

Institute for Housing and Urban Development
Studies, Rotterdam, the Netherlands
IHS - -Making cities Work



Roundtable on the draft law on social housing.
Podgorica, 31 July 2012

Meaning of adequate housing

The UN-HABITAT (2010) defines “adequate housing” as “**more than a roof over one's head**” . It includes:

- privacy and adequate space;
- physical accessibility;
- adequate security;
- security of tenure;
- structural stability and durability;

Meaning of adequate housing

(Continued)

- adequate lighting, heating and ventilation;
- basic infrastructure: water supply, sanitation and waste management facilities;
- suitable environmental quality and health-related factors; and
- adequate and accessible location with regard to work and basic facilities, all of which should be available at an affordable cost.

Meaning of social housing

European context

The overwhelming majority of EU Member States categorizes social housing as a general economic interest, but there is no uniform definition of the function it performs.

From “universal” systems to systems “targeted” on the most vulnerable groups.

Meaning of social housing

European context

Challenges:

- Barriers to access to home ownership for low income families.
- Lack of intermediate alternatives between social rental accommodation and private ownership.
- In average housing expenditure equals 40% of household spending for low income families.

Meaning of social housing

European context

Challenges (continued):

- Crisis of the construction sector (inflation, lack of investment in housing construction, availability of serviced land, etc)
- Dysfunctional housing market: lack of financial policy, lack of accurate data on housing standards, and undeveloped rental sector.



Source: Hutchinson, Alain (2011) Commission for Economic and Social Policy

Meaning of social housing (South East) European context

Challenges (continued)

- (Increasing) number of refugees and IDPs.
- Proposals for action under the Roma integration programmes must include a housing dimension.
- Privatization and selling of the rental housing stock
- Decentralization (limited funding and capacity of LGUs)

Meaning of social housing

Country Examples

| Country | Definition | Provider | Finance | Beneficiary |
|----------------|--|---|--|--|
| Romania | Public dwellings with subsidized lease | Shared municipal and central administration. Municipalities alone. | Local budget. Transfer from State. Other contributions. | Individuals and families unable to access the rental/lease market. |
| Czech Republic | No official definition. Municipal rental flats | Municipalities. Private sector since 2009 (developers, NGOs, housing co-operatives) | Municipal budget. Co-financing from the State for specific programmes (not reaching still social housing progr.) | Allocation policy based on income ceiling and priority target groups (low income, seniors and persons socially excluded) |

Source: CECODHAS Housing Europe Website (www.housingeurope.eu)

Meaning of social housing

Country Examples

| Country | Definition | Provider | Finance | Benefeciary |
|----------|--|---|--|--|
| Bulgaria | Municipally owned dwellings let to particularly needy people | Municipalities own and manage the public rental stock (diminishing). Draft law for Housing Associations run by NPOs. | Municipal funds (limited, almost inactive) | 25% of yearly income does not cover any rent in free market. Targeted to sepcial needs (orphans, disable, chronically ill, elderly, single parents). Tenant of restituted dwellings. |

Meaning of social housing

Country Examples

| Country | Definition | Provider | Finance | Benefeciary |
|----------|---|--------------|---|--|
| Slovakia | Housing acquired with use of public funds, for individuals who are not able to ensure housing with their own effort. Social housing is also accommodation financed from public funds. | Municipality | Combination of subsidies and soft loans. State budget and State Housing Development Fund (revolving fund). Subsidies: 30% construction cost (no land) Soft loans: 1% annual interest / 30 years / 80% loan to value ratio. Additional subsidy programme for infrastructure. | Income level of the households. Socially vulnerable groups can be given priority in the lists of applicants (handicapped, single parents with small children, deinstitutionalized patients, mentally handicapped and homeless). |

Source: CECODHAS Housing Europe Website (www.housingeurope.eu)

Meaning of social housing

Country Examples

| Country | Definition | Provider | Finance | Beneficiary |
|---|--|--|---|---|
| Netherlands Largest share of SH in the EU (32% of total stock and 75% of rental) | No single definition. Provision of housing at below market price to a target group of disadvantaged people or socially less advantaged groups, as well as to certain categories of key workers | Registered social housing organizations –private non-profit . Supervised by NG | Defined as a Revolving Fund Model where associations act independently in an environment of guaranteed capital market loans and rent-price regulation. Three level security structure: Central Fund of SH, Guarantee Fund for SH, State and local authorities as last resort. | Previously universal. Challenged by EU and now targeted to disadvantaged people or socially less advantaged groups, as well as to certain categories of key workers, primarily defined in terms of income |

Source: CECODHAS Housing Europe Website (www.housingeurope.eu)

Social Housing Policy

Components

Overarching Legislation

When administering the Social Housing Program, the housing authority must act in accordance with government laws that safeguard individual rights and freedoms. They prohibit discrimination on any of the following grounds: race; colour; religion or creed; gender; marital status; national or ethnic origin; disability; or any other ground relevant to the context.

Social Housing Policy

Components

Overarching Legislation (continued)

When providing rental accommodations to social housing tenants, the housing authority must abide by the provisions of a legislation that sets out the rights and obligations of both landlords and tenants. All rental agencies, whether public or private, are required to follow it.

Social Housing Policy

Components

Applications

In order to be considered for social housing, prospective tenants must complete and submit a standard application form.

Eligibility

Defines the Applicants who are eligible for social housing

Example: if they are Citizens; Persons who have lived in the country long enough to qualify for citizenship; Refugees

Defines the Applicants who are not eligible for social housing

Example: they are Illegal immigrants

Social Housing Policy

Components

Provision and Verification of Income

An applicant must supply information about all sources of income (either state employment or grey economy) in their household, and verify that information by providing appropriate documentation.

Prioritization (open for discussion)

Eligible applicants can be prioritized on the basis of need, using for example a standardized point rating scale which consider for example criteria such as:

adequacy of current accommodation; Income level;

Social/Health conditions; Present circumstances of the family; etc

Social Housing Policy

Components

Rents

Rents are based on Graduated Rent Scales (GRS) that take into account an applicant's income, their household composition, the size and type of unit they live in, and their location.

Leases

Before moving into a unit, an applicant must review and sign a standard social housing contract with the legally defined owner (housing agency, local government).

Social Housing Policy

Components

Appeals

Policy Applicants and tenants are allowed to make appeals to the housing authority. Any of the following concerns may be grounds for appeal:

- The housing authority's refusal of an application for housing;
- Point allocation;
- Unit allocation;
- Rent calculation;
- Relocation requests (made by the housing authority or the tenant);
- Maintenance;
- The housing authority's refusal to permit a tenant to make modifications to a unit;
- Charges for damages to a unit; or
- Eviction procedures.

Conclusions

Social Housing Policy should:

Be the result of comprehensive assessment of Housing Needs with special emphasis in low income families and people in disadvantage situation of any kind.

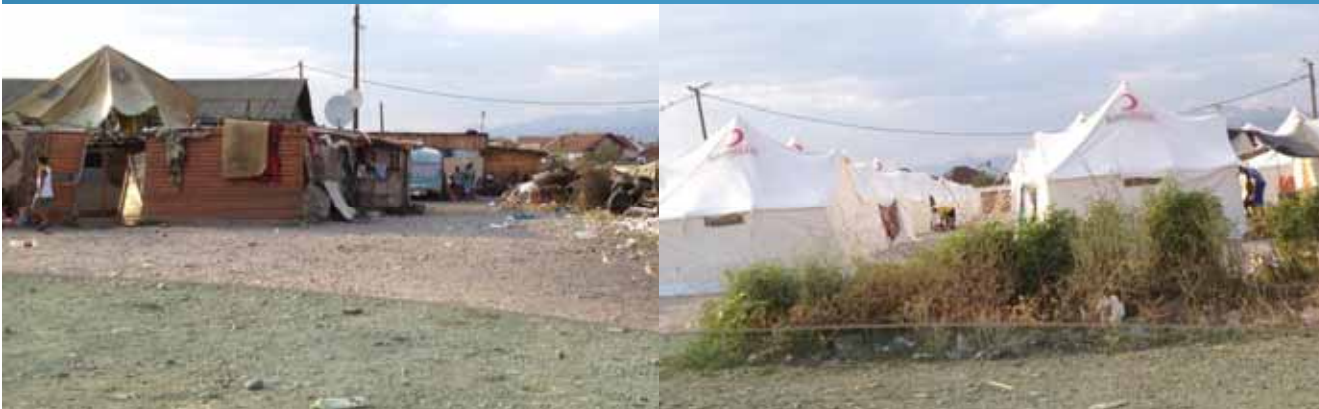
Serve as the basis for diversifying the kinds of housing strategies, the financial arrangements to make it affordable, and the management structures for delivery and O&M (sustainability).

Conclusions

Social Housing Policy should (continuation):

Be responsive to the diversity of social, economic and spatial needs of beneficiaries including disabled, single parents, victims of domestic violence, refugees, IDPs (DPs) and/or Roma communities (i.e. targeted) .

Provide a combined criteria for transparent allocation in the context of clearly defined priorities.



Conclusions

Social Housing Policy should (continuation):

Define the roles and responsibilities of providers (or lessors) and beneficiaries (or lessees/tenants), especially those related to contract enforcement, payment obligations, rent setting, O&M, additional individual and collective rights and obligations.

Define the type of management structures available for O&M (e.g. housing associations, condominiums).

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THANK YOU FOR YOUR ATTENTION!