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# Housing policy in Europe during the pandemic

Interview Housing Europe  
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## HOUSING POLICY IN EUROPE DURING THE PANDEMIC

### INTERVIEW

#### 1. Interviewee profile

- Name: Alice Pittini
- Organisation: Housing Europe
- Position: Research Director
- Short Profile:
  - Housing Europe is the European Federation of Public, Cooperative & Social Housing. Since 1988 it's a network of 46 national & regional federations gathering 43.000 housing providers in 25 countries. Together they manage around 25 million homes, about 11% of existing dwellings in Europe
  - Alice Pittini: With over 10 years of professional experience in social and affordable housing, Alice is leading the Housing Europe Observatory, coordinating comparative studies, thematic briefings and articles. Also, she's in charge of providing strategic advice to Housing Europe policy work and devising studies including the bi-annual report 'the State of Housing in the European Union'. She previously worked at OECD as Economist and Policy Analyst setting up a database on affordable housing.

#### 2. Situation of housing in Europe and impact of the pandemic

- **In your view, what is the current situation of housing in the European Union in general? Is housing one the main social problems in Europe? Why?**  
 Europe was already facing a housing affordability crisis when the COVID pandemic hit. In 2019, the housing cost overburden rate was 9.4% for the overall population but it rose to over 35.4% among those on low incomes, with important disparities among countries. Also, homelessness has been on the rise in the European Union with numbers increasing consistently in most Member States over the past decade

On the eve of the pandemic, housing markets had recovered strongly after the global financial crisis and house prices were increasing at fast pace in a majority of European countries. Most importantly, house price growth continued to outstrip increases in the incomes or most households, a phenomenon that has expanded in recent years to affecting even those on middle-incomes, especially younger workers.

Rents also registered significant increases, though this phenomenon has been largely concentrated in cities and high demand areas. This was also influenced by the spread of short-term lettings, which exploded across many European capitals and tourist destinations, supported by the growth in online letting platforms.

At the same time, and this is very serious, the share of public and social rental housing overall has been decreasing for decades at EU level and consequently unmet housing needs already posed a significant challenge prior to the pandemic.

- **In that context, what has been the impact of the pandemic? Has the situation deteriorated in terms of greater difficulties for the population to access/keep affordable accommodation?**

As I have mentioned, there was already a housing affordability crisis prior to the pandemic, but Covid-19 has reinforced the importance of adequate and affordable homes, as well as made even clearer that the persisting problems around the cost and quality of housing are simply not sustainable. This reflects the manner in which the pandemic has served to accentuate the inequalities in housing and living conditions. As a result, the on-going pandemic has brought persistent housing issues, such as quality and affordability, into much sharper focus.

Also the outset of the pandemic has put emphasis on the links between housing conditions and health and well-being and how poor housing conditions can expose people to a number of illnesses, as well as stress and social and economic isolation. In this sense, in some countries, higher mortality rates have been identified in areas with the highest number of homeless people living in temporary accommodation, and areas with most acute shortage of social housing. Also, mental or physical health problems have been reported, linked to the lack of space at home or its condition during lockdown. Particularly, older peoples' health has been put at risk, to varying degrees, during the pandemic according to whether they were able to live in independent housing or in collective specialised accommodation.

- **Have certain social groups been more affected by the current crisis? Which ones? Are new groups at risk? Which is their profile?**

Recent trends show new categories of people in need of social and affordable housing. In particular, people from lower middle class with jobs that do not



provide sufficient financial resources to access housing on the private market. Moreover, social groups such as single parents, couples with 2 or more children, people with precarious jobs, children in public care, people with disabilities and elderly men have been identified as the most common to ask for housing assistance.

These trends lead to increased demand for social housing and additionally they can also imply a need for more diversified employment and social services for residents already living in social housing. The social housing sector must also respond to reduced housing opportunities for younger generations, who face rising rents and house prices, and more instability in the labour market.

### 3. Policy responses

- **How are European governments reacting to the new situation? What types of measures are being implemented to combat the pandemic's impact on housing related needs?**

Most countries were quick in responding to the crisis with measures to support vulnerable households and mitigate the risk of people losing their homes, by supporting incomes and implementing bans on evictions and rent increases. Specific measures to protect mortgage-holders and tenants were introduced in addition to the support from social safety nets. In most countries, emergency support involved a suspension of eviction procedures, temporary forbearance of rent and mortgage payments, and in some cases moratoria on utility payments. Most governments, at both national and local levels, also took specific steps to shelter the homeless during the lockdown.

However, many of these measures were temporary and are unlikely to match the duration of the effects of the global pandemic on households' capacity to afford housing costs, especially for those who suffered from loss of employment or income during the crisis. In fact, in some cases these measures have already been phased out.

- **And the European Union? To what extent is housing amongst the priorities of the Commission's response policies? Are specific/emergency policies are being implemented at Union level? Is housing being considered within the EU recovery plans?**

The pandemic has led to one important change in the response at EU level when compared to the aftermath of the Global financial crisis of 2007/08. Now, major elements of the 'EU Stability and Growth act' have been temporarily put

on hold, which means that Member States are allowed to use debt to invest in both emergency measures and their recovery plans. In addition, the EU has made fiscal and monetary policies more accommodating to face the COVID-19 pandemic and this new framework should help to support investments in social and affordable housing. Thus Member States now have more space to implement the European Pillar of Social Rights (EPSR) in order to preserve income of tenants/residents through welfare policies and investment in social housing.

Moreover, the European Parliament has recently called on the Commission and the Member States to further increase investment in the EU in social, public, energy-efficient, adequate and affordable housing, and in tackling homelessness and housing exclusion. In this regard, the Parliament has called for investment through the various EU funding and cohesion mechanisms (e.g. European Regional Development Fund, the Just Transition Fund, InvestEU, ESF+, Horizon Europe and Next Generation EU); especially the Recovery and Resilience Facility, Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Investment Initiative Plus (CRII+). Crucially, the Parliament has called for the inclusion of social progress plans in the national 'Recovery and Resilience' plans, outlining how EPSR principles are going to be implemented, and where social investments are going to be targeted, including investment in social housing.

Last but not least, the EU has made the Green Deal its guiding principle and the fair energy transition and decarbonisation of the building stock should, therefore, have a central place in the years ahead.

- **Are Housing Europe member organisations developing new initiatives/programmes related to the impacts of the Covid emergency?**

The pandemic has so far affected social housing providers in different ways and to different extents. However, one common element is the fact that public, social and cooperative housing providers mobilised to support their tenants and communities, taking actions to stay connected with residents, particularly the most vulnerable or isolated, and protect them from the risk of losing their homes.

Also, in general and though differences can be observed by country, the decrease in housing output which many predicted in March-April 2020 during the 'first wave' of the pandemic did not materialise to the extent expected, as the sector, in cooperation with construction companies and contractors, has

been able to devise ways to promptly re-start works on sites in a way which respects the health and safety of workers and, in cases of renovations, residents. The sector has been striving to keep supplying new housing whilst also renovating the existing stock.

The pandemic also meant a huge push for the sector toward digitalisation, triggering rapid progress in providing online services for residents, rolling out of broadband and other digital infrastructure, virtual home visits, and online meetings of residents of housing associations and cooperatives.

#### 4. *The European housing landscape in the next future*

- **What panorama do you envisage for the housing situation in the next future in Europe, once the pandemic is over? Will things come back to “normal” in a short time or will there be long term consequences on the housing market?**

What will happen in the medium to long term is the key question at the moment. As pointed out by the OECD, the long-term COVID impact is difficult to predict at this point. From the housing perspective, the key issue will be the impact on incomes, which has the potential to aggravate the issue of affordability even further for a significant share of the population.

Will the negative impact on our economies prove to be only a temporary issue or one that will affect our societies for a long time? How will the predicted increase in poverty and inequalities in Europe affect access to adequate housing? While these and other questions remain to be answered, one certainty is already beginning to take shape - a greater demand for social services, and in particular for social housing. Already we have evidence from a number of countries of huge unmet needs for housing, and social housing in particular, and this phenomenon is only likely to increase unless we step up the effort to build and renovate the homes Europe needs.

- **What should be the role of EU policies in the new panorama?**

In its resolution of January 21st, the European Parliament had called for the Commission and the Member States to make housing one of the cornerstones of the Action Plan of the EPSR; and the Commission to “urgently develop an integrated EU-level strategy for social, public, non-segregated and affordable housing, creating an enabling framework for national, regional and local authorities to ensure the provision of safe, healthy, accessible and affordable quality housing for all”. This means that, while there is not legal competence in

the EU treaty to act on housing issues at an EU level, and though Member States and regional and local authorities remain the primary housing policy makers, it is crucial to ensure coherence of the policies designed at EU level as well as incentivise Member States to dedicate policies favourable to social, cooperative and public housing.

- **And what about the role of Housing Europe organisations in the post-Covid scenario?**

As I have just said, it appears that the need for social and affordable housing will only grow in the coming years. Thus, investment in social and affordable housing must be a priority for public policies and constitute a central pillar of economic recovery efforts. Investments in social housing construction and renovation can be a central part of a more sustainable, inclusive economic recovery as countries chart the path towards economic recovery in the wake of COVID-19.

This should reinforce the role of public, cooperative and social housing providers in helping to provide the homes that would otherwise be out of reach for so many households at a time when having access to a secure, affordable and adequate dwelling is of extra importance. Building new affordable homes and renovating the existing housing stock are essential pieces of the post-COVID puzzle.

On the other hand, the pandemic has also triggered a serious reflection across the sector on the approach towards the design and functionality of common areas. It is now accepted that 'good' homes need accessible green spaces or balconies. An expected shift in preferences towards increased home-working will also necessitate allowing separate spaces for work, study and play. At the same time, as people spend more time at home, the energy performance of buildings will become an even more pressing issue that policymakers must address. The same is true for digitalisation which was significantly accelerated by the pandemic and is likely to become increasingly important.