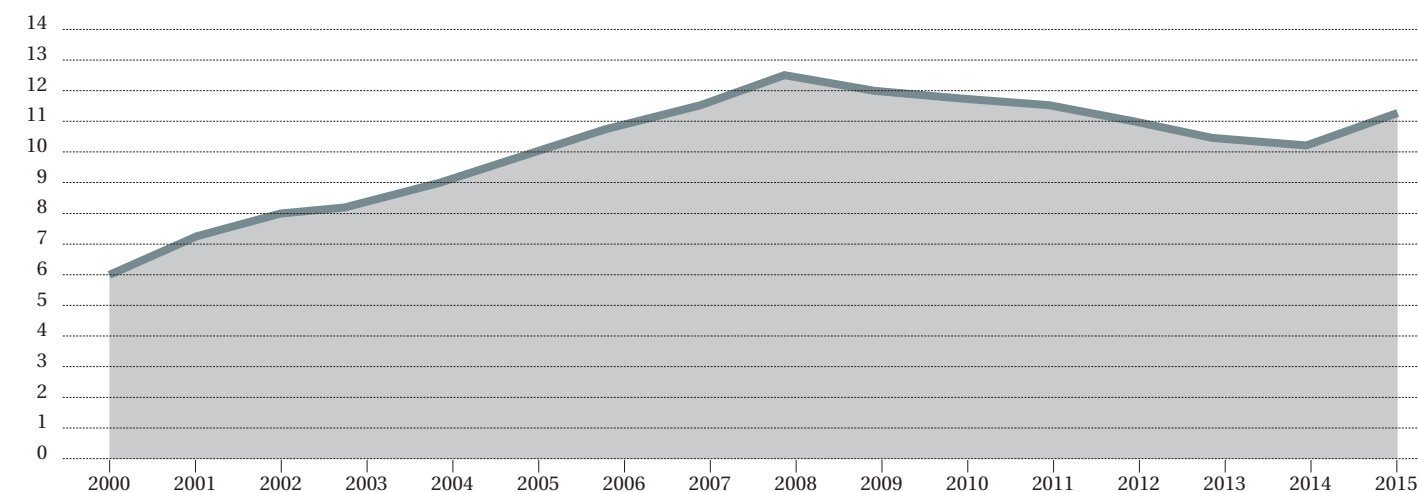
An advance would be the explicit recognition of the social function of housing and the defence of the limits imposed by responsible action, especially with regard to housing.

our country (Mediterranean model) has encouraged the owner/occupant status versus declining rental and social rental with little significance in Barcelona of 1.5%

At a time of housing crisis that affects a broad social sector, it seems necessary to address the scarcity of alternative access to housing. This structural lack of affordable housing becomes more pressing for the most vulnerable social sectors, although this gap has to be understood and addressed by all social and business agents linked to the residential sector.

A step forward would be the explicit recognition of the social function of ownership and defence of the limits imposed by responsible action, especially in housing. The experience in the real estate boom phase should be taken into account to avoid a new out-of-control expansive situation. This produced an over-valuation in the purchase of housing, the

Figure 1. Evolution of rental price per m² in Barcelona



Source: Department of Statistics. Barcelona City Council

effect of over-demand, with a subsequent fall when the family and financial economy withdrew from the market. At these times of market instability there is a need to look for robust avenues to guide the future towards greater stabilisation.

In view of recent developments in the private rental market it is clear that after a period of falling prices during the crisis, in recent years rents have risen again (see Figure 1), but there has been a proportionate rise in income levels among the population.

Leaving rents adrift in an arbitrary market is a mistake because it can have irremediable social consequences such as expulsion of the population in the most vulnerable economic situations, social transformation of neighbourhoods (as long-established populations are pushed out by another with higher incomes) and overburdening families in terms of the percentage of income spent on housing¹³.

Different cities in the world have a regulatory framework governing the system of rentals, with criteria for stabilisation and permanence. They have implemented tools for monitoring and control of built housing stock, their physical characteristics and use with effects on the allocation of economic values (rental income). They have indirect price monitoring systems that exert a moderating effect and control over the housing market. The main strategies carried out by Amsterdam, Paris and Berlin are detailed below.

Amsterdam

Housing policy in the Netherlands aims to provide social housing at a cost below the free market cost, exercising direct control by the state in housing for both rent and sale.

13. The effort devoted to family housing (expense invested in housing) should not exceed 30% of the total income of the family unit.

[illegible]

Each municipality establishes the amounts charged for rent, for both social housing as well as the free market covered by this regulation, and this amount is updated on an annual basis.

[illegible]

Renting of social housing and even a part of private housing (with certain characteristics) and the sale of social housing are regulated by the valuations law that establishes criteria for assessment and control. (Kadi 2011). Based on this law, each municipality sets the rental amounts for both social housing and free housing that falls within this regulation; this amount is updated each year.

To determine the value of rental housing, an automated price regulation system is used¹⁵ that analyses the characteristics of housing, its size, location and other conditions of habitability and the housing is classified and its rental value is determined accordingly.

In Amsterdam, the maximum amount of rent for social housing is € 710.68 per month (updated as of January 2016) for families with net annual incomes up to € 34,911. In the case of private housing, if the fee calculated by the system is between € 710.68 and € 1,148 monthly, families who choose these homes must have a net annual income between € 29,900 and € 44,656 (Moya 2007)¹⁶ and the owner must request a permit of occupancy for his home to be managed by the award system for social rental housing, supported by housing associations¹⁷.

The amounts established confirm that the policy of social housing in Amsterdam is universal, as we can see in Table 3. Even families with high middle income with net annual income between € 27,720 and €

14. The average cost, as a percentage of net income available to the general public for rental housing, once the government subsidy is discounted, is 30%.

15. http://www.wswonen.nl/puntentelling/puntentelling_zelfstandig.php.

16. The amounts are defined through an automated assessment of quality, location and housing environment according to the characteristics indicating the maximum amounts to be charged.

17. <http://www.amsterdam.nl/veelgevraagd/?caseid=%7b3558559C-2FE8>.

47,040 could access social housing, although € 34,911 is the maximum net income limit established for this type of housing.

Paris

Regarding the control of rent in the private market in France, the Paris Rent Observatory (OLAP) is an institution that tracks, analyses and publishes annually the price of private rentals relative to their location, size, age of the building and age of the contract, among others. This publication is accessible to the general public, providing free market reference prices that exert an indirect influence on them.

In relation to renting social housing, the central government sets prices annually in relation to the maximum allowable income to access these homes, which are evaluated and adapted by each local authority. However, the HLM organisations¹⁸ have the ability to conduct annual monitoring of the evolution of the income of tenants (through surveys) and may establish a surloyer or SLS (solidarity rental supplement) which refers to an increase in income in case the family economic situation has improved and incomes exceed 20% of the maximum to access income housing. This is calculated according to a pre-set value in relation to the percentage exceeded (Table 1), multiplied by the reference supplement per m² depending on their location, which is about €2.6 / m² in Paris¹⁹. The total supplement cannot at any time exceed 25% of household resources.²⁰

18. Habitation à Loyer Modéré.

19. <http://www.dossierfamilial.com/sante-social/hebergement/logement-hlm-le-calcul-du-surloyer-57184>.

20. <http://www.pratique.fr/location-logement-social.html>.

Table 3: Monthly and annual income 2013

Types of income	Monthly net	Annual net
Low-income single-person households	€ 1,330	18,620 €
Low-income household of several people	€ 1,680	23,520 €
Low middle income	> to € 1,988	27,720 €
High middle income	from € 1,988 to € 3,360	from € 27,720 to € 47,040
High income	€ 3,360	€ 47,040

Source: (Gemeente Amsterdam 2009; Amsterdam, Federatie, Woningcorporaties 2013). By the author.

Table 4. Coefficient according to income limit exceeded

% of income exceeded	Coefficient
20%	0.27
$> 20\% \leq 59\%$	0.33
$\geq 60\% \leq 149\%$	0.35
$\geq 150\%$	0.37

Source: <http://www.dossierfamilial.com/sante-social/hebergement/logement-hlm-le-calcul-du-surloyer-57184>.

This means of dynamic control of users adjusts the income relative to family income, and sustains the subsidy system without discriminating due to the economic improvement of the family.

Berlin

Berlin has undoubtedly recently made major efforts to curb the increase in rents.

In the case of Berlin and Germany a large percentage of the population is living in rental units (Berlin almost 85% and Germany around 57% of the population), allowing them to act as a block that puts pressure on various governments to adopt and maintain measures to protect tenants. The exact opposite is the case of the Spanish State and Catalonia, in which the status of owner/occupant domina-

[illegible]

In relation to the rent for social housing, the central government annually establishes the amounts according to the maximum income permitted in order to access such housing.

[illegible]



Kieffholzstraße Project, residential buildings in Berlin-Alt-Treptow.
Project by: Sauer Architekten. Photo: Sauer Architekten.

tes (in the 2011 census it is 78.9%) so that the rental sector is a minority. Thus the real estate sector with its dominant position has traditionally been the one to exert pressure in favour of the free market by discouraging progressive initiatives to control prices or protect tenants.

Since 2005, Berlin has not stopped growing and in 2012, 41,000 people moved to the city. Available housing supply has not increased at the same rate as the population and this factor along with urban dynamics of gentrification have led to a sharp rise in the cost of rental housing (reaching up to 45% in some heavily gentrified areas). The average rent in the capital has grown from just over 5.50 euros/square meter in 2005 to about 9 euros in 2014.

Since June 2015, the municipal authority has implemented the “Mietpreisbremse” (rent brake). The law works essentially by limiting the rent by neighbourhood, so the owners cannot charge more than 10 per cent above the average rental price per m² in the district. The boundary is marked based on data from a biennial state census of rentals whose data are at district level (Berliner Mietspiegels). According to the data, the average rent for new contracts during the first months fell by 3.1% across the city. Before the enactment of the law, rent increased by 0.3 per month and from 2013 to 2014, the rent increased by more than 9%. The law applies only to built housing and not new developments or rehabilitated housing.

This law makes sense within a broader strategy to limit prices and increase the supply of rental housing.

Other measures that have been implemented in Berlin in recent years to curb gentrification and the expulsion of population have been called “laws in defence of the community” that allow identification of areas where rents are rising particularly fast and ban luxury rehabilitations that would give the owners an excuse to increase rents indiscriminately. The city has also banned holiday rentals in certain areas of the city where there are housing needs in order to prevent needed permanent accommodation from seeping out of the rental market, reducing supply and causing an increase in the price of regular rentals.

Generally, rental legislation in Germany is quite protectionist for tenants, since normally the dura-

tion of the rental is not specific. This means that tenants can stay in their apartments for decades with the same contract, with only small increases allowed under the terms of the contract. Increases must be communicated in writing and the tenant can demand justification. In addition, tenants can only be expelled for misconduct, for non-payment of rent or if the owner proves that he wants to occupy and use the apartment as their own permanent address. Rent increases are not permitted due to market fluctuations or if the owner wants to speculate with the housing unit. In addition, the landlord can be held accountable for deficiencies in the housing and lack of commitment to make repairs.

Faced with these regulatory measures, the municipal authority has also committed to build new affordable housing to significantly increase the supply and offering different types of housing for different living units (families, students, low-income, etc.).

Only a strategy that combines various mechanisms and actions can slow the pulse of the market and put the housing needs of people ahead of economic returns.

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politik

politik

6.5. Social housing promotions

Ijburg block 23 Amsterdam

The case study presented looks at an architectural project that combines rented social housing with home ownership. The aim of such actions is to integrate the two tenancy regimes for the interaction of the owners together with tenants and have the latter care more about the degree of building maintenance, minimising investments for this purpose. “Logically, a tenant who lives in a rental does not have the same involvement with the life and maintenance of the environment as the person who owns his house.” (G. RUIZ CABRERO 2011).

The strategy of this type of action is to offer the same quality in housing construction for the two tenancy regimes. In the rental regime the multifamily block structure is used, while in the ownership regime the single-family terraced or semi-detached housing unit structure is used. The appearance of the development is single architecture, without differences and access to this type of social housing is for different population strata.

The other aspect of this strategy is that it integrates different lifestyles, different forms of access to housing. It combines functional programmes of 2, 3, 4 and up to 5 bedrooms for different household structures.

Such strategies are being adopted in the Netherlands since the emergence of the Heerma report in the early 90s and significantly this is leading to a return of middle class cohesion in the territory. Previously it was observed that the middle class was expelled from the city centre areas due to the lack of a universalised product and the lack of programme diversity.

Ijburg block 23 Haveneiland, Amsterdam
<http://en.cie.nl/projects/26>



Photos 3 and 4: Heygate Estate in 1975. Photography: David Hulchanski.
Source: (<https://southwarknotes.files.wordpress.com/2013/06/heygate-1975-jdh11.jpg>)

To access one of these new affordable housing rental units under the Elephant & Castle regeneration programme, applicants must apply through the City Council. In the case of ex-residents of the Heygate Estate, the city council considers them on a priority basis. To achieve the relocation of residents, the City proposed different support “packages” that can be accessed according to family situation and tenancy regime. They provide consulting to study each case, offering the purchase of the housing unit to the owners, or subsidies to tenants to access other dwellings in the city, either for access to affordable rental (on public property or that of housing associations) with the right to return to the area (apply for housing in the area of the former Heygate Estate once regenerated) or support for full or shared purchase of vacant public housing within the municipality.

Examples of detached buildings constructed around Heygate Estate, part of the Elephant & Castle urban regeneration:

Example 1: Arch Street
Developer and manager of the housing: L&Q Housing Association
Design: S333 Architecture & Urbanism
Owner of land: Public
Area: 0.2Ha
Construction cost: £8,100,000

Completed in 2011. Building with business on bottom floor and 52 units of 1, 2 and 3 bedroom housing. 34 units destined for shared ownership and 18 units for social rentals, of which 3 units are occupied by ex-residents of Heygate Estate, according to city council data.



Photo 5: Building on Arch Street. Photography: Lenimar Arends, 2014.



Photo 6: Building on Arch Street. Source: <http://www.bdonline.co.uk/wardroper-house-by-sarah-wigglesworth-architects-and-arch-street-by-s333-elephant-and-castle-south-london/502251.article>



ARCH STREET GROUND-FLOOR PLAN

Image 3: Ground floor, building on Arch Street.
Source: <http://www.bdonline.co.uk/wardroper-house-by-sarah-wigglesworth-architects-and-arch-street-by-s333-elephant-and-castle-south-london/5022251.article>



FOURTH-FLOOR PLAN

Image 4: 4th Floor. Building on Arch Street. Source: <http://www.bdonline.co.uk/wardroper-house-by-sarah-wigglesworth-architects-and-arch-street-by-s333-elephant-and-castle-south-london/502251.article>

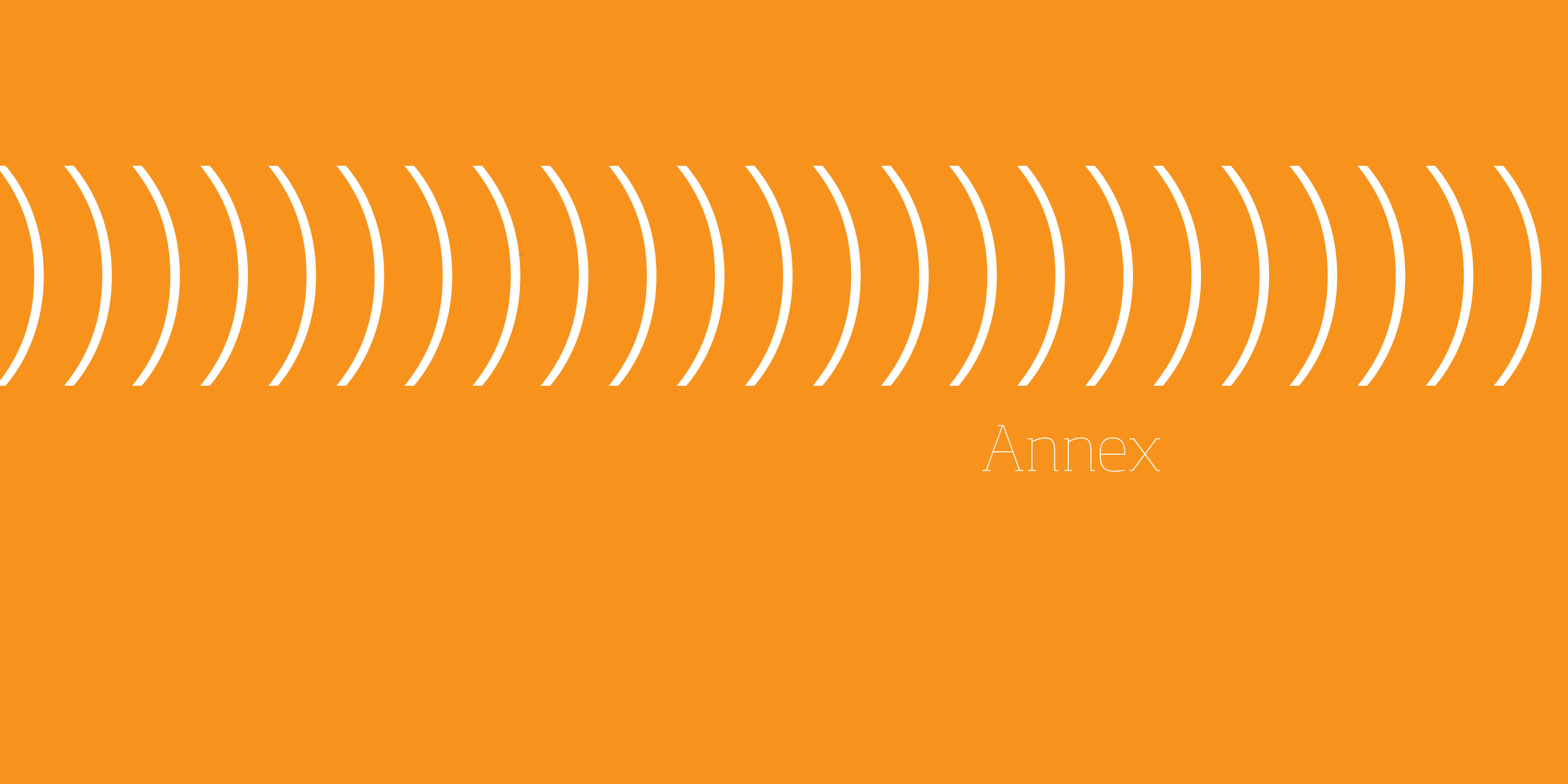
acquired by the builder, were completed with the construction of the project and also paid Metrovivienda the investment that the city had made in land acquisition (purchase). Thus, the majority financial investment of 392 social housing project came from the private agent, not the city council.

The municipality used its land bank and applied a land management tool that had never been implemented in the city but which had existed since 1998, the Declaration of Priority Development, to mobilise idle land. Social housing was built, reducing the housing deficit by 382 housing units and promoting urban consolidation of a sector that otherwise would have developed informally, as has happened with most of the area.

To date, according to the District Department of Habitat, there are 101 real estate projects on land (186.37 hectares) declared “Priority Development” where 19,660 housing units were licensed, as follows: 13,806 social housing, 2,162 priority social housing and 3,692 non-social housing. ©



New residential district FLORA Berlin-Pankow. Project by KK Architekten, Hohne Architekten, nps tchoban voss. Photo: Stefan Muller.



Annex

Artist's impression of project of 35 social rent homes Carrer Comte Borrell, 159. PMHB.



01

Barcelona
housing rent price



María Jesús Calvo
Tehcnical Programming Ca-
binet. Barcelona City Council.

**DESPITE THE STRONG
DEPRECIATION OF PRICES
BETWEEN 2007 AND 2013, THE
RISE IN PRICES RECORDED IN
2014 SHARPENED IN 2015.**

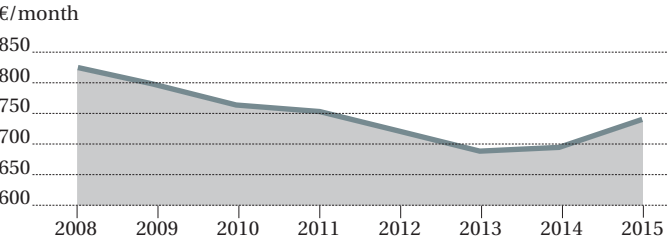
1. Overview: Barcelona¹

The latest data available² reveal that residential rent prices in Barcelona are on a strong upward trend. While rent prices broke the downward trend of the previous five years in 2014, they rallied hard throughout 2015: the average rent by contract stood at €735/month, which was 6.8% up on 2014. In the case of average rent according to surface area, this reached €11.1/m²/month, which was 9.1% up on the previous year³.

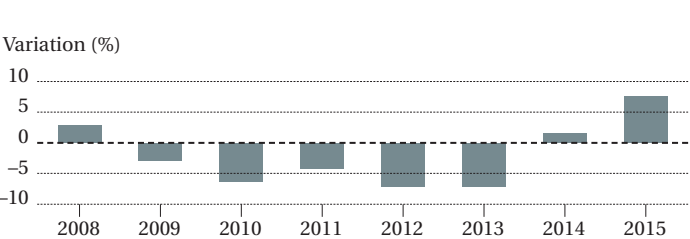
These data confirm the revival of the real-estate sector seen in various areas, mainly in the purchase market, with increases in prices, the number of purchases registered and the mortgages created, in both the new house market and the previously owned market. The rise in prices and purchases is determined by the major boost in economic activity, and in particular, the recovery in employment, investment and trust in the demand, supported by increased access to credit. All of this in a context of growth in touristic demand and international investment.

Despite this abundance of upward signs, we must remember that the starting point is very low, given the process of price correction and the low production that has taken place since the outbreak of crisis, with a sharp devaluation in prices between 2007 and 2013, the year in which the minimums were reached. The turnaround in 2014 and the rise in 2015 marked the end of the downward trend, but despite these rises, the prices of monthly rent are, in real terms, 14.7% below those of 2007.

Average rent in Barcelona (€/month)



Evolution of average rent (€ constant/month)



Source: Own preparation based on data from the Secretary of Housing and Urban Development.

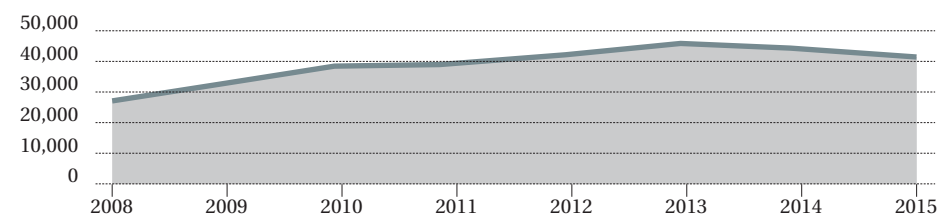
1. All images, tables and maps have been drawn up by the Technical Programming Cabinet using data from the Secretariat of Housing, Idealista, Fotocasa, the Spanish Institute of Statistics and internal sources.
2. Unless otherwise indicated, the data for rental prices are taken from the Secretariat of Housing and Urban Improvement, Government of Catalonia.
3. Other sources amplify these increases: according to Idealista, average rent/m² has increased 23% interannually in Barcelona in 2015, while Fotocasa places this figure at 19.5%.

3. Recent dynamic of the rent market in Barcelona

3.1. Number of contracts

Together with the increase in prices, the number of contracts also reflects the greater dynamism of the market. In recent years, the number of rental contracts registered increased intensely, above 15% per year from 2008-2010, and more moderately from 2011-2013, until stabilising in 2014 and retreating slightly in 2015.

Number of contracts



Source: Own preparation based on data from the Secretary of Housing and Urban Development.

The growing trend in the number of rental contracts signed is due to both economic and demographic factors. First of all, during the most intense years of the crisis, rent became the only viable economic alternative for families who, generally speaking, had seen their income decrease as well as their expectations with regard to access to credit.

Furthermore, from a sociodemographic perspective, the stability in which the population indicators move hides strong underlying trends, such as the proliferation of highly diverse living units which are not necessarily permanent (fluctuating population due to studies or work, etc.) and may have no connection beyond sharing common spaces to reduce expenses. Many of these new living units are aimed exclusively towards the rental market.

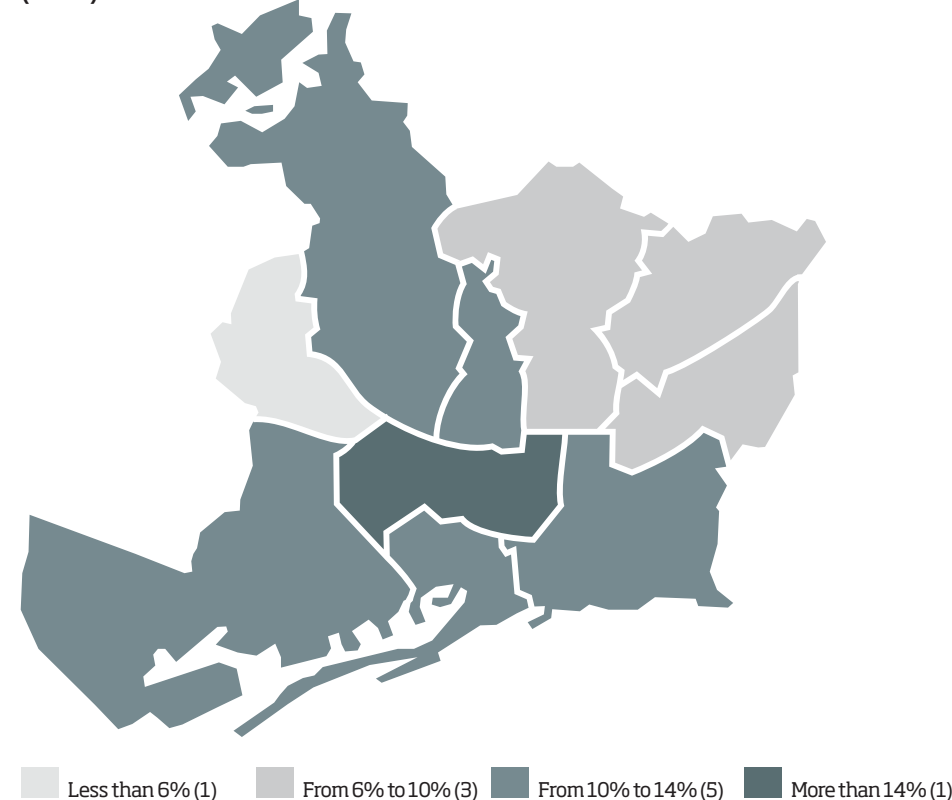
THE GROWING TREND IN THE NUMBER OF RENTAL CONTRACTS IS BASED ON BOTH DEMOGRAPHIC AND ECONOMIC FACTORS.

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3.2. Evolution of contracts and prices by district

The number of rental contracts registered is not homogeneous throughout the territory. The data by district show considerable differences: Eixample has 20.8% of all contracts registered, while Les Corts only has 4.5% of the total. While these appear to be very clear differences, they fit in with the population weight and residential area of each of the two districts in relation to the city as a whole.

**Distribution of the number of contracts by district (en %)
(2015)**



Rent prices by contract show vast differences by district. The average contract in Sarrià-Sant Gervasi in 2015 was just over €1,050/month, which was double the average rent in Nou Barris, the district with the lowest average rent in the city.

BY DISTRICT, THE DIFFERENCES IN PRICES ARE SIGNIFICANT, WHILE GROWTH IS WIDESPREAD.

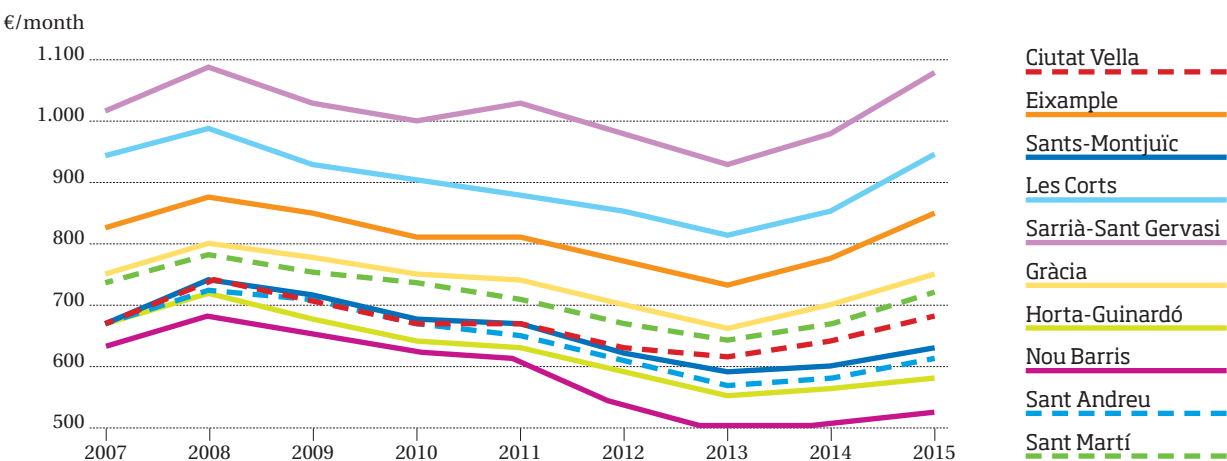
The resumption of the trend in increasing rent prices that was previously seen for the city as a whole has been rather widespread: all of the districts without exception recorded higher prices than the previous year in 2015. This is the case for both contract average and surface area, which suggests that the increases are consolidated.

Residential rentals in Barcelona by district

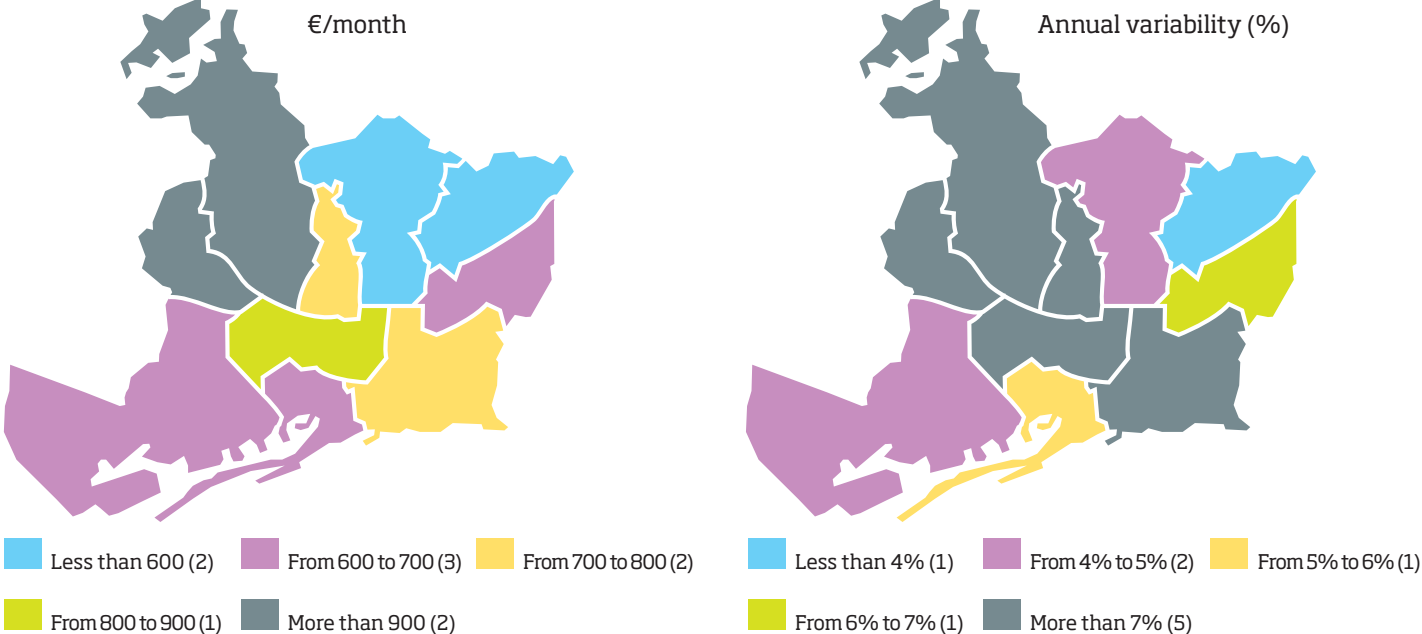
	Average rent per contract (€/month)				Average rent per m² (€/m²/month)			
	Evol. 14-15				Evol. 14-15			
	2013	2014	2015	(%)	2013	2014	2015	(%)
Ciutat Vella	618.7	639.1	675.7	5.7	11.4	11.4	12.4	9.4
Eixample	763.5	776.9	831.4	7.0	10.2	10.3	11.2	8.8
Sants-Montjuïc	596.4	598.4	624.5	4.4	10.1	9.9	10.7	7.8
Les Corts	826.7	853.0	925.4	8.5	11.2	11.0	12.0	8.7
Sarrià-Sant Gervasi	935.5	978.0	1.051.2	7.5	11.7	11.9	13.0	9.3
Gràcia	659.2	673.9	721.7	7.1	11.0	10.8	11.8	9.7
Horta-Guinardó	566.5	563.8	586.8	4.1	9.3	9.0	9.9	9.9
Nou Barris	513.8	499.3	518.8	3.9	8.7	8.4	8.9	5.6
Sant Andreu	578.5	575.2	611.0	6.2	9.2	8.9	9.6	8.4
Sant Martí	637.4	640.8	700.6	9.3	9.9	9.7	10.6	9.2
Barcelona	681.6	688.2	734.9	6.8	10.3	10.2	11.1	9.2

Source: Secretariat of Housing and Urban Improvement, Government of Catalonia.

Average rent by contract (Districts) (2015)



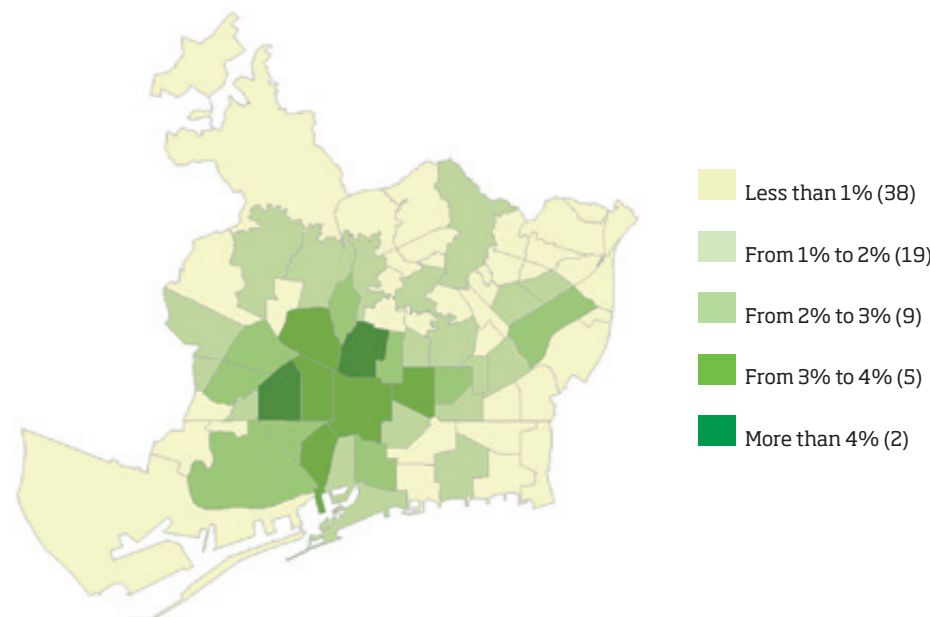
Average rent of contracts by district (2015)



3.3. Evolution of contracts and prices by neighbourhood

Territorial distribution of housing rental contracts by neighbourhood shows wider differences than those we saw earlier by district. The neighbourhood with the most contracts in 2015 was Vila de Gràcia (with 5.2% of the total), followed by La Nova Esquerra de l'Eixample (4.3%), l'Antiga Esquerra de l'Eixample (3.7%), El Raval (3.7%) and La Sagrada Família (3.6%). At the other end of the scale, we find Can Peguera, Vallbona, La Clota, Torre Baró, Canyelles and La Marina del Prat Vermell, with a virtually symbolic proportion of contracts registered.

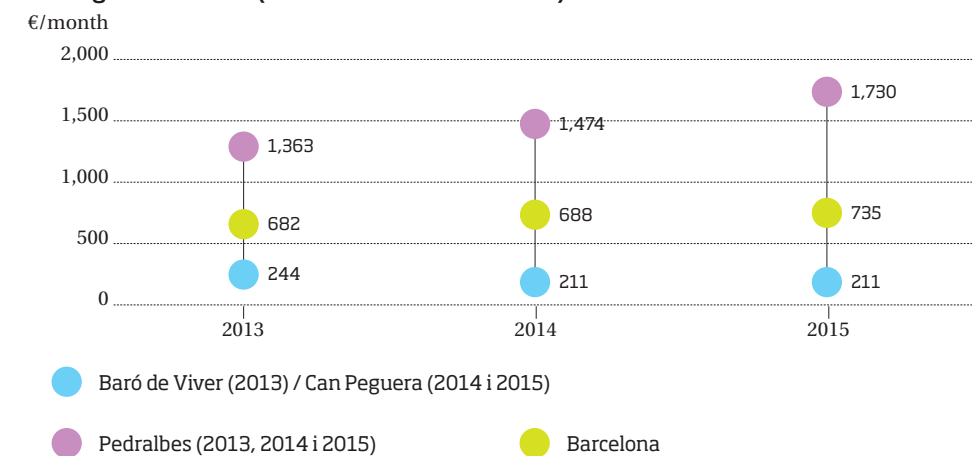
Distribution of the number of contracts by neighbourhood (%) (2015)



The prices declared in rent contracts by neighbourhood reproduce some of the usual differences in the city (such as income level), with Pedralbes and Les Tres Torres having the maximum (around €1,400/month or above), and with the minimum somewhat concentrated in Sant Andreu (Baró de Viver) and Nou Barris (Can Peguera), below €300/month. In the latter two cases, these are very small neighbourhoods with a highly unique sociodemographic, urban and residential structure, with a highly static residential market, high presence of public housing and very few contracts. This is also the case for La Clota, in Horta-Guinardó, which is also a small, unique neighbourhood. Within the next segments, we have two of the neighbourhoods with the lowest income in La Ciutat Meridiana, La Marina del Prat Vermell and Torre Baró, which are still close to €400/month. The segment with the most abundant rent prices is that which includes the neighbourhoods with average prices between

IN A CONTEXT OF RISING PRICES BETWEEN 2013 AND 2015, THE GAP BETWEEN THE NEIGHBOURHOODS WITH MAXIMUM AND MINIMUM PRICES HAS WIDENED.

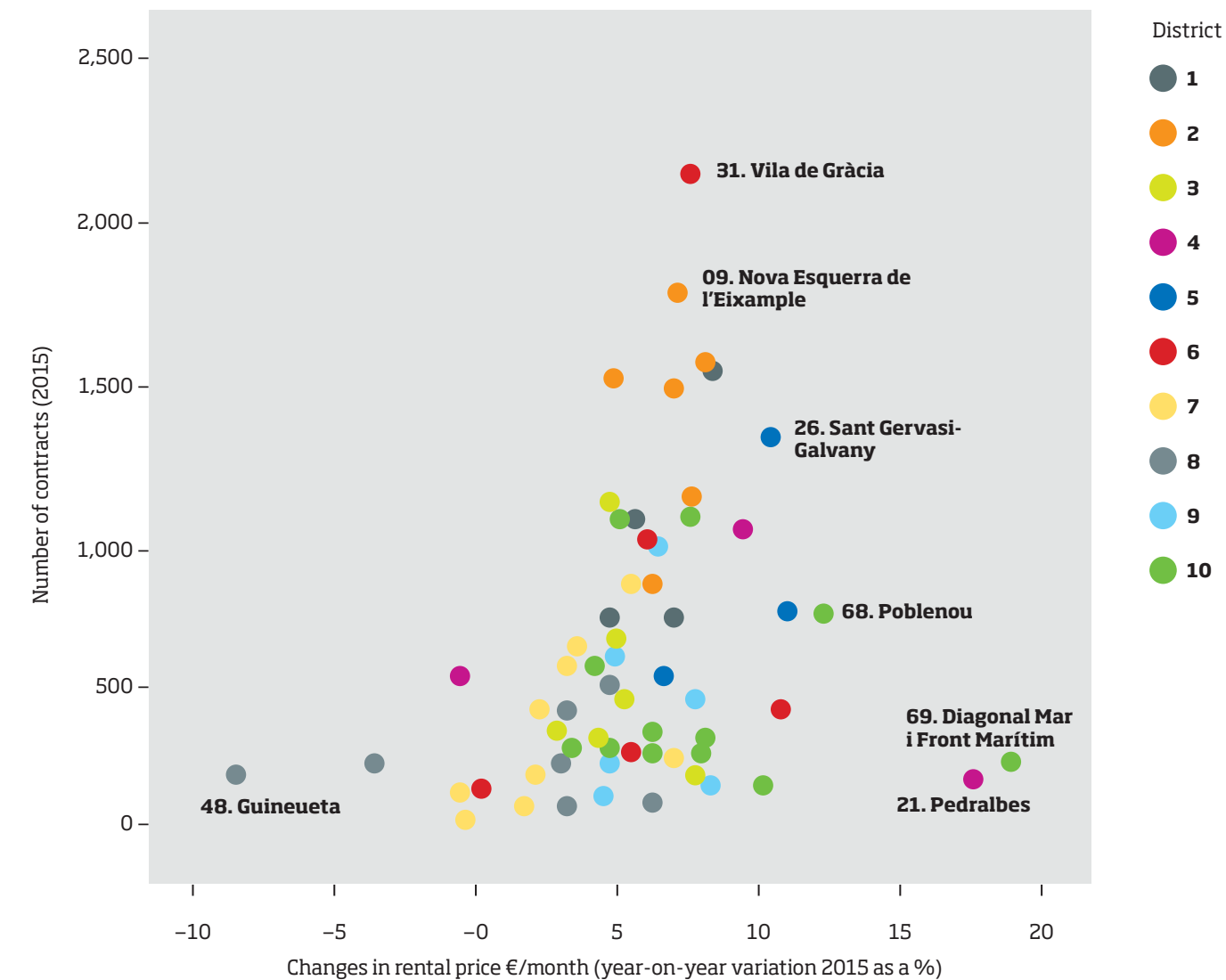
Average rent by contract (€/month)
Neighbourhoods (maximum and minimum)



en €400 and €700/month (43 neighbourhoods), followed by those with prices between €700 and €1,000/month (17 neighbourhoods).

With regard to the evolution of prices, the data by neighbourhood offer a lot more hints than those by district as we saw previously. With the exception of the five neighbourhoods in which the annual evolution of prices is negative, the rest of the neighbourhoods are within the aforementioned growing trend, which is clearly shown in the map below. While it is true that in some neighbourhoods there is a very high growing rate, such as Pedralbes or Montbau, we must keep in mind that these are neighbourhoods with a low number of contracts and a high level of volatility. On the other hand, 52 of the city's 73 neighbourhoods recorded upward changes of less than 10%. The neighbourhoods with most contracts – La Vila de Gràcia and La Nova Esquerra de l'Eixample – recorded increases slightly over 7%.

Rent contracts: Evolution of prices and number of contracts (neighbourhood)

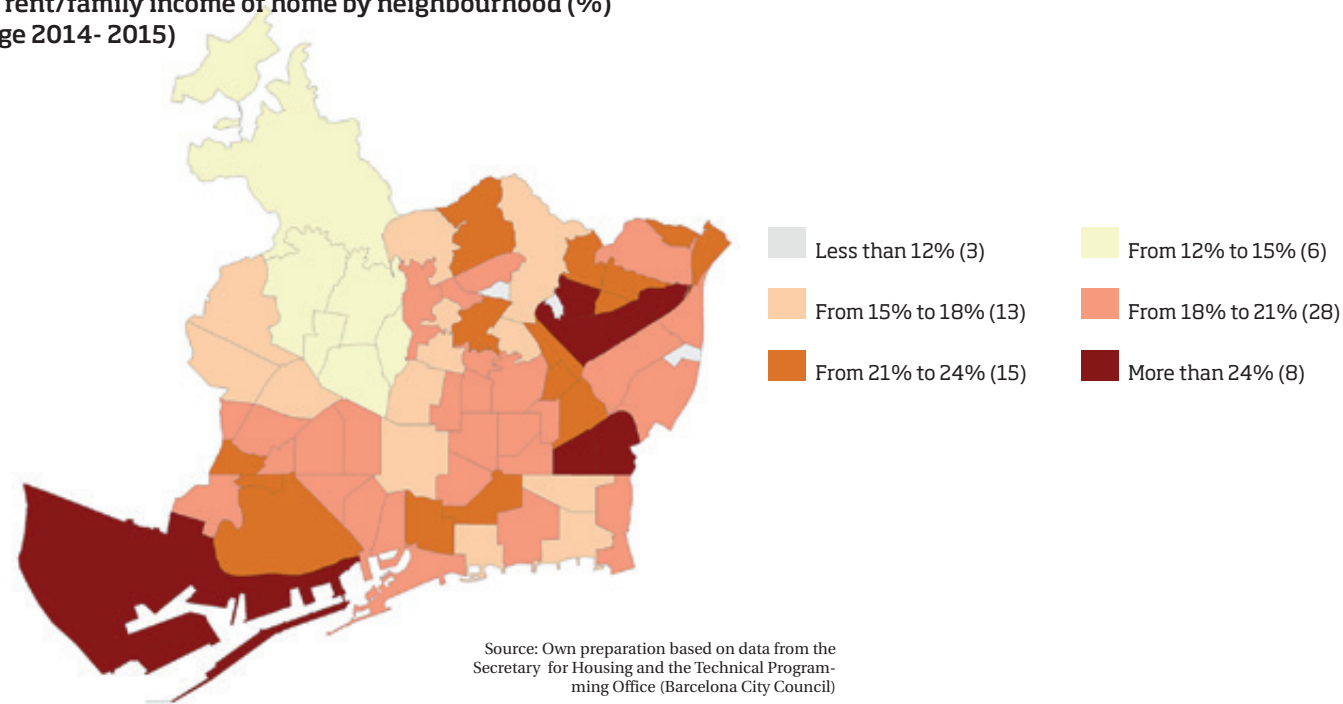


4. Cost of rent in relation to income by neighbourhood

The following map shows the differences in the cost of accessing rental housing by neighbourhood. The relationship between the cost of rent and family income⁵ reveals stark contrasts, with minimums in Can Peguera, La Clota and Baró de Viver, marked by the lack of offer and important role of public housing.

The most relevant fact is that the neighbourhoods with the highest incomes – and also where rent prices are at their highest – undergo the least economic effort to access rental housing, while in the neighbourhoods with the lowest incomes, their residents have to make a greater economic effort to pay the rent. The five neighbourhoods with the highest proportion of rent/income are (in order, from lowest to highest): Trinitat Nova, La Verneda i La Pau, La Guineueta, Sant Martí de Provençals and La Prosperitat. Residents of these five neighbourhoods have a very low average level of family income and have to spend more than 25% of their income to pay a rent at market price.

Cost of rent/family income of home by neighbourhood (%)
(Average 2014- 2015)



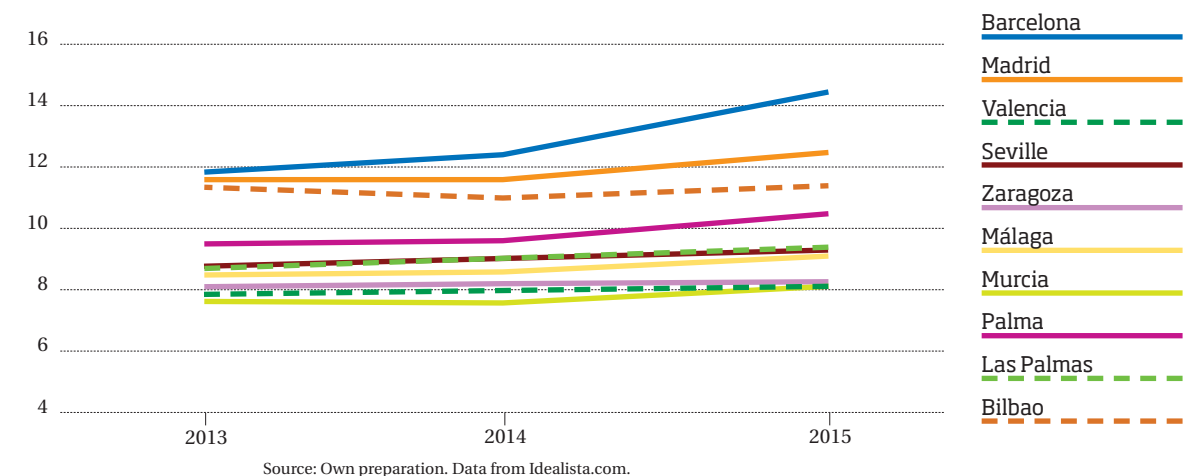
5. Family income is available as Real Household Disposable Income, see <http://barcelonaeconomia.bcn.cat/>, Technical Programming Office, Barcelona City Council.

5. Rent in Barcelona in the context of the large Spanish cities

5.1. Level of rent prices and recent evolution

The latest data available⁶ for the ten largest Spanish cities in terms of population contextualise the increases in rent prices in Barcelona. The charts below show how Barcelona has been situated above all of the other large Spanish cities over the past three years. Furthermore, as they are large increases, the gap between Barcelona and the rest of the cities has widened. Among other differentiating factors, the city's enormous tourist attraction has driven up prices.

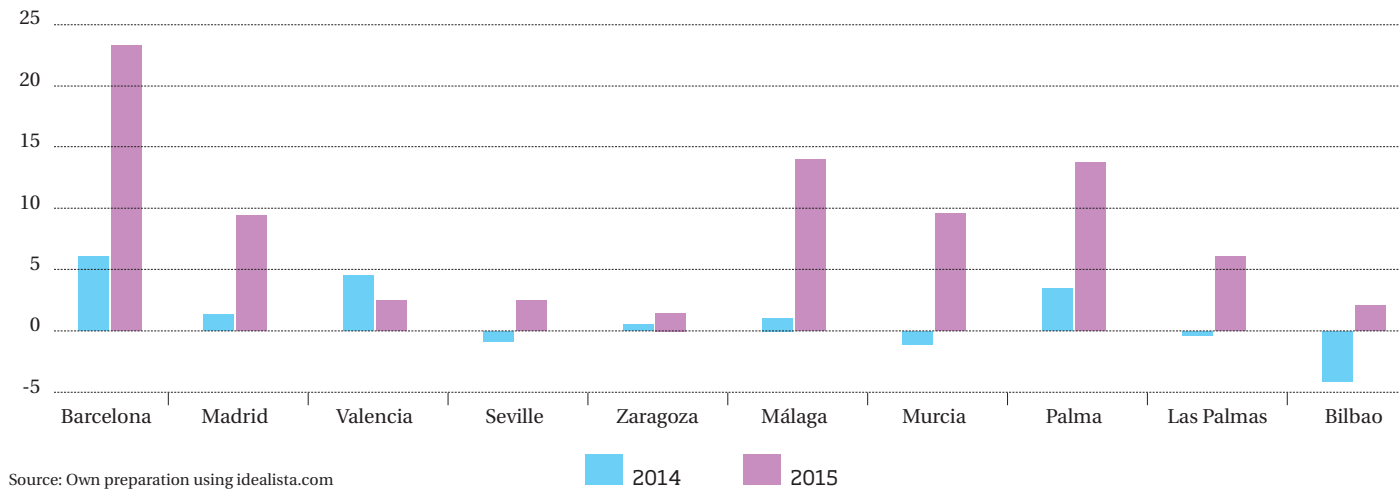
OF THE 10 LARGEST CITIES IN SPAIN, BARCELONA IS WHERE RENTAL PRICES ARE HIGHEST AND HAVE RISEN THE MOST OVER THE LAST YEAR.



6. Data from Idealista.com.

))) 80))))

Evolution of rent price (%)

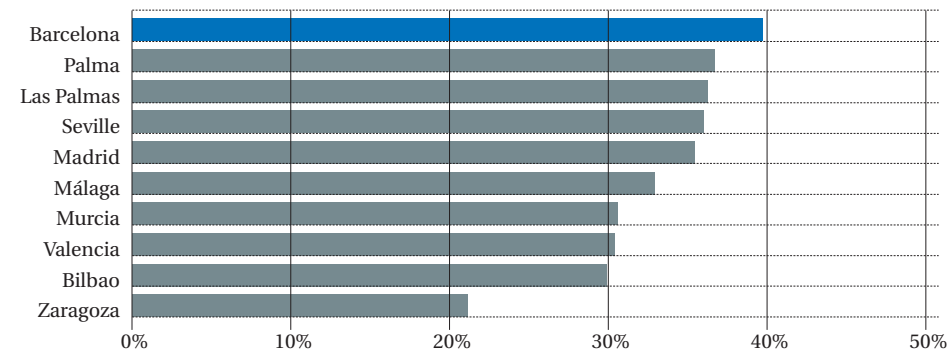


Source: Own preparation using idealista.com

5.2. Rent in relation to income: Barcelona vs large Spanish cities

As we saw in section 4, crossing the data of rent with income by different areas allows a comparative approach to the cost of rent. With homogeneous data⁷ for the large Spanish cities, Barcelona tops the list of cities in which citizens have to spend the largest proportion of their income on rent.

Cost of rent/income of home (2014, %)



Source: Own preparation using data from the National Statistics Institute and Idealista.

7. The price data was taken from Idealista and the income data from the National Statistics Institute Survey on Living Conditions.

Artist's impression of the development for 49 dwellings for the elderly and 15 lodgings at Carrer Ali Bei, 201. PMHB.





Ajuntament
de Barcelona