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**The role and evolution of
social housing in society
– lessons learned**

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Main components of housing policies

A. General policies (creating a sound framework for a balanced housing market)

- Ownership and rent legislation
- Mortgage market (availability of loans, interest level)
- Supply policies (quantity and quality of the housing production)
 - land policy
 - physical planning
 - competition between builders, enhancing research and increasing the productivity in the building sector

B. Promotion of certain tenures in general

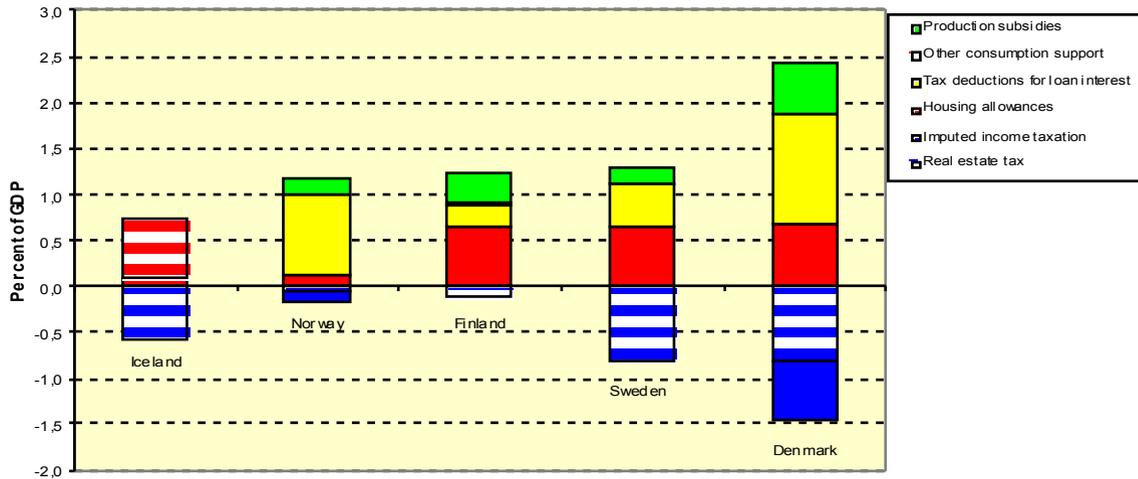
- Owner-occupation

- Social rented housing

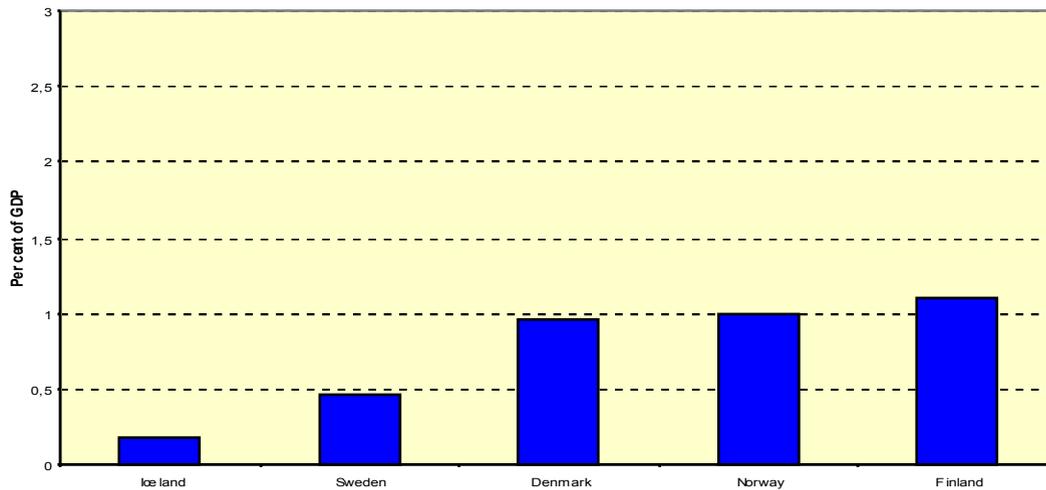
Social rented housing can be seen as a broad concept where rented dwellings are provided for a fairly large part of the population or as a narrow concept where dwellings are provided only for the most underprivileged segment of the population

- Housing allowances

Gross housing subsidies and the effect of the property tax and taxation of the imputed income, per cent of GDP in 2000



Net housing subsidies, per cent of GDP in 2000



What is meant by social rented housing

It is important to consider what social housing means, in other words, how is the concept of housing defined in different European countries. The basic question then is what are the dimensions which distinguish social housing from conventional private rental housing.

These dimensions can be, for instance:

- Public production support
- Determination of rents (where cost-price rents and rent pooling are often used)
- Social criteria in the selection of tenants
- Restrictions on ownership of social housing (like local authorities, housing associations, HLM organisations)
- Specific legislation and authorities regulating the activities
- Security of tenure
- Tenant participation

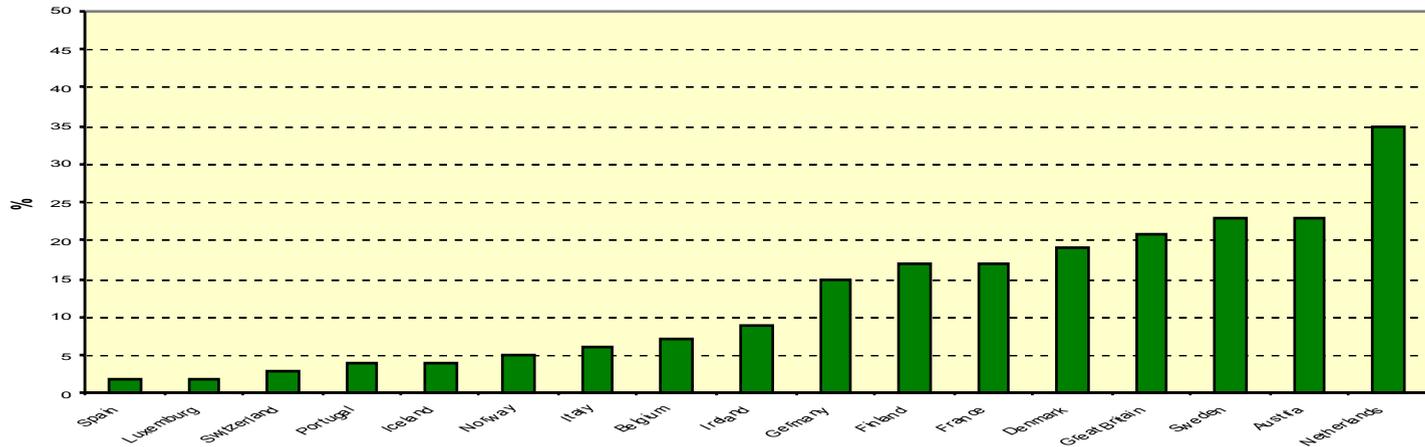
Justifications for social rented housing

- Need for rented dwellings in general
- Need for (moderately priced) rented dwellings for certain population groups, like young households and students, people with disabilities or the elderly.
- This need may arise from the fact that
 - The rented housing stock is too small, or the private (profit-oriented) rented stock or the owner-occupied stock cannot provide dwellings which are suitable for certain segments of the population or cannot respond to the needs of a well-functioning labour market.

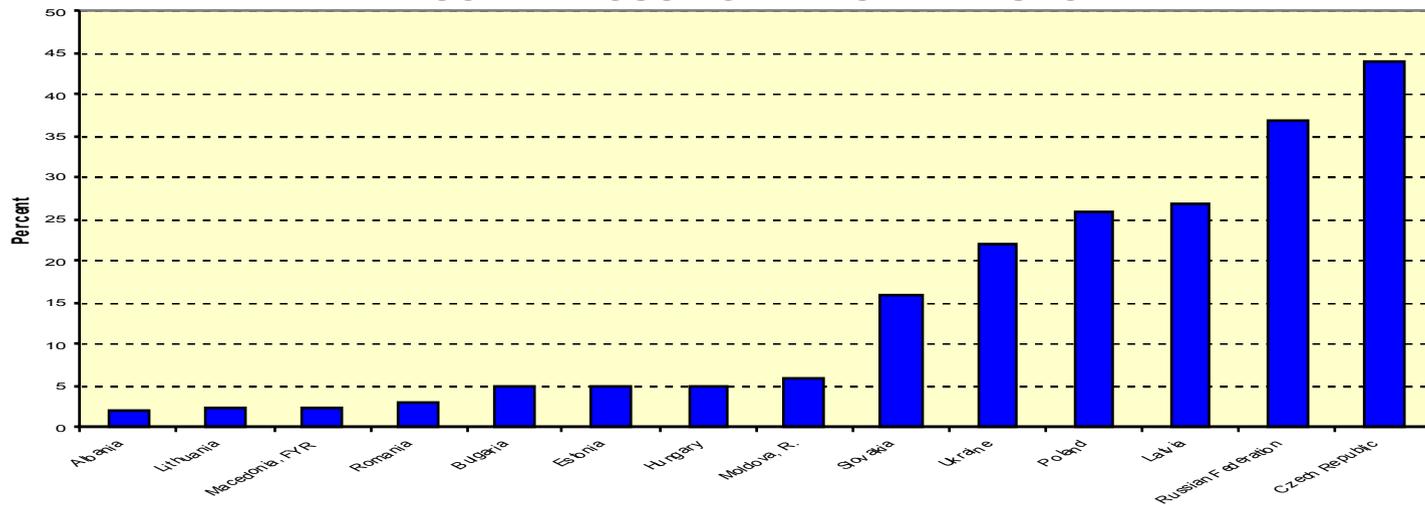
There are some facts that have to be taken into consideration in this regard

- In many countries the differences in income levels are increasing, which means that despite the fact that the general income level is rising, the need for social rental housing may also be growing
- One of the reasons for the increasing income differences is the high unemployment (and especially long-term unemployment)
- The goal to increase competition in the housing market may require new actions, which could be social rented housing undertakings

SHARE OF SOCIAL RENTAL DWELLINGS OF ALL OCCUPIED DWELLINGS



SOCIAL HOUSING IN EASTERN EUROPE



Source of the latter figure: Sasha Tsenkova and Bengt Turner; European Journal of Housing Policy 4(2), August 2004, 133-149

Lessons to be learned

- In many ECE countries the role of social rented housing has been important in creating an affordable, well-maintained housing stock
- Social rented housing at its best should not only increase the access to housing, but should also enhance a range of different aspects like
 - quality (environment, high architectural standard, energy efficiency)
 - efficient management (rent collection, regular maintenance and repairs, tenant participation, organisation of tendering in construction projects and the consideration of life-cycle aspects in the planning of new investments).

- Social aspects (e.g. taking into account the special needs of and providing support services for different population groups, and combating social exclusion).

On the other hand, there are also negative examples

- Social housing areas often end up as large-scale apartment-block housing areas in which regular maintenance is, in some cases, neglected.

- The population structure has been one-sided, representing predominantly low-income population groups and immigrants.

There are clear lessons to be learned

- Integrate social rented housing with other tenure and ownership forms (especially with owner-occupied housing stock)
- Keep social housing architecturally similar to other production
- Prevent segregation of housing areas
- Maintain the social housing stock regularly
- Make sure that social housing undertakings have a high level of professional management skills
- Emphasise the need for special skills, e.g. the capability to integrate social aspects into the management

- Take a comprehensive, multifaceted approach to tackling social and other problems in existing housing areas. The most important lesson learned is that an early response to the first negative signs (e.g. increasing resident turnover) is best. An early response helps to prevent a negative spiral that will gradually worsen the reputation of the whole housing area.

Conclusions

- A sound and effective housing policy requires a comprehensive set of different tools.
- A country must take into account the overall housing situation when choosing different tools to support the socially disadvantaged in meeting their housing needs.

For example, the experience in western Europe suggests that production subsidies should be used, especially when the need to increase housing production and renovation is at its peak, and that these subsidies should be gradually reduced and the proportion of tenants receiving a housing allowance increased as the overall housing market situation changes.