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CONCLUSION

In the last ten years we have all been reminded of the importance of housing policy as a key field for public intervention. On the one side, a reminder of the importance of social housing has come in the form of a widespread housing crisis that has hit so many European countries and cities. This crisis has assumed different local shapes, blending old and new problems – but has also developed against the background of decades of divestment from the social housing sector. On the other side, the importance of housing policy in our social and collective life has been recognized in many key policy documents published in the last ten years (from the 2030 Agenda for Sustainable Development, the New Urban Agenda, to EU’s Urban Agenda and European Pillar of Social Rights), as well as by the renewed attention paid by the governments of EU member states.

The DASH project is thus addressing a pressing policy issue by investigating the mechanisms of provision of affordable housing opportunities in four countries/cities. The first phase of the project, whose findings are presented in this report, has already produced interesting insights emerging from the comparison between the four case studies.

One concept, multiple realities: social housing in context

DASH’s primary focus is affordable and social housing. The notion of “social housing” identifies here a diverse set of state-backed channels through which low-income and/or vulnerable households can access housing opportunities.

Social housing is thus a complex field of public intervention rather than a single policy object. From the point of view of policy design, public action in the field can range from direct provision of public housing to a variety of public-private arrangements; from housing subsidies to legislation on rent regulation, or housing cooperatives; and so forth. The distinctive features and performance of a national social housing system should also be considered in the light of the broader context of the country, such as the peculiarities of its history, welfare system, legal and administrative tradition, and so forth.

The DASH report offers ample testimony of the “context-specific” nature of social housing. In each of the countries examined, the local system has different overall goals, operates in a peculiar institutional environment, and adopts a distinctive mix of policy tools.

Simply comparing the size of national social housing stock, for example, offers a snapshot into the overall performance and underlying goals of the system. At the two extremes sit Denmark, with a social housing stock amounting to the 20,8% of the total, and Serbia, with a meagre 0.5% – in Germany and Portugal the figures are 2.5% and

2%, respectively. Such a stark contrast is representative of a range of different orientations as to the overall goals of the system. The Danish system is considerably more geared toward a universalistic approach, and the fact that social housing is widespread also means that a more diverse population live in social housing. On the opposite side, in countries such as Serbia and Portugal, social housing is reserved for the most vulnerable strata of the population; indeed, in Serbia social housing is often built ad hoc in order to accommodate the needs of specific groups such as war veterans and refugees. Germany sits in an intermediate position, balancing the relatively small size of a social housing stock (which has been shrinking for the last 30 years) with a more widespread system of rental control and housing subsidies.

It would be impossible to understand the characteristic features of each national system without taking into account the impact of path dependencies and contingent events on its historical trajectory. The Danish system has for example enjoyed a degree of relative stability, building over time a considerable social housing stock that has remained by and large intact – across a period in which other European countries were dismantling their own and undergoing phases of broader, turbulent political and institutional change. This is what happened in Germany after the reunification of East and West Germany. In Serbia, it happened in an even more dramatic fashion, as the fall of socialism and the dissolution of the former Yugoslavia (which brought the privatization of the once-prevalent public housing stock) was exacerbated by two wars (in 1991-1995 and 1999) whose effects are still felt in the country today. In Portugal, the current housing crisis (and policymaking initiatives) has their roots in the real estate and tourism boom that have marked the path of economic recovery of the country after the economic crisis of 2010-2013.

These disparate historical trajectories have produced a great variety of models. Indeed, it could even be argued that, in purely conceptual terms, the Danish system is not offering social housing at all. It is in fact by and large based on non-profit housing associations (rather than on the existence of a publicly-owned housing stock), which offer housing “to everyone who puts their name on a waiting list”, and is willing to pay a cost-based rent (i.e. independently of any assessment of the applicant’s income). Still, it makes sense to understand the Danish housing associations as “social housing”, because the system hinges on the legal and financial guarantees provided by the state through the National Building Fund (*Landsbyggefonden*). And since housing associations are also contributing to the Danish welfare system (for example: a percentage of their vacant housing units can be used by public authorities to address the needs of the local population), it also fulfils the same function of more classic systems of social housing provision – that is, it offers housing opportunities to low-income and vulnerable households. The four countries, more broadly, differ in remarkable ways as to the models of ownership of the housing stock. As mentioned above, most of Denmark’s social housing is owned by housing associations; in Portugal and Serbia, it is by and large property of public authorities; in Germany, a large portion of the stock is owned by private landlords who receive subsidised loans for housing construction from the state in exchange for renting their property at below market rates.

Affordability is a key concept for social housing – to work properly, a social housing system must produce housing solutions that are “affordable”, i.e. catering to those segments of the population that cannot access the housing market. However, each country has its own concept of “affordability” as applied to social housing, as well as different ways to implement it. In Portugal, for example, affordability is “in-built” in the system: households’ rents are income-based and heavily subsidized by public authorities, meaning that social rents depend on incomes and are always way below market value. On the contrary, in Denmark and Serbia, the value of the rent depends exclusively on construction and maintenance costs, while in Germany affordability is calculated as a percentage of market values. As a result, in these three countries, social housing can be quite unaffordable, as construction/maintenance costs or current market values can translate into rents which are high relative to the household’s income. This is precisely where the broader welfare system (more generous in Denmark and Germany than it is in Serbia) steps in by offering subsidies to those who are struggling to pay rent.

This last comparative insight is yet another reminder of the complexity of housing systems. While housing affordability can of course be measured statistically (e.g. through reference to indexes such as the Housing Cost Overburden Rate calculated by EU-SILC), what ultimately matters is not so much considering any single parameter (e.g. the affordability of your rent), but rather examining the overall set of conditions that make the system work (for example, the presence/absence of housing subsidies). Any policy-oriented discussion of housing affordability should thus necessarily encompass factors that can seem to have little to do with social housing per se. In Portugal, for example, public support to homeownership has represented the main channel for providing affordable housing opportunities to a vast segment of the population between the 1980s and the early 2000s, when far more money has been spent to subsidize mortgages than for social housing provision or housing subsidies. Serbia has also experienced a similar trajectory with the privatization of social housing after the fall of the socialist system; indeed, Serbia’s rate of homeownership even exceeds Portugal’s.

Common challenges

Despite the differences in their historical, legal, and administrative trajectories, the four countries share in many ways a common set of challenges. The first has to do with the task of finding a match between the existing social housing stock and the population that it is supposed to serve. The human geography of Europe (its demography, economics, technological infrastructure) has changed considerably in the last three decades. These slow but steady transformations have had an impact on the housing system: their net result is often that the built structure and the location of social housing stock does not necessarily correspond to the current needs of the population. Over the last 30 years, Europe has experienced considerable immigration flows and its population has overall become more mobile; since housing cannot be moved around easily, this has often resulted in the emergence of territorial imbalances in terms of demand and offer of affordable housing opportunities. Moreover, accommodating a population consisting of smaller households and which is rapidly aging inevitably means intervening in the built structure of (social) housing, as well as on the range of

services offered to the resident population. This is most evident in the experience of certain urban contexts, such as Tübingen, Aalborg and Braga, which have experienced (by virtue of the employment, educational, or lifestyle opportunities they offered) an inflow of new population in the form of new permanent or temporary residents, such as tourists and the so-called “digital nomads”.

A second common challenge is represented by another recent Europe-wide trend: against a long-term trajectory of deregulation of rental housing, the costs of housing provision have risen in recent years across all the components of the final price (land; building, which also increasingly includes the costs for energy-efficient renovations; and credit). Adding to this broader trend, the cases examined present specific issues that complicate the financing of social housing policy. Local governments in Serbia and Portugal, for example, are traditionally constrained by their lack of resources, so that they depend on national authorities (or, in the case of Serbia, on international donors) to finance projects; indeed, Serbian local authorities are still in the process of alienating the existing public housing stock because of the lack of resources to maintain it – this has also been the case of Portugal, at least until very recently. The overall dynamics of rising inflation, on the other side, have reduced households’ purchasing power and thus increased the risk of housing cost overburden. Once again, this trend is sometimes compounded by the local dynamics: cities like Braga or Tübingen, have seen an influx of resource-rich people who are outbidding incumbent residents in the local housing market.

Whatever the similarities among the trends affecting the four cases, not all challenges are equivalent. In Denmark (an outlier in many respects among the four cases), the challenge is about finding the best way to tweak a system that is traditionally efficient, rich in terms of resources, and caters to the housing needs of a considerable portion of the population. Despite important differences between them, Germany, Portugal, and Serbia are facing more severe and structural problems, for example in relation to the lack of an adequate offer of social housing opportunities vis-à-vis an increasing demand; their inability in sustaining a durable build-up in the sector to expand the offer of affordable housing over time; and the existence of severe local housing crises due to the growth of real estate prices.

Social housing and policymaking

Against this background, the examination of the policy debate in the four cases shows very different starting lines and overall directions. In this respect, it is worth remembering that the social housing sector, because of its nature, is at the centre of many debates that go beyond housing policy per se – touching on issues such as immigration and multiculturalism; poverty and social stigma; crime and security; and so forth. Once again, the local “politics of housing” around these issues represents yet another contextual element that should be acknowledged as a key component of housing policymaking.

In recent years, a lively debate has developed in Denmark on how to preserve the traditional features of the local system, that is, providing quality housing options for everyone and maintaining the social diversity that has historically been a defining trait

of the local social housing system. This debate has produced quite a lot of policy initiatives (some of which controversial, as the case of the “parallel societies legislation” shows), whose impact should be carefully observed in the next few years. In Serbia, on the contrary, the political debate seems to be lagging: housing issues are the focus of a growing number of civil society initiatives, but no major political actor appears to be listing these matters among its priorities.

Germany and Portugal are in a sort of intermediate position in this respect. The German government has recently recognized the scale and severity of housing issues in the country: it has expanded financial assistance to vulnerable households and plans to increase the social housing stock. However, it is still early to tell whether or not these interventions will prove successful; indeed, increasing subsidies can trigger further inflationary effect on the housing market, and so far the expansion of housing supply has lagged behind government’s wishes and forecasts. The Portuguese government and parliament have enacted new legislation (the so-called New Generation of Housing Policies and the Framework Law for Housing, in 2018 and 2019 respectively) promising a paradigmatic shift in housing policy, with the goal of transitioning toward a more universalistic system and modernising the governance of the sector. As a matter of fact, the post-pandemic influx of EU resources via the Recovery and Resilience Plan has provided housing policy with significant financial means for the first time in two decades. However, right now it is difficult to understand if the current investments will bring significant results in terms of the overall increase of social housing stock, and whether this increase will be sustained as EU resources dry up.

At the local level, realities are often different from the national level. Although partially tied by national policy, municipalities have some room to experiment and implement their own policies. This has resulted in various innovative strategies to provide affordable housing. For example, Tübingen developed the ‘Tübingen model’ for the redevelopment of brownfield sites, in which the municipality acts as developer and encourages not-for-profit actors to develop projects that are chosen based on qualitative criteria instead of price competition. Aalborg has taken an integrated approach to urban planning by combining social housing construction with the rollout of a Bus Rapid Transit system. Braga is planning to roll out a municipal scheme of affordable rent in cooperation with the private sector. And Čačak established the City Housing Agency twenty years ago to develop and oversee housing policy implementation, support programmes and social housing provision, even if a lack of funding is undermining its long-term planning and sustainability.

A European momentum for affordable housing policy?

As we have noted, many of the trends and challenges faced by the four countries/cities reflect those experienced by other countries and cities in Europe. The heterogeneity of cases, on the other hand, reflects the heterogeneity of the continent – both across different countries, and across different regions or urban contexts in the same country.

In the EU governance framework, the responsibility for housing policy has historically resided with member states, although the EU has always exerted an indirect influence over national housing policies. Examples include EU regulations on competition, public procurement, and technical standards in the internal market; the overall “Europeanization” of administrative systems and policy paradigms; and finally, budgetary restrictions and austerity measures on the finances of member states).

In retrospect, however, the last two decades seem to have witnessed a progressive expansion of the EU’s direct role in the housing sector. In 2004, the EU’s Structural Funds were used for the first time for housing investments in the then-new member states of Eastern Europe. The so-called Juncker plan (European Fund for Strategic Investment, 2015-2017) represented the first EU-wide, substantial financial instrument for housing investments; it was followed by the post-pandemic EU recovery package (Next Generation EU, 2021-2026), which made available significant resources for housing policy to countries such as Belgium, Spain, Italy, and Portugal (the latter having received some €3.2bn). The combination of different factors (the deepening crisis in access to housing; growing environmental concerns; and the COVID-19 pandemic) has finally led to the unprecedented step of the appointment (2024) of an EU Commissioner for Energy and Housing commissioner, tasked with developing a European Affordable Housing Plan. This shift, we should add, can have ramifications beyond the EU per se: Serbia, for example, is currently a candidate country for European Union membership; and has received in last two decades significant EU funds (primarily through the Instrument for Pre-Accession Assistance, IPA) for the construction of social housing.

DASH’s methodological approach, which is founded on a comparative/co-productive practice, is designed to make the most, in analytical terms, of this dialectic between shared challenges and local heterogeneity inherent to the provision of affordable social housing; at the same time, in policy terms, it functions as a platform of inter-sectoral peer-learning across countries and scales. Projects like DASH thus offer a valuable platform to think about affordable housing in Europe and hopefully bringing positive contribution to policymaking at the local, national and European level at a critical junction of its trajectory.

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