Housing Policies in the EU

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Structure of the presentation

- Research design
- **Governance** of housing policy
- **Housing systems** – dwelling stock, tenures, and providers
- **Housing policies** – drivers, problems, and instruments
- Key issues and outlook
Two-step expert survey

• Step 1: questionnaire-based cross-national survey
• Step 2: focussed case study interviews for 12 member states
• Cross-validation with literature and international data sources
• Reviews by experts, the project advisory board, and national focal points for housing
Governance of housing policy

- Ministries
- Responsibilities
- Governance
- Levels of government
- Guiding principles
- Regulation and funding
- Housing policy
General setup of housing policy

• Unique national styles of housing policy organization
• **Vertical** distribution of responsibility between levels of government
• **Horizontal** distribution of responsibility at the national level
• **Overlapping responsibilities** can be identified in both respects
• Responsible bodies with varying names (not “housing”)
• Strong overlaps with adjacent policy areas
Responsibilities

National authority:
• Subsidies for owners, buyers, and housing construction
• Taxation, tenancy law and rent regulation
• Environmental and energy issues
• Welfare (with notable exceptions)

Multi-level authority: spatial affairs

Local authority: allocation of social housing
Responsibilities in flux

• Changes in **national** housing institutions in 75% of the member states (different directions)
• Shifts **between levels** in 40% of the member states (mostly decentralization)
• **No clear trends**, no convergence
Shifts across levels

- Small shifts to the top
- Strong shifts to the bottom
- Small shifts to the bottom
- No vertical shifts
Housing systems
dwelling stock, tenures, and providers
Ageing dwelling stock - deficiencies

- Age and technical conditions of the national dwelling stocks differ widely.
- **Post-war dwelling stock**: major refurbishment necessities.
- Regional and typological demand/supply mismatch.
- **Energy retrofits**: technical and institutional problems.

*Source: Own Calculations, based on EUROSTAT, national statistics*
Owner-occupied housing

- Home-ownership as the predominant tenure in the EU
- Varying access paths to owner-occupation
- Varying social scope and target groups
- Problems of maintenance and refurbishment regulation in condominiums/flats
Rental housing

- **Diversity of subsegments** within market rate category: private vs. commercial letting
- **Social subsidised** rental housing: large diversity of scope and quality
- Non for profit/cooperative housing: **third tier of affordable housing** or agent
- Transformation of the public rental sector: **privatisation** and shift to **local** government
Tenure systems categories

- Diversified systems
- Rather diversified, mainly two-tier systems
- Rather concentrated on owner-occupation systems
- Priority of owner-occupation systems
- Individual systems
Housing policies
drivers, problems, and instruments

- Reform trends
- Rent regulation
- Housing allowances
- Home-owner subsidies
- Housing provision
- Affordability
- Policy instruments
Drivers of housing policy

- Major: Energy efficiency requirements & urbanization
- Mixed: Immigration
- Future: Ageing society (map)
Problems

- Major: price and rent increases in urban areas, lack of affordable and social housing
- Mixed: credit access and financial overburden
- Limited: underregulated rental markets
- Future: lack of barrier-free housing, energy poverty
Instruments

Housing allowances

• Subject-oriented subsidies for **reducing housing costs** of households
• Available in almost all member states, but **varying importance**
• Focus on low-income groups
• Further focus on specific target groups and/or tenures
Instruments

Subsidies for homeowners and homebuyers

- Subsidies **enabling ownership** or **securing funding**, e.g. credits, grants, guarantees or tax concessions
- Available in all member states, but **funding approaches** vary considerably
- Tax benefit as the most common instrument
Instruments

Subsidised housing

• Object-oriented subsidies to support construction or modernisation in rental and/or owner-occupied tenures

• Available in all member states, but varying importance

• Partly regulated/implemented by subnational levels of government

• Varying support profiles or goals
Instruments

Rent regulation

- No significant rent regulation
- Regulation of rent increase only
- Control of rent setting and rent increase
Instrument reform trends

- **Introduction or recalibration** of housing allowances
- Subsidies for homeowners and homebuyers shaped by **major restructuring** processes
- *(Re-)* **introduction, expansion or recalibration** of subsidised housing
- **Tightening** of rent regulation vs. **liberalisation** trends
Reform of instrument mix

- Establishment of housing policy
- Stable instrument mix
- Strengthening housing allowances
- Strengthening subsidised housing
- Strengthening homeownership
- Few or unclear reform activities
Key issues and outlook

- Resilience
- Tenure dynamics
- EU influence
Key issue 1: tenures dynamics - short or long run?

- **demand** driven factors: migration
- **supply** driven factors: affordability restrictions in the owner-occupied sector
- **Converging** trend within rental tenure in the EU?

Source: Own Calculations, based on EU-SILC data
Key issue 2: the EU’s impact on housing

- **Diverse impact** of EU regulation and funding
- High impact on some member states’ social housing sector
- Important **leverage effects** of EU funding
- Future **EU action** in consideration of varying national housing systems and challenges
Key issue 3: the financial crisis’ impact and the resilience of housing systems

- Varying **vulnerability** of national housing systems
- Feedback processes between economic sectors may **reinforce impact**
- **Resilience** improving factors: diversified tenures, stable financial sector, low credit dependency, stable demography
Summary

Large **heterogeneity of housing systems** in most areas, despite common problems and drivers of housing policy

- Different **targets and importance** of policy instruments
- Tenure systems with *(weak) convergence* trends: resilience to crisis experience as driver
- Impact of EU regulation and funding strongly depends on the **circumstances** and the **field of regulation**
Outlook

Improved knowledge base, but **better data needed**, especially in regard to policy instruments

**Further research** is necessary:

- National and subnational **activities and interactions** with adjacent policy fields
- Long-term impacts of the **Covid-pandemic** and political responses
Contact

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