Social Housing in the UNECE: Models, Trends and Challenges

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UNECE Committee on Housing and Land Management
32 Interviewees, 200 publications & mapping other network activities

- Government representatives
- Professional organisations
- Housing federations
- Housing providers
- International banks
- Institutional investors
- Tenant representatives

UNECE
I. Key challenges and policy implications

1) Increased housing need
2) Limited funding and finance
3) Lack of housing supply and choice
4) Housing as a complex good
5) Decentralisation

II. Discussion possible activities of CHLM
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<tr>
<th>Country</th>
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<tr>
<td>Austria</td>
<td>Wohnungsgemeinnützigkeitsgesetz</td>
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<td>United Kingdom</td>
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<td>United States</td>
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Variation of social housing policy maturity in the UNECE region

- No policy/legislation for social housing*
- New policies/legislation in development
- New policy/legislation in first stages of implementation
- Contemporary policy/legislation implemented
- Complex set of historical & contemporary policies/legislation
The housing sector in general and social housing in particular are going through significant reassessment in the majority of the UNECE countries.

Great majority of UNECE countries are at the crossroads between the old ways that resulted in a housing crisis and experimentation with new and innovative solutions.
UNECE is a region of homeowners.
Social Housing Model Trends

<table>
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<th>Universal Model</th>
<th>Generalist Model</th>
<th>Residual Model</th>
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<tbody>
<tr>
<td>Open to the whole population</td>
<td>Households below defined income thresholds</td>
<td>Vulnerable households, Special groups</td>
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Global financial crisis has changed the context in which housing systems operate.

- West: Access to mortgage finance is more restricted (interest rates 3-4%). Increased number of households do not qualify.
- East: Access to mortgages is limited and expensive (interest rates 7%-22%). Homeownership unaffordable to the majority of the population.
1. INCREASED HOUSING NEED

Examples of national social housing waiting lists:

- England **1.800.000** (UK Government, 2014)
- France **1.700.000** (L’ Union Sociale pour Habitat, 2014)
- United States of America **5.300.000** (Harvard University, 2013)
- Russian Federation waiting period **20 years** (UNECE, 2014)
- Ukraine waiting period **90 years** (UNECE, 2014)
At least 100 million low and middle-income people in the UNECE region are housing cost overburdened. They spend more than 40% of their disposable income on housing. High housing costs for low-income households leave limited resources for other basic needs, such as food, health, clothing and transportation. This means that lack of affordable housing makes other human rights increasingly unaffordable.
2. LIMITED FINANCE AND FUNDING

- Securing future funding and finance for the social housing sector is one of the key challenges in the UNECE region.
- There is a willingness to provide more social housing in a majority of the member states. However, there is less certainty about the future of funding that supports such developments. Limited funding makes the implementation of new and existing policies challenging.
Policy implications

The future policies will have to address the fundamental market failures; closely examine the links between the financial and housing markets; reassess and recalibrate state intervention in housing finance for results that are more adapt to present and future housing market dynamic while responding to the increased and diversified housing need. Support for balanced tenure provision will be of vital benefit.
There is a sizable shortfall in net new housing output (all tenures) because of GFC and longer term lack of supply response in UNECE.

Building volumes of the 1980s or 1990s have not been recovered.

The social housing construction is limited and stock reduced.

An additional challenge is a lack of “appropriate types” of housing because of changing demographic trends.
Policy implications

Boosting housing supply across tenures is of importance, increased housing choice, resident and other stakeholder involvement beneficial. Creating environment in which large scale, medium and small scale developers as well as individuals are encouraged to build is vital. Support of inclusive design and creation of multigenerational communities should be considered in addressing the housing need.
3. LIMITED HOUSING SUPPLY

- The lack of housing is rarely absolute.
- The low and high housing demand areas coexist in one country. This signifies the complexity of the housing need.
- The housing need in the low housing demand (low price) areas may be linked to low income levels and/or unemployment. In high market areas key workers, middle income households cannot afford homes.

Source: Bilbby, 2006
Policy implications

Future policies should consider the fragmentation of the national housing markets and develop solutions that can address the low- as well as high-housing demand areas while supporting governance structures needed to respond to local drivers of change (Rosenfeld, 2013). Encouragement of corporate social sustainability practice among housing providers is seen to be of great benefit (EHRIN, 2014).
4. HOUSING IS A COMPLEX GOOD
Decentralisation is one of the key characteristics of the contemporary social housing governance. This means that different tiers of government, different sectors and different disciplines may be involved in it, managing or providing funding, design or implement policies. However, the integration of these efforts remains a work in process.
Policy implications

Within an articulated policy framework for social housing specifically, clear aims and objectives are required not just for individual policies but also for the mix of policies and their system-level coherence, including how they are delivered and by whom (especially in devolved systems) (Gibb et al., 2013). For cost efficiency, system-level tests are required to ensure that subsidies are not over provided or poorly targeted.
UNITING EFFORTS AND INCREASING CAPACITIES

- **INTERNATIONAL**: Activities to strengthen collaboration between international initiatives supporting social and affordable housing.
- **REGIONAL**: Forming regional groups of countries with similar interests and challenges.
- **LOCAL**: Training activities to raise capacities of local authorities in providing and managing social housing.
STRENGTHENING THE HOUSING SECTOR THROUGH INTEGRATION

- **Public Private Partnerships** in social housing
- **Neutral platforms** for collaboration between stakeholders: eg, **social housing sector and investment industry**, **social housing sector and residents**, **social housing sector and housing providers**.
- **Thematic think thanks** of common interest (eg, housing finance, energy efficiency, housing and health & your suggestions)

POSSIBLE FUTURE ACTIVITIES
Thank you!

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