

14th May 2012

UEPC ROADMAP TOWARDS AFFORDABLE HOUSING POLICIES IN THE EU

We believe that sustainable housing policies are essential components of every democratic social welfare state in the EU.

We believe that the provision of affordable houses is a necessary component of a sustainable housing policy. We define affordable housing as housing that is available for purchase or rent at a market value affordable to the majority of the population in the regional housing market.

We believe that the content of a sustainable housing policy can differ from country to country. Policy can seldom be transplanted directly from one country to another. The outcomes of policies depend not only on the policies or regulations themselves but crucially on each individual country's legal, institutional, cultural and historical background. This is not to say that cultures and systems cannot change - they can do. But adopting policies from elsewhere without understanding why they work in their own countries means they will almost certainly fail in other countries.

We believe that sustainability is about an appropriate scale for the overall housing system. Appropriate scale is a matter of the fundamentals of demand and cost. On the demand side these include demographic change - especially migration and increasingly fragmented families; income distribution and the incentives to save and invest; ... The objective must be to match supply to these diverse and growing demands. But scale is also as much about policy decisions particularly with respect to the fiscal and subsidy environment in which the housing sector operates as well as about history and cultural norms. The objective must be to balance these different pressures to provide adequate incentives and constraints to help ensure that the full range of demands are met, that there is efficiency in production and provision across all housing sectors; and that the necessary regulatory structure meets the challenge of ensuring effective contractual relationships.

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SOCIAL

We believe in the central role of sustainable neighbourhoods and the efficient connection between those neighbourhoods.

We believe that a sustainable neighbourhood is only possible if the housing aspect is a well integrated factor as part of an overall policy.

We believe in a natural social mix, rather than a forced social mix. Scientific research points out that social mix policies are largely ineffective in enhancing the welfare of the poorest urban residents, and in some cases detrimental to the welfare of the urban poor. In fact we believe that any form of planned or policy-led social mix is not self-sustaining. Social mix policies have almost never led to greater social mobility for the urban poor nor to urban social justice.

Therefore, we believe that the policy focus needs to move towards welfare adjustments, not population adjustments. We strongly oppose housing policies including a percentage of so-called "social" housing in new private developments.

We stress that welfare adjustments should be effective and efficient and should not be used as "opium" for the people during their whole life. People should be made aware of the fact that they also have a responsibility to take and that they cannot rely indefinitely on the available welfare adjustments.

We believe that people will continue to think of their homes not just as places to live and be themselves, but also as a financial resource. We believe that home-ownership has more advantages than disadvantages for the citizens and for society as a whole. However, we also believe that consumers should be able to choose between renting or buying a house.

Finally, we believe there is a role for life cycle adapted housing, cooperative and co-housing as an answer to the demographic changes in Europe.

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ENVIRONMENTAL

We believe that every regional housing markets has it's own specific characteristics;

We believe in sustainable environments, but would like to warn public authorities that inefficient and not-cost effective one-size-fits-all environmental measures can seriously endanger the mere concept of sustainability. We therefore believe that every new policy proposition should be presented together with a socio-economic impact assessment report.

We believe that densifying urban neighbourhoods can be a positive policy instrument in different countries and should be promoted.

We also believe that some neighbourhoods - certainly in different metropolitan cities- are already at the top of their capacities for the housing of their inhabitants. We believe that further densifying strategies within those neighbourhoods together with refraining housing strategies in rural and smaller towns could endanger a sustainable living and could also endanger territorial and social cohesion.

In this context we also like to warn public authorities that urban developments which are based on the destruction and total rebuilding of former built-up areas, can decrease the identity, history and diversity of neighbourhoods. In some cases it is wiser to invest in new developments in surrounding rural communities, enabling the city itself to "green".

We believe that different local planning and permit systems and the administrative charges on land development have a major negative effect on the necessary supply of new dwellings in those regional markets where the needs are much higher than the existing offer on the market. We therefore believe that planning and permit systems should serve to facilitate and not to frustrate appropriate new development; We believe that Europe has a role to play in facilitating the benchmarking of different regional planning systems.

We believe that, in the design of housing areas, there should be more attention to the quality of the street.

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ECONOMIC

We believe in the need for re-assessing existing local housing policy measures and financial systems that were implemented decades ago and that nowadays fail to give an effective and efficient answer to the post-industrialized and globalized world with its new demographic and environmental changes and challenges.

We believe in open markets based on a level playing field between public and private developers. We are not against fiscal (environmental) policies that are tenure neutral as long as these policies are also provider neutral.

We believe that the relative tax and subsidy position of the different tenures is fundamental to the nature and successful operation of the private rented sector.

We believe that, in some housing markets, distortion of competition on the rental market between public and non-for profit providers at the one side and private providers at the other side, is one of the reasons for the lack of affordable private rental dwellings.

We believe that the private rented sector does not exist in isolation. Any policy intervention seeking to attract greater investment into the private rented sector needs also to ensure that the overall housing supply is increased offering the double benefit of relieving pressure on the overall housing market and meeting the need for rented housing.

Scientific research clearly identifies the linkage between construction of new high- and standard-quality homes and the affordable stock consisting of lower quality units. The effects of land-use regulation are not limited to raising the price of owner-occupied housing and reducing access to homeownership. They also have a clear negative impact on the most vulnerable.

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We don't believe that promoting home ownership by fiscal incentives is by itself a wrong policy. However, public authorities should guarantee that people who have no means to own an affordable house, are at least able to rent one.

We believe that lowering of taxes, such as VAT on new dwellings (demolition and reconstruction included) would be a very efficient policy measure to stimulate the supply of new dwellings in those regional markets where the needs are much higher than the actual offer.

We are in favour of a decrease of taxes on labour and labour mobility, but we don't agree on achieving this by raising taxes on property. In many EU countries taxes on properties are already very high and have negative effects on the labour mobility within the specific country.

We believe that financial regulation should favour access to credit for long-term investment in affordable housing.

Finally, we also believe in effective and efficient policy measures, that are in essence not fiscal or financial, and that can contribute towards achieving a sustainable housing policy; We believe that lowering the administrative burden on the new built environment would have a very positive effect on the provision of affordable houses. Therefore we urge the public authorities to set up strategic simplification programs, that are inventorying and analysing the different existing regulatory and policy measures affecting the provision and the commercialization of dwellings, in order to abolish and or replace inefficient and ineffective measures. At the same time we urge the public authorities to make sure that every new policy proposition should be presented together with a socio-economic impact assessment report. We believe that Europe has a role to play in facilitating the benchmarking of different regional simplification programs related to housing.

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