

# Preamble “Housing for All”

Our preamble is a common ground of all groups engaging in the European Citizen Initiative “**Housing for All**”. In the first part, we declare our demands for our European Citizen Initiative. In the second part is our legal text.

## Who we are

We are a network of non-profit, civil society and impartial organisations. As members and organisations of the “**Housing for All**” initiative, we are united by a common understanding of solidarity, equality, respect and democracy in our dealings with one another. We set boundaries and clear boundaries to groups that do not respect these values. In all our actions, one central goal is to make affordable, public and social housing possible for all people within the European Union.

With the help of the European Citizens' Initiative “**Housing for All**”, we want to call on the European legislator to improve the framework conditions for affordable, public and social housing in the European Union. Together we want to make housing accessible for all European citizens!

## Our self-conception

As members and supporting organisations of the “**Housing for All**” initiative, we are united by a common understanding of solidarity, equality, respect, anti-racism, non-discrimination, feminism and democracy. Our actions are based on civil rights and the principles of the rule of law, with the aim of making decent affordable, public and social housing possible for all people in the European Union. We clearly distinguish ourselves from groups that do not respect these values.

## Our concern

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**Housing is a human right! It is the basis for participation in social coexistence, for individual development and for a sustainable civil society!** The right to adequate housing is enshrined in human rights and social charters:

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- Article 25 of the 1948 **Universal Declaration of Human Rights**
- Article 11 of the 1966 **International Covenant on Economic, Social and Cultural Rights**
- Most recently, the international community agreed upon sustainable development under the agenda 2030. In the „**Sustainable Development Goal**“ (SDG) **11**, it is specified that access to appropriate, safe and affordable housing, as well as to primary care, must be guaranteed to everyone until 2030
- HABITAT AGENDA, paragraph 8 & New Urban Agenda, paragraph 31: Governments reaffirm their commitment to the full and progressive realisation of the right to decent housing as provided for in international frameworks
- At European level, mechanisms ensure that the rights of European citizens are and remain respected. Thus, the European pillar of social rights is based on 20 principles, which are classified in three categories: *Equal opportunities and access to the labour market, fair working conditions, social protection and social inclusion*. Principle 19 lays down that vulnerable persons must be given access to social quality housing in order to promote social inclusion and to protection against evictions

In recent years, the supply of housing has deteriorated in many Member States of the European Union. Solving the housing problems is **primarily the responsibility of the individual Member States**. However, there are some important policy areas at EU-level that touch and influence affordable, public and social housing issues.

## The current housing situation in Europe

There are various hindering factors on the national and European level preventing sufficient offer of affordable, public and social housing. Meanwhile, **82 million Europeans face overburdening housing costs**, i.e. they have to spend more than 40 per cent of their disposable income on housing and energy<sup>1</sup>. More and more people are forced to leave the increasingly expensive housing areas and move to affordable regions. This entails that the daily journey to work or training facilities becomes longer and more expensive. The unacceptable housing situation affects all circles of society. Groups of people who keep the city running, can no longer afford to live in the city. Due to the lack of affordable, public and social housing solutions, it is difficult to start a common project of life; young people are staying longer and longer in their parents' households<sup>2</sup>.

Stagnating pensions lead to a strongly growing proportion of citizens affected by old-age poverty. The number of homeless people in Europe's cities is steadily increasing. The tens of thousands of evictions - with no affordable, public and social housing alternative - that many EU Citizens are facing, is unacceptable. Due to rising housing costs, people have less money left for things of everyday life and this affects the economy. Furthermore, short-term rentals via platforms such as Airbnb reduce the housing stock. As a result, rents are rising and products of the daily requirement such as food and heating are increasing in price. This leads to the displacement of the local population. The current situation jeopardizes the social mix in cities, social cohesion and political stability. The basis of the European social model is at stake!

The housing issue has been left to the "market" far too long and the market has failed! Since the financial crisis of 2008, less and less investments have been made in affordable, public and social housing. The investment gap in this domain in Europe has grown to 57 billion euros per year (!)<sup>3</sup>. Due to EU and States regulations, homes have been financialized and are just a commodity to speculate with. The financial policy requirements of the European internal market and European Union state aid law are restricting cities and municipalities far too much in their efforts to create affordable, public and social housing.

The appropriate solution to this problem will be different for each Member State. However, the restrictions on the housing market invoke that the idea of an economic and social union cannot be realised because people cannot settle where they work.

Immediate interventions are necessary in order to develop affordable, public and social living space!

## What we want

It has been shown that the market is not able to guarantee affordable, public, social and accessible housing for all people in Europe. Therefore, the Member States must set appropriate incentive measures. These measures vary greatly depending on national systems and current developments.

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[https://ec.europa.eu/futurium/en/system/files/ged/consultation\\_paper\\_of\\_housing\\_partnership\\_for\\_public\\_feedback\\_in\\_summer\\_2018\\_final.pdf](https://ec.europa.eu/futurium/en/system/files/ged/consultation_paper_of_housing_partnership_for_public_feedback_in_summer_2018_final.pdf) , access on January 7th 2019

<sup>2</sup> [https://ec.europa.eu/eurostat/en/web/products-datasets/-/ILC\\_LVPS08](https://ec.europa.eu/eurostat/en/web/products-datasets/-/ILC_LVPS08) , access on January 7th 2019

<sup>3</sup> [https://ec.europa.eu/info/sites/info/files/economy-finance/dp074\\_en.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/dp074_en.pdf) , access on January 7th 2019

The European Union has a role to play in improving the framework conditions for tackling affordable, public and social housing problems. In particular, this includes facilitating competition law, including the right of member states to determine the target groups for housing subsidies themselves without restrictions for broad groups of society. Public investment in housing should not be hampered by restrictions on public budgets. Short-term rentals must not compete with affordable, public and social housing. And European funds must increasingly be used for affordable, public and social housing investments.

Therefore, the European Union must create the framework conditions that enable cities and municipalities and all administrations to promote affordable, public and social housing throughout the European Union. The housing market has been left to the profit-oriented domain for far too long.

Affordable, public and social housing must be defined in such a way that no more than **25-30% of disposable household income** is spent on housing. This definition includes *the total housing costs (including supplies, taxes and any other cost related to housing)*. Affordable, public and social housing must be available to all people.

The safety for tenants has to be protected. People must be better protected from eviction and financial investors. Better access to housing loans must also be guaranteed.

Re-positioning of living space within the framework of urban policy must be promoted more strongly. Housing needs to be more closely linked to urban planning, mobility and public transport. Housing is one of the pillars of the Right to the communities. Ultimately, living space defines the urban shape of the city and the competitiveness of the city is influenced by the affordability and diversity of living space.

## What we do

With our European Citizens' Initiative, we want to call on the European legislator to improve the framework conditions for "affordable, public and social housing". In order to achieve more than 1,000,000 declarations of support, it is important that many organisations and people spread our citizens' initiative demands across Europe. We invite all civil society organisations to become part of the network "**Housing for All**"; and actively participate in collecting signatures and organising a broad public debate on this issue.

## National claims and distinctions

There are many different housing systems and structures in Europe and housing policy varies considerably from member state to member state. "Public housing"; "social housing"; "affordable housing" means something different depending on the country and context. Below is an overview of the understanding of these terms in the respective countries.

Austria

Belgium

Bulgaria

Croatia:

Cyprus

**Czech Republic** (from Nisan Jazairi and extract from <http://www.czech.cz/en/Noticias/State-to-make-major-investment-in-rental-flats>): In the last 29 years (post-communist) our cities privatised nearly

all public affordable housing property. Also, many housing co-operatives allow their members to buy dwellings in which they lived. Now there is a real housing crisis. Especially in big cities, the price of living compared to income are unbearable. In Prague, an average family spends 60 % on living. The availability of housing in the Czech Republic is the worst in Europe, with a new flat amounting to 11.3 multiple of an average annual income, suggests a study carried out by the international consultancy Deloitte in 14 European countries. Last year, Czechs needed 10.9 times of an average annual income to buy a new 70 m2 flat. Across the Czech Republic, the average house or flat ran 2.162 EUR (nearly 56,000 CZK) per square meter in 2017. (Prague nearly 100,000CZK). That's an 8.4% increase over the previous year, and third highest among the 12 countries analyzed (Germany saw a 9.6% increases in housing costs, and Poland 9%). The demand and prices on the Czech residential market are growing mainly because of the lack of new flats on the market, the mortgage regulation introduced by the Czech National Bank, long approval processes, high taxation and the sentiment of buyers. At the same time, the offer of new flats is very unlikely to increase especially in large cities.

Now the government has come out with one possible solution – a programme of major investment in state apartments that would be rented out by municipalities. In co-operation with the Association of Cities, Towns and Municipalities, Ministry for Regional Development has drafted a new social housing scheme under which the state would provide local councils with around CZK 2 billion (ca.80 mil. EUR) a year for the construction and renovation of rental housing. One-fifth of the properties should go to the socially disadvantaged, who would receive 100 per cent state subsidised housing. Other recipients would include, for instance, single mothers or people in professions municipalities require, such as teachers. Some housing developers report that it can take up to a decade for a project to be completed in Prague.

Meanwhile, local authorities in the capital, Brno, Ostrava and Plzeň are not waiting for a nationwide solution and are already coming out with their own plans to combat the shortage of properties. Brno has gone furthest in this regard, says Hospodářské noviny. The Moravian capital is seeking to cooperate directly with developers, which it is offering municipal sites. The City of Prague is planning to launch construction of 1,100 apartments off its own bat before the end of 2018. Since 2 weeks ago we have new and very progressive leadership of municipality Prague.

Denmark

Estonia

Finland

France

Germany

**Greece** (from Evangelia Kekeleki): In Greece, 34,8 % of the population was at risk of poverty in 2017, according to Eurostat. This means that many people cannot afford housing. The state subsidises the rent of poor households with 70-210 euro per month. The amount depends on the number of people living in the same house. Those who benefit should comply with income criteria that vary according to the number of adults living together and the number of children. On the other hand, Greek citizens face problems with overindebtedness which leads to confiscation of their homes.

Hungary

Ireland

**Italy** (from Luca Astorri): In Italy affordable housing is often associated with poverty and investment scarcity in terms of the quality of the accommodation or house. This is directly related to the state housing programme of the 1960s and 1970s, which is very outdated and insufficient for today's standard of living due to a lack of investment. Families who live in state public housing often spend their entire lives in such housing. This prevents development in the housing system and the community. In the course of the migration movement in 2015, the bad housing situation even aggravated and state accommodations lead to ever greater discrimination. All this results in isolation and "ghettoization".

Latvia

Lithuania

Luxembourg

**Malta:** The **number 1 problem** is Malta's size and population density. A completely 'free' housing market cannot work in Malta because the demand of prospective tenants is infinite whilst the supply is always going to be finite. This hasn't stopped speculators - with the blessing of the politicians - from acquiring prime estate to build luxury apartments for the very wealthy. This has in turn resulted in a large proportion of Maltese residents having their quality of life reduced because of the noise, dust and associated health problems. There is no masterplan, no long term vision that informs the approval of building works. Malta is the most densely populated and most built up EU member state – it was this even before it joined the EU in 2004. Since then the population has increased and is set to do so even more. Both major political parties tell us that the only way for Malta to increase our population because this is the only way we can guarantee pensions and / or our economy. The Individual Investor Programme also doesn't help, with individuals wealthy enough to buy Maltese citizenship choosing to rent a property to fulfil the residence criteria for the scheme. Malta's infrastructure is simply not fit for purpose for the current population, let alone an increase in population. Our hospitals, housing, clinics, schools, transport system, roads etc are overextended.

The **number 2 problem** is the complete lack of regulation of the rental market. The history of the Maltese rental market is troubled. For decades landlords were unfairly treated by successive Maltese administrations. This persists even today with the ECtHR ruling against Malta and in favour of landlords who have had their rents fixed at ridiculous rents (200 euro per year, instead of market rates of about 700 euro per month) for decades. This has unfortunately resulted in some wariness of landlords and a revulsion of landlords towards any notion of even rent stabilisation. So we have a situation where we have had a complete swing from a landlord-unfair rental market to a tenant-unfair rental market. This has increasingly been the case from 1995, which is when the private rental market was completely liberalized. The current administration closed a consultation on a white paper on the rental market in November 2018. This proposal for rent regulation was thorough with the many different stakeholders consulted and with regard given to this troubled history. The current situation is that the law that currently underpins renting in Malta is inadequate to provide protection to both landlords and tenants. Even so, landlords and tenants are completely uninformed of their rights and responsibilities under the current law. The proposed new law will go some way to improving the regulation of the Maltese rental market in terms of deposits, a register of contracts, standard of property, a specially designated agency, a mediation service, statutory minimum contractual duration, more efficient court hearings... However, no rent control or rent stabilisation measures were included. The only rent stabilisation measure was a suggestion of a longer statutory minimum contractual duration of say, 3 years. This proposal, unfortunately, is under pressure from the landlord lobby who want the status quo to continue and to therefore be able to put the rent up by however much they want at the end of the contractual period, which is usually 1 year.

Homelessness is increasing in Malta as more and more people cannot afford the high rents. Many tenants are paying too large a proportion of their income on rents.

Both Problems 1 and 2 have created a situation where people see the opportunity of earning extra income from rent. Salaries are relatively low in Malta. So why not earn an income from renting equal to that of your salary? This is another factor causing increases in property prices for both the home ownership and the rental market.

The Netherlands

Poland

**Portugal** (from Rita Silva): Portugal has just 2% of social housing and unaffordability is rising as real estate business and financialization of housing is being a major aspect of capital accumulation in the Portuguese economy. When the troika (European Commission, European Central Bank and International Monetary Fund) intervene to lend money to Portugal after the crisis, imposed the total liberalization of the rental market, unprotecting tenants in an unprecedented way. At the same time, investment promotion schemes that only favour real estate speculation were introduced in Portugal: Golden Visas (selling Schengen visas mainly through the purchase of real estate) and tax exemptions for wealthy foreign residents who settle non- permanent residence in Portugal (also through the purchase or rental of a house), as well as the progressive opening and tax exemptions to international investment funds and corporations that operate in the real estate market for profit maximization. These combined measures have made housing prices rise with no stop since 2015, becoming completely unaffordable to those who live and work in Portugal. It is a whole market that has turned to transnational capital. Housing has become an investment, an asset, a way to buy a citizenship or an instrument for tax evasion, as well as a vacation spot. Housing is anything but the essential fundamental good where people live. Evictions are rising as well as the precarity of rental contracts and household overburden rates are on 35%.

### **Spain:**

Spain has undergone more than 550,000 evictions since 2008. More than 2 million people have been thrown into the street without any housing alternative. All these families in any other European country would be leaving in social housing. In Spain, with a 1,5% of public social housing compared to 15% to 20% average of the EU, these people have been forced to occupy empty homes or to find other non-decent housing alternatives.

In this light, the Spanish Government has failed to comply with the United Nations International Covenant on Economic, Social and Cultural Rights. Spain is obliged to adopt measures that provide alternative housing for people who may become homeless as a result of any form of eviction. On **July 5th 2017, the United Nations, through the Committee on Economic, Social and Cultural Rights, condemned Spain for violating the right to housing of Spanish families** and requested Spain to adopt a series of recommendations to guarantee it. Up to today, none of those recommendations have been considered.

**At the same time, banks were bailed out with more than 77.000 Mio. €** in cash (approximately 8% Spanish GNP) of taxpayers money and another 70.000 M € as guarantee to risky operations. The Spanish Central Bank recognizes that 42.017 M € have already been lost (the equivalent of 89 years of Spanish Budget in Housing. 473 M for 2018).

Real Estate Investment Trust (in Spain called Socimis) have tax benefits such as not paying corporation tax and foreign investors get Spanish Residency if they buy a home of more than 500.000 € (Golden Visa).

Rumania

Sweden

Slovakia

Slovenia

Spain

## **Our legal text: on which treaty provisions are our claims based?**

### **Objective 1: No EU restrictions on the target group of subsidised housing**

Subsidised and affordable housing constitutes a substantial pillar of social cohesion to guarantee affordable, appropriate and secure housing as a prerequisite for social justice. Hence, access to subsidised housing must be ensured – not only for disadvantaged groups but rather for everyone.

Yet, affordable and social housing, be it for rent or other non-property type of tenancy, shall remain unaffected.

Despite the revision of EU state aid law, the European Commission has hitherto failed to ensure universal access to affordable housing. We advocate for granting EU Member States the discretion to define their criteria on affordable and public housing in accordance with the Protocol on Services of General Interest. Consequently, the responsibility of determining access and pricing according to local needs should be left to the Member States. This is the only way enabling authorities to offset market weaknesses and ensure full access to appropriate housing at affordable prices.

**Legal basis:** in particular Art 106 paragraph 3 TFEU (*'undertakings entrusted with the operation of services of general economic interest'*)

**Instrument:** Decision

(in particular amending Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106 paragraph 2 of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest)

### **Objective 2: Public investments in affordable housing must be exempted from Maastricht criteria**

Public investment increases the stock of public capital and benefits future generations. Therefore, it is justified that future generations contribute to the financing of these investments by means of debt servicing. The lack of debt financing will lead to a disproportionate high tax burden and expenditure cuts for today's generation, thus to a high probability of undersupply of public investment. Long-term investments in affordable and public housing should not be recorded as having a damaging effect on Maastricht criteria. These investments shall not contribute to the deficit, ie in reaching the 3% deficit

limit. The proposed measures make it easier and more attractive for local authorities to invest in subsidised housing (also known as the “golden rule”).

**Legal basis:** in particular Art 126 paragraph 14 TFEU (*‘avoidance of excessive deficits’*)

**Instrument:** Regulation

(in particular amending Regulation 479/2009/EC of 25 May 2009 on the application of the Protocol on the excessive deficit procedure)

**Objective 3: Better financial opportunities for non-profit housing developers, municipalities and states by a European fund**

In order to promote and foster future interest in sustainable, long-term investment in affordable, public and social housing, conditions (indirect or direct) for fundraising should be improved in cooperation with the European Investment Bank. This is exemplified by the city of Vienna, which creates investment incentives by providing loans to non-profit housing developers at improved conditions.

**Legal basis:** in particular Art 174ff TFEU (*‘economic, social and territorial cohesion’*), Art 164 TFEU (*‘European Social Fund’*)

**Instrument:** Regulation

(In particular amending Regulation 2015/1017/EU of 25 June 2015 on the European Fund for Strategic Investments (EFSI), Regulation 2013/1304/EU of 17 December 2013 on the European Social Fund (ESF) and other Regulations on European Structural and Investment Funds (ESI-Funds))

**Objective 4: Short-term rentals must not reduce affordable living space**

At the same time of promoting housing construction, price-driving factors on the private housing market must be minimised and short-term rentals of private housing must be regulated. Short-term rental is often more lucrative for the landlord than a long-term tenancy, as the landlord is not subject to tenancy law (eg MRG in Austria). This leads to higher prices being charged for regular rents as well as to reduction in the housing offered, which in turn increases prices. In order to create a more balanced system, platforms such as Airbnb must be taxed like hotel operations.

**Legal basis:** in particular Art 114 TFEU (*‘internal market competence’*), if necessary in conjunction with Art 62, 53 paragraph 1 TFEU (*‘freedom of services’*) and Art 169 TFEU (*‘consumer protection’*); alternatively Art 113 or rather Art 115 TFEU (*‘in case of a Regulation on charging a tax’*)

**Instrument:** Directive

(in particular adopting an independent Directive)

**Objective 5: Expansion of the European Statistical Programme for the Europe-wide standardised recording of the housing situation**

Introduction of a monitoring system to record the housing situation in Europe. This measure is intended to secure, evaluate and compare housing conditions at local, national and international level. In the future, local and regional developments in the maintenance and promotion of affordable housing shall be presented with this database. The monitoring system can also function as a “benchmark comparison” between cities and regions.

**Legal basis:** in particular Art 338 TFEU (*‘Union statistics’*)

**Instrument:** Directive

(in particular amending Regulation 2013/99/EU of 3 May 2013 or adopting an independent Regulation)