



Questions d'Habitatge

20

NOVEMBER 2016

**Housing policies
compared**

Version in English

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



Índex

Qüestions d'Habitatge Issue 20. November 2016

Collection
Qüestions d'Habitatge

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Edition:
Barcelona City Council
Municipal Housing Board

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Editorial production:
Directorate of Image and Editorial Services
ISSN 2462-4152
Legal Deposit: B-4847/99

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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.

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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.

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

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-

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

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

The Catalan and State authorities need to consider adopting systems to control and ensure balance in the private rental sector.



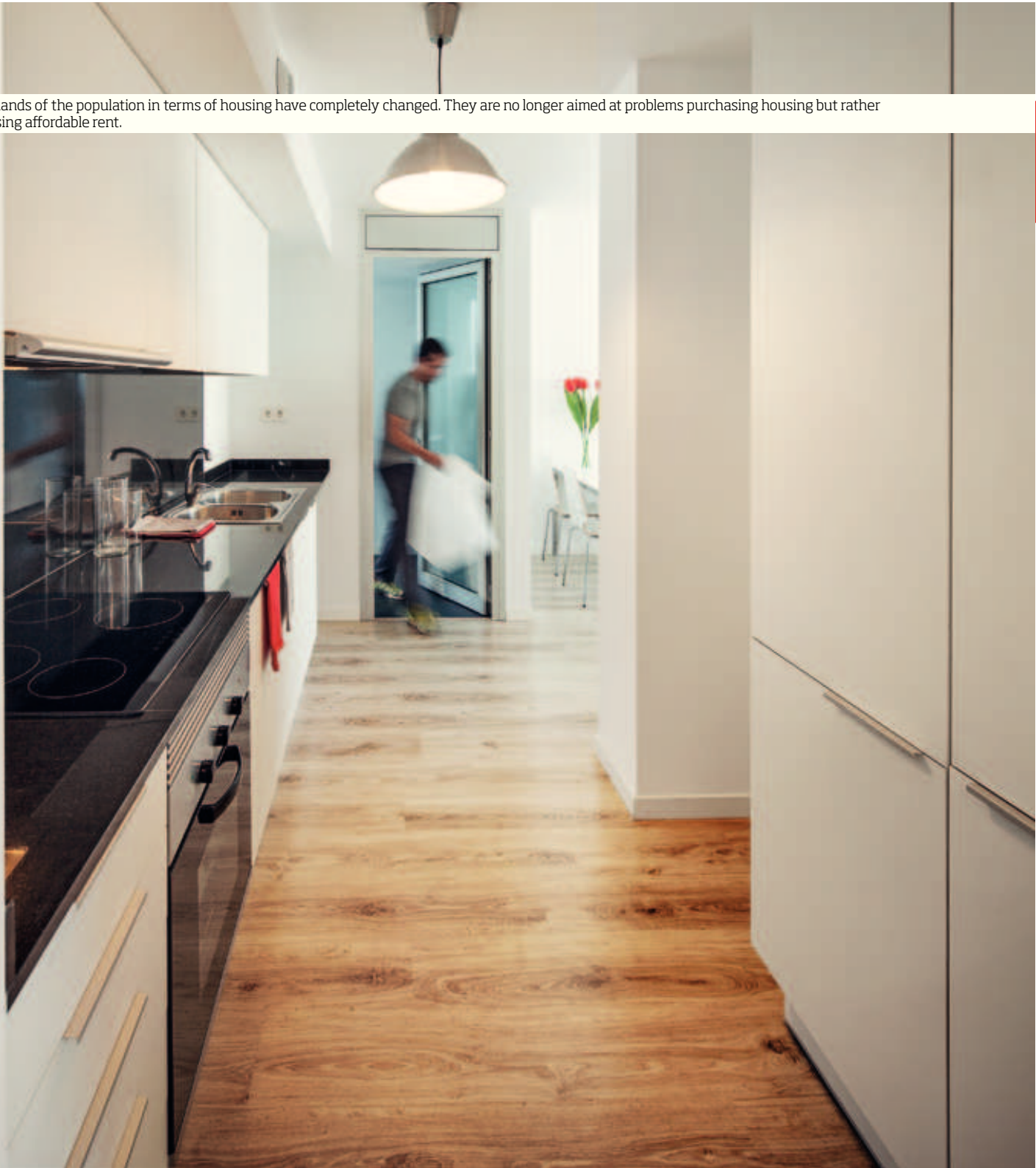
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needs and above all create rules that allow for a thriving social economy market. That is, a market (which alone is unable to successfully manage this matter), a society and a state that, in housing, knows how to live with balance and the weighing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



Angels 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.

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 the development of housing with official protection.

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 urbanisation

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.

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.

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.

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 sectorred. 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.

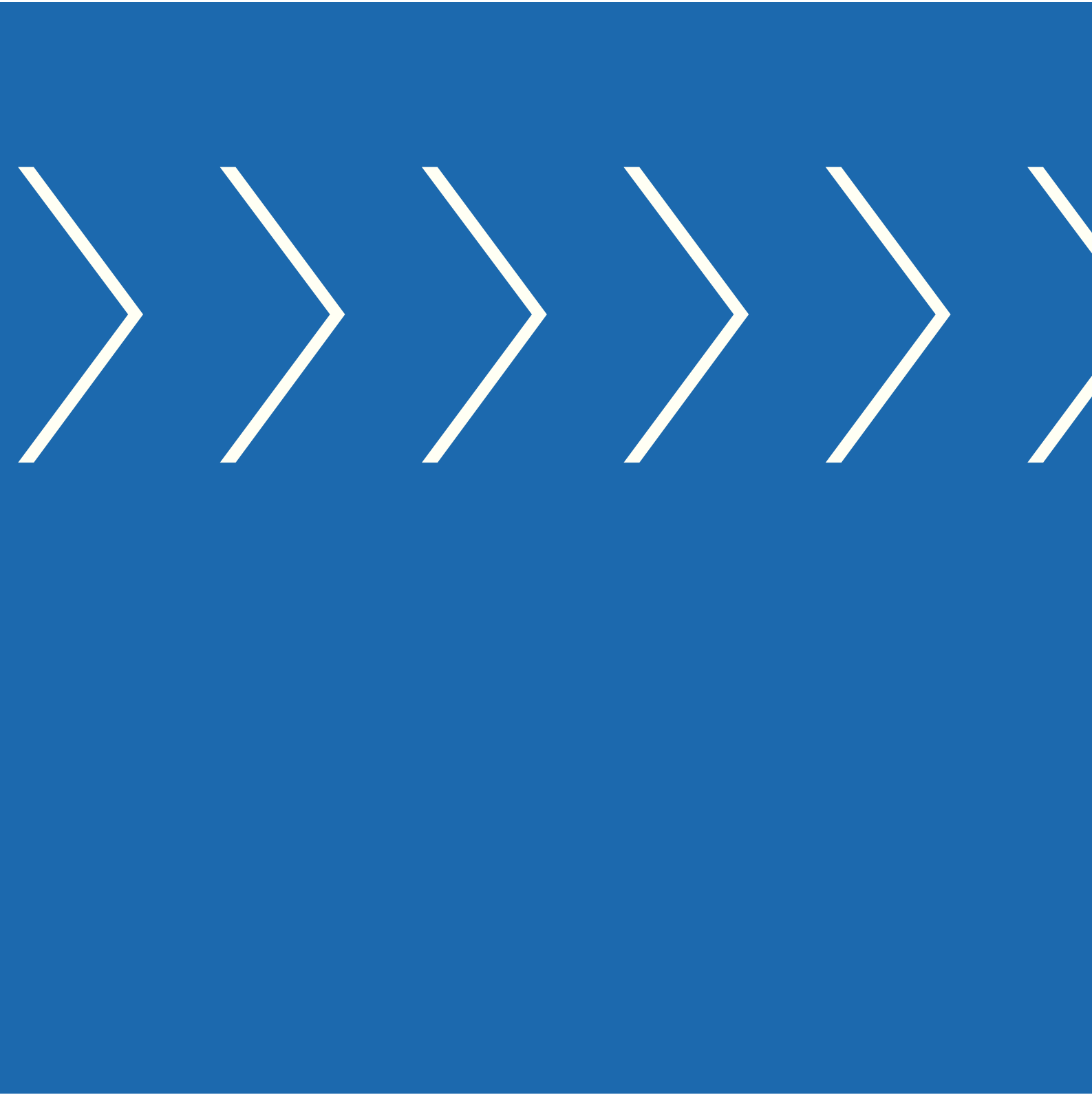
Having reached this point, we can see that we have reached a fifth phase, in which a major transformation is under way of the model and system to be adapted to the new circumstances and current demands of society regarding housing. We must, however, think about developing new policies that facilitate 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.

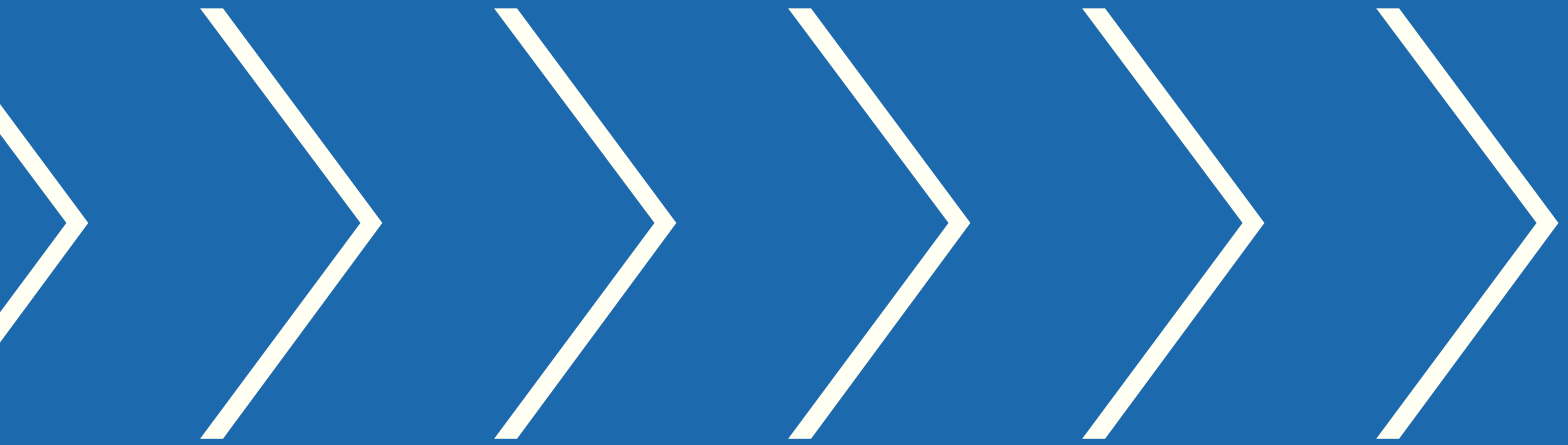
Barcelona has advanced in one aspect that we consider to be very important: adopting a stable municipal assistance system for rent payment for users of the public areas managed by the PMHB. This assistance is structured around two agreements signed with the Department of Social Rights of the City Council: 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. ☺

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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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Housing policies

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





01

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 being 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 Ghekierre
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



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 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



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

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 Luxemburg 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 Luxemburg, 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. Luxemburg 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

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

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, Luxemburg, 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

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).

Refurbishment support

- Subsidies for refurbishing rental stock (20 to 25% of the cost).
- Grants for adjusting houses to meet the needs of elderly and disabled citizens.
- Grants for energy-related renovations, among others.

Local government initiative

- Broad jurisdiction in housing matters. Composes the Housing Plan in conjunction with the central government. Control and evaluation.
 - Controls Publish Housing Offices (PHO).
 - Manages allocations and provides land for social housing.
 - Supervises housing organisations.
 - Manages and assigns public grants for the construction and purchase of housing.
- Annually evaluates the maximum price for social rental established by the central government.

HLM produces and manages 89% of France's public housing stock and 50% of Paris'.

BOGOTÁ, COLOMBIA

Goal	To provide affordable housing ownership. Proportional to family income. Ranges from 70 minimum wages for VIP and 135 minimum wages for VIS.		
Operational time frame	There exists a tradition of social housing ownership.		
Social housing percentage	Free market rental	45%	Free market property
Rental price (social and regulated free market)	Does not exist, it is totally free		
Net family income	€1,200 per 4-member family (DANE)		
Housing expenses	25% of income		

Housing provision

- Metrovivienda - State owned company.
- There is a public land bank comprised of allocations originating from real estate development, managed via urban planning tools.
- Housing initiatives are carried out by the Urban Renovation Corporation (ERU) and Metrovivienda.
- The District Chair for Habitat or the Popular Housing Stock for the purchasing and improvement of housing.
- There are state-sponsored statistical sources providing data on social housing. Other well-established sources from the construction guild and several universities. Opening prices for the first transaction are regulated.

Finance programmes

Grants for production	From the central government or local authorities.
Housing access grants	From the central government or local authorities.
Refurbishment support	From the central government or local authorities.

Local government initiative

The municipal government has ample jurisdiction in housing matters. Composes the housing plan in association with the central government. Finances and defines projects, promotes housing projects, contracts their construction and supervises their execution.

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 / m ²	€ 14,100	30%
2 member family	€ 409	€ 5.85 / m ²	€ 27,300	30%
3 member family	€ 472	€ 5.91 / m ²	€ 31,500	30%
4 member family	€ 531	€ 5.90 / m ²	€ 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.

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.			
	Income groups	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

- 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.

6.3.2. Mechanisms for management of the social housing inventory: creation of housing associations

Amsterdam

The case of Amsterdam illustrates an example of good practice in the creation and solvency of housing associations that assume full responsibility for the provision and management of social housing. These are non-profit entities that assume the delegated function of providing social housing to the municipality, which have been strengthened and renewed with modern management systems. Over time they have disassociated themselves from dependence on state subsidies through a process that began in the 90s when a progressive decline of the public rental system began, coinciding with a change of government.

Today these associations have full financial autonomy and are governed by non-profit principles, separate from the organisation's own benefit. They have as their main objective the welfare of citizens, promoting social cohesion, employment and social inclusion of the neighbouring people. However, today these organisations are beginning to compete with for-profit organisations and this has begun to threaten or compromise their social function.

The uniqueness of Amsterdam is the provision of land by the municipality, which owns 80%⁶, and which requires costly management in its creation and maintenance. This implies a continued link between buildings' users and the administration through the system of leaseholds on the land, which is fixed at 50 years and is renewable.

With this link, the city administration acquires control of the management of how the constructed stock is used since occupants have an annual payment obligation that reverts or transfers when they

The uniqueness of Amsterdam is the provision of land by the municipality, of which it is owner of 80%, and which requires costly administration in its creation and maintenance.

leave the property. The important dynamic of over 425 housing associations gives them outstanding weight in their field because they handle a housing stock of 191,300 homes. Given the size, they have had to apply innovative mechanisms and efficient management in the exercise of their responsibilities.

An example is the set of management tools that through an automated system for registration and allocation of housing ensure maximum objectivity in the allocation to the applicants. In addition, the management of rental contracts and the continuous monitoring of amounts paid, unpaid and deadlines, which provides daily monitoring of the housing inventory. Their technical capacity enables assessment of housing and proposing the sale value of leased properties to their tenants and other housing applicants.

Management extends to the allocation of housing assistance (Social Support Act) to accommodate the elderly and people with disabilities. These cases require cooperation with civil organisations dedicated to the care of the elderly or those requiring assistance. It also manages and organises neighbourhood carers and managers who are charged with watching out for the neighbourhood common area and managing complaints received by the Association's Complaints Committee and responding to the Rent Commission (Huurcommissies) in the area.

They play an effective role in keeping housing and its surroundings in good condition and to achieve this they use service providers (building maintenance, lift, cleaning and small repairs in electricity, water, etc.) who do their work at mutually agreed prices. The quality of life in a neighbourhood is considered essential to prevent crime. Likewise, they manage cleaning, help organise events and other activities and provide funding for playgrounds and sports. Building schools and community centres further strengthens the quality of life in a neighbourhood.

Housing associations in Amsterdam are also a useful tool when negotiating services complementary to

6. http://www.amsterdam.nl/gemeente/organisaties/organisaties/wzs/wonen/woonbeleid-onderzoek/woonvisie-amsterdam/woonvisie-wonen/ http://www.amsterdam.nl/wonen-leefomgeving/erfpacht-uitgifte/erfpacht/.

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

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.

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



Source: http://www.sgto.org.uk/wp_sgto/.

6.3.4. Planning instruments for generating social housing

Bogotá

The provision of public land suitable for social housing is a critical issue. Spanish and Catalan urban regulation, as well as the Colombian system, which is similar to the Spanish one, address the urban tools necessary to create reserves of land for social housing. The following example shows how the systematic application of planning instruments, along with coordination with government housing officials, has helped to illustrate the necessary shared responsibility in the generation of land and housing for the most vulnerable populations.

The case of Bogotá is an example of good practice that should be highlighted. For 15 years it has led the consolidation of a public land bank through the

For the last 15 years it has led the consolidation of a public land bank thanks to the application of urban instruments.

10. LAW 388 OF 1997. By which Law 9 of 1989 and Law 2 of 1991 were modified, along with other provisions. <http://www.alcaldiaBogotá.gov.co/sisjur/normas/Norma1.jsp?i=339>
11. DISTRICT DECREE 190 OF 2004. District Zoning Plan. <http://www.alcaldiaBogotá.gov.co/sisjur/normas/Norma1.jsp?i=13935>
12. Municipal company promotes the construction and acquisition of social housing <http://www.metrovivienda.gov.co/index.php/2013-04-02-16-45-18>

application of planning instruments established by Law 388 of 1997¹⁰ and the City's Land Use Plan¹¹. It has managed to generate alternatives to traditional public procurement of land for social housing, acting in the land market and reducing the cost of acquisition and development of land. As a direct result, the difference in land acquisition costs between 1990 and 2010 have been reduced by 400% (according to data from Metro vivienda¹²).

The consideration and implementation of the main instruments of urban management which have been implemented in Bogotá to promote and intervene in the market for the generation of social housing are:

- (a). Land reserves and percentages required for social housing:
R Compulsory minimum reserve of 20-30% of useful land for priority social housing (VIP) in any project, whether public or private developer and irrespective of their location in urban residential land or expansion. The developer is required to develop and build the VIP housing (in instalments).
This obligation can be performed on the same project, another project by the developer or a project that the municipality is developing. The development potential and use of the VIP housing does not count in calculations of construction and use indices. This serves to promote the construction of such housing.
When more than 50% of the project is envisaged for priority social housing (VIP), it can fulfil the developer's obligation, including the building of parks and facilities and instead of the transfer of land.

- (b). Construction rights and priority development:
Owners of un-developed land with development potential have two years to complete development or construction with uses permitted by planning. If the deadline passes and at least 50% has not been deve-

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 i ≤ 59%	0.33
≥ 60% ≤ 149%	0.35
≥ 150%	0.37

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

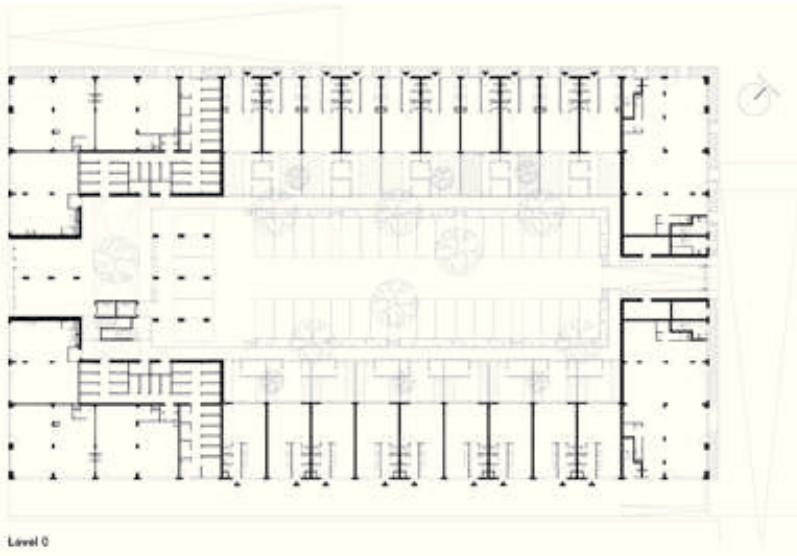
In relation to the rent for social housing, the central government annually establishes the amounts according to the maximum income permitted in order to access such housing.

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.

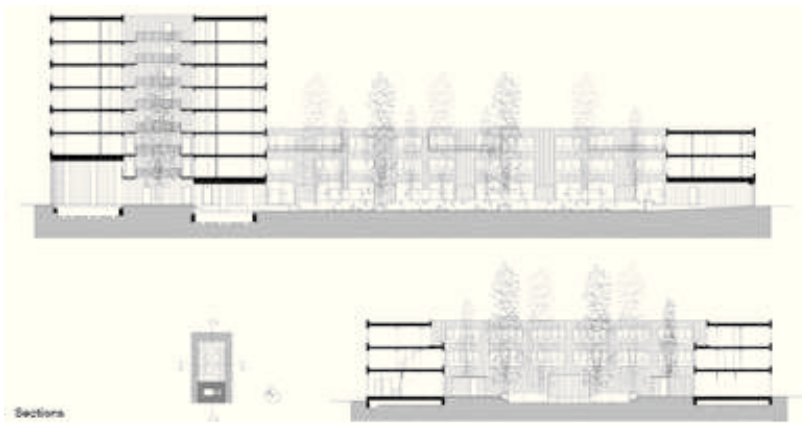
In the case of Berlin and Germany a large percentage of the population is living in rental units (Berlin almost 85% and Germany around 57% of the population), allowing them to act as a block that puts pressure on various governments to adopt and maintain measures to protect tenants. The exact opposite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



Source: <http://en.cie.nl/projects/26>.



Source: <http://en.cie.nl/projects/26>.



Source: <http://en.cie.nl/projects/26>.



Source: VMX Architects - IJBURG 23.

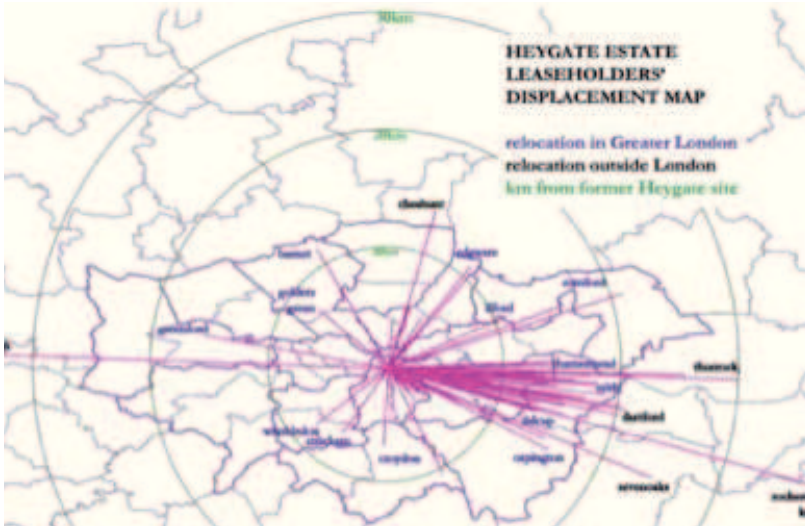


Image 1: map of displacement of residents of Heygate Estate to other areas.
 Source: <https://kennethaweleoakafor.wordpress.com/2015/01/12/2nd-essay-draft/>.



Image 2: Heygate Estate distribution plan.
 Source: Heygate rehousing project report.



Photo 1: Heygate Estate completely empty awaiting demolition, 2014 (Photo: Lenimar Arends).



Photo 2: Heygate Estate completely empty awaiting demolition, 2014 (Photo: Lenimar Arends).

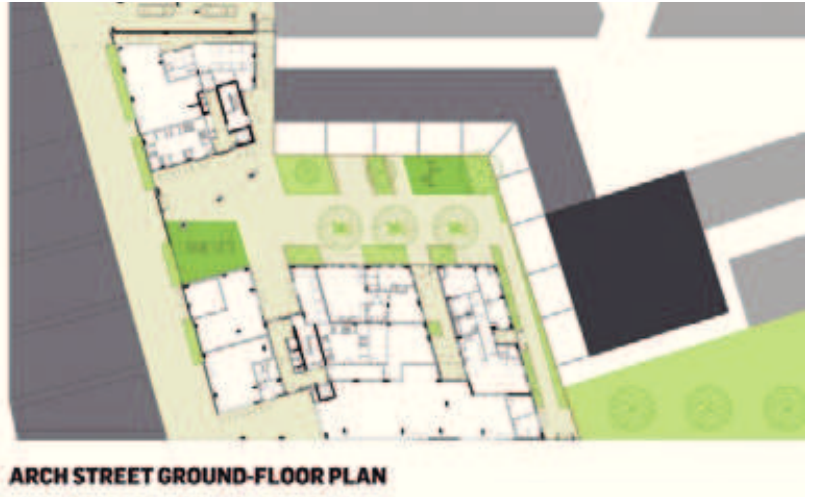
Completed in 2011. Building with business on bottom floor and 52 units of 1, 2 and 3 bedroom housing. 34 units destined for shared ownership and 18 units for social rentals, of which 3 units are occupied by ex-residents of Heygate Estate, according to city council data.



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/5022251.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/5022251.article>

Cantarrana Park Residential Complex²¹ Bogotá

Zone (Location): Usme

Population of Location: 426,176 residents and 102,380 homes (S.Habitat)

Quantitative housing deficit in the zone: 9.3% of households

Number of vip (priority social) and vis (social) housing units: 392 (28 priority social housing units and 364 social housing)

Number of beneficiaries of the project: 392 households and 1,513 people

Total gross area: 13,825 m²

Area useful for development: 7,667 m²

Density of housing per useful hectare: 511

Built area of apartments: 49 m² and 53 m²



The land for this project, consisting of three privately owned plots, in 2008 was declared by the council as “priority development” due to its having development potential but being unimproved by its owners. With the declaration, the owners have a period of two years to plan its development. Due to the owners’ failure to fulfil their obligation after two years the City auctioned the three plots. Two of them were bought by a builder who, according to the rules, had the obligation to build only social housing on the plot. The third plot auctioned, due to not having a buyer, was acquired by the City’s Metrovivienda land bank, as the law required.

Metrovivienda and the builder signed an agreement that allowed that land that had regulatory conditions for urban consolidation but was unbuilt, would be built on, generating 392 social housing flats.

Thus, the three plots that were privately owned were auctioned to generate social housing, were

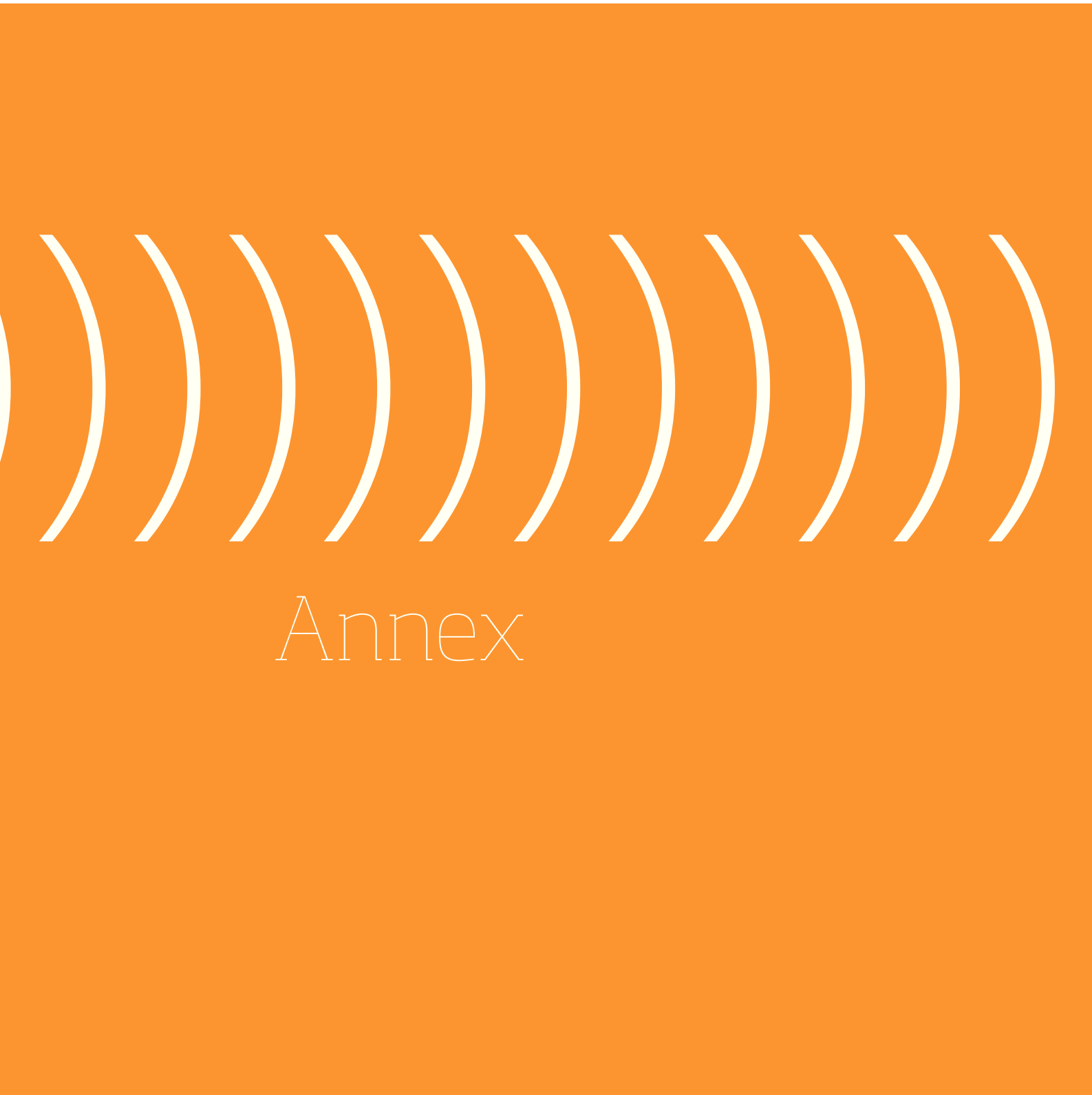


21. Declaration of Prioritised Development and Land Bank Management to generate 392 social housing units in Bogotá.



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



Maria Jesús Calvo
Tehcnical Programming Cabinet, Barcelona City Council.

1. Overview: Barcelona¹

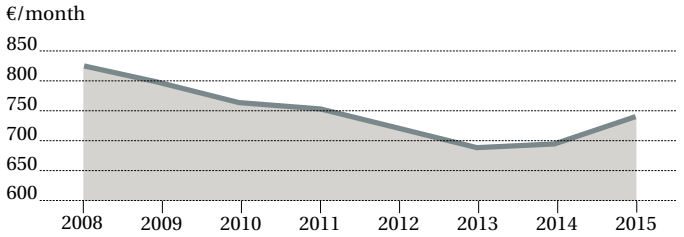
The latest data available² reveal that residential rent prices in Barcelona are on a strong upward trend. While rent prices broke the downward trend of the previous five years in 2014, they rallied hard throughout 2015: the average rent by contract stood at €735/month, which was 6.8% up on 2014. In the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

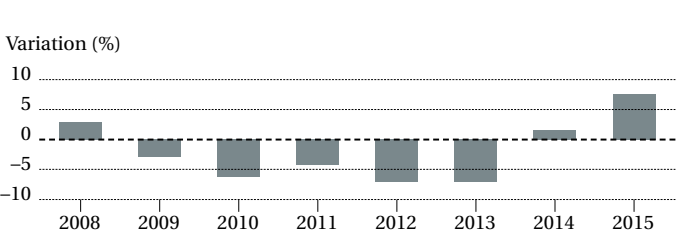
DESPITE THE STRONG DEPRECIATION OF PRICES BETWEEN 2007 AND 2013, THE RISE IN PRICES RECORDED IN 2014 SHARPENED IN 2015.

Average rent in Barcelona (€/month)



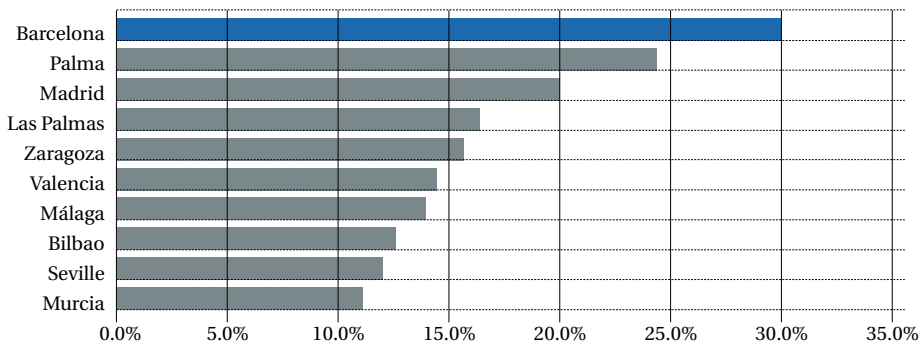
Source: Own preparation based on data from the Secretary of Housing and Urban Development.

Evolution of average rent (€ constant/month)



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%.

Main residences rented (as % of total)



Source: National Statistics Institute, 2011 Population and Housing Census. Own preparation.

With regard to the proportion of affordable rent houses, the percentages in other European cities are also much higher when compared to Barcelona. According to the same study, Amsterdam is one of the cities with the most social rent housing areas, with 48%. It should be said that, in this city, it is possible to build housing as 80% of the land is owned by the municipality. Meanwhile, Berlin has 30.2% social rent houses, London 23% and Paris 17.2%.

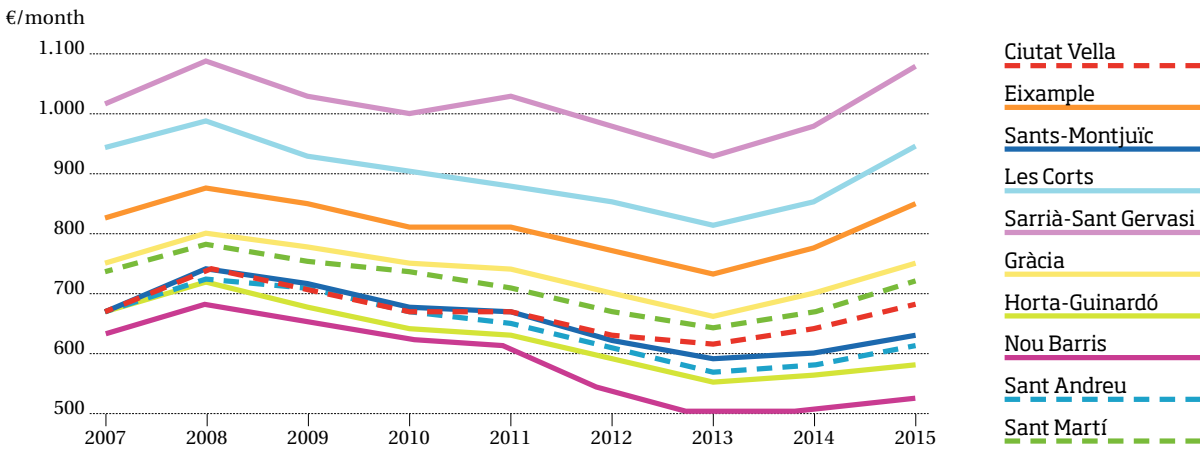
Housing stock

City	Total housing stock	Housing/10,000 inhabitants	Owned housing stock (%)	Rental housing stock on free market (%)	Social rental housing stock (%)
Holand	7,107,000	423.0	58.0%	10.0%	32.0%
Amsterdam	398,565	491.3	28.0%	24.0%	48.0%
Germany	41,183,333	508.0	43.0%	51.0%	6.0%
Berlin	1,883,161	550.3	14.0%	55.7%	30.2%
UK	23,400,000	443.0	66.4%	15.6%	18.0%
London	3,383,030	410.0	57.0%	19.0%	23.0%
France	33,672,308	519.0	57.7%	25.2%	14.6%
Paris	1,356,074	602.7	33.1%	44.3%	17.2%
Spain	25,129,000	544.0	85.0%	11.0%	2.0%
Barcelona	811,106	506.0	66.6%	31.3%	2.0%
USA	132,802,859	416.0	64.9%		
New York	3,088,881	367.5	31.9%	26.3%	41.85% / 12.86%
Colombia				40.0%	Does not exist
Bogotá	2,312,875	297.4			Does not exist

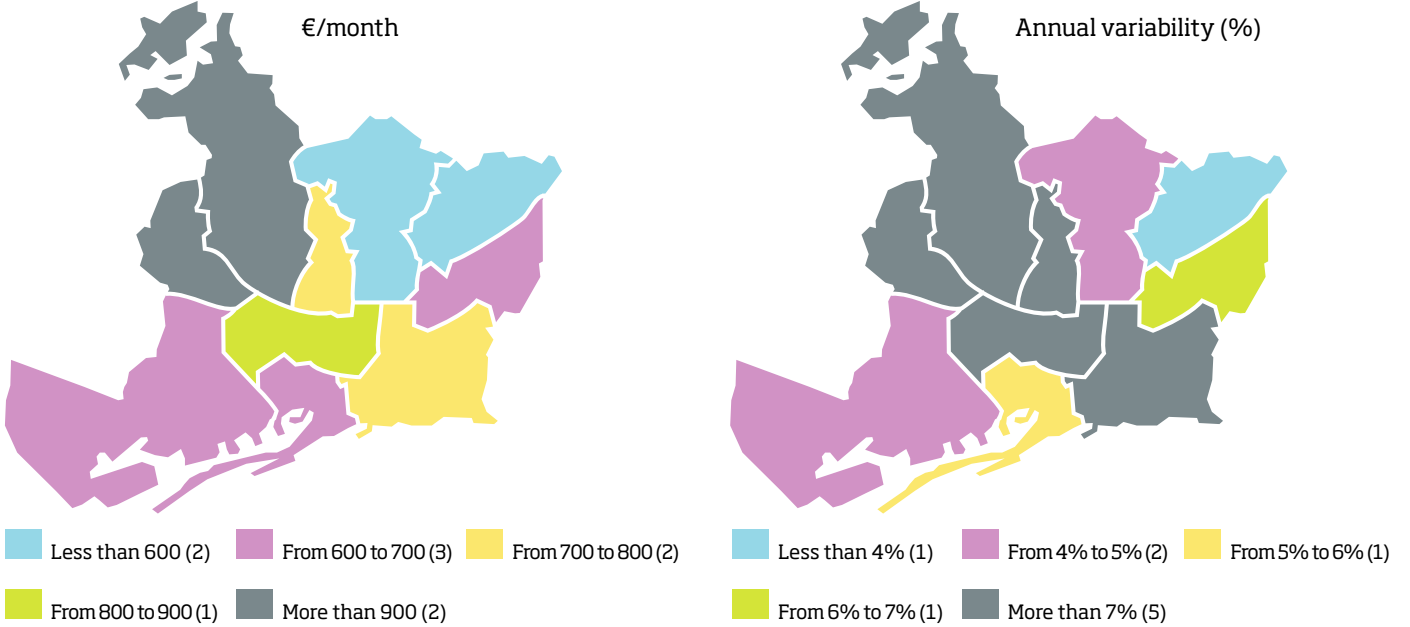
Source: see note 4.

4. Data taken from the study "Models de política d'habitatge municipal. Estudi de referent d'altres ciutats d'àmbit europeu i americà" [Models of municipal housing policy. Reference study of other European and American cities] by Universitat Politècnica de Catalunya (UPC).

Average rent by contract (Districts) (2015)



Average rent of contracts by district (2015)



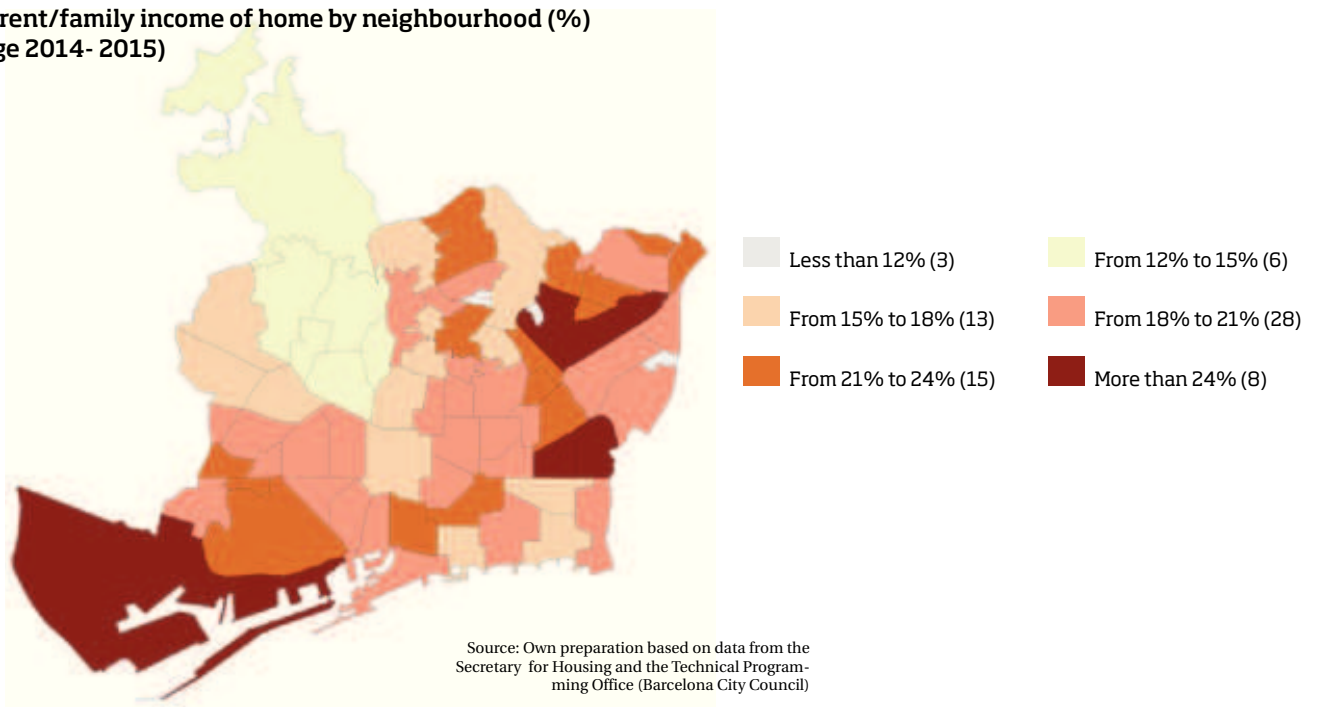
4. Cost of rent in relation to income by neighbourhood

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.

THE BARCELONA RESIDENTS WHO MAKE THE GREATEST ECONOMIC EFFORT TO RENT A HOUSE LIVE IN THE NEIGHBOURHOODS WITH THE LOWEST INCOMES.

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.

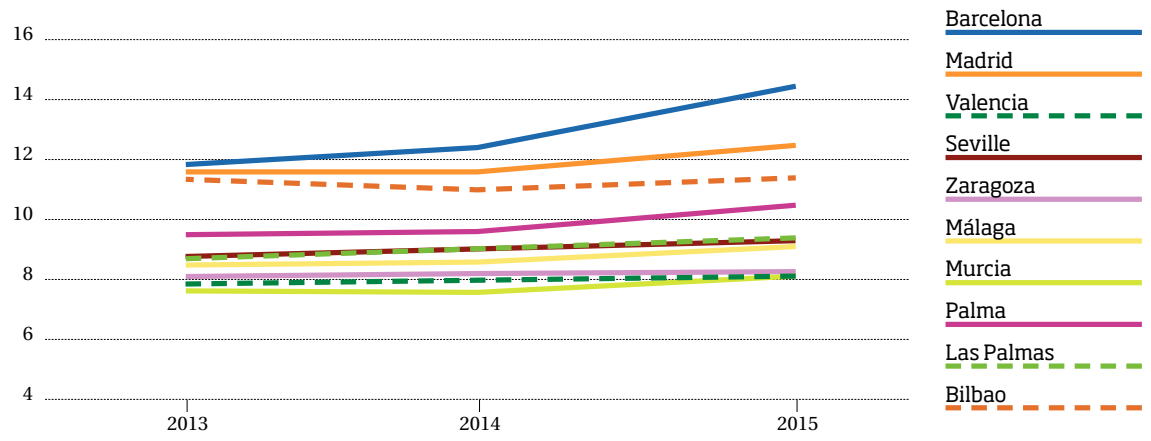
OF THE 10 LARGEST CITIES IN SPAIN, BARCELONA IS WHERE RENTAL PRICES ARE HIGHEST AND HAVE RISEN THE MOST OVER THE LAST YEAR.

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.

Housing rent prices (€/m²/month)



Source: Own preparation. Data from Idealista.com.

6. Data from Idealista.com.

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





Ajuntament
de Barcelona