



**Meeting of the Bureau of  
PES Local | Socialist Local Representatives in Europe  
on 25<sup>th</sup> of April 2019 in Vienna**

**RESOLUTION**

**Housing in Europe has to become affordable for all again  
For more investment and a clear commitment to affordable housing for all in Europe**

The housing crisis affects people everywhere in Europe: In Spain, more than 300,000 people lost their homes through forced evictions. In the Netherlands, 650,000 people were excluded from access to affordable housing due to the European Commission having changed the target group for social housing construction. In France, pursuant to a government decision, social housing bodies must sell off one percent of their stock every year – to tenants who can't afford the purchase. In Dublin, 10,000 people, of which 3,800 children, are homeless and live in bed and breakfasts after having lost their homes. In Bratislava, housing costs have risen so much that many families are forced to move to Austrian municipalities on the border and commute. In Lisbon, a large number of apartments are used for touristic short-term lets - and are thus lost to the regular rental market. In Greece, the protection against forced eviction has been lifted and many people are threatened with homelessness - in a market without social housing. Everywhere in the European Union, people are fighting against increasing housing costs whilst incomes are stagnating. Gentrification, expulsion, energy poverty and forced evictions are phenomena that not only affect low-income earners, but also people and families with a medium income. Women are particularly impacted due to the wage gap, in particular if they are single parents and in old age.

The fact is: in the 10 years following the global financial and economic crisis in 2008, investments in affordable housing have decreased throughout the EU, thus creating a blatant mismatch between offer and demand. Since 2008, there is a shortfall of 57 billion euros of investments per year in affordable housing, especially at local and regional level. Over 50 million EU citizens are overburdened with housing costs (11.1% of the EU population) or live in overcrowded housing (16.6% of the EU population) or in housing with substantial defects which are, to some extent, hazardous to health (15.4% of the EU population). Many people are threatened by exorbitant rent increases and forced evictions. The EU must facilitate public investments in affordable housing through changes to the European Semester, state aid and competition law and by providing new funding possibilities for social infrastructure, such as affordable housing.

We need a clear commitment to affordable housing for all, not for a few. This involves,

- fighting energy poverty,
- preventing forced evictions,
- strengthening tenants' rights and participation,
- countering speculation on building land and the lack of transparency in price and rent setting.

Generally, in a field which is so heavily subject to speculation, the weaker parties must be protected. The best remedy against the housing shortage is massive and targeted investment.

The best protection for tenants are open-ended tenancy agreements. The EU, together with the member states and, even more so, with cities and municipalities, can expand its ambitious programme for more energy efficiency in buildings into a large-scale European residential construction campaign and build in just a few years 10 million affordable, rent-controlled flats providing maximum rental security to its residents.

The unregulated commercialisation of housing markets leads to further distortions. Housing is increasingly seen as a commodity and an attractive property to maximise profits, instead of a fundamental human right. Effective market and control mechanisms are inadequate. This is about stopping our cities from being sold off. National states and the EU must take urgent measures to eliminate such speculations and to fight tax avoidance and tax evasion. We must also put a stop to the continued money-laundering which often goes hand in hand with such business transactions. Functioning housing markets are an essential foundation for a self-determined life in dignity in our cities. High-quality and affordable housing must be available for all.

#### **Our demands:**

- The restriction on social housing construction in EU state aid law to a narrow target group of poor and disadvantaged populations, which is against the subsidiarity principle and leads to massive legal uncertainty, must finally be removed. Wide access, social mix and affordable housing for all must be the objectives of all national and local housing policies.
- Housing costs should not represent more than a quarter of the disposable household income; this measure is particularly important for fighting poverty among women, specifically single mothers or female retirees.
- Long-term, public investments in social, cost-effective housing must be facilitated by new rules in the European Semester and EU state aid law.
- Tax avoidance and tax evasion in speculative investments, share deals and mergers in the real estate sector must be prohibited. The sale of local and public housing stocks must be stopped.
- The EU must fight criminal money laundering in the real estate business and force banks to disclose planned transfers and mergers.
- EU funding policies, especially also EIB fundings, must support, along with new constructions and refurbishments, guarantees for building land for social housing, in particular for rental housing.
- Public funding must always go hand-in-hand with rent and price caps and a prohibition on sale, to avoid capitalisation on funding.
- Housing policy is a national matter. To date, the EU cohesion policy and the financial instruments of the EIB only provided little support to the creation of affordable housing. We need a residential construction campaign in the EU with smart bundling of EU funding, EIB loans and financial instruments and other European, national and local sources of financing, to meet the urgent need for affordable housing – the goal must be to build at least 10 million homes in the EU in the coming years.