

REAL ESTATE ISSUES



# Social Housing in Europe

Edited by

**Kathleen Scanlon, Christine Whitehead &  
Melissa Fernández Arrigoitia**

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# **Social Housing in Europe**



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# Contents

<i>Notes on Contributors</i>	xv
<i>Foreword by Claude Taffin</i>	xxiii
<i>Acknowledgments</i>	xxv
<b>1 Introduction</b>	<b>1</b>
<i>Kathleen Scanlon, Christine Whitehead and Melissa Fernández Arrigoitia</i>	
National stocks of social housing	3
Ownership	6
Rents	6
Access	10
Housing allowance	12
Demographics of social tenants	12
 <b>SECTION ONE: SOCIAL HOUSING IN 12 EUROPEAN COUNTRIES</b>	 <b>21</b>
<hr/>	
<b>Part I Large Social Housing Sectors</b>	<b>23</b>
<b>2 Social Housing in the Netherlands</b>	<b>25</b>
<i>Marja Elsinga and Frank Wassenberg</i>	
Position of social housing	25
Historical development	27
The provision of social housing	29
Finance	30
Rents	32
Access and allocation	33
Social housing-tenants	34
Governance and regulation	35
Current debates	37
<b>3 Social Housing in Scotland</b>	<b>43</b>
<i>Douglas Robertson and Regina Serpa</i>	
Introduction	43
Historical development of social housing in Scotland	44
Tenure profile and trends	46
Insecure accommodation	47

Housing allocations	47
Financing of social housing	49
Governance and regulation	49
Capital investment in housing	50
Right to Buy	51
Housing finance	52
New house-building trends	54
Financial innovations	55
Conclusion: Present-day policy environment	56
<b>4 Social Housing in Austria</b>	<b>61</b>
<i>Christoph Reinprecht</i>	
Introduction: the current position of social housing	61
Historical development of the sector up to the present	63
Provision of social housing	65
Financing	66
Rents	68
Access	69
Demographics	70
Governance and regulation	71
Current policy environment	72
<b>Part II Medium Social Housing Sectors</b>	<b>75</b>
<b>5 Social Housing in Denmark</b>	<b>77</b>
<i>Hedvig Vestergaard and Kathleen Scanlon</i>	
Introduction	77
The current position of social housing	78
Provision of social housing	79
Landsbyggefonden/The National Building Fund	80
Access to social housing/eligibility	81
Demographics of social housing	83
Rent levels	85
Other forms of affordable provision	85
The political debate	86
Recent initiatives	87
Conclusion	88
<b>6 Social Housing in Sweden</b>	<b>91</b>
<i>Hans Lind</i>	
The concept of social housing in the Swedish context	91
Tenure forms and rent setting in Sweden	93

MHCs in Sweden	96
Housing allowances and other economic support	97
How the social authorities work with housing issues	99
Some recent trends	99
Conclusion	101
<b>7 Social Housing in England</b>	<b>105</b>
<i>Christine Whitehead</i>	
The housing stock and the changing importance of tenure structure	105
Structure and ownership in the social sector	107
Investment in new social housing	108
Financing the social sector	110
Rent determination	113
Who lives in the social sector?	115
Looking to the future	117
<b>8 Social Housing in France</b>	<b>123</b>
<i>Claire Lévy-Vroelant, Jean-Pierre Schaefer and Christian Tutin</i>	
Introduction: the current position of social housing in France	123
Historical development of social housing	127
Organisation of the social housing sector	130
Financing social housing	131
Rents	133
Access and allocation	135
Tenant demographics	139
Current issues and political debates	140
<b>Part III Small Social Housing Sectors</b>	<b>143</b>
<b>9 Social Housing in the Republic of Ireland</b>	<b>145</b>
<i>Declan Redmond and Michelle Norris</i>	
Introduction	145
The development of the social housing sector	146
Housing need and social housing tenants	148
The local authority sector	151
The housing association sector	153
Planning gain and social housing	155
Social housing support: rent supplement and social housing leasing	156
Future trends and policy	159

<b>10 Social Housing in the Czech Republic</b>	<b>165</b>
<i>Martin Lux</i>	
Introduction	165
The current position of social housing	166
Historical development of the sector to the present day	168
Provision of social housing	170
New municipal construction: policy and financing	173
Rents, access and allocation	176
Conclusion	178
Acknowledgement	179
<b>11 Social Housing in Germany</b>	<b>183</b>
<i>Christiane Droste and Thomas Knorr-Siedow</i>	
Introduction	183
Development of the sector up to the present	184
Provision of social housing	194
Current developments in social housing policy and practice	196
Conclusion	199
<b>12 Social Housing in Hungary</b>	<b>205</b>
<i>József Hegedüs</i>	
Introduction	205
Historical development of the sector up to the present	207
Provision of social housing	210
Financing social housing	211
Rents	213
Access and allocation	215
Housing allowances and 'low-cost housing'	216
Homeownership opportunities	218
Effects of the global financial crisis on social housing	219
Conclusion	220
<b>13 Social Housing in Spain</b>	<b>223</b>
<i>Baralides Alberdi</i>	
Introduction	223
Historical development of the sector	226
Structure of social housing	228
Funding VPO social housing	229
VPO prices and rents	231
Access and allocation	232
Demographics of social housing	233
Current policy environment	233

<b>14 Social Housing in Post-Socialist Countries</b>	<b>239</b>
<i>József Hegedüs, Martin Lux, Petr Sunega and Nóra Teller</i>	
Introduction: the East European Housing Model and changes to the housing system during transition	239
Rent regulation	241
Housing allowances	243
Social housing management	244
New social housing investment	244
Trends in housing affordability and housing inequality	246
The sustainability and effectiveness of new social housing subsidies	248
Conclusions: prospects for a new social housing regime	250
Acknowledgement	251
 <b>SECTION TWO: CROSS-CUTTING THEMES</b>	 <b>255</b>
 <b>Part IV History</b>	 <b>257</b>
<b>15 Histories of Social Housing: A Comparative Approach</b>	<b>259</b>
<i>Peter Malpass</i>	
Introduction	259
Perspectives on the history of social housing	260
Comparative housing histories: a new approach	266
Conclusion	272
<b>16 Learning from History: Path Dependency and Change in the Social Housing Sectors of Austria, France, the Netherlands and Scotland, 1889–2013</b>	<b>277</b>
<i>Claire Lévy-Vroelant, Christoph Reinprecht, Douglas Robertson and Frank Wassenberg</i>	
Introduction	277
Main historical sequences	279
The metamorphosis of social housing	285
Conclusion	291
<b>17 Housing the Poor in Paris and Vienna: The Changing Understanding of the ‘Social’</b>	<b>297</b>
<i>Claire Lévy-Vroelant and Christoph Reinprecht</i>	
Introduction	297
Social and ‘very social’: shifts in contexts, concepts and provision	298
Conditions in and provision of social housing, then and now	300

From social to <i>very social</i>	302
Historical shifts in meaning of 'very social'	306
Conclusion: the paradox of integration	311
<b>Part V Finance and Law</b>	<b>315</b>
<b>18 Financing Social Rented Housing in Europe</b>	<b>317</b>
<i>Christine Whitehead</i>	
Introduction	317
Rent determination	318
An increasing role for private debt finance	321
Equity finance for social housing	324
Subsidies to social housing provision	326
Conclusion	328
<b>19 Social Housing and European Community Competition Law</b>	<b>333</b>
<i>Darinka Czischke</i>	
Introduction	333
A typology of approaches to social housing provision in the European Union	334
Services of general interest, state aid and social housing	336
Conclusion	344
<b>20 Property, Altruism and Welfare: What Social Housing Allocation Tells Us About English and French Legal Differences</b>	<b>349</b>
<i>Jane Ball</i>	
Introduction	349
Social housing allocation in the European context	350
A holistic view	351
Property and altruism in England	352
Property law and altruism in France	355
Changes and Europeanisation	360
Conclusion	362
<b>Part VI The Social and Private Sectors</b>	<b>367</b>
<b>21 Urban Regeneration in Dutch, French and German Social Housing Areas</b>	<b>369</b>
<i>Christiane Droste, Christine Lel��vrier and Frank Wassenberg</i>	
Social housing and urban regeneration in the three countries: a comparative perspective	369
The main periods of urban regeneration in social housing	372

Key features of current social housing renewal	380
Conclusion: the playing field is changing	384
<b>22 The Privatisation of Social Housing: Three Different Pathways</b>	<b>389</b>
<i>Marja Elsinga, Mark Stephens and Thomas Knorr-Siedow</i>	
Introduction	389
Privatisation in the UK	390
Privatisation in the Netherlands	396
Privatisation in Germany	401
Conclusion	409
<b>23 Housing and Neighbourhoods: What Happened After the Sale of State Housing to Sitting Tenants in England?</b>	<b>415</b>
<i>Alan Murie</i>	
Introduction	415
Privatising public housing in Europe	417
The Right to Buy in England	418
Social and spatial differences	419
Estate-level analysis	422
Conclusion	428
<b>24 Conclusion</b>	<b>433</b>
<i>Kathleen Scanlonn and Christine Whitehead</i>	
Country comparisons	435
Cross-cutting themes	442
A final conclusion	443
<i>Glossary of Terms</i>	445
<i>Index</i>	449





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**Claude Taffin** is currently the scientific director of DINAMIC, an entity recently created by the French notaries to operate their real-estate database. He worked for the World Bank as a housing finance specialist and co-authored the recent World Bank publication *Rental Housing: Lessons from International Experience and Policies for Emerging Markets*. Earlier, he headed the housing department of the French Bureau of Statistics (INSEE) before joining Credit Foncier, a mortgage lender, and Union Sociale pour l'Habitat, the union of social rental organisations, as chief economist.

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**Christine Whitehead** is an applied economist whose research is well-known in both academic and policy circles. She directs a multi-disciplinary centre including anthropologists, sociologists and geographers. She has conducted an extensive programme of research on various aspects of the housing market, with special reference to housing finance and subsidies, social housing provision and land-use planning, as well as on urban, industrial policy and privatisation issues. Major themes in her recent research have included analysis of the relationship between planning and housing, notably with respect to the S106 policy; housing needs assessments; the role and financing of social housing in the United Kingdom and Europe; developments in private finance; policy evaluation; and more generally the application of economic concepts and techniques to questions of public resource allocation with respect to housing, education, policing and urban regeneration.





# Foreword

Not everyone can buy their own home: the recent subprime crisis sent a cruel reminder of this to governments that prioritise home-ownership. Even for those who can afford it, buying a home may not be wise—early purchase hinders mobility and ties up the household's wealth. And history has shown that over-reliance on owner-occupation can also exacerbate urban sprawl and price volatility.

Even in countries where owner-occupation is the norm, the centres of the largest urban areas are dominated by rented housing—but in spite of this, the social and private rented sectors remain surprisingly neglected by policy makers and are frequently poorly documented.

Rapid urbanisation in emerging countries naturally increases rental demand as the population of cities expands. The market produces rental solutions for households at both extremes of the income distribution. Providing slum housing for the poorest is a highly profitable activity, but housing them in decent conditions is a challenge. This reflects the failure of past public housing experiments, and the idea that the creation and upkeep of good-quality social stock is a luxury that belongs to the golden age of the European welfare states.

But as housing problems grow in both developed and emerging economies, their policy makers look to where social housing was created and is still alive: Europe. This is far from an easy picture to decode: there are 50 or so countries with nearly as many languages, and great diversity (rooted in history and religion) in the built form of housing and in the tenure distribution. Moreover, housing policy has increasingly been delegated to sub-national levels and housing is not an EU competence, which makes it difficult to find comparable statistics—for example, there is no common definition of social housing.

For all these reasons, this publication, which provides a detailed and updated description of the main European models, will be a precious tool for housing researchers and policy makers all over the world: for Europeans in search of greater efficiency, for those in transition countries trying to rebuild and modernise their systems and for those in emerging economies just starting to tackle the issue.

Building on an initiative from the French housing research network '*Socio-économie de l'Habitat*', the London School of Economics has assembled a 'dream team' of economists, sociologists, urban planners and other experts from across the continent. Their output, the result of seven years of seminars and publications, has now been updated and brought together under a single cover. Its double focus—country experiences and thematic

analyses—should enable readers to navigate and make productive use of the information it contains.

Of course, the experience of a given country or region at a given time may not work when transposed elsewhere. The devil is in the details, and context and history are fundamental to an understanding of how and why policies work (or do not). This publication provides the detail and historical perspective necessary for that understanding.

Claude Taffin  
Scientific Director,  
DINAMIC, France

# Acknowledgments

The seed of this book was planted more than 10 years ago, in 2006, when a group of French colleagues organised a series of seminars in four European cities (Paris, Brussels, London and Berlin) through the *GIS Réseau Socio-Économie de l'Habitat* network. Those meetings led to a collection of papers entitled *Social Housing in Europe* (Whitehead and Scanlon eds 2007) whose publication was supported by a grant from the Higher Education Innovation Fund (HEIF) to the LSE London research centre. Further meetings of the group took place in Paris, Vienna and Dublin. These prompted a second publication (Scanlon and Whitehead eds 2008), also sponsored by HEIF, which covered the broader thematic concerns of the network in relation to social housing's development. The chapters from those two publications form the basis of this book.

Twenty of the original 24 authors have contributed to this volume. We are grateful to them for their continued participation in and commitment to this ongoing (and hopefully, continuing) transnational conversation. We thank *all* the contributors—current and previous—for their hard work and patience with the process of putting together this book. We also thank the following individuals who contributed to its creation, both in its current form and earlier incarnations, with helpful advice, comments and support: Nathalie Boccadoro, Maxime Chodorge, Benoit Filippi, Laurent Ghékiere, Marietta Haffner, John Hills, Ben Kochan, Lena Magnusson Turner and the late Bengt Turner, Marc Uhry and Gill Wedlake. We also extend our thanks to James Burns (<http://jbrawimages.com>), a passionate photographer of social housing architecture in the United Kingdom and elsewhere who generously shared many of the striking images featured here.

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This *Habitation à Loyer Modéré* (HLM) tower in *Les Presles* in the Parisian outskirts of Épinay-sur-Seine is one of the many (47%) social-housing buildings in the quarter. The area is also part of the French 'Sensitive Urban Development Zones', or ZUS (see Chapter 8 in this book).

Photograph: Nicolas Oran.

# 1

## Introduction

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For much of the post-war period, the model of social housing was broadly similar across Northern and Eastern Europe: there was a heavy emphasis on state-supported housing construction to overcome the effects of extreme destruction and lack of investment during the war, to accommodate rapidly growing populations, to help bring economies back to some sort of normality and to ensure employment.

The mechanisms for achieving this expansion in housing investment differed between countries. In most of them, local authorities (hereafter referred to as LAs) were heavily involved, either building municipal housing themselves or creating the conditions for independent social landlords to do so. However, the forms of central-government subsidy and intervention were specific to each country, and helped mould longer term approaches to ensuring 'a decent home for every household at a price they could afford'.

The extent to which housing was seen as part of the welfare state – and thus part of the contract between citizens and government – also varied. In Eastern Europe, social housing was very much based on state provision of the social wage and in most of Northern Europe, it was seen as an important part of the welfare-state contract, but in Southern Europe, the policy emphasis was more on supporting family provision of housing – and this meant owner occupation.

Among what might be called the welfare-state economies, the most important distinction was between countries that saw social housing as a mechanism for providing for *all* types of household, and those that emphasised provision for *lower income* households. As numerical housing