

REAL ESTATE ISSUES



Social Housing in Europe

Edited by

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

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Thomas Knorr-Siedow studied sociology and urban and regional planning. After teaching community development at Constance University, he became director of a social planning and urban development agency for Berlin's city government. In 1993, he moved to the Institute for Regional Research, where his work centred on housing in an international comparative perspective, urban social development and the role of civil society in cities. His research also covers urban regeneration and governance in Sri Lanka and Vietnam. Currently he is a partner at UrbanPlus, a Berlin-based research consultancy, and teaches urban sociology at Cottbus University.

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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,
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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

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Chapter 1

Introduction

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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.

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 shortages began to be overcome, this distinction became more embedded, and was further strengthened by the increasing emphasis on privatisation and private finance during the 1980s and 1990s.

By the new century, there was a clear distinction between countries whose governments wanted to withdraw from housing provision (as opposed to support) and those that continued to see an important mainstream role for social housing, particularly in urban renewal. Eastern European countries were in the forefront of withdrawal – and often did so without putting in place other mechanisms for supporting lower income and vulnerable households. At the other extreme was the Netherlands, where social housing providers became increasingly strong in financial terms and took on more and more urban investment opportunities.

It was in this context that in 2006, a group of French researchers, supported by some French government funding through the *GIS Réseau Socio-Économie de l'Habitat*, brought together interested academics from across Europe to gather statistical and qualitative evidence on how social housing was developing across the continent. The patterns observed suggested that there were many similarities across countries – notably with respect to who lived in the sector, how it was organised and how it had traditionally been financed. However, there were also strong differences in scale, ethos and expectations for the future role and funding of social housing.

The publication in 2007 of the group's first collection of papers, *Social Housing in Europe* (Whitehead and Scanlon 2007), was supported by the Higher Education Innovation Fund and the Department for Communities and Local Government. The text – which was mainly descriptive – was welcomed by a wide range of audiences, including politicians and their advisors in both central and local government, practitioners involved in providing and managing social housing and housing and urban researchers across the world. But there was clearly a need for a more detailed analysis of the different elements of social housing provision and the benefits and costs to tenants, providers and governments alike. As a result, the group got together, again supported by the GIS, to produce *Social Housing in Europe II* (Scanlon and Whitehead 2008). In this collection, the contributors looked to explain the different models of provision, financing and regeneration that have been developed across Europe, to examine the history and ideologies that lie behind the role of social housing in various countries, and to understand better who benefited and who was excluded from assistance. This text was published in England in 2008; a much-modified and updated version was published in France in 2010 under the title *Le logement social en Europe au début du XXI^e siècle: La révision générale*.

Since 2007, Europe has suffered as a result of the credit crunch, the subsequent financial crisis, the continuing debt crisis and recession. Individual countries have been affected to different degrees, and their responses have also differed greatly – not only because the depth of the crisis has differed but also because of their institutional structures and past experience. Even so, there has been considerable convergence in certain aspects, notably in terms of the types of household that live in social housing and the perceived need for increased private involvement.

In 2012, encouraged by continuing international interest in the work, we decided to update the material reflecting the current European situation. This book provides an overview of the state of social housing in Europe in 2013. It covers 12 countries in detail.

While it does not claim to be comprehensive (there are 27 member states of the European Union, plus several non-members), it does cover the continent's most important housing markets – including more than 80% of all social housing in the EU and all the countries where the proportion of social housing is 18% or greater. The coverage of countries with small stocks of social housing is more selective. The omission of some countries – notably Italy, Greece and some of the former communist states of Eastern Europe – reflects the historic concentration of academic housing scholarship in the countries of Northwest Europe. The book also covers three cross-cutting themes that are a key to the foundations and development of social housing in all the countries: history, legal and financial structures and more recent trajectories of privatisation and urban regeneration.

The rest of this chapter provides a comparative review of selected material from the country chapters, beginning with the stock of social housing in each country.

National stocks of social housing

It is impossible to provide entirely consistent comparative figures for the stock of social housing, both because different countries define the tenure in different ways and because of the limitations of the data. The definition of the tenure may be based on rent levels (social rents are below market rents), ownership (social dwellings are owned by particular types of landlords), or the existence of a government subsidy or allocation rules (social dwellings are assigned to households via an administrative procedure rather than the market). Most social housing statistics are based on ownership of the dwelling, but Haffner *et al.* (2009, 2010) concluded that the last definition – social housing is that which is administratively allocated on the basis of need – was the only one that could provide a consistent identification of social housing stocks in cross-national comparisons. ‘The main distinction we identified between (private and social renting) was that market housing is allocated according to effective demand while social housing is allocated according to need, the assumption being that the market will not provide according to a socially determined level of need that is different from effective demand’ (Haffner *et al.* 2009: 235). In order for administrative allocation to work, though, social rents must be lower than market rents – otherwise, households who can pay their own housing costs will simply rent on the open market, leaving vacancies in the social stock.

However useful it would be to find a consistent basis for comparison, most of the figures we do have are from each country's national statistics and are based on ownership. [Table 1.1](#) gives the most recent figures for housing tenure in the 12 countries included in this book. These are for social rented housing only and do not include social owner occupation, which is important in Spain.

Table 1.1 Housing tenure of dwelling stock: highest to lowest by percentage of social rented housing (most recent year).

Size group	Country	Year	Social rented housing			Private rental (Percentage of stock)	Owner-occupation (Percentage of stock)	Other (Percentage of stock)
			Number of dwellings (000s)	Percentage of stock	Change in preceding decade (%)			
High	The Netherlands	2010	2300	32	−4	9	59	
	Scotland	2011	595	24	−6	12	64	
	Austria	2012	880	24	+1	16	50	10
Medium	Denmark	2011	541	19	+1	17	49	18 [±]
	Sweden	2008	795	18 [*]	−3	19	41	22
	England	2011	4045	18	−2	18	64	
	France	2011	4472	16	−1	21	58	5
	Ireland	2011	144	9	+1	19	70	3
Low	Czech Republic	2011 [±]	312 ^{**}	8 ^{**}	−9	10 ^{**}	65	18
	Germany	2010	1054 <i>de jure</i> 1000 <i>de facto</i>	5	−3	49 ^{±±}	46	
	Hungary	2011	117	3	−1	4–8	88–92	1
	Spain	2011	307	2	+1	11	85	2

Sources: