

Title of the initiative:

“Housing for All”

Subject of the initiative:

The present initiative is shall call on the European Commission to create better legal and financial framework conditions that enable affordable, public and social housing for all European citizens.

In nearly all regions of Europe, a strong and constant increase in housing costs can be observed. In most of the EU Member States, housing costs rise faster than incomes. The housing markets are noticeably overheated. For more and more people finding affordable, public and social living space near their place of work or study becomes increasingly difficult. They have to live in substandard flats and are confronted with a strain on the housing situation.

Not only people with low income are affected by the lack of affordable, public and social living space; it has become a problem reaching the center of society. The EU counts more than 220 million households and an alarming amount of 82 million European citizens suffer from far too high housing costs. Many people are threatened by forced eviction, which in turn affects the security in rental relationships. This situation jeopardizes the social mix and cohesion in society as well as political stability.

By contrast, the global financial and economic crisis lead to a massive decline in investments in housing. According to EU reports of 2018, Investments in social infrastructure in the EU declined by 20 percent since 2009. The investment gap in terms of affordable, public and social housing is estimated at about 57 billion Euro per year. The fiscal policy requirements of the European single market and EU state aid law restrict cities and municipalities in their efforts to create affordable and public living space. Public investments and investments of non-profit institutions are more necessary than ever, in order to create new affordable, public and social living space and to renew existing facilities.

“Living as a human right” makes it even more important to act; everyone’s right to an adequate standard of living is the prerequisite for participation and involvement in social life. Many European and international agreements recognize this.

- First it was proclaimed in the Universal Declaration of Human Rights of 1948 that housing constitutes an essential part of an adequate standard of living (Article 25 UDHR).
- In the International Covenant for Economic, Social and Cultural Rights of 1966 the international community reaffirmed that everyone has a right to an adequate standard of living for himself and his family, this particularly includes living space (Article 11 ICESCR).
- In the European Social Charter of 1996, the states of Europe obliged themselves to take measures in order to guarantee effective exercise of the right to housing. Therefore, the declared aims are the promotion of access to adequate living space, the prevention and reduction of homelessness as well as the accessibility of the price of housing costs to those without adequate resources (Article 31 ESC)
- In order to combat social exclusion and poverty, the EU recognizes and respects (in its Charter of Fundamental Rights of the European Union) the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources (Article 34 Charter of Fundamental Rights of the European Union).

- According to the Agenda 2030 of the United Nations, which focuses on securing a sustainable economic, social and environmental development, access to adequate, safe and affordable housing and basic supply is to be ensured (Goal 11).
- Finally, in the European Pillar of Social Rights of 2017, access to social housing or housing assistance of good quality shall be provided for those in need, vulnerable people have the right to appropriate assistance and protection against forced eviction and adequate shelter and services shall be provided to the homeless in order to promote their social inclusion (point 19).

It therefore follows that the European Union must establish framework conditions that enable the cities and municipalities to push affordable, public and social housing throughout the European Union. Land is only available to a limited extent and cannot be reproduced. The basis of the European social model is at stake. Therefore, the European citizens' initiative "Housing for All" pursues the following objectives:

Description of objectives:

1. Improving access to subsidized housing in the European Union

Across the EU, more than 82 million people are affected by excessive housing costs, ie they have to pay more than 40% of their disposable income to cover housing costs. It is a problem relevant to the whole society, as it affects almost one in five people in the EU. Due to the high housing costs, more and more people are at the edge of sliding into poverty, as they have relatively too little money to live on, despite fixed income. For these people, however, there is hardly any public funding because financial support is granted only under strict conditions. Given that the overburden of housing costs affects an increasingly large part of society, financial support must reach more people. In order to assure enough affordable, public and social housing possibilities for all of them, it is necessary to facilitate access to subsidized housing.

The legal basis for this proposal is Article 106 para 3 TFEU. Particular consideration should be given to amendment of Decision 2012/21/EU on services of general economic interest; we propose to extend the exemption from the obligation to notify state aid so that it does not remain restricted to social housing but to the provision of affordable housing, to remove the limitation of the target group to "*disadvantaged citizens or socially disadvantaged groups*"; and to allow universal access to affordable, public and social housing. In concrete terms, this requires an adaptation of the wording of recital 11, which so far only refers to the provision of housing for disadvantaged citizens or lower income groups within the population, and of Article 2 para 1 lit c, which only refers to social housing.

2. Public investment in affordable, public and social housing should not be included within the Maastricht deficit criteria

The European rules on avoiding excessive public deficits must be amended. Long-term public investment in affordable, public and social housing shall not be included in the control of public deficits, ie that such investments do not burden the deficit and thus do not contribute to reaching the 3% deficit limit. This particularly applies in terms of granting public housing

promotion loans. In this way, public investment in housing will be facilitated and made more attractive.

Article 126 para 14 TFEU (avoidance of excessive deficits), if necessary, in conjunction with Article 338 TFEU (Union statistics) serves as legal basis for this proposal.

The reference values for compliance with budgetary discipline derive from Article 126 para 2 TFEU and Article 1 of Protocol No 12 (“Deficit Protocol”). Specifically in terms of the concept of deficit, Article 2 of the Deficit Protocol refers to the “fiscal deficit as defined in the European System of Integrated Economic Accounts (ESDP)”. Against this background, an adaptation of Regulation (EC) No 479/2009, which gives concrete form to these provisions, may particularly be considered. In addition, the provisions of the European System of Accounts currently governed by Regulation (EU) No 549/2013 may need to be modified.

3. Facilitated access to funding from European funds for non-profit, public and social housing developers

The interest in sustainable, long-term investments in affordable, public and social housing should be encouraged and made more attractive. Non-profit housing developers who invest their profits in the construction and rehabilitation of housing; public housing developers should therefore be able to obtain funding at particularly favorable conditions via the European Investment Bank.

In particular, Articles 175, 177 and 178 TFEU (economic, social and territorial cohesion) as well as Article 164 (European Social Fund) serve as legal bases. Favorable funding conditions can predominantly be achieved by amendment of Regulation (EU) No 1017/2015 European Fund for Strategic Investments (EFSI). By providing risk-taking capacity to the European Investment Bank, the EFSI promotes certain investments in order to meet high investment needs or market failures. According to Recital 13, projects of common interest are supported in the areas of urban and rural development and social affairs. The catalogue in Article 9 para 2, which lists “*social infrastructures, social and solidarity economy*” in lit g, could therefore be extended, for example, to the areas of “*housing*” and “*affordable, public and social housing*”. Alternatively, the conditions for financial support under the European Structural and Investment Funds (ESI Funds) can be improved. In this context, Regulation (EU) No 1304/2013 on the European Social Fund (ESF) is particularly to be considered.

4. Adoption of a uniform regulatory framework at the European level for short-term rental of private dwellings, ensuring a sufficient supply of affordable, public and social housing.

Regulatory requirements for short-term rental of private residential space differ significantly between the Member States of the European Union. It is therefore necessary to establish a uniform regulatory framework at the European level in order to reduce the distortions of competition. The existing EU rules are not sufficient to remedy the current situation. The effective fight against social exclusion and discrimination as well as the promotion of social justice and protection (see Article 3 TEU and Article 9 TFEU) require the provision of sufficient affordable, public and social housing within a harmonized framework of relevant legislation. Short-term rental, which usually involves entire apartments, is generally more

lucrative for landlords than long-term leases. This results in higher prices being charged for regular rentals and, at the same time, less housing being available for long-term rentals, which in turn leads to an increase in prices. Long-term tenants are thus threatened with expulsion from their homes and face considerable difficulties in finding housing.

Article 114 TFEU (internal market competence) constitutes an appropriate legal basis for the regulation of short-term rentals, possibly in conjunction with Articles 62, 53 para 1 TFEU (freedom to provide services). In particular, the adoption of a new Directive could be a promising measure to implement this proposal. Insofar as an increase in the cost of short-term rentals via taxes is considered to ensure a sufficient supply of housing, Article 113 and/or Article 115 TFEU would constitute a suitable legal basis, depending on the nature of the tax (indirect/direct).

5. Inclusion of standardized data on the housing situation in Europe into the European Statistical Program.

The aim of this measure is to record, evaluate and compare housing conditions at municipal, national and international levels in a standardized way in order to illustrate housing needs regionally as well as timely. On this basis, undesirable developments can be identified and appropriate measures can be taken to improve the housing situation. As things stand at present, only statistics on housing costs are drawn up at the European level, whereas the housing situation is not recorded statistically.

The legal basis for this proposal is in particular Article 338 TFEU (Union statistics). It can either be considered to amend Regulation (EU) No 99/2013 (as amended by Regulation (EU) No 1951/2017), the Commission's current legislative proposal of 7 June 2018 (COM(2018) 441 final) – more specifically the Regulation that is likely to be adopted on this basis – or the adoption of a separate Regulation.