

Thematic Working Group: Housing Affordability (ECO)

Analysis of the ECO thematic fact sheets

URBACT Suite

Workshop

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EUROPEAN UNION
European Regional
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TFS-ECO

(Thematic Fact Sheet Economic working-group)

- This presentation summarizes the results of the replies to the survey TFS-ECO
- Information was collected through an email survey circulated amongst SUITE partner cities in November 2009.

I. Affordable housing in your city: current situation

1. Which of the following statements describes best housing affordability in your city?

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
1.1. It has always been a big problem.		x	x		x ^[1]	x		x	x
1.2. It has become a problem since the economic crisis started.									
1.3. It is a problem for some households in our city, but not for the majority.	x			x			x		
1.4. It is not a problem.									

→ Most cities declare affordability has **always** been a problem.

→ In 3 cities it is a problem for **some categories** of households

^[1] Since 2000, explosion of dwellings and land prices. Increasing gap between people incomes and real estate market.

I. Affordable housing in your city: current situation

6. Which types of households experience greater problems with housing affordability in your city?

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
6.1. Low-income households	X	X	X	X	NR	X	X	NR	X
6.2. Elderly households	X				NR		X	NR	X
6.3. Single parent households	X				NR		X	NR	X
6.4. Young families	X	X			NR		X	NR	X
6.5. Ethnic minorities	X				NR			NR	
6.6. Other			X		NR			NR	

→ Low income households experience greater affordability problems in most cities, followed by young families

→ Hamburg declares affordability problems on all categories, followed by Rennes on four out of 5 categories

I. Affordable housing in your city: current situation

2. Is there a different definition of 'social housing' and of 'affordable housing' in your city?

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
YES			X	X	X	X	X	X	
NO	X	X							X

→ In most cities 'affordable' housing has a **different meaning** from 'social housing'

I. Affordable housing in your city: current situation

4. Please provide any data you might have on the financial burden that housing represents for households in your city

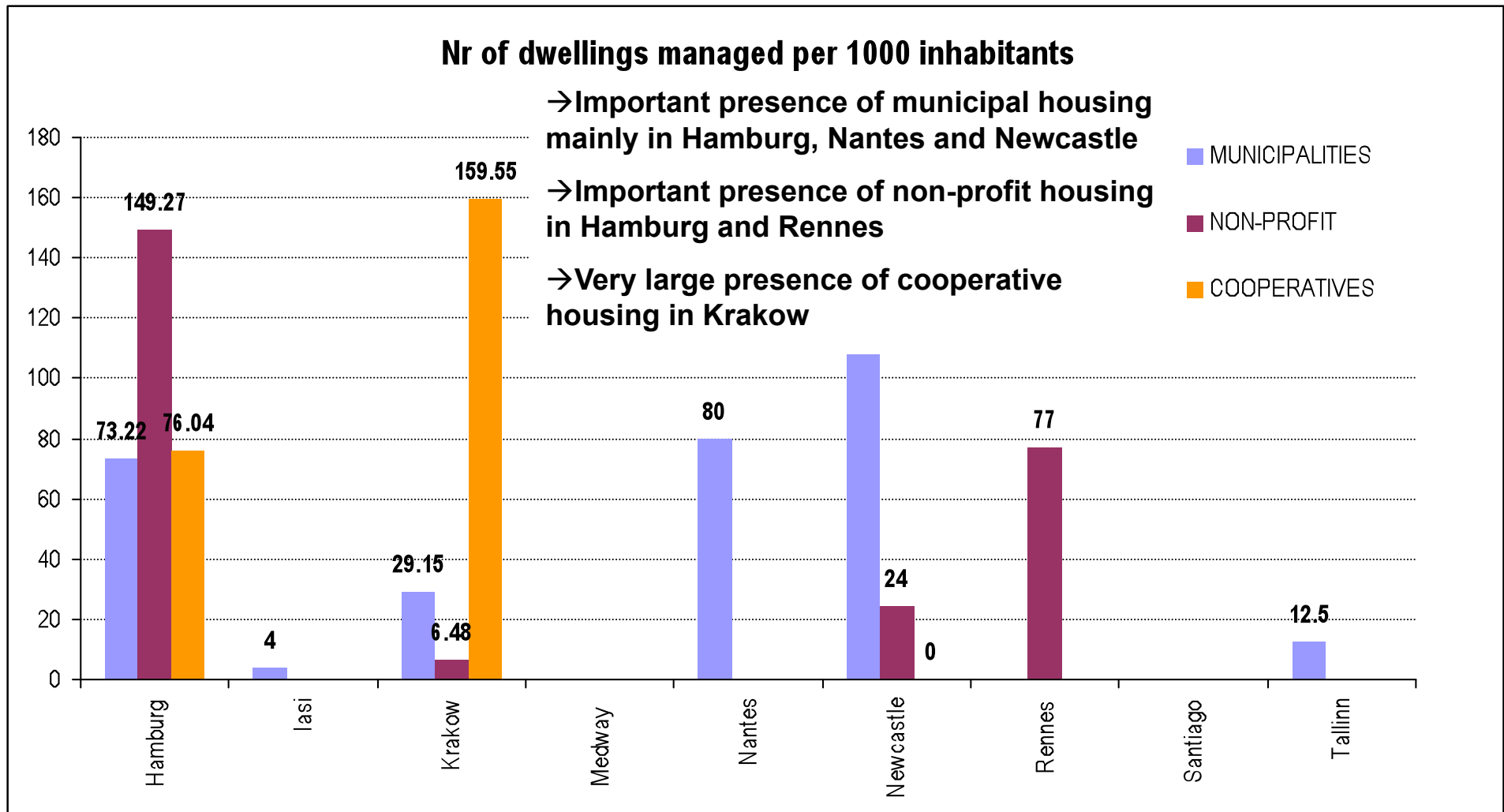
	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
Housing costs as share of total household expenditures (%)	24.3%	NR	25%	NR	24.6 %	NR	NR	26%	16%

→ Wide **variety of measures** per city/country

→ Housing costs as share of total household expenditures cluster **around 25%**, ranging between 16% (Tallinn) and 26% (Santiago)

I. Affordable housing in your city: current situation

Availability of social/affordable housing in each city: overview by type of provider



I. Affordable housing in your city: current situation

TABLE 5a:
Offer of social / affordable housing (for rent) in your city: MUNICIPALITIES

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes ^[1]	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
Nr. Of dwellings managed:	135,000 (15.52 %)	1,365	22,000	3,053	46,500	29,508	NA	NA	5,000
Nr. Of dwellings managed per 1000 inhabitants:	73.22	4	29.15	NR	80	108	NA	NA	12.5
Rent level: €	Avg. rent: €5,30 p/m ² ^[2]	45	-Social council flats € 0.36 -Council flats: from € 0.72-1.85	£ 85 p/w (2 bedroom house)	Avg. €307 (excl. charges)	62.17	NA	NA	1,3 €/m ² (3,2 €/m ² rent + electricity, water, other services)

^[1] 24 municipalities = Nantes Métropole

^[2] net rent excluding all additional operating costs and escalations

I. Affordable housing in your city: current situation

TABLE 5b:

Offer of social / affordable housing (for rent) in your city: NOT-FOR-PROFIT / HOUSING ASSOCIATION

	1. Hamburg ^[1]	2. Iasi	3. Krakow	4. Medway	5. Nantes ^[2]	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
Nr. Of dwellings managed:	265,000 (30.45%)	NA	4,890	15,813	95%	6,500	30,000	NA	NA/NR
Nr. Of dwellings managed per 1000 inhabitants:	149,27	NA	6.48	17.5%	NR	24	77	NA	NA/NR
Rent level: €	€6,13-€10,17 ^[3]	NA	Avg. €2,59	£ 85-90 p/w (2 bedroom house)	NR	76.59	318 € a month, or 5 €/m ² a month	NA	NA/NR

^[1] Defined by the city as: Dwellings in personal property (not owner occupied)

^[2] owned by social landlords (public or private)

^[3] according to the rental price index

I. Affordable housing in your city: current situation

TABLE 5c:

Offer of social / affordable housing (for rent) in your city: COOPERATIVE

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
Nr. Of dwellings managed:	130,000 (14.94%)	NA	120,400	NA	NR	12	NR	NA	NA/NR
Nr. Of dwellings managed per 1000 inhabitants:	76,04	NA	159,55	NA	NR	0	NR	NA	NA/NR
Rent level: €	Avg. rent €6.50– 6.80 p/m2 [1] (estimated)	NA	Avg. €0.94	£ 175 p/w (2 bedroom house)	NR	Unknown	NR	NA	NA/NR

[\[1\]](#) The average rent differs between the cooperatives (there are 31 cooperative societies in Hamburg)

I. Affordable housing in your city: current situation

7. How does housing affordability in your city compare to other cities in your country?

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
7.1. My city is one of the least affordable in the country	X	NR	X						
7.2. Thanks to local housing programmes, housing remains affordable for the poorest	X	NR	X		X ^[1]				X
7.3. Thanks to local housing programmes, housing remains affordable for the middle-classes		NR					X	X	
7.4. Compared to other cities, housing remains affordable in my city		NR		X		X	X	X	

An equal number of cities consider that:

→ **Housing programmes have improved affordability** for the **poorest** in their city

→ **Housing remains affordable** in their city compared to other cities in their country

^[1] There is more social housing in Nantes than in other cities of the same size.

II. Impact of the economic crisis on housing affordability in your city

8. How has the economic crisis affected housing affordability in your city?

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
8.1. No impact.	x ^[1]								
8.2. Home-owners can't pay mortgage.		x		x ^[2]		x	x	x	x
8.3. Tenants not able to pay rents.		x	x				x		x
8.4. New construction of social housing stopped due to budget cuts.			x		x				
8.5. Private developers stopped building due to lack of credit.				x	x	x	x	x	x
8.6. Other							x ^[3]		

The **economic crisis** has affected housing affordability in most cities in that...

→ **Home-buyers** unable to afford mortgage payments

→ **Tenants** cannot afford to pay rents in four cities

→ **Private developers** stopped building

^[1] Not visible yet

^[2] There has been a small increase in the number of home repossessions in Medway over the past 18 months or so, however the level of homeless people has remained relatively low during this period, which implies that we are getting better at housing the homeless.

^[3] Private developers are now waiting for better days. They sell the stock and they don't start new buildings

III. Actions (plans, programmes) in the field of housing affordability

9. Which of the following actions has your city recently implemented to improve housing affordability

	1. Hamburg	2. Iasi	3. Krakow	4. Medway	5. Nantes	6. Newcastle	7. Rennes	8. Santiago	9. Tallinn
9.1. Increase supply of social housing				BC	BC	BC	BC	BC	BC
9.2. Increase number of housing allowances to tenants		BC(?)	BC ^[1]			BC		BC	
9.3. Increase amount of housing allowances								BC	
9.4. Support access to private rental sector						BC	AC	BC	
9.5. Support to housing cooperatives	BC							BC	
9.6. Innovation in the field of social/affordable housing			BC ^[2]						
9.7. Support to affordable home-ownership	BC			BC	BC	BC	BC	AC	
9.8. Other measures					BC ^[3]	AC ^[4]			

Types of affordability actions mostly implemented by the cities **before** the crisis are

- Increasing supply of social housing
 - Supporting affordable home-ownership
- Programme of rent reduction
 Exchange flats
 Zero interest loan
 Mortgage rescue scheme

Types of affordability actions implemented to **tackle** the crisis have been:

- Support access to the private rental sector
- Support affordable home-ownership
- Mortgage rescue scheme

Summary of key findings

1. How is 'affordable housing' defined and measured:

- In most cities 'affordable' housing has a **different meaning** from 'social housing'
- Housing costs as share of total household expenditures cluster **around 25%**, ranging between 16% (Tallinn) and 26% (Santiago)

2. How big a problem is it, and for whom?

- Most cities declare affordability has **always** been a problem
- **Low income households** experience greater affordability problems in most cities, followed by **young families**.

3. Who provides affordable housing in these cities?

- Municipal and non-profit housing predominate in most cities as providers of affordable housing.

4. What actions have been implemented and what is their effectiveness?

- **Housing programmes** have **improved affordability** for the **poorest** in their city
- **Housing remains affordable** in their city compared to other cities in their country
- Increasing **supply of social housing**
- Supporting **affordable home-ownership**

5. How has the economic crisis impacted on affordability?

- **Home-buyers** unable to afford mortgage payments
- **Private developers** stopped building
- **Tenants** cannot afford to pay rents in four cities

6. What types of affordability actions have been implemented to tackle the crisis?

- Support **access to the private rental sector**
- Support **affordable home-ownership**
- **Mortgage rescue scheme**

Key lessons learned from Newcastle meeting

- Despite the impact of the global economic crisis, **housing affordability / housing exclusion** has been and continues to be a **problem** in most cities. Therefore, **sustainable solutions** are needed, which go beyond contingent factors.
- From the Newcastle (NC) meeting, interesting **examples** were: NC case management in prevention from eviction; NC joined-up services and strategies linking housing and communities; emphasis on the social aspects of regeneration.
- **Policy on homelessness** in Newcastle was considered a good example by partners, as well as the social work carried out with young people.
- Some partners (in particular, those from new member states) recognized that, while learning many interesting things during the meeting, they face a **severe lack of funding** to put anything in place.