

Housing Forum 2023

Warsaw, **October 2-3**

Towards better housing



UNHCR
The UN Refugee Agency

Session 4 - Social housing and social rental models – good practices from Europe and beyond



As the housing affordability crisis grows in Europe, the expansion of social and affordable housing provision has been widely called for by experts in the European Commission, the OECD as well as academic and civil society advocates. There are many good examples of growing resilient and inclusive social housing systems, and some of these are covered in the report #Housing2030. Housing cooperatives are one of featured models, and during the session we will hear good practices from Berlin. One emerging approach, which has received less attention, involves the establishment of social rental agencies. This session outlines what these agencies are and how they operate in a range of contexts: Barcelona, Prague, Budapest and Hong Kong. It will also discuss their experience in working with local authorities, the private sector as well as vulnerable households.

- **Dr Julie Lawson** – Adjunct Professor, Centre for Urban Research, RMIT University, Lead author of #Housing2030 – moderator
- **Albert Terrones Ribas** – Cap del Servei d'Habitatge
- Knut Höller – IWO Berlin
- Kristyna Androva – CSS Praha
- Vera Horvath and Judit Szanaszlo – From Streets to Homes Association
- Recording: **Kin-Kwok LAI** – ComHome Social Housing Platform, Hong-Kong

What is social housing?

It is different from commercial housing provision

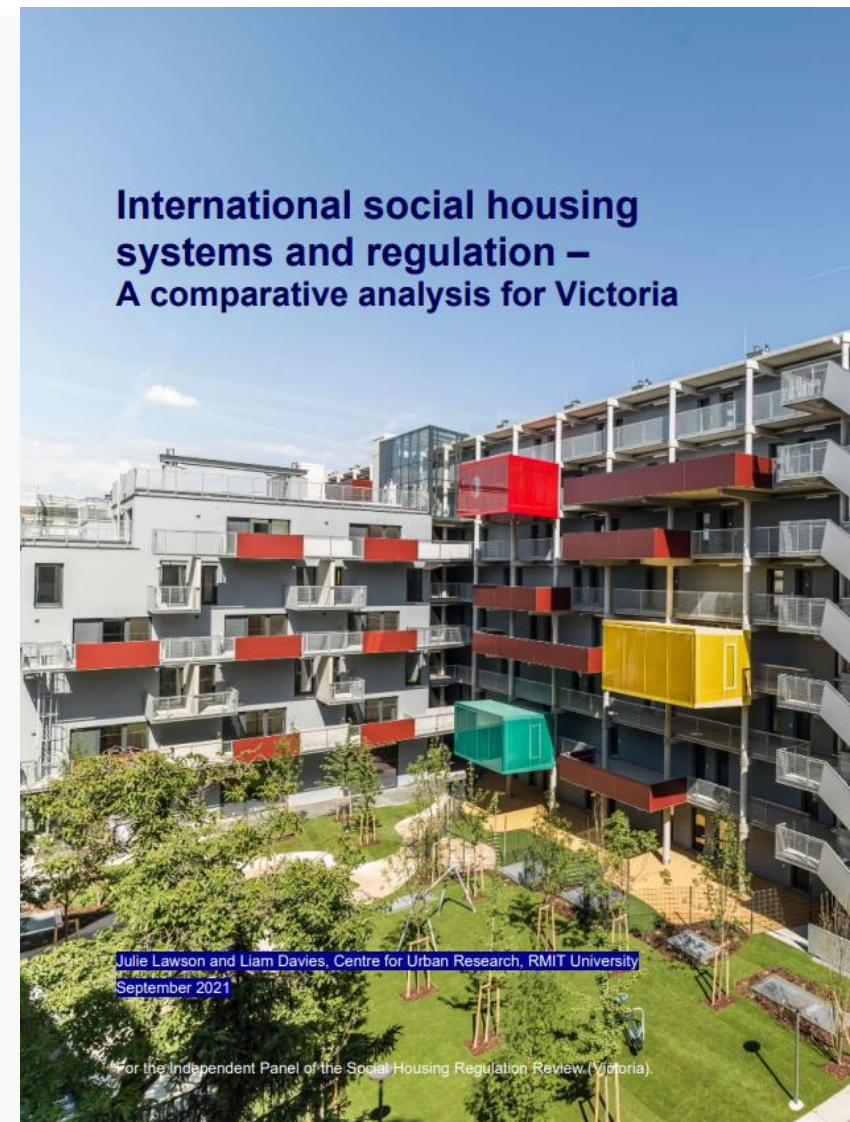
Social housing can be distinguished from commercial/private housing with its focus on **affordability and needs based housing allocation**.

It comes in a variety of forms

Many social housing systems have developed an **ecosystem of different types of housing providers**, which have emerged in cities and countries, often over a long period of time.

Some systems are dominated by a single form of provision, such as co-operatives, while others host a range of providers, often municipal housing providers alongside not for profit and co-operative housing sector.

These models **differ in terms of their public purpose, implementation and approach** to regulation and evolved different ownership, investment and management models, which in turn have generated different housing outcomes for households.



Who provides for which households?



Figure 3 Municipal housing in NRW, Germany

Table 5 Social housing ownership, eligibility and rent regime

Housing System	Social housing as a % of stock	Ownership and management	Eligibility and Rent setting and indexing
Austria	24	Municipal Housing Companies Limited Profit Housing Associations and Co-operatives an also for profit providers	Broad tenant based, up to 90% of population eligible Cost-capped cost based rents
Canada	5	Government, not for profit and co-operatives	Targeted to low incomes and special needs, about 70 per cent of the units are provided on a rent geared to income housing basis.
Denmark⁶	19	Tenant managed co-operatives (700) on 8,000 estates, owned and organised collectively by the association members themselves.	Broad based - all of the population is eligible. Cost rents at estate level, around 3.4% of building cost plus bank charges. Municipalities allocate 25% tenancies on basis of a waiting list. Deep income related assistance.
England	17.5 ⁶	Registered not for profit Providers Registered for Profit Providers and Local Authority Arm's Length Management Organizations (ALMOs)	No formal income limits, but allocated on the basis of local needs Currently up to 80% of market based rents. Deep rent assistance via Housing Benefit.
Finland	16	Municipal Housing Companies (60%) Limited Profit Housing Associations	Broad eligibility, but allocated on the basis of need. Housing allowances.
Ireland	15 ⁷	Local Authorities Voluntary Housing Bodies	Targeted, only low income eligible. Income related rents. Cost rents for some Housing Associations an new cost rent models are evolving.
Scotland	24	Public authorities (mainly councils) and housing associations (registered social landlords or RSLs)	No formal income limits, but allocated on the basis of local needs Historic cost based rents, no central government regulation of rents.
The Netherlands	31	Housing Corporations	Formally broad, since narrowed to comply with EU competition law, low income eligibility now enforced, serves lowest 40% of household incomes. Rent based on quality point systems and targeted to lower income households. Rent regulation and indexation of lowest segment. Rent allowances only extended to regulated dwellings.
US (LIHTC)	@3%	For profit and not for profit providers (in addition to traditional rent geared to income public housing)	National standards: minimum of 20% units for very low income with 50% of Area Median Income (AMI), or 40 % less than 60% AMI. Rents fixed at 30% of 50% or 60% AMI. Projects often include special needs.

How is it financed and funded?



Figure 2: Generalized affordable rental housing costs and revenues, and possible subsidy instruments

Capital for housing provision (supply side)		Revenue from housing (demand side)	
Generally social landlords are public bodies or charities which do not generate profits to tax. May also be exempt from Value Added Tax.	Tax subsidies	Operating subsidies	Government may provide operating subsidies to social housing landlords, often in the form of subsidies towards the interest on loans.
Social landlords may invest their own equity in housing provision, use tenants or private investors' equity. Government grants are also often provided.	Equity investment	Rent subsidies	Government rent subsidies may be paid to either the tenant or the social housing landlord.
Loans from government, banks, bond markets or non-profit lenders such as Sparkasse or household savings schemes also fund the capital costs of housing provision. Government guarantees, guarantee funds and also regulation of social housing landlords can help to reduce the interest rates.	Loans	Rent paid by tenants	Tenants' rents are not usually linked to the market developments. Rather they are linked to tenants' incomes, dwelling size or quality or the cost of housing provision.
Low cost or free land may be provided for social housing developments. This may be provided by a dedicated land banking agency, via the land use planning system, conditional title transfer, lease arrangements and land trusts	Land costs		

Source: Adapted from (Lawson et al. 2018 and Lawson, et al, 2021).

How is social housing's role changing?



Figure 7 Het Schip Amsterdam Eigen Haard Housing Association, surrounds a large courtyard garden, school and post office, constructed in 1919 (Lawson, 2021)

- Overtaken by private provider system
- Fragmented short term obligations
- Opaque business model
- Inappropriate or ineffective regulation
- Marginalised

- Well funded
- Professionally managed
- Strong vision
- Productive
- Well connected
- Community ally



- Part of a multi-provider system
- Conditional competitive funding
- Transparent prescribed not for profit business model
- Specialist regulation
- Politically influential
- Growing

- Underfunded
- Poorly managed
- No vision
- Isolated and deteriorating
- Politically unsupported
- Value extracted and not replaced

Can they be compared - how?

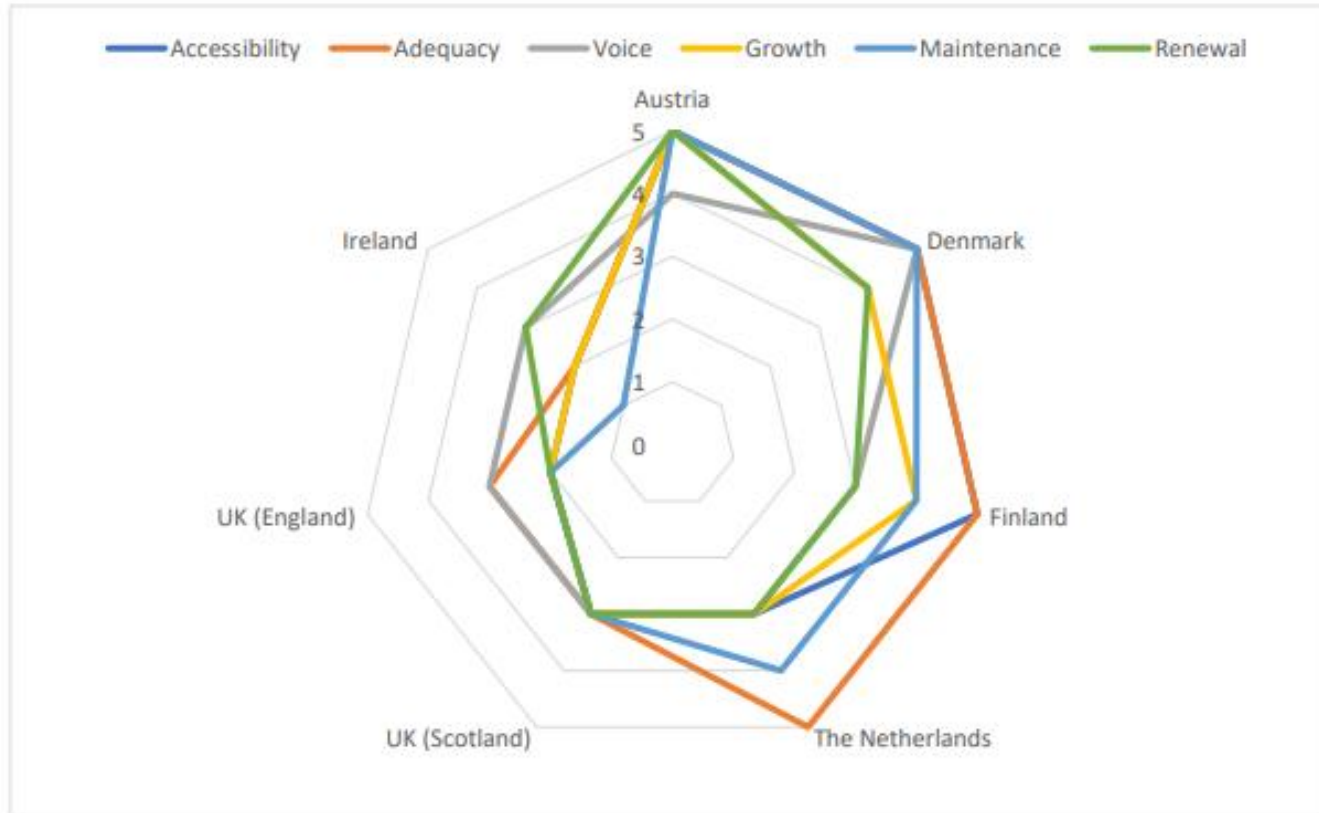


Table 6 Definition of evaluation criteria

Criteria	Definition
Accessibility	Concerns the process in which housing resources are accessed and tenancies maintained, expressed as rules for eligibility and requirements to sustain occupancy rights, which may reflect a range of policies such as local needs, resource efficiency, or financial viability. Some systems allocate on the basis of need on entry, require eligibility be maintained throughout tenancy, or promote stability and security and prevent evictions.
Adequacy	Concerns the standards applied to housing quality, suitability and use, overcrowding and affordability/income/household composition. Housing standards setting provides a benchmark against which progress in achieving key housing policy objectives can be measured and practice improved.
Voice	Concerns the varying modes of tenant participation and influence on the provision and improvement of housing and services, such as representation on boards, responsiveness to complaints, right to information. Degree of tenant involvement often reflects broader welfare and rights approach.
Maintenance	Concerns standards and processes for ensuring housing assets are kept in good repair in an effective, responsible and long term manner This may involve decent home standards, tenant rights to repair and reduced rent, dedicated maintenance fund, revolving contributions, tribunal enforces standard, and right to withdraw rent payment where decent standards of housing are not met
Growth	Concerns the nature of growth in nominal terms, in proportion to need and also to growth in the population. May involve an acquisition strategy, with a feasible mechanism to implement needs based targets. This may involve grant programs, development contributions, long term loans and use of repayments, and there may also be requirements for the replacement of stock lost through sale and demolition.
Renewal	Renewal involves the substantial improvement or replacement of dwellings. This process may improve housing and neighbourhood conditions, creating liveable, walkable areas, which are energy efficiency, socially inclusive. It may meet changing needs, prevent discrimination, allow people to age in place, flexible. Processes of tenant involvement, relation and right of return as well as affordability are equally important.

Question for mentimeter

- What criteria should be used to evaluate different social housing models?

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