HOUSING AS A SOCIAL GOOD: AN APPLIED RESTATEMENT OF THE CONCEPT

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UNIVERSIDADE AUTÓNOMA DE LISBOA

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Housing as a social good: an applied restatement of the concept

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Preface

Housing is frequently regarded as the wobbly pillar of the welfare state. In this context, scientists from various disciplines have been considering for more than 50 years how housing systems should be classified, how the differences and similarities between countries can be explained, if systems in time are converging or diverging, which systems have the best results, which systems serves the low incomes best and which areas of attention should be included. After all, housing almost fills Maslow's entire pyramid, from offering protection against the natural elements to showing one's own identity. Housing also has a major impact on other policy areas such as health, poverty, education and the spatial planning of a country. So, it's no easy task to come up with an universal taxonomy. The book Housing as a social good: an applied restatement of the welfare state edited by Antonio Duarte Santos is a brave attempt to show some light in the darkness. The relationship between society and housing is chosen as the most important starting point for the study, and it tries to explain how society forms housing in a diverse array of countries. It is interesting that this time not the usual countries such as the UK, the Scandinavian countries, and France and Germany are selected as country chapters, but Japan, Portugal, Turkey, Italy, Slovenia, Poland, Spain, Portugal, and China are in the spotlight. Many relevant housing issues are presented and discussed for this rich collection of countries like housing security, safety, health, quality of life, design, heritage, urban patterns, authenticity, public spaces, urban transformation, identity, place attachment, community participation, affordability, disposable income, poverty ratios, monetary poverty and dependency ratios. More precisely, the book analyses the public position in the economy, starting with the theoretical principles of government intervention and moving later to public policies, highlighting its phases and its formulation, implementation, and evaluation. Then, it pays attention to public policies in the field of housing, reviewing the concept of housing and the services generated by it. The analyses are based on the concepts of welfare economics, like criteria of efficiency, equity, and political and social order. Special attention is devoted to identity and place in informal settlements.

The book is certainly interesting for both policymakers and researchers and, based on a wide range of theories and approaches, provides a clear insight into the functioning and outcomes of various housing systems in Europe and China.

Peter Boelhouwer
Professor of Housing Systems TU Delft
Chair of the European Network for Housing Research
August 2024

INTRODUCTION

WHAT ABOUT HOUSING?

António Duarte Santos

Introduction

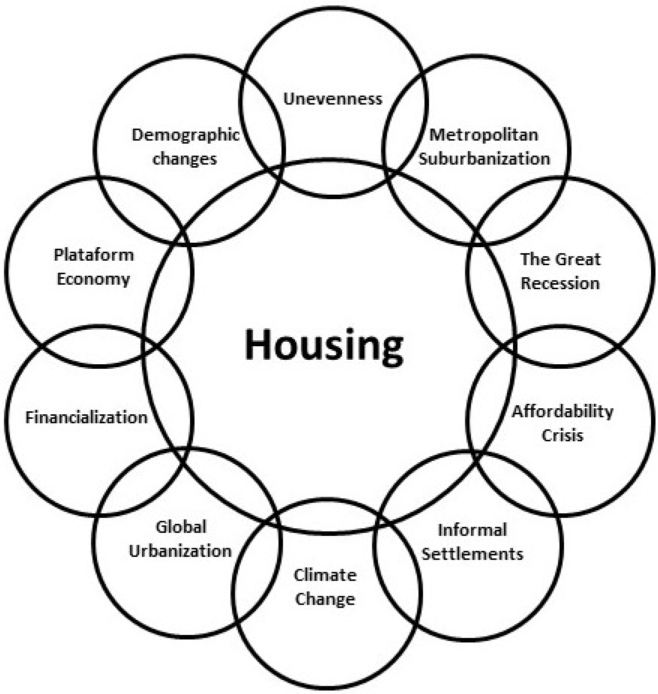
The primary challenge in crafting this book revolved around the intricate yet fundamental quest for housing dignity, particularly amidst the tumultuous and disorienting times experienced by citizens. Ensuring dignified and secure shelter stands as humanity's paramount defense. Conversely, a book serves as a testament, encapsulating the realities individuals face. While biographies narrate individual journeys, technical and scientific literature unveils the collective knowledge of its authors. This modest work aims to ignite the spark of creativity within you, offering motivational insights. The decision to materialize this endeavor into a tangible book stemmed from a desire to practically advance housing conditions in certain regions worldwide and foster critical discourse on housing beyond mere abstract concepts. Within this schoolwork, we aim to assess the trajectory of public housing policies as the main focus. This represents a critical juncture marked by the aftermath of European Union (EU) integration, comprehensive global statistical data availability, and the accumulation of legislative measures and their tangible outcomes. Hence, it becomes imperative to gauge the efficacy of economic agents—both public and private—through innovative technical frameworks capable of dynamically capturing policy evolution and reflecting its practical outcomes. The resultant processes underscore the pressing need for effective policy execution regarding contracting and financing stakeholders involved in the sector's evolution. This section of the book and the chapters that follow were written between 2022 and 2023 and are based on 30 years of history. For this reason, I allowed some time to pass so that the book could serve as a work of theoretical and practical reflection on housing.

Laws, markets, and housing services

While governments have considerable influence over economic policy, they operate not in isolation but as integral partners, orchestrating collaborative endeavors among diverse organizations and stakeholders. Within this book, our examination researches the public sector's role in the economy, beginning with theoretical underpinnings of governmental intervention and progressing to an exploration of public policies. We light the phases of policy formulation, implementation, and evaluation. Transitioning to housing policies, we scrutinize the concept of housing and its associated services. Emphasis is placed on differentiating between housing needs and demand before elucidating the objectives of public intervention in the housing sector, guided by considerations of efficiency, equity, and social and political order. In addition, the book is composed of examples from various countries around the world as practical cases of what is the reality when implementing public policies in housing. Some due to the inertia of political decision-makers, others due to less or more laxity, leaving housing in a "free wheel". The intention of governments to intervene administratively through legislation on matters of social interest and economic development requires increased cooperation and interaction among various stakeholders. This administrative environment is shaped by distinct administrative regimes characterized by their scope, instructed tasks, available tools, and accountability mechanisms. The regulatory framework, encompassing legislation and regulations, governs the activities and behaviors of stakeholders involved in public housing policies, including credit institutions, municipalities, families, property owners, public institutes, and other governmental bodies.

For instance, Southern European countries exhibit a legalistic and formalistic approach. While acknowledging the importance of legal frameworks, a greater focus on analyzing their effects and impacts is warranted. The evolution of the housing sector reflects diverse interests and viewpoints. The central challenge of housing governance lies in balancing dwelling allocation with the imperative of encouraging economic growth through the productivity of each worker, in addition to the probability of increased employment. Working parents will only be at peace if their young children are in a space where they can be safe and not leave early. Housing policies are always under scrutiny, instigating significant transformations, and occasionally outpacing the legislative process. The pace of dwelling allocation often proceeded independently, detached from anticipated future realities. Housing, as a commodity, is subject to both quantitative and qualitative considerations, with purchasers seeking optimal returns. Changes in housing stock, whether through construction, rehabilitation, or demolition, impact the provision of housing services, underscoring the influence of investment decisions on housing supply and demand dynamics. Housing encompasses qualitative dimensions such as construction quality, spatial typology, comfort, suitability for household size, and infrastructure availability, which pose challenges in evaluation and comparison due to the evolving nature of housing issues over time. While housing exhibits specific characteristics — heritage, potential investment, and savings attraction — it also serves as a reflection of public, economic, and social policies. The services generated by housing production can be illustrated in Figure 1.1 (Bourne, 1981:15), where inputs in the form of housing production lead to various outputs for households. Housing production involves a complex interplay of inputs and outputs, with the housing supply representing a continuum of inputs resulting in seven correlated outputs. First, the gathering of attributes associated with inputs and outputs stems from housing's immovability, then durability, and after the elastic supply, which influences the renovation and replacement of existing housing stock. As a vital social asset, households strive to find housing compatible with their disposable income, driving the segmentation of the housing market into various sub-markets offering differentiated products. Fifthly, the demand for housing services is dependent upon several exogenous variables, including alternative accommodation prices, prices of other goods, household formation rates, income levels, preferences, household demographics, and finance availability. Additionally, factors such as housing location, proximity to amenities, and employment opportunities. Finally, the demographic, physical, and social environments also stimulate housing demand. Stafford (1978:25) appropriately notes that "the demand for housing stock is clearly a result of the demand for housing services, and if the stock does not provide any service it will have no value in the housing market". Regulation and public intervention in the housing sector place public institutions in dual roles. They engage in income redistribution policies by incentivizing economic agents — real estate developers, households, and property owners — through subsidies on loan interest, support for less affluent families and youth in terms of social housing rents, and non-repayable or tax-financed installments (Yoo et al., 1975:122-123). Simultaneously, states aim to foster a competitive environment for housing investment to counteract economic downturns, create employment, and stimulate consumption.

As shown in Figure 1, we can watch the directed influence factors that impact the Housing services.



"**Note:** Housing is at the core of several intersecting trends that have caracterizes the decades following the turn of the millennium.

Figure 1. - Directed influence factors that affect the Housing services. **Source:** by the author.

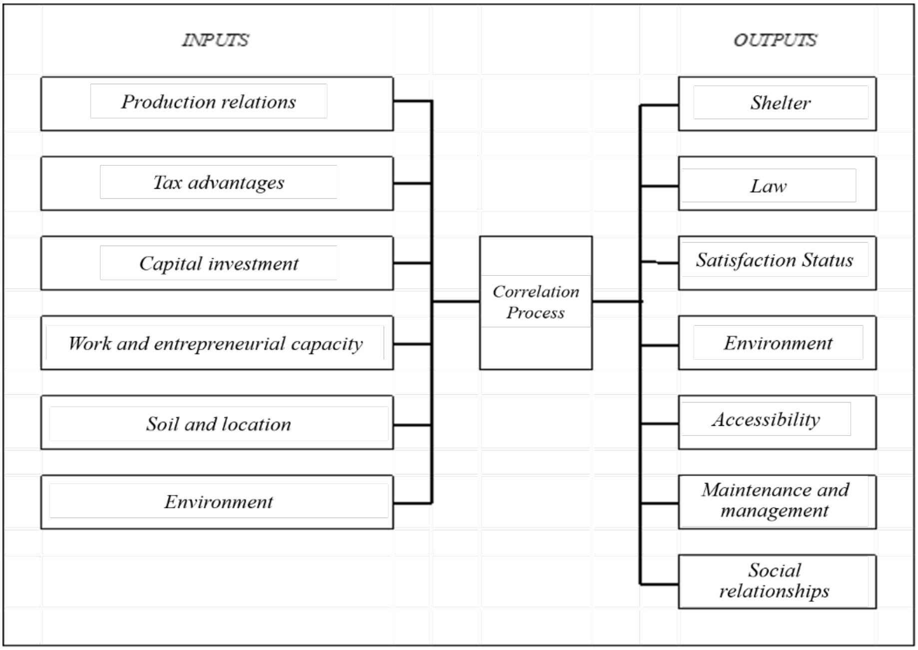


Figure 1.1 - Services Generated by Housing. **Source:** Bourne (1981:15).

In times of stability of interest rates as targets in the EU and the USA, providing support for families becomes paramount. Should governmental institutions opt for this approach, they can extend assistance to families and property owners through measures like interest subsidies. By coupling this variable with increased disposable income for these economic agents, urban rehabilitation efforts, alleviating housing deficits, and improving living conditions can be addressed. The interest rate forms the foundation for housing loans extended to households. Over time, it assumes three forms and descriptions:

a) The average nominal annual interest rate, which fluctuates based on the loan terms considered until the end of the fiscal year, derived from Treasury Bill issuance and weighted by their respective amounts.

b) From that point forward, it can be calculated using moving averages over the last days for loan terms of three and twelve months.

c) The interest rate applied to home loans can now be determined, whether at a variable rate or an initial fixed rate for up to twelve months.

The State, as a decision-making entity in the economy, confronts optimization problems in its quest to maximize well-being, given its dual role as both an economic actor and regulator (OECD: 2000). While market mechanisms may function spontaneously, State intervention may be necessary to address equity concerns, ensuring equal opportunities for all economic agents in accessing and allocating housing. By safeguarding the interests of citizens and institutions, public entities create housing incentives for various economic agents, albeit at the expense of reducing resources and increasing costs, or broadly speaking, raising public expenditure. While such behavior may offer short-term mitigation, it could exacerbate issues in a broader context, particularly with rising indebtedness. However, across economic cycles, the State may impose restrictions on housing incentives, a trend likely to continue in the foreseeable future as evidenced by ongoing legislative updates and repeals.

Housing needs and housing demand

In the market context, the fundamental challenge of housing supply revolves around attaining a financial margin by selling a product that a significant number of consumers require but may not be able to afford immediately. To address the demand for housing, several options persist: renting through the market, leveraging future income for indebtedness, and promoting public housing through social rent or sale. It's crucial to differentiate between housing demand and need. Demand is intricately linked to the ability to access the market, primarily determined by the disposable income of families and the price they are willing to pay for housing. Accessing housing hinges on the capacity to meet associated debts, including land ownership and material costs when properties are developed and offered for sale. As Malpass et al. (1999:4) suggest, "existing supply reflects effective demand rather than need." However, the analytical focus on housing needs, or potential demand for housing, is subject to debate. When discussing housing needs, it presupposes a standard against which current and future housing characteristics are evaluated. Bugra et al. (1999:189) distinguish between "needs," which are objective, and "desires and preferences," which are inherently subjective, although sometimes overlapping. Additionally, housing needs are indirectly influenced by the price-income relationship, as housing patterns are shaped by historical processes of social development. Persistent housing needs indicate deficiencies in housing production, manifested as quantitative shortages, qualitative inadequacies within or outside living spaces, and prices exceeding purchasing capacity. Thus, quantity, quality, and relative price constitute the three interconnected characteristics of housing inadequacy or crisis. Housing needs are not solely determined by market dynamics but also by the aspirations of households within a given society, aiming to achieve consumption levels considered appropriate for their social dignity. The demand for housing is intricately linked to housing shortages, stemming from economic disparities such as mismatched supply prices, household income levels, regional disparities, and transportation and access issues. However, the pursuit of quality housing is only partially influenced by shortages. It is also influenced by the prevailing quality standards in current and traditional production, reflecting the country's wealth and cultural emphasis on housing's contribution to quality of life and equity. The economic demand for housing presupposes the financial capacity, either immediate or future, of those who can afford it, necessitating housing with specific characteristics for individuals integrated into a society with a rich history. Therefore, discussions on housing inherently encompass economic and social aspects to varying degrees. The concept of housing needs extends beyond the basic biological requirement for defense and protection against environmental aggressions. It also encompasses the physical qualities that characterize such protection and security, as well as individuals' capacity to ensure these needs are met.

From a broad perspective, the housing problem is defined by the fundamental human need for shelter, encompassing both quantitative and qualitative dimensions. The pursuit of housing satisfaction is intricately linked to the cultural context of the community in which one resides. Housing is inherently subjective, often failing to align with cultural and aesthetic preferences. There's a notion that the quest for residential satisfaction stems from both qualitative and quantitative aspirations influenced by various factors, including subjective elements inherent to individual cultures. The perpetual quest for housing quality, both at an individual and societal level, is shaped by the concept of dwelling. This concept is guided by social norms, cultural patterns that define the notion of family, and interactions with the surrounding environment. Social needs, to a large extent, are not innate but rather constructed and modified through social activities and interactions. The recognition of needs and aspirations shared socially across different social strata, which remain unmet in the housing provision process, can compel the State to respond politically. Here, the term "provision" encompasses both the supply of free housing and the conditions of housing occupancy, reflecting how policymakers determine the most effective means of promoting housing, whether through market mechanisms or public/private rental. While these two aspects are interrelated, they are not fully encompassed in the conventional understanding of the term "supply," which typically pertains only to the provision of housing units. The extent and manner of State intervention will indeed vary depending on its nature and objectives. The concept of "need" is multifaceted and can be defined in numerous ways. The notion of "housing need" implies a form of commitment to action by public authorities, yet measuring this type of need proves challenging. However, in the realm of housing, four dimensions of this concept can be considered (Gibb et al., 1999:56):

> a) Shortage, which can be quantified by the number of "homeless people" and the length of waiting lists for housing access. "The most dramatic indicator of the failure of housing needs is the continued presence of homeless people" (Gibb et al., 1999:17).
> b) Inequality, reflecting the inability of individuals to access housing of their desired type and size due to household size constraints or the inability to find suitable housing according to their preferences.

c) Expenses related to maintaining minimum acceptable and dignified habitability conditions, as well as socially accepted maintenance standards.

d) Obsolescence of the housing stock at a given point in time.

Despite significant improvements in living conditions for the general population over the past century, many challenges persist. This is partly due to overall improvements in living standards, yet technological and social advancements in the housing system often fail to provide minimum habitability conditions for many households. For a significant minority of households, the choice of housing is not even an option, as they are impacted directly through provision or subsidies. In such cases, given their material conditions, the problem of choice is neither the most significant nor the most relevant consideration. These households are often viewed as being in an "imperative state," a concept described by King (1998:40). The heterogeneous nature of durable goods, particularly real estate assets like housing, contributes significantly to the rigidity of supply. Despite housing serving as substitute goods, the inherent rigidity in land supply ensures that properties are treated differently from other tangible reproducible goods. This relative scarcity, where individuals cannot acquire or provide housing for themselves, underscores the existence of housing needs. In terms of public policy, addressing imperative housing needs requires the involvement of both the State and the market. Social policy has increasingly emphasized housing needs as a crucial concept justifying the State's primary intervention role. This approach, driven by undeniable social concerns, aligns with strategies emphasizing the production of social housing outside market mechanisms. However, the persistence of housing shortages underscores the need to address housing issues within market dynamics. Thus, an economic approach centered on the concept of effective demand for housing becomes more pertinent. According to Nesslein (1983:620), "*given increases in effective demand, the housing stock will be improved via repair, renovation, and new construction*." However, this perspective has shifted the discourse towards housing quality in its various aspects. As Gibb et al. (1999:18) state, *"it is increasingly recognized that the concept of adequate housing involves more than just physical conditions, and should encompass broader elements such as the neighborhood context, the feeling of security and control, and the quality of management"*. At the outset, we can delineate two distinct concepts of demand. The potential demand aligns with genuine housing needs, influenced by demographic factors such as population age structure, fertility rates, changes in birth rates, and the condition of existing housing stock. Here, potential demand increases with the aging of the housing stock and worsens when its condition deteriorates. On the other hand, effective demand manifests in the market and focuses on factors including income levels, their evolution, and distribution, credit availability for housing acquisition and construction, as well as real estate prices.

THEORETICAL ASSUMPTIONS OF PUBLIC ECONOMIC INTERVENTION

Public intervention in the economy is justified on two main grounds: promoting efficiency, which pertains to the economic dimension of intervention, and equity, which relates to the social dimension of intervention. These theoretical underpinnings of state intervention differ in nature. In a democratic society of Western origins, formal political institutions are traditionally categorized into three branches: legislative, responsible for lawmaking; executive, encompassing governmental executive powers; and judicial, holding authority over judgment and sanctioning (Spicker, 2008:70). These branches collectively uphold the Rule of Law. The pursuit of collective needs across various economic sectors of goods and services, forming sectoral public policies, falls within the purview of these institutions. These policies, more or less interventionist, are imperative for governments as they seek to address inequalities in the distribution of national income. Redistribution of wealth is a key aspect of such policies, aiming to mitigate existing inequalities through direct expenditure, with or without counterparts. Another aspect involves the use of fiscal instruments such as income tax, which effectively redistributes resources. The combination of taxation and expenditure policies primarily drives redistribution efforts. From an economic efficiency standpoint, the objective is to produce goods and services as efficiently as possible, minimizing costs. However, economic policy debates often involve multiple viewpoints and value judgments that extend beyond the realm of economic analysis. The tendency of governments to utilize income redistribution, despite potentially causing efficiency losses, can only be effectively assessed by evaluating the net impact on equity and efficiency. In other words, the feasibility of government behavior and policies hinges on whether the societal gain from reducing relative poverty outweighs the cost in terms of reduced production efficiency. To ensure this net effect remains favorable, two key pieces of information are necessary: the cost of lost production of goods and services, and the societal value of reducing relative poverty. Government intervention in the economy is legitimized by its mandate, yet the pursuit of equity depends on the political ideologies of governing bodies and the political parties supporting them. Resource efficiency, on the other hand, pertains to optimizing resource utilization while minimizing costs, thereby influencing the prices of goods and services. The price mechanism serves as an informational conduit, highlighting the relationship between resources utilized and outputs achieved.

It's essential to acknowledge the conflicting interests inherent in resource allocation. Given the limited availability of resources, the increase in resources for some unavoidably entails a decrease for others. Consequently, consensus on the optimal distribution of resources is intangible, particularly when respecting the rationality principle of individual agents—each striving to maximize their utility within their budget constraints. Introducing classification criteria to address equity concerns inevitably involves normative value judgments. To summarize, the most common conflicting interests, as identified by Munro et al. (1999:54), revolve around rights, duties, and needs. Rights pertain to ensuring equal access to goods and services, duties relate to compensating individuals for their labor efforts, and need encompass the resources required to fulfill them. The economic role and behavior of the State have evolved significantly in recent decades. The State's function as a mere enactor and defender of laws for protecting and developing private property is no longer its primary, let alone sole, defining characteristic in various sectors of activity. An enactor is someone or something that completes or performs a function, often involving the implementation of plans or decisions, like housing as a hole. In the context of housing, enactors take on different roles and responsibilities:

- **Leadership:** Actors in leadership positions on housing implement strategies and guide teams toward goals;
- **Legislation:** In governance, legislative bodies act as legislators, turning policies into actionable laws for housing policies;
- **Technology:** In software development, an enator can be a program or script that performs specific tasks taking into account the core of housing difficulties.

The State now can alter the operational rules of economic activity and adjust the scope of the private sector's involvement across different sectors. The consolidation of the State's authority in law and governance has heightened the significance of economic policy rules and the implementation of public policies. Deficiencies observed in the functioning of certain markets have prompted State intervention in the production of goods where some citizens may practically be unable to satisfy their consumption needs without assistance. The behavior of economic agents within the economy branches from individual actions driven by individual rationality, as well as collective actions, which either reflect individual acts or manifest as autonomous behaviors. Among the latter, family behaviors such as private consumption, which is included in the Gross Domestic Product (GDP), hold significance from a macroeconomic perspective, influencing GDP and other major economic indicators. In economic relations, challenges arise due to market inefficiencies, where the solutions provided by the market may not always align with the most efficient resource allocation. In such cases, States intervene to bridge gaps in the market, safeguard personal interests, and uphold certain social objectives. This expansion of the State's role, both in terms of quantity and quality of intervention, is necessitated by the public interest in ensuring progress and well-being when markets fail to adequately finance economic activities. State interventions entail outlining and imposing global objectives, thereby directing, influencing, and guiding the actions of private actors. Through intervention, States aim to correct the behavior of economic agents by setting specific objectives for all social actors. The varying degrees of interventionism among States reflect qualitative rather than quantitative differences in their approaches.

A TOUR OF PUBLIC POLICIES

Public policies are justified by various factors, including significant inefficiencies in resource allocation, market structures, and imperfect information. These policies necessitate a comprehensive legal framework aimed at establishing rules for both public and private actors, to transfer or reallocate existing resources among different segments of the population. The State, characterized by its legislative, executive, and judicial powers, serves as a promoter of both tangible and intangible well-being. The extent of this promotion is determined through interactions between legislative and executive authorities. Primarily, the State functions as a structure designed to exercise political power. As highlighted by Birkland (2001), effective public policy actions require recognition that the existence of a social problem is supported by a group of individuals who perceive its resolution as important. Public housing policies exemplify this principle, as they carry significant social implications and directly influence the lives of populations. Within the realm of addressing housing issues, which involves studying planning and public organization, public policies are multidisciplinary and interdisciplinary. These policies are primarily characterized by three key stages: formulation or conception, implementation or execution, and subsequent evaluation and degree of achievement. The government serves as the defining and executing agent of these public policies, often implementing them through the provision of public services by the private sector. There is a concerted effort to involve citizens in these processes, which we can identify as "empowerment of citizens." However, it's crucial to note that the ultimate responsibility for the administrative system lies with its political overseers—the members of the government. Efforts aimed at citizen participation in governmental intentions emphasize moving citizens away from a passive role as mere taxpayers and consumers of government services. Instead, the goal is to encourage a broader contribution to the national product through income generation. In our examination, Public Administration is conceptualized as "the involvement in the design, evaluation, and implementation of institutions and public policies," as articulated by Meier (1997:194). From a legal standpoint, laws play a pivotal role in both their formulation and execution. From an organizational perspective, Public Administration comprises a technical component—focused on optimizing resource utilization for efficiency—and a political component, encompassing legal relationships and obligations within organizations. From a political standpoint, the executive function complements the political exercise. Given the scarcity of resources, governments must make decisions regarding the production of goods and provision of services, determining whether these tasks will be undertaken by public organizations or delegated to private entities. Within the public sector, various political-administrative functions are carried out: defining interests, needs, and generic objectives; strategizing and implementing plans to achieve objectives; and regulating and implementing public policies. The rational and effective exercise of administrative power hinges on the functional coordination of institutions and the adequate provision of goods and services to meet collective needs. The degree of autonomy in political action is influenced by the political system's constraints, which must continually address societal needs—a characteristic feature of contemporary democratic societies.

Public policies and the exercise of executive and legislative powers are bound by their proposals, necessitating their implementation to maintain political representation. Thus, while they must be presented to facilitate guidance, direction, and control, their execution is essential to uphold political legitimacy. The concept of public policies revolves around the notion that political agents aspire to take specific actions regarding the provision of goods and services to the community, as well as how they are delivered. Public policies involve multiple participants and are subject to extensive discussions due to the numerous actors involved in their formulation and implementation. Moreover, their capacity to intervene has transformed governments into negotiating agents, potentially enhancing flexibility in decision-making processes. In the past, governments held significant influence in shaping public policies. However, this influence has gradually shifted towards a more collaborative approach, where the public sector engages with various stakeholders. Public policies primarily materialize through the decisive actions of political and social agents involved in their formulation and implementation. These policies induce governments to propose changes by established guidelines and in response to societal needs and demands. In the housing sector, public policies assume a crucial role, guiding robust governmental initiatives focused on constructing and allocating housing. Now, let's examine the three phases of public policies: formulation, implementation, and evaluation. Governments endorse public policies with the overarching goal of enhancing social welfare. The process of formulating public policies can be delineated into distinct stages, as depicted in Table 1(Silvestre, 2010, p. 48).

Private Problem	*Public Problem*	*Theme*	*Systematic Agenda (Discussion agenda)*	*Institutional Agenda*	*Formulation of Proposals*	*Decision*

Table 1 - The Formulation of Public Policies. Source: Silvestre (2010:48).

The transition of a private issue with demonstrated societal ramifications into a public concern initiates the thematic agenda. Subsequently, the topic enters the political agenda, where its significance undergoes scrutiny. Advancing as a priority, progresses to a subsequent phase: inclusion in the institutional agenda and broad public discourse. This stage paves the way for formulating proposals, subject to governmental decision-making—the final phase in the comprehensive chain related to public policy implementation. An important aspect highlighted by Silvestre (2010) pertains to the varying significance of themes. Not all themes necessarily advance to the institutional agenda, even if they have traversed the stage of public discussion. This disparity is contingent upon political tradition and culture, citizen-politics relations, and the economic and social milieu of the community. Silvestre (2010) identifies three variables influencing public policy formulation: the seriousness of the issue, its enactment through legislative channels, and factors not addressed in laws and regulations—such as technology, public leadership capacity, behaviors, and electorate resources. The legislative function of elected bodies is vital in the creation of laws. Following the phase of public policy formulation, it becomes imperative to execute them. This entails the involvement of institutional organizations tasked with determining the modalities and conditions under which legislative mandates are realized. According to Espino (2004), institutions can be categorized into two main types: formal and informal. Formal institutions encompass a system of written rules, typically in the form of laws and regulations, established by the executive and legislative branches of government. These rules are enforced through the coercive power vested in governmental bodies. Formal institutions operate within the public sphere and are integral to the legal framework of society. On the other hand, informal institutions exist within the private domain and consist of unwritten rules that persist over time. These rules are often based on tradition and represent the evolution of societal norms and values. Unlike formal institutions, there is no political authority responsible for enforcing compliance with informal rules, nor are there official sanctions for their violation. This distinction between formal and informal institutions is illustrated in Table 2.

Types of Institutions	***Institutions***	***Goals***	***Enforcement***	***Areas***
Formal	*Laws and Regulations*	*Tackling specific problems*	*Mandatory and coercive*	*Public domain*
Informal	*Unwritten and conventional rules*	*Codes and values*	*Volunteer and self-fulfilling*	*Private domain*

Table 2 - Types of Institutions according to their Formalization. Source: Espino (2004:67).

Additionally, institutions can also be classified based on their origin as either social or state institutions. Social institutions do not require coercive intervention from political authorities to ensure compliance, and any sanctions for non-compliance are typically enforced by individuals or small communities themselves.

State institutions are established by the state and enforced upon individuals or the community through formalized laws and regulations. These institutions rely on public authority for enforcement and surveillance, with sanctions for non-compliance being codified in legal frameworks. While both state and social institutions contribute to the reality of societal governance, state institutions hold greater significance due to their coercive power and ability to ensure compliance. When governments decide to implement public policies, they face the choice between internalizing the production of goods and services, with resources centralized within the state, or transferring production to other entities, whether private or public bodies operating under private law. The trend toward outsourcing, particularly prominent since the 1970s in countries like, e.g., Great Britain, the United States, and Nordic countries in Europe, reflects a preference for market-driven solutions. An important consideration in implementing public policies is how to maximize efficiency in resource allocation and management. This often involves the use of management and organizational methods and techniques aimed at optimizing performance as a second-best solution. Evaluation of public policies is crucial to assess their effectiveness in achieving stated objectives and ensuring that resources are used efficiently. In the fourth phase, the consequences of public policies are evaluated, focusing on whether the desired outcomes and objectives have been achieved. Finally, in the fifth phase, the overall effectiveness and efficiency of the policies are assessed, considering factors such as cost-effectiveness, sustainability, and unintended consequences. This comprehensive evaluation helps policymakers understand the strengths and weaknesses of their policies and make informed decisions for future planning and implementation. Indeed, evaluating public policies is crucial not only to ensure their effectiveness and efficiency but also to inform decision-making processes for future policymaking. Through the evaluation process, policymakers can identify strengths and weaknesses in existing policies, understand their impact on society and the economy, and make necessary adjustments to improve outcomes. Moreover, the regulatory and surveillance role of the State is vital in ensuring that interventions in various sectors are conducted according to established laws and regulations. By monitoring the implementation of policies and assessing their outcomes, the government can address potential economic and social risks and take corrective measures when needed. Overall, the evaluation of public policies serves as a mechanism for learning and improvement, enabling governments to adapt their strategies and approaches based on empirical evidence and feedback from stakeholders. This iterative process contributes to the continuous refinement of policies and enhances their effectiveness in addressing societal challenges and promoting the well-being of citizens. Understanding whether the action implemented aligns with the expectations and needs of the target groups, ensuring policy adherence to developed programs, and identifying the resources utilized in implementation are indeed crucial questions in the evaluation of public policies. These questions help assess the effectiveness, efficiency, and relevance of policies in achieving their intended objectives. In Figure 1.6, the outline of relevant evaluation issues provides a structured framework for systematically analyzing and assessing public policies. By addressing these issues, policymakers and evaluators can gain insights into the overall performance of policies, identify areas for improvement, and make informed decisions about future policy directions. This structured approach enhances transparency, accountability, and evidence-based policymaking, ultimately contributing to better outcomes for society as a whole. In Scheme 1, the outline of relevant evaluation issues provides a structured framework for systematically analyzing and assessing public policies. By addressing these issues, policymakers and evaluators can gain insights into the overall performance of policies, identify areas for improvement, and make informed decisions about future policy directions. This structured approach enhances transparency, accountability, and evidence-based policymaking, ultimately contributing to better outcomes for society as a whole.

Did the program reach the target population?
Program Coverage
Is the service delivery under the program specification?
Program Delivery
What resources were used?

Scheme 1 - Key Issues in the Evaluation of Public Policies. Source: own elaboration.

The emphasis on evaluating public policies underscores the regulatory and oversight role of the state, particularly in areas with potential economic and social risks such as housing. Evaluation becomes crucial to validate policy implementation and assess whether objectives are met. Through a process of experiential learning, participants adjust their behavior based on observed outcomes and expectations. In the procedural phase of public policy performance, three critical questions arise: whether the action aligns with the expectations and needs of target groups, whether policies adhere to designed programs, and what resources are utilized in implementation. Evaluating these aspects is essential to determine if needs are met and if government program objectives are achieved. Housing emerges as a central element in these policies, highlighting the imperative of equity. Social policies primarily focus on executive functions but can involve various governmental branches through delegated powers. Understanding the intricacies of housing policies and their impact on equity is essential for effective policymaking and societal well-being.

THE PERCEPTION OF HOUSING POLICY

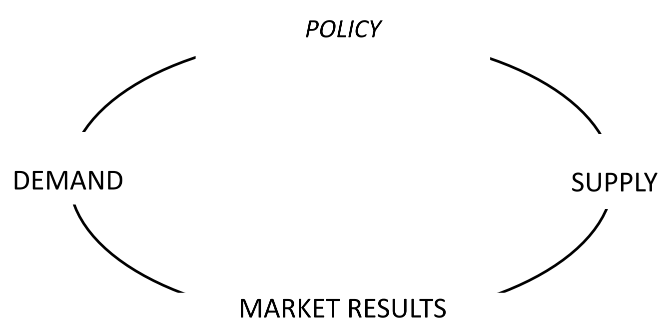
The housing system is influenced by both market mechanisms and public policies adopted by authorities to regulate and monitor the housing market. Understanding the external factors affecting the housing sector is critical for comprehending its overall performance. Housing policy encompasses measures implemented by public institutions to maintain a balance between housing supply and demand through market intervention instruments. This policy dichotomy arises from varying degrees of state intervention as a housing sector producer and regulator. State intervention occurs not only at the national level but also at the municipal level, where local authorities promote public housing initiatives alongside private agents. Publicly owned housing is not completely insulated from market forces, as builders rely on market resources and financing from private financial institutions. The designation *housing policy* encompasses a broad spectrum of activities aimed at improving housing conditions and altering the existing housing stock. It involves deliberate planning to bring about new realities and address housing-related issues. Housing policy intersects with other categories of public policy, including, e.g., social, economic, urban, regional, fiscal, and employment policies. While housing policy is a distinct category, it is interconnected with broader societal and economic contexts. In summary, housing policy is a crucial element of social practice, intertwined with economic and financial policies and influenced by broader economic conditions and prospects. Indeed, the term *policy* implies a coordinated and coherent approach, but in the housing sector, it is acknowledged that there isn't a single policy but rather a multitude of policies. Housing is a complex system comprised of various interconnected components, leading to a diverse array of policies. Despite this diversity, housing policies often converge and complement each other as they aim to achieve similar objectives. One of the primary objectives of housing policy is to define and ensure minimum standards of quality and quantity in housing. This imperative arises from the need to facilitate access to adequate housing for individuals who may not have the financial means to afford housing at market prices. Thus, housing policy inherently carries a social dimension. The social dimension of housing policy entails implementing measures aimed at achieving or guaranteeing a reasonable and socially acceptable balance between housing demand and supply in both the market and society. The right to housing is recognized as a fundamental social right in modern democratic states, necessitating policies that enable decent access to housing for all citizens. Housing is not merely an economic commodity. It holds significant social value. Therefore, in a market economy, the state is morally and ethically obligated to regulate and promote housing provision. Ensuring the availability of adequate housing, both in terms of quantity and quality, is considered a fundamental responsibility of the state in modern societies. Government intervention in the housing sector typically involves two types of market intervention instruments: support for investment in housing and support for the acquisition or consumption of housing-related services. Support for investment in housing, often referred to as *brick support*, entails initiatives aimed at promoting the construction and development of housing units. This may involve partnerships between the government and various stakeholders, including municipalities and independent public, private, and cooperative developers. On the other hand, support for the acquisition or consumption of housing services, what we can refer to as *personal support* involves providing subsidies or incentives directly to households. This could include financial assistance for rental or homeownership, tax benefits such as deductions for mortgage interest, or support for housing rehabilitation and self-construction projects. These forms of intervention, whether direct or indirect, are designed to address housing market imbalances and ensure the practical realization of the right to housing. They aim to enhance households' purchasing power and solvency in meeting their housing needs.

The decision to intervene in the housing market and the specific form of intervention adopted by the government are influenced by various interests and perspectives. Each stakeholder may have different ideas about housing issues and their significance within the social and economic context. While the existence of housing problems is a prerequisite for the implementation of housing policies, it does not automatically dictate the nature or form of government intervention. The state's involvement and the design of housing policies are shaped by a complex interplay of factors, including social, economic, and political considerations. State intervention in the housing sector can exacerbate existing problems due to the complex network of stakeholders involved and the conflicting interests at play. When governments formulate and implement housing policies, they translate these conflicts, influences, and diverse ideas into state-level actions. Furthermore, state intervention often perpetuates itself due to the contradictory pressures exerted on the government. Increased state involvement tends to lead to further interventions as the state becomes a key player in addressing housing issues. While government action may be warranted in cases of externalities and public goods, it's essential to consider potential inefficiencies and the politicization of economic relationships that can result from state intervention. Over time, housing problems evolve, leading to a continuous confrontation between the state and these persistent challenges. The concept of housing policy encompasses measures aimed at achieving a balance between housing demand and supply. On the supply side, housing production involves multiple agents and requires significant institutional and financial resources, impacting various economic and social sectors. Overall, housing policy encompasses three essential dimensions: addressing housing needs, ensuring housing supply, and navigating the complexities of state intervention in the housing market.

- The social dimension of housing policy involves government subsidies aimed at assisting vulnerable population segments who lack the means to access housing at market rates. This dimension includes income redistribution policies through interest subsidies, tax incentives, and income subsidies. Additionally, it incorporates a social inclusion component aimed at preventing the formation of marginalized housing clusters that contribute to social degradation.
- The economic dimension of housing policy entails utilizing residential construction investment as a tool for counteracting economic downturns. By stimulating job creation and increasing consumption, housing policy can serve as a counter-cyclical measure during recessions. Furthermore, it can encourage long-term savings, thereby impacting the economic landscape positively.
- The territorial dimension of housing policy addresses the spatial distribution of housing projects within urban areas. This aspect becomes decisive when revitalizing historic city centers, curbing unplanned development in peripheral regions, and promoting sustainable urban growth. Housing policy intersects with territorial planning efforts, serving as a critical component in shaping communities' spatial organization and development.

It seems there's an issue with providing Scheme 2 as it's not available in the text you provided. However, I can summarize the relationship between market efficiency, government agents, and housing policy based on the model created by Harsman et al. (1991). According to their model, market efficiency in the housing sector, as measured by its outcomes, is influenced by various factors, including government intervention and housing policy. Housing policy, in turn, is shaped by the objectives and instruments adopted by government agents. The housing service delivery system, as conceptualized by Harsman et al., is comprised of interconnected components involving both the public and private sectors. This system encompasses the flow of housing policy decisions and the provision of housing services, highlighting the interdependence between market dynamics, government actions, and the delivery of housing services to individuals and communities. By observing Scheme 2 we can see that the interrelationship between demand and supply is mediated by a policy component. According to the same authors, housing policy affects both housing conditions and market outcomes in three ways:

- Demand-oriented subsidies: Housing policies may include subsidies aimed at stimulating housing demand. These subsidies could take various forms, such as co-payments in rent, income subsidies to assist individuals with purchasing housing, or tax benefits for homebuyers. By providing financial support to households, these subsidies aim to make housing more affordable and accessible, particularly for low- and moderate-income individuals.
- Supply-oriented incentives: Housing policies can also include incentives designed to encourage housing supply. These incentives may involve regulations and policies related to housing construction, such as zoning regulations, building codes, and land policies. Additionally, governments may offer financial incentives, such as tax incentives or financial bonuses, to developers and builders to encourage the construction of new housing units. These measures aim to increase the supply of housing in the market, helping to address housing shortages and affordability issues.
- Direct intervention in the market: Housing policies may involve direct intervention in the housing market by governments. This could include regulations and controls aimed at influencing market dynamics, such as rent control measures, restrictions on rent increases, or regulations on landlord-tenant relationships. Governments may also use penalties and incentives to enforce compliance with housing regulations and promote desired outcomes in the market. Additionally, policies may include price controls or other measures to limit the impact of market forces on housing affordability and availability.



Scheme 2 - Housing policy and provision of housing services. Source: Harsman *et al.* (1991:22).

Indeed, the typical instruments employed in housing policy have a direct impact on both housing promotion and its allocation to families. These instruments, which include demand-oriented subsidies, supply-oriented incentives, and direct market interventions, influence the dynamics of the housing market and shape the availability, affordability, and quality of housing options for households. Additionally, there exists a reciprocal relationship between housing market conditions and housing policy interventions. Changes in the housing market, such as fluctuations in prices, supply shortages, or shifts in demand, often prompt government intervention and the formulation of new policies or regulations aimed at addressing emerging challenges or imbalances in the market. This dynamic interaction between housing market conditions and policy interventions underscores the importance of conducting detailed analyses that examine specific interventions and their quantitative impacts. By assessing the effectiveness and outcomes of various policy measures, policymakers can make informed decisions and adjustments to housing policies, ensuring they are responsive to evolving market conditions and effectively address the housing needs of households.

The objectives of public intervention in the housing sector

The increasing prominence of housing in public policy in recent decades reflects its significance for social well-being and its intersection with market mechanisms. Housing provision has emerged as a critical area addressed by public policies, reflecting the objectives of state intervention in this sector. The concept of housing provision encompasses various aspects related to the location of housing across territories, the process of housing production, consumption, and allocation, as well as the resources involved and the relationships among different stakeholders, all governed by legal frameworks established by public authorities. Government action in the housing sector has been characterized by a substantial set of regulatory measures aimed at addressing housing deficits and improving living conditions. The objectives of public intervention in housing typically orbit around promoting efficiency, equity, and adherence to political and social criteria. Efforts to ensure efficient allocation of resources, equitable access to housing, and consideration of broader social and political goals are central to housing policies implemented by governments.

The benchmarks of efficiency and equity

The increasing importance of the State's role can be attributed to the significant impact of its expenditures and revenues on the overall economy and collective consumption. Merely formulating intentional programs by executive bodies is insufficient. Bourn (1992:28), as cited by Silvestre (2010:104), emphasizes the importance of the relationship between inputs and outputs in determining the economic position, efficiency, and effectiveness of government programs. In implementing government programs, public administration must consider several key factors:

- **Measurement of inputs:** This involves assessing the resources utilized in providing goods and services and making informed choices about the most efficient course of action, balancing costs and benefits.
- **Efficiency of production/provision:** Utilizing operational techniques and conducting prior studies to ensure the efficient production or provision of the goods or services in question.
- **Effectiveness of outputs:** The volume of goods and services provided must demonstrate effectiveness in achieving objectives and outcomes. This can be measured through processes such as result statistics and population satisfaction surveys.

As known, the State intervenes in the economy with the essential objectives of efficiency and equity (Stiglitz, 1988). Efficiency aims to utilize scarce resources optimally to maximize societal well-being. Equity, on the other hand, concerns the fair and just distribution of goods and services among individuals. Efficiency in government intervention aims to optimize resource allocation, address market failures or externalities, and provide public goods and services when necessary. One example of market failure in the housing sector is illustrated by the issue of tenancy. When landlords consider making improvements to rental properties, they must weigh the costs of these improvements against the potential benefits, typically in the form of increased rental income. However, if one landlord invests in improvements, neighboring landlords may benefit from increased property values without incurring any costs. In this scenario, each landlord may choose not to invest in improvements, hoping that others will do so instead. As a result, socially desirable improvements may not be made. The solution to this type of market failure often involves collective action among property owners, as direct public intervention in the housing market may be limited. Externalities also play a significant role in the housing sector, where the actions or inactions of one party can impact others. Externalities related to property values and the social costs of poor neighborhoods are two common types identified in housing markets. The concept of efficiency in the housing sector considers these potential externalities and aims to address them effectively.

Equity in housing policy is pursued through measures such as income redistribution via the tax system and the implementation of public social welfare programs. Governments must balance the objectives of efficiency and equity in their policymaking, choosing whether to prioritize market mechanisms or direct state intervention based on societal needs and economic circumstances. In contemporary, Western societies, both market mechanisms and state intervention are essential for the functioning of housing systems. Even in relatively free-market economies, some degree of state support or regulation is necessary to ensure fairness and efficiency in the housing sector. Similarly, highly centralized housing promotion systems often rely on market mechanisms to function effectively. While markets are efficient at allocating resources and transmitting information, housing markets are subject to unique inefficiencies due to the specific characteristics of housing as a commodity. Therefore, housing policy often involves a combination of public intervention and market mechanisms rather than a binary choice between the two. The extent of state intervention in housing policy is influenced by economic and urban conditions as well as the political orientation of the government in power. Trends in housing policy evolution in Europe have generally favored a balanced approach, incorporating both state intervention and market mechanisms to address housing challenges effectively. The historical evidence in several European countries indeed suggests that relying solely on market mechanisms is inadequate for addressing the housing needs of lower-income families. Market mechanisms prioritize profit over necessity, often leading to the production of housing that caters to higher-income individuals rather than meeting the essential needs of those with lower incomes. Nesslein's analysis highlighted the connection between the inability of low-income families to access adequate housing and the characteristics of demand and supply within the housing market. Nesslein's examination compared the market-driven housing model typified by the United States with the European model of welfare states, which emphasizes housing price controls and support for the non-profit sector. The European approach aims to ensure housing affordability and accessibility for all citizens, particularly those with lower incomes. In light of these observations, housing policy emerges as a critical set of legislative and regulatory measures aimed at improving efficiency and equity in housing provision. Government intervention is justified for several reasons:

- **Externalities:** Housing is considered a social good, and the state has a responsibility to ensure its accessibility to all citizens. Many housing attributes have collective impacts on satisfaction or dissatisfaction, such as architecture, style, surroundings, and infrastructure.
- **Information costs:** The housing market involves high costs associated with searching for information and ensuring quality standards. Government regulations help standardize construction processes and ensure building safety.
- **Transparency:** Providing consumers with accurate information about housing prices and quantities helps prevent speculative behavior and promotes market efficiency.
- **Macroeconomic benefits:** Housing policy influences and is influenced by broader economic and social factors, including employment, economic development, and regional balance. Coordinating housing policy with other economic and social initiatives is essential for achieving broader policy objectives.

While housing policy is often viewed through an economic lens, its implications extend beyond economic considerations to encompass social welfare, public health, and regional development. Coordination between various levels of government and policy initiatives is crucial for effective housing policy implementation and addressing the diverse needs of populations. Efficiency and equity are indeed two interrelated but distinct goals in housing policy. While efficiency can be achieved to some extent through market mechanisms, equity often requires government intervention. This is particularly evident in the housing market, where factors such as durability, high relative prices, and the involvement of multiple generations and vulnerable groups make it challenging to ensure equitable access to housing through market forces alone. The concept of merit goods, as discussed by Stiglitz and Harsman et al., highlights the role of government intervention in addressing market failures related to goods and services that have positive externalities or serve vulnerable populations. Housing is often considered a merit good because adequate housing contributes to individual well-being and societal welfare beyond the immediate occupants. However, individuals may not fully recognize or be able to afford the benefits of adequate housing on their own, especially vulnerable groups such as children, the elderly, and the disabled. Therefore, government intervention in the housing market is justified not only on grounds of efficiency but also on equity and social welfare. By providing affordable housing options, implementing housing quality standards, and addressing the needs of vulnerable populations, governments can ensure that housing policy reflects broader societal interests and values. This may involve paternalistic interventions aimed at safeguarding the well-being of individuals and communities, particularly those most at risk of experiencing housing insecurity or inadequate living conditions. Notwithstanding the concern for efficiency, the main objective of the housing policy has been to ensure equitable conditions. Equity can be considered in two ways:

- **Horizontal equity:** This principle ensures that individuals or households facing similar circumstances are treated uniformly in terms of housing access and benefits. For instance, it dictates that families with comparable income levels should have equal opportunities to access housing financing or rental assistance programs. Horizontal equity aims to ensure fairness by providing equal treatment to individuals or households in identical situations, irrespective of factors other than their income or housing needs.
- **Vertical equity:** In contrast to horizontal equity, vertical equity acknowledges and addresses disparities among individuals or households by offering varying levels of support or assistance. Its objective is to mitigate inequalities in income distribution and housing access. For example, housing assistance programs may provide larger subsidies or more favorable terms to households with lower incomes or greater housing needs. This approach recognizes that different households may require varying levels of support to achieve equitable access to housing resources.

"Treating people in equal situations with equality" corresponds to equity in the horizontal sense; "improperly treating people in unequal situations" is about equity in the vertical sense (Wolf, 1994:82). In other words, believing in the desire for equal treatment of equals is horizontal equity. The desire to reduce income and wealth inequality through redistribution is the meaning of vertical equity. (Munro *et al.*, 1999:49). Now, it is up to the Governments to ensure that everyone has access to housing with minimum conditions of habitability, which often leads to this attitude being considered paternalistic, especially in countries based on welfare economic models. As there are inequalities in the distribution of income and wealth, there is a need to implement redistributive measures, with a relative consensus on the implementation of such redistribution. This trend towards state intervention is intended to correct the deficiencies and consequences of the housing production and allocation system. Its objective is to create income redistribution mechanisms to ensure broad access to adequate housing. This state behavior is not intended to eliminate the predominance of the private sector in housing production. Weesep's opinion (2000:169) goes in the same direction when he states that "in an aggregate and long-term perspective, the provision of good housing is a determining factor in the redistribution of income in a society". The relative weight of the public and private sectors depends, at a given moment, on the extent to which the latter compromises the redistributive objectives recognized as socially and economically necessary. However, the general intervention of the State in the housing sector is not only governed by those two economic criteria, there are also political and social ones.

The Political Criterion

It can be challenging to differentiate between the social and political drivers behind housing policy compared to considerations of efficiency and equity. However, this distinction holds significant importance. As articulated by Harsman et al. (1991:7), "the promotion of public order and security is perhaps the most basic reason for government. It is also the oldest political motive for housing policy". Hence, one of the political rationales is associated with maintaining order, security, and public health. Historical regulations concerning infrastructure within dwellings have been implemented to mitigate or prevent epidemics and other communicable diseases that have historically plagued societies. Policy measures aimed at establishing minimum housing standards primarily serve to formalize the social dimensions of urban living, rather than solely rectifying individual decisions made by housing developers. Another rationale is linked to the political process within Western-based democratic societies, where urban development is perceived as a matter primarily concerning residents. Engaging in discussions and decisions regarding urban planning is viewed as both politically and socially beneficial. Moreover, the notion of having adequate housing is increasingly regarded as a social entitlement rather than merely a possession. However, as noted by Nesslein (1983:608), "under a system of private property rights, the gains and costs of investment decisions largely concern the public decision maker." Another concern arises from the visibility of living conditions and the external environment of a country or region, as they reflect the political competence of its leaders and officials. Deteriorated housing stock often leads to negative perceptions about the effectiveness and image of politicians, particularly among property owners experiencing property devaluation. Furthermore, substandard housing conditions have significant social repercussions, potentially contributing to crime, juvenile delinquency, alcoholism, and other undesirable social phenomena. While empirical studies may not definitively establish a causal link between poor housing conditions and these social disorders, such arguments nonetheless play a pivotal role in shaping housing policy in numerous countries (Harsman, 1991:8; Nesslein, 1983: 610-611). Consequently, there is a heightened focus on the maintenance and preservation of existing properties, a crucial aspect of any comprehensive housing policy. Another political motive behind the housing policy is the redistribution of gains and losses among social classes resulting from speculative activities in the land market. During periods of increased demand for housing, landowners experience substantial gains as the value of their land appreciates, particularly when infrastructure such as transportation and schools are developed nearby. This rise in land value translates into higher profits for housing developers, thereby inflating the final prices of homes. Furthermore, the imperative for housing policy arises from its potential linkage to regional development and labor market initiatives, which wield considerable influence over the broader economy. Policies on employment and housing provision are intricately intertwined, particularly within the construction sector. Given the labor-intensive nature of construction, it serves as a significant source of employment, exerting multiplier effects on various economic variables (Harris, 1999:1173). As noted by Harsman et al. (1991:10), "It would be a mistake to see these activities as merely economic in scale and to reduce their own political or ideological dimension."

The Social Order Criterion

Improving housing conditions can indeed stimulate economic and regional development, but these effects are often more pronounced in housing's favor rather than the reverse, as housing location tends to be subordinate to employment location. Policies that favor renting typically incentivize mobility among individuals and foster greater flexibility in the labor market, facilitating adjustments to regional imbalances. Conversely, measures aimed at promoting homeownership tend to encourage families to settle in one location. The expansion of initiatives to facilitate homeownership has been driven by progress in the construction industry, the financial capacity of families, and the accessibility of credit systems to middle-class households. In terms of its impact on the age at which families are formed, efficient rental markets where housing exchange is straightforward tend to correlate with younger family formation compared to less efficient rental markets. However, the preference for homeownership has gained prominence over renting, bolstered by low interest rates and government incentives. Young people often opt for homeownership, relying heavily on bank financing due to limited immediate savings and the substantial investment required. Given the financial demands associated with homeownership, dual incomes are typically necessary to balance family budgets, resulting in delayed family formation and smaller family sizes. It's important to note that housing policies vary across different economic cycles and societal contexts. The regulatory framework of housing policy is shaped by a multitude of factors, including economic conditions, political dynamics, ideological orientations, and historical precedents. As noted by Balchin et al. (2002:4), the interplay between market dynamics, state intervention, and the broader political and social context shapes housing occupancy. In the short term, there's often a complementary relationship between the market and housing policy, influenced by the economic conditions of each country. However, achieving policy continuity, particularly in democracies, is challenging due to the temporary nature of government tenures, as emphasized by Majone (1997:153). In Western democratic systems, the segmentation of the political process into relatively brief periods undermines the development of long-term solutions to societal issues, as politicians may prioritize short-term gains over enduring policy success. The discussion surrounding the role of the State in housing provision revolves around finding ways to achieve efficiency and equity objectives while addressing market imperfections and the unique characteristics of the housing sector. This pursuit can lead to a broader range of housing access options, a more diverse supply, better satisfaction of housing needs, reduced social and economic tensions, and enhanced market stability. However, there persists a longstanding conflict between Eastern European countries, which appears unlikely to abate soon. Despite differing viewpoints, this discord has had adverse effects on the global economy, particularly in Europe. These effects ripple across the world, exacerbating housing needs, especially given the declining fertility rates in the European Union and beyond.

Ethics and housing: from natural shelter to large agglomerations

From natural necessity to moral responsibility

The quest for shelter has been a fundamental aspect of human existence throughout history, driven by our instinctual desire to prolong life and protect ourselves from the elements. Bertolt Brecht's admonition to fear insufficient life more than death underscores the importance of meeting basic needs for survival.

From the earliest natural shelters to the sophisticated buildings of today, humans have continuously sought innovative ways to create safe and secure living spaces. The evolution of shelter construction has been marked by scientific advancements and technological innovations, leading to the development of increasingly efficient materials and techniques. However, this progress has not always been achieved ethically, with some communities exploiting resources and contributing to ecological destabilization. In modern times, the pursuit of power is intertwined with scientific progress, economic growth, and social evolution. The focus is on optimizing resources within a fragile biosphere while navigating the complexities of our interconnected world. Ultimately, our quest for shelter reflects our innate drive for survival and our constant quest for improvement and advancement. Throughout history, scientific progress has been slow, and economic growth has often stagnated despite sporadic discoveries and population increases. The financing of new projects, particularly in industry, has faced challenges, leading to social and economic repercussions globally. In contemporary times, our collective existence is regulated from birth to death, navigating a cycle of life filled with various events and circumstances. Yet, amidst the complexities of our world, it is essential to pause and reflect on the significance of tangible realities. Housing, for instance, stands out as a fundamental aspect of human society, essential for its functioning. Housing has evolved, shaping our minds and behaviors. It serves not only as shelter but also influences our perception of reality and consciousness. The brain and nervous system work to protect us from disorder and confusion, filtering out irrelevant knowledge from our daily lives. The management of geographical spaces during the industrial era led to widespread housing allocations, accompanied by the development of infrastructure and amenities such as factories, schools, roads, and healthcare facilities. Specialization and innovation further drove population growth in urban clusters, attracting people with opportunities. Despite these advancements, periods in history bring about significant changes with unforeseen effects on economic prosperity, leading to skepticism among future generations. Housing remains a cornerstone of protective environments, offering defense and distance from external events. However, vulnerabilities persist, often exacerbated by inadequate urban planning and bureaucratic oversight.

Property rights and unproductive capital

The legal property system plays a crucial role in ensuring housing security within organized societies. Property registers establish rights and responsibilities related to accumulated capital, providing a framework for future generations through hereditary succession. Without robust property rights systems, individuals would struggle to secure housing. Property rights systems, based on social contracts, are foundational for societies. In capitalist regimes, these systems are sustained by an ethical commitment inherited over time. Illegal property occupation or public expropriation does not resolve legal or economic constraints; instead, adherence to the legal path outlined in social contracts is essential. The concept of individual property is secondary to *natural property* which is inherent in the existence of nature itself. While some societies have well-established property systems, others lack them or have rare implementations. The legal organization of property within plural free societies is integral to rational cost-benefit evaluations and reflects cultural heritage. The transition from small, organized communities to large-scale urban experiences, as discussed by Aristotle in his work Politics, represents a significant process of migration for billions of people worldwide. This transition underscores the importance of legal property systems in managing housing and land rights within urban contexts. The movement towards urbanization led to the division and specialization of labor, a concept elaborated upon by John Locke (1632-1704), who viewed property acquisition as the result of labor combined with natural resources. However, it is the responsibility of the State to ensure the viability of productive work, thus shaping the sphere of work, everyday economy, and quality of life. Housing plays a pivotal role in this transformation, enabling individuals to convert savings into capital and facilitating economic activities within urban environments. It's important to recognize that individual wealth, including housing, and personal monetary income may not always align throughout one's lifetime in terms of trajectory or timing. Capital, from its inception, is often invested in housing, but the concentration of wealth in cities can lead to inequalities in income and opportunities, rendering capital unproductive and contrary to societal equity goals. The social function of property, including housing, extends beyond mere monetary value. It encompasses rational use, sustainable utilization of natural resources, and environmental preservation, all of which are essential for promoting individual well-being. When resources are diverted towards speculative purposes, social inequalities deepen, highlighting the need for adherence to constitutional provisions that mandate the fulfillment of the social function of capital. Property, whether residential or not, is an integral part of an individual's wealth and shapes interpersonal relationships within society. Ensuring the social function of residential property does not preclude its potential profitability. Housing transactions involve the transfer of property rights from a commodity to money, thereby perpetuating capital and facilitating collective consumption. Ultimately, the social function of residential property contributes to individuals' well-being by influencing factors such as disposable income, physical security, environmental opportunities, and various lifestyle alternatives. It underscores the complex interplay between housing, wealth, and societal dynamics, prompting further reflection on these interconnected issues.

THE EVIDENCE OF PEOPLE AS THE SOCIAL FOCUS

Independent and critical thinking is vital for our development as autonomous individuals, with the pursuit of truth being paramount over personal comfort. While everyone has an ethical obligation to assist others and avoid causing harm, it's essential to prioritize belief in what is true and verifiable rather than simply believing what feels comfortable. This necessitates carefully examining evidence and arguments before accepting any claim or viewpoint, maintaining a modestly skeptical stance that seeks external solutions beyond oneself. In a world marked by rapid changes and uncertainty, ethical questions often outnumber certainties. As societies grapple with evolving norms and ethical dilemmas, inequalities can worsen, especially amidst challenges like the shortage of decent and affordable housing, increasing rates of solitary living, and an aging population. Addressing these issues requires accountability, clarity, and sincerity, alongside effective monitoring and supervision of individual actions. The future of human habitation will likely entail a reevaluation of existing models and locations, with a focus on integrating housing with evolving work mobility patterns. Efforts to address housing challenges have primarily centered on innovative collective housing models tailored to contemporary lifestyles. However, moral considerations arise concerning the permanence of happiness and future well-being in ethical practices related to housing. While dignified housing is a fundamental right for all individuals, questions arise regarding adaptability to household sizes. Public initiatives have played a significant role in housing production, often surpassing market-driven approaches, with innovations in architectural design and dissemination contributing to a multiplier effect of housing innovation. This highlights the importance of regulatory frameworks that foster creativity while ensuring the fulfillment of ethical standards in housing design and construction. In the realm of residential maintenance, both indoors and outdoors, and in the context of technical assistance as a public housing initiative, local decision-makers have the opportunity and responsibility to foster a collaborative environment that includes various stakeholders, such as educators, through participatory methodologies. They can propose policies aimed at addressing both the quantitative and qualitative housing deficits by enhancing unstable and inadequate housing conditions. Implementing strategies like technical assistance is crucial for improving the quality of life for residents who are already established in specific areas without the need for relocation from urban centers. Considering the ongoing transformation of central territories within large urban areas, the overarching goal is to determine the moral legitimacy of actions taken to consolidate these settlements. These principles can serve as a substantial contribution to the realm of bioethical reflection, analysis, and action. Housing, as a subject, offers a rich landscape for exploration, with various perspectives and interpretations. Nevertheless, there is a consensus that housing holds a pivotal and privileged position in human life. It is more than just providing shelter; it encompasses the essence of human existence. Dwelling signifies not only having a roof overhead but also engaging in meaningful human relationships. Indeed, housing represents the fundamental need of individuals, but it is not the sole necessity. Our identity is intricately intertwined with our familial bonds and home life. Housing serves as the locus where human evolution unfolds within the framework of societal structures. In line with Heidegger's philosophy, space is not merely physical; it is imbued with lived experiences, emotions, and connections. Thus, ethics and housing converge on the principle of integration rather than polarization. Each individual is called to engage critically and actively participate in shaping their environment, fostering a harmonious and inclusive society.

The tyranny of haste and the social discomfort of large aggregations

In a world marked by legal, economic, and climate uncertainties, cities are increasingly demanding resilience from their residents. Despite the wealth of scientific knowledge about urban theory, practical experiences often reveal discrepancies with theoretical doctrines, highlighting a certain anti-scientific trend. Bridging this gap between theory and practice remains a formidable challenge, as science continually strives to keep pace with the complexities of reality. The changing landscape of daily challenges, exacerbated by phenomena like the COVID-19 pandemic, has prompted a reevaluation of various societal aspects, including the resilience of the middle class, strains on democratic systems, and shortcomings in public policy formulation and implementation. In this context, the significance of digital technology has become increasingly apparent, shaping responses to global issues and influencing urban dynamics. Looking ahead, cities are evolving from politically fragmented entities into intentional and resilient communities, serving as laboratories for citizen empowerment and civic engagement. This transformation emphasizes the importance of fostering civil society capacities through experiential learning and community-driven initiatives. As urban growth unfolds, there is a growing recognition of the need for improvisation and pragmatic solutions, often diverging from conventional legal frameworks and norms. This practice is exemplified through the development of various forms of governance, decision-making processes, and initiatives aimed at achieving food, water, and energy autonomy. These efforts encompass the design and implementation of social, economic, and cultural techniques within urban areas, where residents can experiment with and refine these social technologies to navigate the transition to an uncertain future. While progress in this regard has been slow and incremental, communities across the globe, particularly in urban and peripheral areas, are beginning to embrace these initiatives with increasing significance. However, amidst these endeavors, there are challenges stemming from incompetence, lack of capacity, and a dearth of foresight regarding the unpredictable nature of future circumstances. Issues such as urban disorganization, bureaucratic red tape, corruption, and individualistic tendencies without ethical principles continue to impede progress, exacerbating social discomfort and impeding leisure activities and daily routines, such as homeschooling. In the discourse surrounding resilience, there is often a disconnect between rhetoric and action, particularly concerning climate change adaptation measures. While leaders may prioritize mitigation efforts, adaptation strategies are often sidelined, leading to disjointed discussions and minimal collective impact. This raises questions about the practical application of numerous reports and studies commissioned to address housing issues, emphasizing the need for tangible results and the alignment of agendas with the broader goals of sustainability and resilience. To address these challenges, it is imperative to foster dialogue among stakeholders and opinion leaders, promoting collaborative efforts to address pressing urban issues and empower citizens to demand actionable policies. The climate and environmental emergency necessitate a comprehensive approach that transcends geographic boundaries and prioritizes sustainability across all sectors. Resilience is essential not only for mitigating the root causes of urban vulnerabilities but also for fostering adaptability in the face of ongoing challenges. Legal instruments play a crucial role in bolstering the resilience of cities, but their efficacy hinges on practical implementation and meaningful outcomes, underscoring the need for greater collaboration and concerted action among diverse stakeholders. Ultimately, ethics in cities serves as a guiding framework for ensuring social justice and equitable outcomes for all residents. Rooted in historical and cultural values, city ethics embodies a commitment to inclusivity and collective well-being, emphasizing the importance of leaving no one behind in the pursuit of urban development and resilience.

Housing and ways of thinking: ethics about home and living

Ethics is deeply rooted in familial education, where concepts of polite behavior and social norms are imparted from a young age. However, contemporary society often witnesses a disconnect between ethical principles taught within the family and their application in wider social contexts. This discrepancy raises questions about the understanding and practical use of ethics among individuals. In practice, individuals may exhibit civic behavior within their immediate circles but adopt a more selfish approach when interacting with society at large. This phenomenon is particularly evident in the realm of housing, where ethical considerations are sometimes disregarded, leading to disruptions in community cohesion and the overall sense of “living”. Encouraging positive behaviors among public and private entities, including municipalities and states, is essential for upholding ethical principles in housing. Institutions, particularly universities, play a crucial role in promoting these values, even if they extend beyond the housing sphere. While some individuals may choose to reside in suburban areas to escape urban noise and congestion, they may encounter challenges such as intrusive neighbors and violations of privacy. In such cases, legal frameworks must be upheld to ensure that individual rights are respected and that community harmony is maintained. Ultimately, striking a balance between individual freedoms and collective well-being is essential for fostering a healthy and ethical society. This requires a concerted effort from all stakeholders, including policymakers, educators, and citizens, to uphold ethical standards and promote mutual respect in all aspects of communal living. Urban and rural environments often shape individuals' identities and perceptions of one another. Those born and raised in cities are often associated with success and wealth, while rural inhabitants may be stereotyped as traditional or less affluent. Urban dwellers are often seen as sophisticated and prosperous, with professions such as business executives or professionals. This perception is perpetuated by the city's environment and lifestyle, which prioritize material success and social status. In contrast, rural residents may be viewed as simpler and more traditional, with occupations like farmers or laborers. This distinction in perceived status is reinforced by societal norms and expectations within each community. These perceptions contribute to the formation of social hierarchies and stereotypes, with urbanites viewing rural inhabitants as less sophisticated or affluent, and vice versa. Status, in this context, refers to an individual's perceived social importance and prestige within their community. This status is often influenced by factors such as occupation, wealth, and education. However, these stereotypes can have negative consequences, as they may perpetuate social inequality and discrimination. It is important to recognize that individuals from both urban and rural backgrounds can contribute positively to society and possess a wide range of talents and abilities, regardless of their place of residence. Ultimately, status should not be solely determined by one's geographic location or upbringing, but by their character, achievements, and contributions to the community.

Housing: a bitterness that shouldn't exist

The issue of housing is indeed central to the debate on social risks and societal changes, given its critical role in people's lives and the evolving nature of housing needs and conditions. As societies develop and change, the concept of dignified housing evolves as well, encompassing various aspects such as affordability, suitability for household size, and legal property rights. One significant challenge is addressing the issue of rental housing, which is a global concern. While there may be vacant housing units in some areas, addressing rental affordability and availability requires more than just increasing housing stock. It involves implementing policies and mechanisms to ensure fair and affordable access to housing for all households, regardless of their income level. This may include initiatives such as rent control, subsidies, or social housing programs to complement the income of citizens and ensure housing stability. Moreover, there are populations living in inadequate housing conditions, such as slums or temporary shelters, who also deserve access to decent housing. Ensuring their right to adequate housing without relying solely on funding or subsidies is a complex ethical and practical challenge that requires a comprehensive approach, including urban planning, social policies, and community engagement. Furthermore, as family structures and demographics change, there is a need to adapt housing production to meet evolving needs. This includes considerations for divorcing couples, legislative changes affecting property ownership, and the overall pace of housing construction. Planning and implementing housing solutions that are responsive to these changing dynamics requires careful consideration of various factors, including regional differences, urban planning strategies, and construction timelines. In essence, addressing the challenges and complexities surrounding housing requires a multifaceted approach that integrates social, economic, legal, and ethical considerations. It involves collaboration among stakeholders, innovative policy solutions, and a commitment to ensuring that all individuals and families have access to safe, affordable, and dignified housing. The issue of professional mobility and its impact on housing allocation is indeed becoming increasingly relevant in the context of housing policies. With the phenomenon of people moving to different locations for employment opportunities, there is a need for housing policies to adapt to accommodate this mobility. By facilitating access to housing for individuals and families who need to relocate for work, housing policies can contribute to their well-being and overall quality of life. This includes ensuring proximity to essential services such as healthcare, education, and transportation, which are crucial for meeting the needs of residents. The COVID-19 pandemic has further underscored the importance of addressing housing affordability and accessibility, as it has highlighted existing inequalities and vulnerabilities in housing systems worldwide. It has also emphasized the need for public authorities to intervene effectively and efficiently to ensure that housing policies are responsive to the changing needs of communities. Ethical considerations play a crucial role in shaping housing policies, as they guide decision-making processes and prioritize the well-being of individuals and families. By prioritizing the needs of citizens and adopting ethical values and principles, housing policies can foster greater social cohesion and inclusivity. Furthermore, cooperation between theory and practice is essential for the successful implementation of housing policies. This involves translating theoretical concepts and principles into practical solutions that address the complex challenges of housing affordability and accessibility. In conclusion, addressing the issue of housing affordability requires a multifaceted approach that considers the impact of professional mobility, the ethical dimensions of housing allocation, and the need for effective cooperation between theory and practice. By prioritizing the well-being of individuals and communities, housing policies can contribute to creating more inclusive, equitable, and sustainable housing systems.

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CHAPTER 1

HOUSING AND QUALITY OF LIFE

Jorge H. Atiles and Kathleen R. Parrott

Abstract

Housing is critical to both lifestyles as well as personal identity. The relationship of housing to current expectations for quality of life is dynamic and changing. Change is a result of internal factors, such as work-life balance, gender issues, housing security versus insecurity, and personal values, and external factors, such as housing design, production and financing, demographic changes, and cultural influences. The myriad factors that influence the quality of life in the residential built environment must now be viewed from the lens of the ongoing impact of the 2020-21 viral pandemic. This intersection of health and the various factors affecting the residential built environment can be expected to have a greater impact in the future. Studies that look at the future role of housing and its meaning as a home in a post-pandemic world are limited, with little policy and practice recommendations to ensure the quality of life. This chapter examines existing literature concerning key internal and external housing-related factors affecting quality of life. It will help to address this gap and posit implications and recommendations for quality of life in post-pandemic housing with importance for various components of the housing industry and government policy.

Introduction

Housing is critical to lifestyles as well as personal identity. The relationship of housing to current expectations for quality of life is dynamic and changing. This change is a result of internal factors, such as work-life balance, gender issues, housing security versus insecurity, and personal values, and external factors, such as housing, production, and financing; demographic changes; and cultural influences. The myriad factors that influence the quality of life in the residential built environment must now be viewed from the lens of the impact of the 2020-21 viral pandemic (which was ongoing as this chapter was written). This intersection of health and the various factors affecting the residential built environment can be expected to have a greater impact in the future. Unfortunately, studies that look at the future role of housing and its meaning as a home in a post-pandemic world are limited, with little policy and practice recommendations to ensure the quality of life.

Thus, this chapter examination of existing literature concerning key internal and external housing-related factors that impact the quality of life will help to address this gap. Additionally, the authors will posit implications and key recommendations for quality of life in post-pandemic housing with importance for the housing industry and government policy. This chapter draws in great part from research and studies conducted in the United States of America. Therefore, generalizations to other nations and cultures may not entirely address the full relationship between housing and quality of life. Additionally, the COVID pandemic has changed both the time spent in the home as well as the type and frequency of activities in the home (Barone & Tweeten, 2021). It remains to be seen as to the permanency of these changes, and how will people use residential spaces in the future.

Defining Quality of Life

Quality of life is defined in the Oxford Dictionary as the standard of health, comfort, and happiness experienced by an individual or group. It is important to understand that quality of life is often associated with concepts of well-being; and well-being is not just the absence of factors such as mortality, infirmity, or disability (Nelson & Saegert, 2010). The role that housing plays in the quality of life has been studied from many perspectives, such as social, environmental, and economic. Thus, quality of life is a subjective concept. A broad definition of quality of life can be the standard of health, comfort, and happiness experienced by an individual or group. A person's quality of life is influenced by many factors. A person's place of residence – their housing—is an influential factor in their quality of life (Nelson & Saegert, 2010).

Defining Housing

The Merriam-Webster Dictionary defines housing as shelter or dwelling provided for people. However, housing does not have a common definition. Henilane (2016) offered a working definition of housing to have a better construct to use in helping develop a housing policy for Latvia. She stated that housing is a building or part of a building where a household can live all year round and which meets certain statutory requirements, including also residential address (p.4). This working definition is helpful in better linking housing internal and external factors with quality of life as it implicitly includes factors such as an address, and policy-related statutes governing housing itself.

Perspectives on Housing and Quality of Life: An Ecological Perspective

Using Bronfenbrenner's (1977) ecological model for human development, Nelson and Saegert (2010) offered a framework to understand the relationship between housing and quality of life. Their work included the review of various approaches and indicators, which resulted in the conceptualization of three main levels of analysis from the macrosystem (which they called the good society), to the mesosystem (referred to as the good life), to the individual (personal well-being). Although their focus on this topic was on improving health and well-being through housing, the framework is also useful in understanding social indicators, subjective versus the objective view of the quality of life, positive psychological and social functioning, and positive versus negative quality of life.

Social indicators are used to balance economic indicators in the ranking of livable communities. Macro-level data about social conditions that are pertinent to the quality of life serve to conceptualize what is desirable in cities, communities, and their housing. Moving from the macrosystem (or if you wish the external factors) to the individual domain is the base for the concept of subjective well-being. Nelson and Saegert (2010) argued that subjective well-being presents a distorted version of quality of life (QOL) because most people rate their QOL higher in comparison to the objective live conditions that affect them. This supports their argument of subjective versus objective QOL. In the area of positive psychological and social functioning, subjective QOL is sometimes measured as part of a perception of life satisfaction while those who support a positive psychological measure of QOL base it on personal growth and self-acceptance. Functional status can also be a determinant of QOL as it may relate to household management abilities or skills. Those with some disabilities (physical or mental) may not achieve a high QOL as they are not fully able to function given their abilities and the living environment provided.

Nelson and Sangert's ecological framework (Figure 194-1, 2010) places housing production and distribution along with social policy in the macrosystem (the good society) social indicators of QOL. Then in the mesosystem QOL conditions (the good life), they place factors such as homelessness, housing quality, and extra-housing factors such as a neighborhood. The individual well-being part of the framework focuses on health problems, subjective well-being, and positive functioning. In the section on external factors for housing and quality of life, the macrosystem and mesosystem offer the most salient aspects affecting the quality of life outside of individual factors and locus of control.

The European Social Fund has supported research that investigates the housing indicators affecting the quality of life. Streimikiene (2015) argues that the housing dimension of quality of life can be assessed by the following indicators: quality of housing, quality of housing environment, and housing cost (expenditure) burdens. These three indicators can be represented within the ecological model of housing and QOL. The first two indicators, housing quality, and housing environment are part of the mesosystem; and the third indicator, housing cost, can be easily tied to the macrosystem that drives housing production and distribution and social/housing policy.

A Statistical Perspective

Eurostat (2021), the statistical office of the European Union, measures the quality of life through nine dimensions: Material living conditions; productive or main activity; health; education; leisure; economic security and physical safety, governance and basic rights; natural and living environment, and overall experience of life. It includes housing under the material living conditions, the first of these nine dimensions. Under this dimension, housing is seen as a measure of crowding and dwelling conditions (such as leaking roof, rot, damp floors, wall, foundation). These are mostly related to internal factors of the dwelling but fail to address external factors affecting such dwelling.

The issue of placement or location of housing, when compared to the other eight dimensions, is not fully explored. In the health dimension, access to healthcare providers is mentioned as a critical consideration of the quality of life. Under the employment-related dimension, there is not much discussion of access to employment as it relates to housing location. We propose that a closer look at distance and means to access work should be included in this sort of analysis. However, in the economic security and physical safety dimension, this work addresses an external factor affecting the quality of life: the degree of urbanization and perceived crime, violence, and vandalism compared to rural housing settings.

A Housing Identity Perspective

Home has long been considered an expression of the residents' identity (Becker, 1977; Cooper, 1974; Creswell, 2014; Csikszentmihalyi & Rochberg-Halton, 1981; Gallagher, 2007). Factors influencing this link to the resident's identity include the home's location, size of the residence, design or style, interior and exterior materials, interior features and furnishings, and landscaping. Numerous examples of the link to housing and resident identity are available throughout the housing research literature. Sadalla, Vershure, and Burroughs (1987) noted that housing can symbolize the residents' social class, personality traits, aesthetic preferences, and personal histories. Lien (2009) considered four different theoretical frameworks on the concept of "housing as identity" and emphasized the connection of housing and identity within the context of older adults aging in place. McDowell (2007) considered gender identity in housing from a feminist perspective. Finally, Hernández, Hidalgo, Salazar-Laplace, and Hess, (2007) and Tuan (1977) considered the impact of cross-cultural and native versus non-native perspectives in viewing housing as a source of personal identity.

Mallett (2004), in her extensive review of the literature on the meaning of "home", suggested that home is a multidisciplinary concept of home that encompasses "place(s), space(s), feelings(s), practices and/or an active state of being in the world" (p. 62). Additionally, Mallett (2004) found that the concept of home is "conflated with or related to house, family, haven, self, gender, and journeying" (p. 64). Supportive of the idea that personal and social identity can be taken from one's home, Mallett extends the conceptual understanding of home.

A Housing Adjustment Perspective

Housing Adjustment Theory (Morris & Winter, 1975) has long been used, in the United States as well as internationally, to study how family households adapt and adjust to meet cultural and family norms for housing. Briefly, cultural norms include housing space, tenure, structure type, quality, and neighborhood/ location. According to the theory, when family housing does not meet one more of these cultural norms, then the family is likely to engage in adaptation behavior through a change in their housing or change in their family. A body of literature exists in support of this theory, having studied both residential and/ or familial adaptation. For example, Google Scholar, in 2021, identified almost 400 citations that reference Housing Adjustment Theory.

A Housing Needs Perspective

Maslow's (1943) Hierarchy of human needs positions housing as basic shelter. However, we submit that housing is more than basic shelter as it is a vehicle to achieve self-actualization and thus connect humans to quality of life. One can argue that without securing affordable, conveniently located, safe, sanitary, and healthy housing, no human can truly achieve self-actualization and quality of life.

A quality-of-life theory was proposed by Sirgy (1986) based on Maslow's hierarchy of needs. The main argument presented by Sirgy is that a definition of a standard for QOL varies greatly based on the society and general economic well-being of the populations. In developing nations, lower socioeconomic classes are more concerned with meeting lower order or basic needs to attain good quality of life. In developed, richer nations, people are more preoccupied with meeting higher-order needs toward the self-actualization pinnacle of Maslow's hierarchy. This is also similar to the argument by Zavei & Jusan (2012) that Maslow's theory shows that even house attributes are a result of varying levels of housing expectations driven by the different levels of human needs.

Additional Perspectives

These multiple perspectives help organize a set of internal and external factors as indicators of quality of life, which are further discussed in this chapter. These factors must also be viewed and evaluated through two important lenses: cross-cultural perspectives and the meaning of home across life stages and generations.

Internal Factors: Housing and Quality of Life

A household's quality of life, as it pertains to the housing unit it occupies, must consider internal factors. Those factors can be a determinant of the level of well-being, and the quality of life of the household. This section focuses on the internal factors of a housing unit and its residents. These factors include physical features of the housing unit (such as lighting, noise, exterior views, and storage), issues influencing how the home is occupied and used (including comfort, crowding, possessions and furnishings, pets, and workspace in the home), and other factors with direct impacts on the housing and its residents (such as natural disasters, housing security/insecurity, and health aspects).

Physical Features: Lighting

Adequate lighting is considered an important factor in a healthy and comfortable home (Lowry, 1989; Osibona et al., 2021). Light is also a critical factor in safety in the home. Lighting is especially important as people age and more light is needed to see adequately.

The United States' Energy Independence and Security Act of 2007 (EISA), set maximum power consumption requirements for all general-service light bulbs. The new efficiency standards required lightbulbs to consume less electricity (watts) for light produced (lumens). As a result, more energy-efficient (and longer-lasting) light sources or bulbs, such as LED (light-emitting diode), CFL (compact fluorescent lighting), and halogen, were introduced for residential use in 2012-2014. Overall, a reduction of about 25% of energy use for lighting was the achievable goal.

The EISA changes to residential lighting were challenging. Newer light sources did not always fit in existing fixtures. Color rendition was sometimes different. Purchase criteria, such as by lumens versus watts, were initially confusing to many consumers. However, these challenges to residential lighting are being gradually overcome with time and experience.

Physical Features: Noise

Noise is generally defined as an unwanted sound. Noise in a home can be from internal or external sources. The problem of noise is likely to be related to the sources of sound, level of sound, and construction features that do or do not limit the transmission of sound (Lowry, 1989). Additionally, the acuity of hearing can decline, such as with age, or from occupational exposure, and therefore, noise can become a more important issue.

A factor in noise issues relates to how the residents choose to use and manage the spaces in the living areas. Noise can be a concern if sound transmission between spaces in the home limits the use of parts of the home. For example, noise from a television in a living area can be problematic if it disturbs a child that is sleeping in a bedroom. Quality of life can also be hampered by noise and lack of privacy in conversations. The ability to soundproof interior spaces for preserving cultural norms around private conversations, daily tasks, or the use of bathrooms is therefore important.

Noise is an issue if exterior sounds create disturbances in the home. Two types of exterior noise that are often a concern are traffic and airports. These are largely issues of location or proximity to the sources of noise. Increasingly, structural barriers are used to separate residential areas from major roadways. Airport noise in adjacent housing communities has been studied, but primarily from the potential negative impact on housing values (Bell, 2001; Zheng et al., 2020).

Physical Features: Exterior Views

Views from within the house to natural features, such as flowers, trees, water, or mountains, are generally considered desirable. These types of views can improve the quality of life for residents and increase the house's value. Negative views are often associated with noise, such as from traffic, or excess light at night, such as from commercial areas.

Desirable exterior views from within a dwelling unit can increase the cost of housing. For example, Kim and Wineman (2005) found that 87% of the multifamily residential buildings surveyed reported higher prices for units with desirable views. If favorable views are important to someone's perceived quality of life, then the costs of such a home setting may impact their ability to afford it.

Physical Features: Storage

Adequate storage space in housing tends to be important in American society. Minimum standards for household storage are integrated into most residential building codes. Many building codes are based on storage standards developed by the U.S. Department of Housing and Urban Development (HUD).

An example of a HUD standard for storage is included in the "MFA 2020 Mandatory Design Standards for Multifamily Housing" (HUD's Office of Policy Development and Research, n.d.). The minimum requirement for storage in this standard identifies:

- A closet in each bedroom;
- A laundry/utility closet (if laundry is provided in the unit;
- A multi-use closet (minimum 8 square feet) with shelves at multiple heights; and
- For units with 3 or more bedrooms, a second multi-use closet.

How the Home is Occupied and Used: Comfort

The concept of comfort in the built environment has been studied from multiple perspectives. Common definitions or concepts of comfort include the ability to enjoy the home. Furthermore, comfort gives a sense of peace. Factors that influence comfort include location, security (including financial), safety, and furnishings.

An important component of comfort is thermal comfort. The American Society of Heating, Refrigeration, Air conditioning Engineers (ASHRAE) defines thermal comfort as the state of mind which expresses satisfaction with the thermal environment (ASHRAE, 2009). However, thermal comfort is more broadly a factor of radiant temperature, air temperature, humidity, and air movement in the context of the occupants' clothing and metabolic rate (Nicol & Roaf, 2017). Thermal comfort in a building, such as a home, will vary depending upon climate, time of the year, and culture (Nicol & Roaf, 2017). The acceptability of thermal comfort in a building depends, in large part, on the opportunity to modify conditions, such as clothing worn or the activity level. Moreover, the occupant's age and/or health status can also affect the sense of comfort. With the growing concerns about climate change and energy supply, the concept of thermal comfort in housing, and how to achieve it, is in a state of flux (Cole et al., 2008).

How the Home is Occupied and Used: Crowding

Crowding in housing can be defined in several ways: persons per bedroom; persons per room; or square footage per person (US Department of Housing and Urban Development (HUD), 2007). The cited HUD study drew heavily on research from Great Britain and made the following thresholds for crowding:

- 2 persons per bedroom; or
- 0.75 – 1.5 persons per room; or
- 165 square feet (15.33 square meters) per person.

Of particular concern is the impact on children living in crowded conditions. Solari and Mare's (2012) study of children in Los Angeles, CA, found that there were detrimental effects from living in crowded conditions that had implications for academic achievement, behavior, and health. Further, these effects persisted into adulthood, leading to impacts on future socio-economic status and well-being.

Opposite to the issues of crowding, there is a growing trend in American society for children to have their own bedroom space, with the belief that private space enhances their development (Moroney, 2019). This trend was found to be reflected in architectural plans available for family housing (Moroney, 2019). The 2020-2021 pandemic influenced actual and perceived crowding in American homes. The pandemic-quarantined household members were working, going to school, playing, and just living in homes that were typically not designed for these combined activities in the household at the same time. Issues, such as noise control, lack of personal space, need for storage space, and disputes over shared spaces and furnishings are factors that had the potential for the perception of crowding.

Increase in Multi-generational Homes. Multiple generations living in a home may or may not increase the likelihood or perception of crowding. The increase in multi-generational homes in the U.S. has typically been driven by the economy. During recessions, there tends to be an increase in young adults living with their parents. Also, a downturn in the economy can lead to combining (related and non-related) households for financial savings. The need to care for aging family members also increases in multi-generational homes (Daniewicz, 1995).

How the Home is Occupied and Used: Possessions and Furnishings

The need for furnishings in a home can be evaluated from the perspective of user needs and preferences. The furnishings and possessions in a home are influenced by multiple factors, including:

- the number of residents;
- the age and abilities of the residents;
- the size of residents, including height and weight;
- the relationship between and among the residents;
- accommodation of household needs and activities for daily living, work, or leisure, such as sleeping, sitting, eating, and storage;
- the lifestyle preferences of the residents;
- possessions, such as clothing, books, toys, hobby materials, or collectibles;
- aesthetic and style preferences, including color and material;
- the financial situation of the household as related to furnishings affordability; and
- how long the residents have lived, or expect to live, in the home.

The selection of furnishings can be very personal, even emotional. Style preferences may or may not be important to the household. Coordinated and stylistically consistent furnishings may or may not be valued by household members. Some households may value heirloom furnishings or furnishings from previous generations. Other households may find that up-to-date styles and materials are important in furnishings. Still, other households may want furniture that is sturdy and long-lasting.

When thinking about the quality of life, furnishings in a home must be safe, in addition to comfortable and meeting the variety of needs for the household members. Safe furnishings do not tip easily, have non-toxic finishes, and avoid sharp edges. Households with children are likely to want features such as childproof locks.

Some households find affordability more important than style. Other households want durability, with ease of cleaning and maintenance in their furnishings. In contrast, beauty or style can be more important than functionality in some households. Some households desire furnishings that exhibit current design trends and material choices.

Too Many Possessions: Hoarding. Drawing on the work of Frost and Gross (1993), Slatter (2008) suggested a working definition of hoarding as acquiring and failing to discard possessions appearing to be either useless or of limited value. Persistent hoarding has been identified as a psychological issue that is often associated with other psychological disorders (Cleveland Clinic, 2018). Although not limited to the elderly, it is more frequent in older households. Hoarding reduces the utility of the home spaces and can result in both physical and psychological threats to those living in the home.

How the Home is Occupied and Used: Pets

Pets can provide companionship, security, and teach children responsibility. Pet ownership is common in American society, with 67% of the population having 393.3 million pets in 85 million homes (Miller, 2021). Dogs and cats are the most common pets. Pet ownership decreases with the age of the householder, with 73% of Millennials owning a pet compared to only 27% of Baby Boomers (Olick, 2018). Pets can fulfill an important role in a person's quality of life because of emotional, recreational, and ability needs. However, often indoor spaces are not designed with pets in mind. Therefore, how can the home meet both the person's and the pet's needs for quality living? With as many people owning a pet, interior design accommodating pet-owning should not be an afterthought.

Pets influence housing choice. For example, pets may not be allowed in rental housing or may require additional costs in security deposits or other fees. Pets may require easy access to the outdoors (such as a fenced yard) or an opportunity for exercise (such as nearby walking trails). Interior furnishings need to be selected concerning the pets in the household, with durability and ease of cleaning being important factors.

How the Home is Occupied and Used: Workspace in the Home

The need for space in the home for paid work has largely been dependent on the type of work. However, the COVID pandemic of 2020-2021 has had considerable influence on the concept of "work from home" and changed thinking on this issue. For example, a 14% increase in people working from home was reported in one study (Isler, 2021).

In a study of working from home during the pandemic, only 25% of the respondents found a suitable space within their existing home (Cuerdo-Vilches et al., 2021). Generally, those having difficulty with adequate workspace in the home were younger households with children and smaller housing.

When paid work occurs in a home, and combined with the activities of the household residents, there may be a need to re-evaluate how spaces in the home are used. Non-traditional use of space may be required. Separation, flexible use, and sequential use of home spaces are all options, depending on the home configuration, type of work, and household/residents' needs.

Multiple issues arise when paid work is part of the home environment. Factors to be considered include:

- Is a multi-use space acceptable, or is a dedicated space needed?
- Who will be using the space? Will children be in the space, such as doing schoolwork or being supervised by the adult who is also working?
- Will employees be using the home space? What type of workspace will be needed for any employee?
- What type of furniture, equipment, lighting, or storage will be needed to complete work tasks?
- Will clients or other non-household members be coming to the home as part of the work process? What are the needs related to these types of meetings and activities?
- Is there adequate infrastructure, such as utility capacity, to support the working activities?
- What are the environmental controls (such as light, temperature, or sound) needed for work-related activities?
- Are there safety or security issues related to having a workplace in the home?
- What is the potential impact on factors such as household insurance, liability for employees or clients, and taxes? Is a permit needed, such as from the municipality?

Other Factors with Direct Impacts: Natural Disasters

Natural disasters that affect housing can include weather, fire, and earthquakes. Dealing with natural disasters includes planning for the safety and security of the home and its residents. Some natural disasters, such as weather extremes and wildfires, have been increasing in the U.S., in large part because of climate change.

Planning and preparing for natural disasters include multiple factors. Building codes are important to maximize the safety of the structure to resist the effects of disasters. For example, structural building codes can minimize the damage from an earthquake. However, disaster-resistant building codes frequently increase the cost of housing. Thus, there can be resistance to the implementation of these types of code requirements. Also, building codes generally are for new construction and do not provide for retrofitting older housing – or the increasing likelihood of a natural disaster.

Planning for a natural disaster needs to consider whether the goal is to shelter safely in place in the home, or to evacuate. For example, there is usually little advance warning for a tornado. Therefore, a place for residents to shelter safely in place is the most important need. Alternatively, hurricanes usually have some advance warning to allow evacuation or possible protection of at least some possessions.

Other Factors with Direct Impacts: Housing Security and Insecurity

The concept of security in housing can be defined from multiple perspectives. Security/insecurity in housing can relate to the financial situation, and/or the income of the residents. Additionally, the poor health of the residents can influence housing security.

Security is often equated with safety. Safety in housing is traditionally considered to be residing in a structure that is well-maintained and free from hazards or defects that can threaten the residents. Examples of unsafe or insecure housing could include:

- structural instability (such as a roof that is inadequate for snow loads);
- presence of materials that threaten health (such as lead paint);
- inadequate protection from climate hazards or weather (such as poor temperature control or malfunctioning heating/cooling systems);
- environmental hazards (such as an unsafe water supply, radon gas exposure, lead paint, or asbestos);
- inadequate maintenance resulting in defects (such as mold growth resulting from water leaks);
- threats from crime (such as fear of a home break-in);
- lack of repairs that result in hazards to residents (such as loose stair treads); or
- location factors (such as being in a flood-prone area, near high traffic roads, or adjacent to sources of air pollution).

Housing security can also be defined from perspectives other than physical or structural safety. Affordability is a key issue in housing security. Lack of affordable housing can result in living in unsafe structures. Alternatively, when housing is not affordable, resources that might be used for other important expenses, such as food, health care, medications, or childcare, are sacrificed to the detriment of the residents.

Domestic violence can also influence housing security. Victims, or potential victims, of domestic violence, live with the threat of violence or injury from another member(s) of the household. However, alternatives to other housing arrangements may be limited. A victim may also choose to stay in a violent living arrangement to protect children.

Crime. The threat of crime in a residential neighborhood can influence the residents' sense of safety and security. Also, concerns about crime can limit the use of outdoor and community spaces. The threat of crime can require investment in locks, alarms, and security systems. Insurance rates are likely to be higher in neighborhoods where crime is a threat.

Alternatively, some people may choose to live in neighborhoods where crime is a threat, due to other benefits of the location. These benefits might include access to amenities like entertainment, or a desire to rehabilitate older housing and neighborhoods.

Other Factors with Direct Impacts: Negative and Positive Health Aspects in Housing

The concern for healthy housing is not new. For example, in the late 1990s, two influential national education programs in the United States focused on public education about environmentally healthy homes. The U.S. Environmental Protection Agency and the U.S. Department of Housing and Urban Development funded extensive national educational programming on healthy home topics (Vogel & McMindes, 1999). Focused content included vital topics such as indoor air quality, mold, combustion pollutants, and secondhand smoke. This educational effort was developed and led by university faculty from across the country, including the authors for this chapter. Another national educational program, likewise, led by university faculty, Home*A*Syst, focused on the assessment of environmental hazards in the home and potential improvements (Andrews et al., 1997).

Air Quality. The increasing importance of indoor air quality in American homes coincided with the growing importance of tightly constructed, energy-efficient buildings in the late 20th century. As the cost of energy soared, people sought to control heat and air loss from their homes. Energy-efficient building structures and techniques, such as weatherstripping, caulking, and insulation, combined with newer, more energy-efficient building codes and practices.

However, reducing the loss of heated or cooled air from a building often resulted in increased concentrations of air pollutants in the building. These pollutants included combustion by-products, off-gassing from synthetic materials, by-products of the breathing of humans and pets, mold, and excess moisture from activities in the home, such as cooking. Indoor air quality in residential buildings became an important issue.

The COVID pandemic of 2020 -2021 led to people spending considerably more time at home and created greater awareness of the need for a safe and healthy home. The importance of adequate ventilation and good air quality in a home took on greater urgency. Good ventilation, combined with filtration and humidification, can make the home healthier and more comfortable, as well as reduce the spread of airborne virus particles (Power, 2020). Good ventilation is also important in the control of chemicals from furnishings and building materials, as well as activities in the home (Hernandez et al., 2020).

A healthy home is also a clean and well-maintained home. The selection of materials that are easy to maintain and keep clean is important. The interaction of good ventilation and regular cleaning results in an interior environment that is less likely to have problems, such as poor air quality or mold growth, which can lead to health problems.

The importance of health is likely to increase in homes of the future. Creative ideas can be expected that will make the home easier to clean, maintain and be healthy for occupants. An example might be a vestibule area in the entrance to the home with a handwashing sink (Yuko, 2020). This vestibule area would also allow the removal and storage of items, such as coats or shoes. Together with hand washing, the opportunity for germs and viruses to enter the home would be greatly reduced.

Safety. A healthy home should also be a safe home. An important aspect of safety in the home is the prevention of falls. Quality of life can be adversely affected by a preventable fall. Reducing fall risk factors is important to safety. Professionals, such as caregivers can be a great resource to residents who are at risk of fall injuries (Rider, 2020). This is especially important where there are elderly or disabled residents. Interior choices or features in the home can reduce the chance of falling. For example, good lighting makes it easier to see level changes or objects that are trip hazards. Non-slip flooring can prevent falls, both for elderly residents but young children as well. Color contrast can help define material or level changes.

Too many furnishings can crowd a room or passage, leaving inadequate space for people to walk, especially if mobility aids, such as a cane, are used. Also, furniture can become a danger for injury. A person may grab an item in furniture for support or to prevent a fall and cause further injury if the furniture is unstable. Likewise, avoiding rough or sharp edges on furniture can help prevent injury if a fall occurs.

External Factors: Housing and Quality of Life

Much like the internal factors discussed above, there are external factors that influence the perceived quality of life. Among these factors are the context in which a household's unit is located relative to services (i.e., transportation, health care, schools, work), natural resources, recreation, and faith communities. This section briefly discusses the most salient aspects of those external factors related to the quality of life of a household.

Housing Location

It is often regarded that location is the most critical factor in the real estate market and frequently drives a decision by homebuyers and tenants. A location that is suitable for housing is controlled externally in most cases. Controls include many, but most salient are land availability and suitability for development, zoning, land use regulations, and developers' access to financing to build, rebuild or restore housing that can fit the demand from buyers at a price point that balances supply and demand. Because housing as shelter is perceived as a basic need for people to attain a good quality of life, governments across the world often establish financial schemes that allow the finance sector to take a risk in funding housing activities. In addition, international, national, state, and local policies offer guidance on what is acceptable in factors such as housing quality, size, and location. These regulatory practices (such as zoning or building codes) affect housing affordability regardless of tenure status.

Karsten (2006), offers evidence that housing is also a way of life that helps achieve QOL through proximity to work and also a family's social network. It seems contrary to the overwhelming trend of families moving to the suburbs. However, this study brings light to the housing preferences of middle-class families located in urban settings. The three main reasons include time-geographical location to work; proximity to the already established social networks, and lastly, the self-identification as true urbanites who reject suburban living.

It is important to note that lower-income families are pressed to find affordable housing in urban settings. Location in large metropolitan areas drives the costs of housing to a level high above the ideal housing cost-burden of 30% of a household income. Large cities, however, rely heavily on a service industry to offer low wages to their employees. Because housing location determines transportation needs for accessing work, school, and social venues, adding housing cost and transportation offers a more realistic look at housing-related affordability. This is the main thesis of the Center for Neighborhood Technology (2017), which developed its own Housing and Transportation Affordability Index. This index adds 15% (attainable goal for transportation affordability) to the

30% housing affordability standard for a total 45% housing and transportation cost burden. This index underscores the need to account for external factors, such as transportation, related to the important locations to and from one's home.

A study by Braucach and Fairburn (2010) also highlights the housing-related burden on less affluent households in Europe. They argue that these households due to their location (such as housing in a neighborhood they can afford) are most exposed to environmental risks (such as contamination, poor sanitation, and dampness). Once again, we see that location is an external factor that greatly affects the quality of life for a household.

Government Policies Influence Housing

Government policies play a role in the zoning and financial practices for housing and its location. One important external influence is local government policies. MacDonald (2016) analyzed such influence on housing supply. Without a supply that is assisted by local policies, a large metropolitan city (which offers a variety and abundance of job opportunities) cannot meet the demand for affordable housing. The findings of this study focused on housing developments' likelihood of becoming feasible because of small changes in local government policies. Specifically, MacDonald's recommendations apply to heavily urbanized areas, He recommends that local governments adopt certain policies to deal with deficits in housing supply. Among them are: 1) Reduce ground floor retail space by 40% in areas when retail rent is weak, which may also help with the reduction of retail space due to online shopping; 2) Cut parking requirements by 20% in areas with proximity to public transit; 3) Reduce costs of meeting conditional use requirements and environmental reviews while protecting the opportunity for public input; 4) Reduce time and increase efficiency in basic building permitting; and not surprisingly, 5) Increase density especially in cities which already have very high rents.

The recent world pandemic led to federal-level financial actions that lowered interest rates and made it advantageous to buy a home. However, the labor restrictions that resulted from the pandemic disrupted the supply chain for materials and labor, and consequently, the housing supply could not meet the demand. The result inflated the price of available homes to purchasers. The Center on Budget and Policy Priorities (2021) has kept track of the COVID19 economic effects on food, housing, and employment. Their work has shown that the loss of jobs greatly affected households' ability to cover housing expenses, rent, or mortgage.

Tax Structure Driving Homeownership. In the U.S.A., a well-established part of the "American Dream" is to own one's home. For many decades, the taxation policy has incentivized homeownership (Gale et al., 2007). Enacted into law in 1990, the Cranston-Gonzalez National Affordable Housing Act (2018

Edition) included many objectives as a national housing policy, among them to ensure access to decent, safe, and affordable housing. One important goal was to expand homeownership opportunities. Another one was to "provide every American community with a reliable, readily available supply of mortgage finance at the lowest possible interest rates." The incentives provided through taxation include the ability of homeowners to deduct mortgage interest and property tax payments from their federal taxable income. They can deduct even more if they itemize deductions (not an option in all cases) such as home office expenses if self-employed; renewable energy tax credits, home improvements required for medical care; capital gains when selling the home, moving expenses, home equity debt, etc.

However, (Gale et. al, 2007) argued that federal housing tax policies are not equitable, can be inefficient and expensive. They favored tax credits for first-time homebuyers and also subsidized savings accounts for prospective first-time homebuyers.

These taxation advantages describe the demand side and not the supply side of the housing market. Other taxation mechanisms are designed to incentivize the production of affordable rental housing in the USA. Among them is the Federal Low-Income Housing Tax Credit (LIHTC) which states can also match to further incentivize the private sector (such as private developers) to take a risk in building housing for limited-income households in exchange for tax credits over 10 years (Tax Policy Center, 2020).

Housing as a Status Symbol

The JRank's Marriage and Family Encyclopedia (n.d.) offers a comprehensive review of literature about housing as a symbol and its meaning to families and households. Although there are several views as to how the internal configuration and amenities of a housing unit represent symbolic meanings, the external factors of a unit also convey a symbol of social and economic status. Not having a home, in other words, being homeless, is a symbol of very low social status. Alternatively, an architecturally high-style house in a desirable and exclusive location often represents a high socioeconomic status symbol. Therefore, the economic value of a housing unit seen as a commodity is regarded as an indicator of social status, family success, power, and stability.

Community Relationships, Neighbors and Quality of Life

The U.S.-based MacArthur Foundation sponsored a policy research brief that helps understand the relationships between neighborhoods and health/well-being. The brief by Galster (2014) argues that there are four key neighborhood factors strongly affecting personal outcomes: a) social cohesion such as social networks across norms; often expressed as “keeping up with the Joneses”; b) social control through roles models and neighbors involvement in enforcing norms; c) spatial mismatch where neighborhoods are away from jobs and quality public services; and d) environmental hazards which adversely affect health.

Neighborhood Features. One of the most significant aspects of the relationship between housing and quality of life is ensuring that it endures across the life cycle. In other words, aging in a home that meets your needs and provides wellbeing is a desirable goal. The location of said housing in the context of a neighborhood can affect the quality of life of older adults and of younger groups of neighbors. Mather & Scommegna (2017) argue that neighborhood settings affect older adult health and that reducing risks and incorporating health-friendly designs and features are important. Among them are safe sidewalks; improved community resources such as parks, libraries, gathering spaces; and designs or policies that promote independent living. All these features can help reduce the costs of long-term health care and this promotes a better quality of life. In short, neighborhoods that are walkable, safe, accessible, and enjoy healthy air promote better health and thus better quality of life.

Community Health and Vitality. From an economic analysis perspective, local governments often look at the quality of life indicators that can be measured in favor of attracting employers to their locations and thus create economic opportunity that leads to employment and improved wellbeing. These indicators are mostly external factors to a person that include: education (high-quality schooling); community health; recreational opportunities; employment (measured through unemployment rates); low crime rates; and a satisfactory household income that allows affording a home (University of Minnesota Extension et. al., 2011).

Affordability

The inability to afford a shelter has critical impacts on one’s quality of life. Enterprise Community Partners (2014) conducted a review of the evidence on the impact of affordable housing on families and communities. In their review of literature, the most relevant key findings indicate that affordable housing promotes: 1) household stability, especially for households who are at risk of homelessness; 2) economic security, as affordability allows a household to have more funds to put towards other needs that help meet their wellbeing; 3) educational achievement, especially for children in a stable environment; 4) overall health through sufficient resources to meet nutrition and health care needs, in addition to access to amenities available in quality housing developments; 5) green affordable homes that can reduce asthma triggers and other indoor air quality issues and thus improve household health outcomes; 6) energy efficient homes to provide more economic savings for a family to put towards other needs; 7) location of housing with respect to affordable public mass transit; 8) affordable homes and neighborhood quality that impact economic power and have either neutral or positive effects on surrounding property values; and lastly, 9) as already discussed in this chapter, quality affordable housing (and neighborhood) that can provide stability to income limited senior adults and promote better mental and physical health.

Cultural Influences on Housing

Cultural norms play an important role in the type of home that best meets a person's needs and quality of life. Zadeh & Jamshidi (2017) looked into what factors affect the shape of a house. They point to the traditional reasoning behind a shape of a building being based on climate as not explaining enough. They argue that there are other factors just as important as climate. Among those non-climate factors, are religious beliefs, rituals, social class features, culture, and tradition in a community, as well as the social and family factors. Consequently, the cultural-social factors play an important role as they influence the need for public and private spaces, social interactions, and the household structure and traditions that govern the spaces. Meeting cultural and social influences improve the likelihood that a household can attain a good quality of life.

Discrimination in Housing

Discrimination is a threat to housing security (Frederick et al., 2014). This could be defined in terms of discrimination related to race, gender identity, age, national origin, or other factors. Discrimination limits housing choice and options for affordable housing. Discrimination can result in having to accept unsafe or inadequate housing or neighborhoods. Finally, discrimination can also result in being threatened in one's own home. Although not legal, discriminatory lending and finance practices may still exist.

The location of housing can be influenced by discrimination. Limitations due to discrimination could result in living in locations that challenge safety and security. Additionally, freedom to use community spaces and services could be limited by discrimination.

Housing in the Future: How to Improve Quality of Life

As this chapter was being written, the COVID pandemic was still a major factor in American society. It remains to be seen as to how American housing will change and evolve in response to the pandemic. Likely, the importance of the home as a safe and healthy place to foster quality of life will be a paramount concern.

The concept of a safe and healthy home in the future will, hopefully, expand beyond the concept of infection control and further into issues also related to the quality of life. For example, as discussed in this chapter, there has already been a growing trend toward improved residential air quality and choosing healthy materials for the home.

Interior Spaces in the Home. A major change of the pandemic, for many Americans, has been the increased need for appropriate and safe places to engage in paid work and/or educate children. The pandemic has also increased the need for keeping home spaces clean and sanitized. Additionally, the pandemic has raised issues of the need for private spaces to balance increased togetherness.

American Society and Housing of the Future

In addition to the COVID pandemic, there are other influences and changes in American society that will likely impact the housing of the future, thus the quality of life. Among the trends of note are: the increasing aging of the population; the growing racial and cultural diversity of the population; greater use of technology; and greater concern for sustainability.

These life and societal changes suggest that future homes will be designed, and existing homes renovated, to better support a balance of work and life in a single housing unit. Additionally, future housing choices will need to support a diversity of ages, lifestyles, and cultural preferences; be physically accessible to people with different abilities; be resource-efficient and sustainable; and hopefully, affordable. We, the authors of this chapter, envision that future homes in America will support quality of life through including:

- a variety of spaces for different uses that are not common in housing today, such as a place to meet with clients, increased storage for non-household (such as employment-related) materials, or culturally specific spaces, such as might be expected in an Islamic home (Zulkeplee et al., 2015);
- separation of at least some spaces to provide features such as sound and visual privacy;
- universal design to support residents with different abilities or at different life stages;
- flexible use of spaces to allow changes in activities, such as for work, education, or play over the course of the day or week;
- spaces that are flexible to allow household members to be together or alone;

- spaces that are flexible in use to adapt to changes in the household (such as adding new members) or to accommodate different relationships among household members;
- space that can be used for isolation if a household member has health issues or has been exposed to an infectious disease;
- outdoor spaces that can allow appropriate social distancing, yet still foster a sense of togetherness;
- adaptable design to support residents over time, such as people age or household composition changes;
- sustainable use of resources, including energy, and adaptability to future energy sources;
- inclusion of technology that supports quality of life, and is adaptable to support future technological changes.

Conclusion

After considering internal and external housing factors affecting the quality of life, we now discuss how to achieve the housing of the future described above. The influence of the built environment on quality of life must consider today's needs for a home that accommodates work as well. Among the trends that challenge today's design for a home environment are the growth of remote work, telework, hybrid work schedules, online virtual education, and online wellness programs. The most salient implications of these trends are arranged by sector below:

Educational Institutions. Universities should modify their curricula so course syllabi can incorporate design education around virtual technology in the home. Concurrently, researchers should study the intersection of home living and virtual access to work and education. This research should lead to the discovery of best practices in design with improvements to the quality of life. This research can also lead to significant and important changes in the International Building Code, the International Energy Conservation Code, and the International Residential Code, to name a few, to facilitate safe, affordable, and sound design, such as promoting virtual access in designated rooms in a home.

Architects and Interior Designers. These design professionals are challenged to create interior spaces that accommodate dedicated areas for work, exercise, and education. It should no longer be designed as an afterthought. Rooms should be designed with a level of versatility that can accommodate these remote, in-home activities which were traditionally held in office buildings, gyms, schools, and universities. Technology that allows for full connectivity to virtual platforms should be included in the design specifications and allow for the placing of virtual equipment to meet the human scale. In other words, ergonomic considerations are critical to the placement and deployment of technology-based room design, including the furnishings. Sitting too long in furniture and spaces that do not allow for universal design considerations can lead to health issues affecting the quality of life.

A significant market for designers is home remodeling to accommodate these virtual friendly spaces. Home modifications can be expensive and complicated, therefore innovative alternatives to make existing spaces more versatile are needed. Issues around privacy, soundproofing, and the potential for virtual activity conflict among home occupants are a design challenge for the professional.

Other aspects of the home environment design that can improve quality of life have been discussed for decades. The most discussed have been the concept of smart home and the concept of universal design. We have not made sufficient progress towards these. Current home construction in the U.S. continues to ignore the needs of people with physical disabilities (except for door width in selected areas). Bathrooms are not entirely safe, doors are inefficient, basements are still wet, radon gas still seeps into homes causing lung cancer, and garages are still small for the number and size of cars driven in this country. Moreover, electrical wiring does not anticipate the need to install suitable outlets in residential parking areas to provide electrical current to charge an electric vehicle. In sum, designers and builders have an opportunity to create the next best home for the future. Naturally, they can only do that when they can still make a profit. For that, development fees and tax credits could incentivize these types of home features to maintain a level of affordability for the home buyer or renter.

Local Government, Planning, and Zoning Professionals. Housing codes and planned use development rules may need to be revisited to update codes and ordinances that prevent the successful operation of a home as a place for remote work. Improving lives and livelihoods is at the center of the quality of life for home occupants. Access to broadband in a community is nowadays a basic infrastructure needed to achieve successful socio-economic growth and wellbeing of a community.

Policymakers. This group may need to relook at the tax deduction structure for households in the U.S.A. For instance, will there be additional incentives for people to work and study from home? Would that be part of reducing the carbon footprint created by transportation-related emissions? Do households get to deduct expenses for remodeling their homes to meet work and education needs? All these questions and possibly more could significantly impact the financial capacity of individuals to reach an acceptable (as perceived by the person) quality of life. As many nations have come to realize, housing is a good social policy (Carter & Polevychok, 2004). Safe, decent, affordable, and healthy housing not only affects the quality of life of the occupants but can also affect society and the collective sense of wellbeing.

Overall, there is a great opportunity to rethink the housing internal and external factors of today with a view to the future and the ever-changing needs and perceptions of quality of life.

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CHAPTER 2

HOUSING REFORM AND POLICY: AN OVERVIEW OF HOUSING PROVIDENT FUND IN CHINA

Liming Yao

Abstract

Since the implementation of the national housing reform in China, a number of initiatives have been launched to alleviate housing difficulties, particularly targeting disadvantaged groups such as younger generation or low-mid income households to reduce housing pressure. Drawing on the experience of Singapore's Central Provident Fund, the Chinese Housing Provident Fund (HPF) was introduced alongside national housing reform. This initiative involves accumulating housing provident savings and providing low-rate housing loans to assist with the housing purchase. However, under the influence of the hukou registration system, access to the HPF was restricted to urban hukou holders, resulting in many rural and migrant households unable to benefit from this policy. Consequently, issues related to housing inequalities have emerged. This chapter provides an overview of housing policies in China, focusing primarily on the HPF system by evaluating its efficiencies and limitations. It also introduces the hukou registration system in China, discussing how it influences the efficiency of the HPF in China.

Introduction

The Chinese housing market has seen a rapid growth over the past decade, becoming a crucial indicator of the nation's economic system. With the introduction of the national housing reform, China's allocative housing system has been gradually transformed into a dynamic market-based system, marked by housing privatisation and commercialisation. This transformation has significantly increased housing demand, leading to a continuous rise in house prices. As a result, issues related to housing affordability have become a major obstacle that prevents households, especially the younger generation or those in the poor economic position from achieving homeownership. In response, the central government has implemented several initiatives to address housing affordability issues. This includes the implementation of the housing provident fund (HPF) scheme, the provision of economical and comfortable housing (ECH), and the introduction of affordable rental housing scheme (ARH). With the development of the market-based housing market, some policies have become outdated and have been gradually phased out, leaving only the HPF policy is still in effect.

Drawing on the experience of Singapore's Central Provident Fund, the HPF policy was introduced to the market alongside national housing reform. This policy involves accumulating housing provident savings and providing low-rate housing loans to assist with the housing purchase. However, due to initial imperfections in the policy design, access to HPF was restricted to urban hukou[1]

1 'Hukou' System is a specific household registration system in China, controlling the free movement of residents from rural to urban (Chan and Buckingham, 2008). 'Hukou' registration identifies if a person has a local residence permit. Urban 'hukou' registration was linked to housing allocation under the planned economy. Now it is linked to social welfare benefits (Barth et al., 2012).

holders with full-time employment, excluding many rural or migrant households in need. As a result, this has led to growing issues related to housing inequalities. This chapter provides an overview of housing reform in China, focusing on the HPF system by evaluating its efficiencies and limitations. It also introduces the hukou registration system in China, discussing how it influences the effectiveness of the HPF in China.

The Path to Chinese Housing Reform

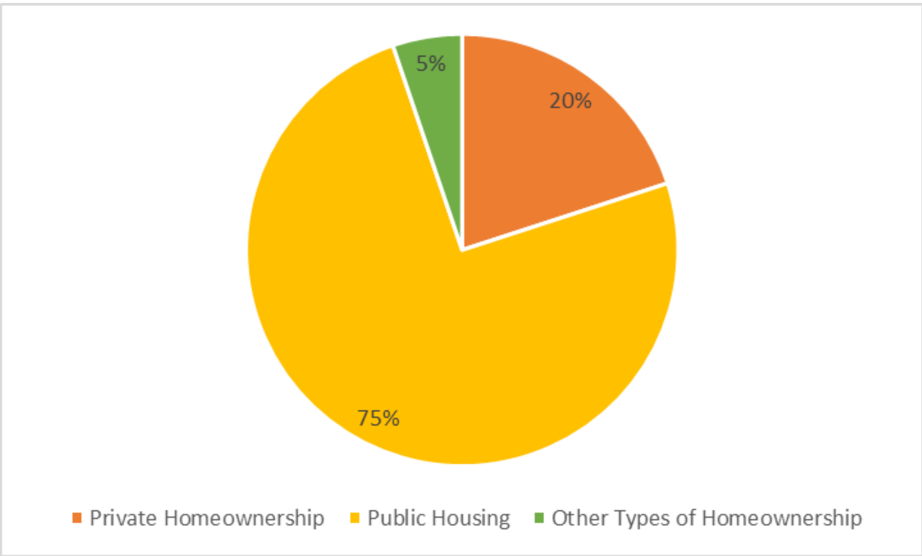
The Welfare Housing System: Spanning 1950 to 1978

Prior to exploring the housing policies in China, it is essential to comprehensively review the welfare housing system established with the founding of the People's Republic of China in 1949. From 1949 and 1978, China operated under a planned economy aligned with the socialist ideology, characterised by centrally administered public ownership (Putterman, 1995; Zhao and Bourassa, 2003; Chen et al., 2013). In this system, economic decisions were primarily made by the state or government, rather than through market forces and interactions between consumers and businesses. The role of collective ownership and allocation were significant features at that stage, as all production resources and outputs were owned communally by society. The collective unit, known as 'Danwei' (Francis, 1996; Wu, 1996; Chen et al., 2011), functioned not only as employers but also as welfare providers, offering various support services to their employees, including housing provision (Zhao & Bourassa, 2003; Burell, 2006; Yang & Chen, 2014). Consequently, in the centralised planned economy, housing was regarded as a component of the welfare system, with the state controlled the construction, allocation, and ownership of urban housing.

Houses were regarded as an object of welfare provision, rather than a commodity with market value and price (Angel, 2000). This system necessitated a fully planned operation by the government, enabling work units to oversee housing construction and housing allocations. Employees with formal employment contracts of more than one year were eligible for housing allocation (Wang and Murie, 1996, 1999; Zhao & Bourassa, 2003). Housing was provided free of charge, based on employee's professional title, length of service and household size. The allocation criteria stipulated that two persons were eligible for a one-bedroom flat, three to five persons for a two-bedroom flat, and six to eight persons a three-bedroom flat (Friedman, 1983; Zhou & Logan, 1996). There were no market transactions or prices involved in acquiring the allocated house, but those allocated a house were required to pay maintenance fees, which is the government's the planning system termed 'rents' (Wang and Murie, 1999; Chiu, 1996). These rental costs amounted to 1% of the average employee's annual income (Yang & Chen, 2014). As a feature of its socialist structure, the welfare housing system adequately met the housing needs of employees during the 1950s.

It is important to note that the houses allocated under this system were classified as public housing, with control and ownership maintained by the state (Zhao & Bourassa, 2003), which took on the role of landlord. This arrangement represented public ownership of housing, where residents of allocated houses were considered tenants and were not allowed to purchase, resell, inherit, or exchange their allocated houses. From the perspective of a market-based housing system, homeownership provides economic benefits to families, enabling them to accumulate family wealth. Taking housing as a commodity, owning a home is a financial investment that can help families build financial security and equity over the long term (Pollakowski et al., 1991). However, public ownership weakened families' wealth position, obstructing any family investment in housing (Zhao & Bourassa, 2003), which was one of the significant disadvantages of the welfare housing system. According to figures cited in the available literature, in China, the private homeownership in urban areas was lower than 20% at the beginning of the 1980s (Wang & Murie, 2011), with most private houses either being self-built or older properties. Public housing took approximately 75% of the housing stock (Chen et al., 2013, p.16). Graphic 1 presented below shows the proportion of homeownership in the early 1980s in China, highlighting the predominant share of the housing allocated to public housing.

Graphic 1. Proportion of homeownership in the early 1980s



Source: Wang and Murie (2011, p.240); Chen et al., (2013, p.16).

Despite the principles of equality underpinning the housing system, the system generated serious housing inequalities, exacerbated by shortages in house completion and disparities in allocation. Within this system, the construction of new housing was dependent on centralised planning mechanisms, which differs from the context of the market-dominated housing system, where housing supply responds directly to housing demand. The issues of housing shortage arose because houses, being planned and limited by the government, were scarce resources (Zhou & Logan, 1996). Furthermore, the 'Hukou' system exclusively involves urban hukou holders into housing allocation, excluding rural and migrant populations (Chen et al., 2013).

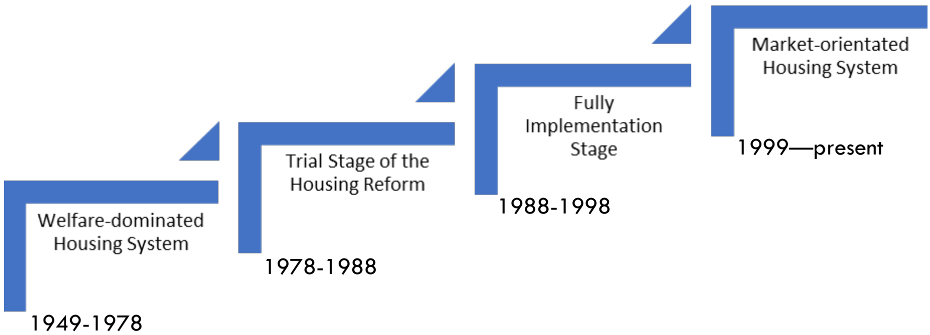
The system also proved to be unequal among urban hukou holders with full-time employment, as allocation corruption and allocative inefficiency became rooted in the welfare system due to regulatory failures of work units and the government (Zhou & Logan, 1996; Chen et al., 2013). Individuals in positions of authority, often from the privileged class, were allocated larger and better-quality housing, while less privileged groups were denied access to such properties (Zhou & Logan, 1996). This, therefore, has generated enormous housing inequalities among employees, with unprivileged groups facing prolonged waiting periods to be allocated a dwelling. This situation highlighted the systemic flaws and the need for reform to address both the inefficiencies and the growing disparities within the housing system.

In addition to the issues already discussed, housing conditions across the nation were quite poor under the welfare housing system. According to a survey conducted by the China State Statistical Bureau in 1985, approximately 27.6% of households at both city and town levels lived in over-crowding conditions with per capita living spaces of less than 4 square meters; about 7.41% of households were in inconvenient housing conditions, such as married couples sharing a room with their parents and teenage children; and 2.06% of households were housed in non-residential structures (World Bank, 1992). Additionally, the living space per capita had significantly decreased, from 4.5 square metres per capita in the early 1950s to just 3.6 square metres in 1970s (Chiu, 1999, pp.562). These figures not only illustrate the severe housing shortages but also highlight the profound inequalities and inefficiencies in the allocation process, underscoring the limitations of the welfare housing system. Furthermore, the costs associated with constructing these houses developed into a substantial financial burden for both the government and work units, ultimately becoming an obstacle to the development of the Chinese economy. These systemic issues underscored the urgent need for reform to address both the quality of living conditions and the economic sustainability of housing policies.

The Housing Reform: The Trial Stage Spanning 1978 to 1988

In 1978, China's central government initiated a national economic reform and opening-up policy, aiming at transiting the planned economy to the market economy (Gao, 2010). Alongside the broader economic reform, the housing reform was considered one of the most crucial components (Wang and Murie, 1996; Li & Yi, 2007). Based on existing studies concerning housing reform in China, Figure 2 below visualises the timeline of China's housing reform, showing the evolution of the market-based housing system (Wang & Murie, 1996; 19999; 2000). Referencing the information presented in Scheme 1, Table 1 summarises the key milestones of the housing reform from 1978 to 1998. This table illustrates the main actions associated with the housing reform process, providing insights into the steps taken to develop the housing system.

Scheme 1. Timeline for housing market development and housing reforms in China (from 1949 to present)



Source: Author's Own Diagrammatic Representation.

The welfare housing system was in place for two decades before China formally transitioned to a market-based economic and housing system. Beginning in the mid-1980s, the introduction of housing reform marked a significant policy shift. The government adopted a gradual and experimental approach, allowing the housing reform to evolve over time to meet the ultimate objectives. As shown in Scheme 1, the period spanning 1978 and 1988 was a trial stage of the housing reform, which is progressed in a form of experimental cases by selecting some trail cities. This initial phase aimed to transition housing from being classified as a 'welfare subsidy' to a market-based commodity (Wang & Murie, 2011; Huang, 2004).

Following the successful experimental trial, a three-stage housing reform was launched by the end of 1988, covering overall 1604 cities and 300 towns across the nation (see Table 1). The three-stage housing reform pertains to the following:

Initially, it was proposed to sell allocated public house at one-third of the building's cost per square metre, with a typical flat measuring around 56 square metres. At that time, the cost of a typical flat was equivalent to 10-20 years of an employees' income (Wang and Murie, 1996), making it a significant financial burden for most employees.

Table 1. Key actions comprising the housing reform: from 1978 to 1998

Date	Objectives and Actions
1980	In a speech by Deng Xiaoping, it was stated that urban households are permitted to construct their own houses. Additionally, allocated houses are to be sold, and rentals for these houses should be adjusted. Furthermore, low-income households are to receive subsidized housing allowances to assist with purchasing homes.
June 1980	The '*Proposals on The National Construction Works*' promoted the commercialisation of housing in urban areas, throughout the sale of allocated houses, and increased numbers of rental properties.
1982	Four cities selected as pilot cities to launch the housing reform: Siping, Changzhou, Zhengzhou, and Shashi.
1982-1985	Homebuyers were permitted to pay one-third of the total housing costs upfront to acquire allocated houses, with their employers required to subsidise the remaining two-thirds. At this stage, the concept of instalment payments was introduced, with one-third of the housing costs due as a single lump sum payment.
1986-1988	The coverage of the housing reform expanded to 1604 cities across the country. The payment structure was revised, permitting employees to cover 30% of the housing costs in the initial instalment. The remaining balance could then be paid off in instalments over a period of 10 to 15 years.
1991	Housing Provident Fund firstly introduced to Shanghai. At the Second Session of The Nationwide Housing Reform Conference: raising rentals for public housing.
1992	Beijing and Guangzhou launched the HPF system.
1993	At the Third Session of the Nationwide Housing Reform Conference, the primary focus of housing reform at this stage was the sale of allocated houses, alongside the construction of market-priced houses and the allocation of public houses for select groups.
1994	The official document, '*Decision on Deepening the Reform of Urban Housing System*' further clarified that the objective of the housing reform is to develop a new urban housing system that aligns with the transitioning market economy. This includes promoting housing communalisation, engaging in house construction, enhancing living standards, and meeting the growing housing demands of urban households. As part of these reforms, the Economical and Comfortable Housing scheme (ECH) was introduced, specifically targeting low-income households.
1998	The State Council issued '*the Circular of the State Council on Further Deepening the Urban Housing System Reform and Accelerating Housing Construction*' (No. 23 [1998] of the State Council), which stated that housing allocations should be completely phased out after the second half of 1998. The action aimed to promoting the development of affordable housing and establishing a well-organised housing finance system.

Source: Author's Own Diagrammatic Representation.

The cities of Xi'an and Nanning were selected as pilot cases for this initiative. However, the selling price was prohibitively high for most potential homebuyers, and the lack of flexible payment options, such as instalments plans, further resulting in a sluggish pace of implementation (Wang and Murie, 1996). Moreover, the terms and conditions attached to the purchase of public houses, included restrictions that prevented these households from being resold due to their ongoing status as state-owned properties. This condition significantly reduced the attractiveness of the purchase for possible homebuyers, as it limited the economic benefit typically associated with homeownership, such as the ability to sell the property at a later date for a potential capital gain.

Due to these challenges, including the high cost relative to income, inflexible payment options, and restrictive terms of ownership, the programmes proposed in the first stage of housing reform were ultimately rescinded in 1982. The lack of effective impact on broadening housing accessibility and ownership led to the reconsideration and eventual cancellation of this initial reform effort. This experience highlighted the need for more thoughtfully designed policies that could better align with the financial realities and expectations of ordinary citizens, thus driving more effective reforms in subsequent stages.

In 1982, a second stage of the experimental housing reform was launched to stimulate the demand for purchasing the allocated public houses. This stage included providing housing subsidies to employees, which helped ease the financial burden associated with purchasing these properties. To implement this stage, additional cities were selected to conduct further pilots (see Table 1). The breakthrough aspect of this stage was the financial arrangement for homebuyers. They were required to pay one-third of the total housing costs, while their employers subsidised the remaining two-thirds. Additionally, to further incentivise purchases, homebuyers were encouraged to pay the housing costs in one lump sum, benefitting from an authorised property-tax reduction for 5 years (Wang and Murie, 1996). This arrangement differentiated from the previous stage, which had proven to be more effective due to its lower cost and introduction of flexibility. In addition, existing tenants of the allocated public houses were given the opportunity to purchase the residence they lived in, with the condition that the house size for a family of three should not exceed 45 square meters (Wang and Murie, 1996).

By 1985, around 200 000 units of houses had been sold in the trail cities, equivalent to 10.9 million square metres of floor spaces (Wang and Murie, 1996, p.975). The second stage of the housing reform progressed successfully, contributing to accelerating the growth of the homeownership rate, although it imposed substantial financial burden on the work units providing subsidies. This stage marked a crucial development in China's housing reform by effectively promoting private homeownership and shifting away from the state-dominated allocation system.

In the third stage of the housing reform, further enhancements were made to support potential homebuyers, including the introduction of varied forms of housing subsidies. In 1987, Yantai, serving as a pilot city, issued the housing subsidy coupons that equivalent to 23.5% of the tenants' monthly income (Wang & Murie, 1996). These coupons were specifically designed for covering housing costs. Building upon the earlier stages of housing reform, individuals who obtained allocated houses were now encouraged to purchase public houses at a discounted rate of 50% off the market value (Lee, 2000). Additionally, a significant innovation was introduced during this stage: an instalment payment plan. This plan allowed homebuyers to pay 30% of housing costs upfront as a first instalment; with the residual part to be paid off in instalments over a duration of 10 to 15 years (Wang & Murie, 1996). This instalment scheme marked the beginning of a housing finance market in China, representing the first time such financial mechanisms were implemented in the housing sector.

Moreover, beyond financial and monetary support, the reform also focused on improving management and oversight. An institution was established with the specific function of regulating and supervising the housing reform process. This strategic move was aimed at ensuring transparency, fairness and effectiveness in the implementation of housing reform, thereby providing a structured and stable environment for the development of the housing market.

Chinese Housing Reform: The Fully Implemented Stage Spanning 1989 to 1998

The success of the trail housing reform provided an open environment to pave the way for the nationwide housing reform. In response to the positive outcomes observed in the pilot cities, the Central Government decided to launch a nationwide housing reform in 1989, which coincided with the phasing out of the housing allocation system. The main aim of this intensive nationwide housing reform was to increase the sale of public houses to potential buyers, and to decrease the reliance on welfare housing, shifting the focus towards a more market-driven approach.

To facilitate this transition and to support individuals in acquiring their own homes, the Central Government proposed several measures to provide financial assistance. A key action of this initiative was the introduction of the Housing Provident Fund (HPF). Learning from Singapore's experience of Central Provident Fund, China's HPF was primarily established in Shanghai in 1991 and was designed to help urban employees save towards the purchase of homes through matched contributions from both employers and employees (Lee, 2000; Wang & Murie, 1996). The HPF aims to mitigate the financial burdens in home purchasing by providing support for downpayments and mortgages, which has become a fundamental aspect of China's housing policy, effectively promoting homeownership and stimulating the development of the housing market.

By 1994, more comprehensive actions under the housing reform were implemented, further accelerating the transition to the market-orientated housing market. Since then, newly-built houses were to be sold at the market price. Additionally, people who had purchased allocated houses were extended full ownership of their properties and were permitted to resell their houses (Deng et al., 2009), fostering a more dynamic and flexible housing market.

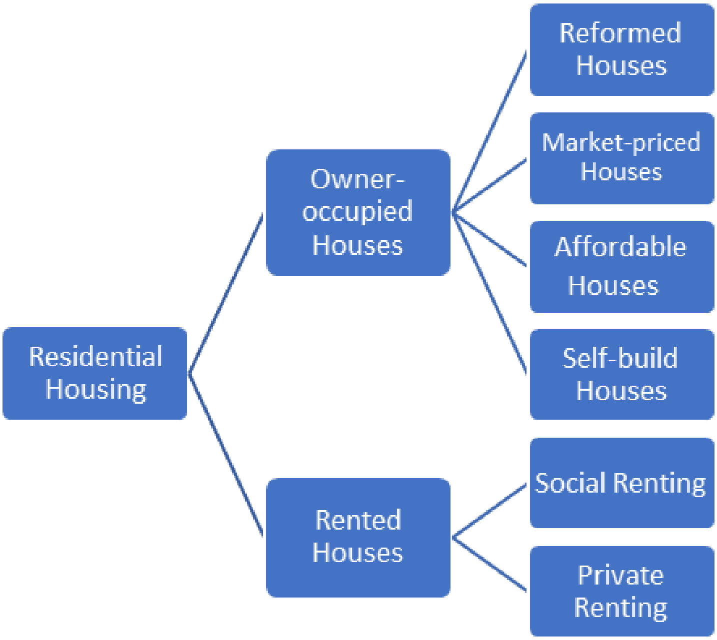
In order to help housing difficulties for low and middle-income households, the Economical and Comfortable Housing (ECH) project was launched as part of a broader housing assistance scheme (Li & Yi, 2007; Wang & Murie, 2011), aimed at assisting low-income households to achieve homeownership. Local authorities and housing investors were tasked with supplying certain types of houses at an affordable price, which were referred to as economic and comfortable houses (Rosen and Ross, 2000). These types of houses were designed in small sizes and were only available to qualified potential homebuyers: applicants had to be registered with a local 'Hukou'; their household income needs to fall within the low-income range; the houses purchased under the ECH scheme should not be resold within the first 5 years of the purchase.

This project significantly accelerated the transition of the market-oriented housing market, enabling some low-income residents to achieve housing ownership. At the same time, it also contributed to the rise in the national housing ownership rate. However, the imperfection is, this project depended heavily on government subsidies, and the affordable prices also largely squeezed developers' profits, which in turn limited the supply of these types of houses. It is reported that the supply of ECH houses took only 3% of all new housing supply in 2010 (Barth et al., 2012).

After the Housing Reform: Achievements from 1999 to 2011

By 1998, the nationwide housing reform had reached its completion, effectively transforming the Chinese housing market into a market-orientated system. This transformation laid the groundwork for a systematic operation of the market-based housing system, which included the establishment and development of the HPF system and an emerging mortgage market. The success of the housing reform paved the way for low-income households to achieve homeownership by delivering affordable houses and accessible purchase pathways, thereby stimulating homeownership across China and diversifying the types of housing available on the market. Reflecting on the reform's impact on households' tenure choices, residential housing in China can now be categorised into two main types, as presented in Scheme 2. The first category, owner-occupied houses, comprising different types of houses: reformed houses which were transitioned from allocated houses under the housing reform, and newly-built houses sold at the market price. The second category, rental market, includes social rented houses. These were introduced as part of the public housing sector alongside the housing reform to meet the housing demand for those unable to enter the housing market. This dual structure of residential housing not only facilitated increased homeownership but also ensured that affordable rental options were available to accommodate different income levels and housing needs within the population.

Scheme 2. Residential housing types in China housing market



Source: Author's Own Diagrammatic Representation.

The housing reform in China leads to an enormous growth in the homeownership rate, driven largely by the transfer of welfare houses to private-owned houses at the certain amount of purchase cost (Burell, 2006; Barth et al., 2012). Consequently, the homeownership rate in urban China increased from around 20% in the 1980s to 47% in 1996, then soaring to 72% by 2000 (Huang and Clark, 2002). Additionally, about 30% of urban homeowners purchased their allocated houses under the housing reform (Huang & Jiang, 2009), this largely contributed to the rise in the homeownership rate to 80.3% by 2010 (Wang and Murie, 2011; Barth et al., 2012). As of 2011, this rate further reached 89.3% (Chen et al., 2013), marking an unprecedented increase when compared with figures in 1980s. Notably, 40.1% of this homeownership rate was attributable to the transition of publicly owned houses during the reform period (Shi et al., 2016).

In addition to boosting the homeownership rate, the housing reform significantly improved living conditions for urban households. By 2000, the average living spaces per person in urban household had increased to 20.3 per square meters (NBS, 2010), a substantial rise from the 7.18 square meters per person reported in the 1980s (Tang, 1989). This enhancement in living conditions reflects the broader impact of the housing reform, not only in terms of increasing homeownership but also in significantly improving the qualify of live for urban residents.

The Housing Provident Fund

Management of the Housing Provident Fund

China's HPF scheme was initially introduced as a pilot in Shanghai in 1991, specifically designed as a financial tool for obtaining funds and supporting the development of the ECH project. Following its successful implementation, the scheme subsequently was extended to Beijing and Guangzhou in 1992. After the nationwide housing reform in 1998, the Central Government discontinued the pilot stage of the HPF and endorsed it as a fully implemented legal policy to assist in housing difficulties for households (Burell, 2006). As a result, the HPF has been broadly introduced nationwide, in cities at or above the country's administrative level. By 2004, a total of 200 cities had launched the HPF system, with the majority of cities boasting populations of 5 million or more successfully implementing the HPF system (Wang & Murie, 1999; Burell, 2006)). The dedicated Housing Provident Fund Management Provision was enacted to regulate and operate the HPF savings and loans (Burell, 2006).

From that point onwards, the HPF was no longer used as a financial tool for supporting the ECH project, the HPF has been transited to a significant housing policy tool that enables households to accumulate deposits for downpayments for housing purchases. Operating as a compulsory saving tool, the HPF requires employees who have been employed for over a year at state-owned enterprises (SOEs), government institutions, and public agencies to contribute a specified percentage of their monthly income into an HPF account (Wang & Murie, 1996; 1999; Ying et al., 2013; Tang and Coulson, 2017). Additionally, all types of employers, including private companies, joint ventures, government institutions, public sectors and social organisations were required to match the contribution made by their employees to the HPF accounts.

The contribution rate for the HPF is determined by guidelines issued by the Central Government, a 5% rate was initially suggested in 1991, and this rate was subsequently increased to 7%, 8%, and 10% in the following years (Wang, 2001; Li, 2010). In 2016, the Ministry of Housing and Urban-

Rural Development of the People's Republic of China mandated that this proportion should not exceed 12%. However, local HPF management centres have the autonomy to adjust the rate to an acceptable level according to local average income levels, house prices, and regional economic growth rate, thus the contribution rate varies by city (see Table 2). This decentralised management approach allows for substantial variability in contribution rate across regions and work unit, providing tailored support that can effectively help employees in different regions accumulate the needed funds for housing purchase. For instance, Guangzhou offers a particularly flexible range of contribution rate and has maintained the highest contribution rate of 20% since 2005. Beijing, strictly followed the central guidelines, implemented a fixed contribution rate in 2009, requiring both HPF participations and their employer to follow a fixed contribution rate of 12%. Shanghai, Tianjin and Chongqing adopted the cap rate of 20%, following a flexible contribution rate band.

Table 2. The HPF contribution rate in seven cities: 2003-2013 (%)

Year	Beijing	Shanghai	Tianjin	Chongqing	Guangzhou	Wuhan	Hangzhou
2003	8	5-13	8	7-15	5-8	7	8-10
2005	8-10	7-15	8	7-15	5-20	8	8-12
2007	8-12	7-15	10	7-15	5-20	8	8-12
2009	12	7-15	11	7-15	5-20	8-12	12
2011	12	7-15	11-15	7-15	5-20	8-12	12
2013	12	7-15	11-15	7-15	5-20	8-12	12

Note: The figures above represent the one-sided contribution rate, the aggregate deposits should be doubled.

Source: Chen & Deng (2014, p.994)

When calculating the monthly savings for the HPF, employee's contribution is typically based on their income from the second previous month or their actual monthly average income. This approach helps to ensure that contributions are reflective of current earnings and financial situations. The formula displayed below shows the calculation for monthly savings in the HPF:

Monthly savings for HPF = monthly income base × (required depositing proportion from employee + required depositing proportion from employer)

where,

Monthly Income Base = employee's monthly average income

The HPF savings are exempt from personal income tax, and the employer's contribution to the housing provident fund are tax-deductible. Theses deposits earn interest on the basis of the bank savings interest rate and can be withdrawn for housing related purposes after one-year of saving, such as home purchasing, self-building, home improvement, or decorating. The actual amount of monthly HPF savings depends on the income base and the applicable contribution rate but is also capped at a certain level determined by local standards. The capped contribution rate for employee is normally set at 12% of their monthly income, ensuring that contributions are manageable for employees while still substantial enough to support housing purchases. In cities such as Beijing and Shanghai, the maximum HPF savings is capped at three times the average local income; whereas in cities such as Guangzhou and Xi'an, the cap is set at five times the average local income (Chen & Deng, 2014, p. 945).

These caps are intended to address disparities in the HPF by preventing excessively high contributions and deposits could widen the gap between high- and low-income households. However, this measure only lightly addresses income inequality and does not resolve the underlying disparities that lead to unequal HPF accumulations.

Performance of the Housing Provident Fund System

The HPF system has been crucial in transitioning China towards a market-oriented housing system, acting as a bridge between government initiatives, employer contribution, and the financial sector (Lee, 2000; Yeung and Howes, 2006). As a long-run housing assistance tool, the HPF system enables financially constrained households to enter the housing market in ways of deposit accumulation and lending HPF loans.

By 2014, the expansion of the HPF has significantly broadened its reach, with 324 cities (including Xinjiang Production and Construction Corps) establishing the HPF Centralised Management Centres, along with 208 centres in rural areas. This wider coverage has resulted in a steadily increasing number of participants in the HPF scheme, growing at an annual rate of 5%, with the exception of 2015 (see Table 3). Meanwhile, the growth of the HPF is evident in its deposit records: by the end of 2007, net HPF deposits had reached 3,543 hundreds million Yuan, a significant increase from the 63.8 billion (638 hundreds million) yuan in 2000 (see Table 3). After the global financial crisis, this number has accelerated and further increased by 7 times in 13 years. By 2020, it has increased to 2,621 billion (26,210 hundreds million) yuan (see Table 3), despite being slightly impacted by the Covid-19.

In addition to serving as a deposit accumulation tool, the HPF also provides loans to enable liquidity constrained households to access the homeownership market. The HPF loans, to some extent, operate similarly to the commercial mortgage (Deng et al., 2021), requiring the same loan-to-value (LTV) ratio as a commercial mortgage and offering loan terms ranging from 5 to 30 years. However, it offers distinct advantages, particularly in addressing liquidity constraints and enhancing affordability.

Table 3. HPF deposits and loans at the national level (2000-2008, 2014-2020*)
(Unit: 100 million Yuan)

Category/Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2014	2015	2016	2017	2018	2019	2020
Net Deposits	638	907	851	1,358	1,838	2,359	2,928	3,543	4,470	12,957	14,549	16,563	18,726	21,054	23,709	26,210
Net Loan	231	395	620	751	1,621	1,195	1,765	2,202	2,036	6,593	11,083	12,701	9,534	10,218	12,139	13,360
New Participants (10 000 people)**										1575.70	-	1613	1829	1990	1878	1835
Aggregate Deposits Balance	1,797	2,405	2,952	3,814	4,894	6,260	7,871	9,605	12,116	37,047	40,674	45,627	51,620	57,934	65,372	73,041
Aggregate Borrowings Balance	517	830	1143	1,583	2,230	2,834	3,805	5,074	6,094	42,245	53,349	66,061	75,602	85,821	97,959	111,337

*Data between 2009 and 2013 are not available since the MOHURD did not publish any briefing between these years.
**Data on new participants between 2000 and 2008 are not available.

Source: MOHURD, 2008-2010, 2014-202

Table 4 illustrates the interest margins and spreads between HPF loans and commercial mortgages spanning between 2015 and 2020. Given HPF loans provide lower interest rates than traditional mortgages, the spreads between traditional mortgage and HPF borrowing rate which have consistently been 1.6 to 2% between 2015 and 2019, with a slight decrease in 2020 due to a more relaxed borrowing environment (Dent et al., 2021). As a result, HPF loans can contribute to substantial savings on interest payments compared to commercial mortgages. Under identical conditions of principal amount and loan duration, households can save interest payments up to 97,500 yuan through HPF loans (see Table 4). This considerable saving emphasises the effectiveness of the HPF system in alleviating payment pressures for households, particularly for those facing housing affordability challenges.

Table 4. HPF loans vs Mortgage loans (2015—2020)

	2015	2016	2017	2018	2019	2020
Interest margins between HPF loans and traditional mortgages[2] (yuan)	67,100	79,900	76,300	80,000	91,300	97,500
Spread between Mortgage and HPF borrowing Rate (%)	1.65-2.0	1.65-2.0	1.65-2.0	1.65-2.0	1.65-2.0	1.1-1.55

Source: MOHURD, 2015-2020.

The HPF loans exhibit a higher participation rate among financially constrained households, particularly those that are low-income, first-time buyers, and aged below 40 (see Table 5). This higher participation rate underscores the effectiveness of the HPF in addressing the financial and housing needs of these demographics. In addition, this trend also aligns well with the lifecycle theory, which suggests that younger households typically experience more severe housing affordability difficulties due to shortages in their family wealth and income (Linneman and Megbolugbe, 1992, p.370). Younger families are often in the early stages of their careers and have not yet had significant opportunities to save for first home, making them more reliant on the lower-cost financial assistance provided by the HPF. Evidence from Table 5 shows that the participation rate of first-time buyers in HPF loans is exceptionally high, exceeding 85% in most years between 2017 and 2020. Conversely, the participation of second-time buyers in the HPF is considerably lower. This limited participation can be attributed to additional eligibility criteria and higher borrowing rates imposed on second-time buyers.

Since 2007, the role of the HPF was expanded to include support for social renting, making an additional contribution to the affordable housing projects and public renting sector. In the subsequent years, it was further extended to cover the expenses of private renting expenses (MOHURD, 2017), making it the most comprehensive help-to-live policy across the nation. Data on HPF support for renting purposes, as presented in Table 6, indicates continual growth in both the number of users and the volume of annual withdrawals. From 2017 to 2020, the number of people who chose to utilise HPF deposits for renting purposes has increased by 2.5 times, and the annual withdrawals have also increased by 2.67 times during the same period. Although the amount of

2 The difference lies in the total interest paid on HPF loans compared to that of a traditional housing mortgage. Both loans follow the same LTV ratio, loan durations, and aggregate borrowing amounts. The interest rates for housing mortgages are calculated based on benchmark interest rates.

per capita withdrawal is maintained at about 10,000 yuan on average, the increase in the number of users and the aggregate withdrawals illustrates a growing reliance on HPF not just for loan borrowing, but also for renting. This trend also indicates that the accessibility of policies has been widened, which can better provide financial support to those households who are temporarily unable to enter the homeownership market.

Table 5. HPF loan participation rate: by household category (%) (2017—2020)

	Category/Year	2017	2018	2019	2020
Age group	30 and under	33.31	32.63	32.48	32.14
	30-40	40.82	43.01	44.08	45.14
	40-50	20.43	19.38	18.82	18.25
	50 and above	5.44	4.98	4.62	4.47
Home buyer	First-time buyer	85.63	84.62	86.38	86.26
	Second time buyer	14.37	15.38	13.62	13.74
Income group[3]	Mid and low-income	95.33	94.86	93.88	94.11
	High-income	4.67	5.14	6.12	5.89

Source: MOHURD, 2017-2020

Table 6. HPF support for renting purposes (2017—2020)

Category/Year	2017	2018	2019	2020
Per capita withdrawal (yuan)	9,000	9,500	1,0800	9,700
Number of HPF users (10,000 people)	495.52	766.44	1013.82	1226.42
Aggregate withdrawal (100 million yuan)	444.76	730.4	937.83	1188.51

Source: MOHURD, 2017-2020.

3 Low- and middle-income households are defined as those earning up to three times less than the average local income from the previous year, while high-income households are those earning at least three times more than the local average wage from the previous year.

Limitations of the Housing Provident Fund System

As a housing assistance policy, the HPF system has effectively supported both the supply and demand sides, though it has also encountered some limitations.

Firstly, HPF system provides limited access to people in need. Eligibility for the HPF requires individuals to have a formal employment contract over one-year. Consequently, several groups including laid-off workers, rural migrants, those in temporary-employment, and self-employed individuals are excluded from participating in the system (Yeung and Howes, 2006; Burell, 2006). In 2015, approximately 277 million rural migrant workers and temporary workers were excluded from the HPF system (NBS, 2015). However, this group often has the greatest need for HPF's assistance due to a lack of sufficient household income and a good perspective of family wealth.

Additionally, the HPF system has inadvertently exacerbated existing social inequalities by reinforcing income inequalities. Since the HPF is an income-based scheme, the amount contributed by both the individual and their employer is directly tied to the participant's income level and the band of the contribution rate. Although the HPF management centre has set an upper limit on the maximum monthly deposits, the margins of HPF deposits between the low and the high-income group continues to widen as incomes grow. Individuals with higher incomes typically gain more from the system (Yeung and Howes, 2006). The high-income group, with their larger HPF deposits and a more pronounced institutional benefits, can access the housing market more readily. This inherent structure of the HPF thus continues and even intensifies the inequalities, disadvantaging low-income households who cannot access benefits (Burell, 2006).

Such inequalities are exacerbated by regional disparities and inefficiencies: more developed regions have greater opportunities to benefit from the HPF system. For instance, cities like Shanghai and Beijing can absorb more HPF funds due to the high-income levels and their large population base. Furthermore, Beijing benefits significantly from its political status, which provides additional institutional advantages. Research into housing reform has shown that over 80% of HPF loans in Beijing are allocated to high-income families (Wang, 2000). By the end of 2020, Beijing had accumulated a total of 1,778 billion yuan in HPF deposits. In contrast, developing cities like Xining, located in the West of China, had accumulated only 63.68 billion yuan in 2020, just 3.5% of Beijing's total (MOHURD, 2020).

Furthermore, the HPF inequality in the HPF system is also evident in the varying loan limits for individuals across different cities. The accessibility and size of HPF loans in a particular city are largely determined by the total HPF savings accumulated by the local HPF Management Centre. For instance, in 2020, HPF participants in Beijing were eligible for a loan limit of 1.2 million Yuan per employee, while in Xining, the HPF loan limit was only half of that in

Beijing. This discrepancy is partially due to the variation in housing prices across regions. However, the deeper underlying issue remains the inherent inequalities in HPF regimes.

HPF loans follows the mechanism of commercial mortgages in terms of down-payment requirements, term durations, but they do not react to monetary policy changes as swiftly as commercial mortgages. In the tightening monetary policy environment where the benchmark interest rate rise, HPF lending rates do not rise as quickly as commercial mortgage rate, leading to a widening spread between HPF loans and mortgage interest rates. This results in higher borrowing costs for commercial mortgages and generally tighter mortgage availability. However, this tightening has a limited impact on the availability of HPF loans, as the steady flow of HPF deposits helps to compensate for any shortfall in the lending market (Deng et al., 2021). This situation reveals a fundamental limitation of the HPF policy: its effectiveness is not always advantageous in all market conditions. HPF loans deliver more efficiencies under a tight monetary policy where interest rates gap widens. But its relative effectiveness will be overshadowed by commercial mortgages when the interest rate spread is minimal under a loose monetary policy.

Conclusion

The housing market in China has experienced a transition from a welfare-based system to a market-dominated system. Drawing on the experience of Singapore's Central Provident Fund, a housing assistance policy was introduced to the market alongside national housing reform. The HPF system supports housing needs through the accumulation of savings and provision of low-interest housing loans, functioning as a savings pool for housing-related expenditures, which can be withdrawn for purchasing homes, covering rent, or financing home improvements.

In assessing the broader impact of the HPF system, it becomes clear that it has provided a beneficial environment for the development of the housing finance system. From the supply side, the HPF functioned as an effective financial instrument under the ECH scheme, addressing the housing challenges related to housing shortages and becoming a financial tool. Besides, HPF has endorsed a dedicated housing policy for the demand side, aiming at mitigating housing difficulties through granting lower interest-rate housing loans for HPF users.

The system has enabled a growing number of people in needs to enter the homeownership market. However, the system's limitations, particularly in terms of social inequality, have generated considerable debate. One of the primary concerns is that the HPF, being an income-based policy, inherently perpetuates income inequality, which in turn exacerbates further inequalities within the system itself. Additionally, the limited accessibility of the HPF system highlights the need for government intervention to improve its coverage to disadvantaged groups. The issues of inequality within the HPF system suggest that there may be a need to increase the proportions of HPF savings from the employer side for low-income households or providing a floating rate at the HPF borrowing rate.

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CHAPTER 3

DIFFERENTIATING TENURE TYPES IN ITALY. A LEGAL PERSPECTIVE

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ABSTRACT

The present chapter focuses on a selected range of residential tenures that are neither ownerships nor free-market rentals, allowing the tenant stronger protection in terms of stability and/or affordability.

Besides the classical public and social housing, the legislator has introduced and promoted new private rental tenures as a consequence of the housing crisis in the mid-2010s. However, whereas rent-to-buy and real estate leasing for residential purposes have not been successful formulas, the assisted tenancies, introduced in 1998 and boosted by several incentives, have resulted in the most appropriate answer to both the financial and the economic crises induced by the pandemic.

1. OVERVIEW OF THE CURRENT HOUSING SITUATION

The 2011 national census (Istat, 2012, 2014; ANCE Centro Studi, 2015) identified 31,208,161 dwellings in Italy, occupied by 24,135,177 people as first homes (77.3 per cent), and a total population of 59,433,744. The remaining 22.7 per cent are empty houses, second homes, and houses occupied by non-residents.

Although the number of houses in Italy has constantly increased proportional to the number of families (around 30 per cent) over the last 30 years, demand and supply are not properly balanced. Determining the exact number of people who are not able to access the housing market is difficult, but data on housing exclusion and affordability demonstrates that the market does not entirely satisfy the demand for housing, especially for the poorest segment of society.

In the last decade, there has been a significant increase in the number of homeless people. According to official figures collected in 2011, the estimate was about 50,000 people, but updated data as of 31 December 2021 shows 96,197 homeless people. Of these, only 38% are foreign citizens, with more than half of them coming from the African continent. Most homeless people live in the north of Italy (56 per cent), while 23.7 per cent reside in the centre of the country, and only 20.3 per cent in the south (Istat, 2015; FEANTSA, 2018). In addition, at the end of 2021, the national census indicated that about 16,000 people lived in inadequate dwellings, such as equipped camps and tolerated and spontaneous settlements (Istat, 2022).

Statistical investigations into home quality and adequacy are required when assessing these figures. In 2018, the Eurostat data showed that the percentage of the Italian population living in overcrowded houses amounted to 27.8 per cent, consisting mainly of low-income groups living in bigger cities (38 per cent) and the 19–29 year-old age cohort (42 per cent), which contrasts with the

significantly lower European average (17.1 per cent). Conversely, the severe housing deprivation rate decreased (from 9.6 per cent in 2015 to 5 per cent in 2018), thus getting closer to the level in the rest of Europe (4 per cent).
In Europe, the housing market downturn due to the 2008 global financial crisis resulted in rising housing costs and, consequently, increased the number of people being cut out of decent and affordable homes. The current Corona crisis has further intensified housing exclusion and unaffordable houses figures (Nomisma and Federcasa, 2020).

However, in the current context of budget cuts in social housing spending, 'tenure diversification' represents one of the most pivotal policies for addressing the housing crisis, and it already features the UN and European political agenda (Kenna et al., 2016; FEANTSA, 2019). This action strategy implies that rental and alternative tenures should have equal weighting to homeownership in housing policy and regulation. Indeed, providing a continuum of adequate housing options, other than homeownership and private market rentals, seems to impact housing supply and conditions positively (Schmid, 2020). A housing system tailored to the needs of different groups of society requires developing a balanced distribution of diverse housing options, including owner-occupied, private rent, intermediate rent and an adequate supply of social housing.

The following general overview of the current housing situation shows that Italy is not exempted from affordability problems, especially regarding households addressing the private rental market. Furthermore, the spread of black-market housing occupancies raises critical issues about its upgrading to regular rental tenures.

Even the Italian housing legislation recently dealt with new intermediate tenures. Various measures, more or less intertwined, aimed to address housing problems of low-income households, on the one hand, by improving rental housing affordability and, on the other, by fostering homeownership access.
In the first direction, the rent control formula implemented by the 'assisted' tenancies legal scheme remains the most successful policy intervention. Tax benefits provided an effective incentive for landlords to adopt this solution.

By contrast, such a positive result is jeopardised by the growth of the sharing economy for touristic purposes (e.g. Airbnb platform), which has negative implications for rental affordability for long-term housing purposes, especially in big cities (Barron, Kung and Proserpio, 2021; Garcia-López et al., 2020). So far, the legal action to counteract such a phenomenon has only focused on strengthening tax controls.

The second line of action concerns new types of contracts, such as rent-to-buy and real estate leasing, aimed at granting the immediate enjoyment of the house towards the eventual purchase of the property. As they spread the purchase price over the entire contract length, these schemes are conceived as alternative means of financing homeownership purchases. Recent statutes introduced special rules to promote their use in the housing market and protect housing stability when the tenant risks default.

Not all measures have had a positive impact on balancing housing supply and demand. In this light, the paper analyses the actual performance of intermediate tenures' regulations to point out which represents a valid alternative housing option in satisfying people's needs and affordability for low-income households.

Final recommendations show which policy choices deserve further improvements due to their positive impact on the housing market and, conversely, contractual schemes which fail because they are too expensive and risky options.

2. TYPES OF TENURES

The Italian housing market is traditionally featured by a high percentage of homeownership (Bianchi, 2014, pp. 5–6), which in 2018 was about 72.5 per cent of total households, of which 18 per cent involved mortgages or loans, and the remaining 82 per cent were owned outright. The second most widespread form of tenure is rental, with a percentage of 18.7 per cent. Rental properties can be further divided into private (74.3 per cent) and public (19 per cent) ownership.

Intermediate tenures (neither ownership nor rent) made up a share of 11 per cent in 2011, distributed among free loan and commodatum (7.4 per cent), rights in rem such as usufruct (3.3 per cent), tenures with the option to redeem the dwelling after a certain period (0.3 per cent), and dwellings provided by housing cooperatives, about 0.17 per cent (Bianchi, 2017, pp. 24–25).

The public resources invested in housing currently represent as little as 0.11 per cent of the total social benefit expenditure (516 million euros) compared with the European average of 1.98 per cent as of 2014. This input is strikingly under-resourced: only 4 per cent of households have access to housing with subsidised rent. In terms of the number of pending applications in the municipal waiting lists for social housing from households that meet the requirements (about 650,000), the stock of houses devoted to social housing clearly cannot satisfy the demand from the poorest segment of the population (Dijol, Turnbull and Whelan, 2019).

3. AFFORDABILITY

According to the Eurostat survey, housing affordability in Italy is in line with the European average. In 2018, the percentage of households – both owners and tenants – that spent 40 per cent or more of their disposable income on housing decreased from 8.9 per cent in 2013 to 8.2 per cent, while the European average remained at over 10 per cent.

In terms of the rental cost impact on household income, the percentage of unaffordable tenancies began decreasing in 2011 (34.6 per cent) and dropped to 29.1 per cent in 2018 (2 points over the European average). The average rental cost increased significantly from 1993 to 2008 (+56 per cent), accounting for, on average, 20 per cent of household income (it was 13.5 per cent in 1995). In 2008, the average national rent was 440 euros. From then on, the rental cost began to lessen. In 2019, the average monthly rent for families was 399 euros and was higher in the central region (461 euros) and the north (420 euros in the northwest and 425 euros in the northeast) than in the south (316 euros) and islands (309 euros) (Istat, 2019).

In terms of homeownership affordability, recent surveys show a constant increase in households who pay a monthly amount for their homeownership purchases of less than 30 per cent of their income (according to the definition of affordability by the Italian Revenue Agency and the Italian Banking Association or ABI) from 47 per cent in 2012 to 78 per cent in 2018 (OMI, 2020, pp. 71–72). Such figures are in line with the general increase in home purchases and loans, which in 2019 was +4.2 per cent of houses purchased and +1.5 per cent of mortgage loans (OMI, 2021).

Anti-usury rules generally control the cost of loans. Usury is defined as above the interest rate ceiling, which is calculated by raising the average overall effective rate (AOER) by one quarter and adding a margin of an additional four percentage points (art. 1, Law no. 108/1996 as modified by Decree-Law no. 70/2011). If over this level, the interest rate clause is void, and interest is not accrued.

A specific 'Fondo di garanzia per la prima casa' was introduced for home ownership through Law no. 147/2013, art. 1, subs. 48, c), and was regularly refinanced in the following years. The Fund is used to guarantee banks half of the home loans not exceeding 250,000 euros . For specific customers (e.g. young couples, lone parents), the interest rate cannot exceed the AOER.

A mortgage borrower can also deduct 19 per cent of their first home loan's interest from their personal income tax up to 4,000 euros per year (art. 15, subs. 1-ter, Pres. Decree no. 917/1986).

Following the Covid-19 pandemic, art. 64 of the Decree-Law no. 73/2021 introduced the exemption from registration, mortgage and cadastral taxes for first-time homebuyers under 36 years of age with an annual income not exceeding 40,000 euros and, for purchases subject to VAT, the recognition of a tax credit equal to the VAT paid. The measure applies to contracts stipulated until 31 December 2023.

Several methods of addressing the issue of affordability have been introduced in the rental sector. The 1998 law gave rise to the mentioned 'National Fund for Supporting Access to Rented Housing', which is financed on an annual basis and grants rental allowances to tenants through specific income requirements (Baldini and Poggio, 2012). More recently, the Decree-Law 31 August

2013, no. 102, converted into Law 28 October 2013, no. 124, provided a fund for defaulting tenants at risk of eviction due to loss of income. Both funds have been confirmed and reiterated in the 2020 emergency legislation (Decree-Law no. 18/2020, 'Cura Italia', converted into Law 24 April 2020, no. 27). Against this trend, the 2023 Law Budget stopped the funding.

4. 'BLACK MARKET' OCCUPANCIES.

The black market has a major effect on the Italian rental market (Bargelli and Bianchi, 2017). In 2013, informal contracts were estimated to be around 950,000 in Italy, which is 20 per cent of the whole rental sector (CGIA MESTRE, 2013). Thus, various legal measures have been applied to encourage the enrolment of tenancy contracts in public registers and to prevent tax evasion.

Decree-law no. 23/2011 introduced the option for a flat rate tax (so-called cedolare secca) as an alternative to the traditional income tax (see below). The new fiscal regime favours landlords, so this represents a strong incentive to regularise the contract. In 2014, it was estimated that almost 50 per cent had opted for the flat tax regime. From 2011 to 2012, the number of registered contracts increased by 100,000, and consequently, incomes from properties increased by about 1 billion euros (Bargelli and Bianchi, 2017, pp. 17–18).

Law no. 431/1998 provides for contract law measures to counteract tax evasion. In particular, it introduced the written form as an essential requirement for the tenancy contract validity (art. 1, subs. 4). The rationale behind this is the protection of the State's fiscal interests, as the Grand Chamber of the Court of Cassation clarified in 2015. The Cassation concluded that both parties can invoke the lack of a written form and the consequent invalidity. Only if the tenant proves that the landlord is solely responsible for the lack of the written form will he or she become the only party entitled to ask for the nullity of the rent clause and claim an equitable price not exceeding the rent provided for 'assisted tenancies' (art. 13, subs. 6, Law 431/98). When the violation of the written form is the result of landlord abuse, the tenant's interest in housing stability is deemed to prevail, and despite the nullity, s/he can claim the conservation of the tenancy (Bargelli, 2014).

Nevertheless, this set of remedies has rarely been applied in practice (Bargelli and Bianchi, 2018), as it is difficult for the tenant to provide evidence that the lack of a written form is due only to the landlord. Further statutes have increased private law sanctions regarding tax evasion. art. 1, subs. 346, Law 311/2004 stipulated that non-registered contracts are void. Subsequently, art. 13, subs. 1, Law 431/98 (modified by art. 1, subs. 59, Law 208/2015) reinforced the duty to register the contract at the Italian Revenue Agency (that is Agenzia delle Entrate) by requiring the landlord to register within 30 days from the contract date and to inform the tenant within the following 60 days.

Thus, the current formulation of subs. 6, art. 13, Law 431/1998 states that the tenant's right to claim an equitable rent is applicable not only in the absence of the written form due to the landlord's conduct but in any lack of registration. The tenant is no longer required to provide evidence that the fault is with the landlord (art. 13, subs. 6).

As a further incentive for landlords to comply with their fiscal duties, the statute allows them to address invalidity due to the lack of initial registration by claiming late registration, and the effects of this are retroactive (Cuffaro, 2018).

Finally, art. 13 declares any additional agreement establishing a rental payment exceeding the price indicated by the written and registered contract void. In such a case, the tenant may claim back the overpaid sum of money no more than six months after leaving the dwelling. Unlike with an absolute lack of registration, as this seriously impairs the State's fiscal interest, such agreements cannot be regularised through late registration. However, such invalidity does not affect the written and registered contract (that is the vitiatur sed non vitiat principle) and, therefore, the parties continue to be bound by the contractual regulation filed in the public register.

5. RENTAL TENURES FOR PRIMARY RESIDENCES: THE MARKET RENT FORMULA

The rent plus formula provides the tenant with mixed protection. The 1998 status, unlike that of 1978, is not aimed at ensuring a fair rent to vulnerable tenants, but at granting them stability. This is conducted by imposing a four-year minimal duration for residential tenancy contracts, which may be renewed for a further four years unless the landlord gives notice to quit. Such a notice, however, is legitimate only in cases involving one of the grounds listed by art. 3. These include, for example, the landlord's need to use the dwelling for residential or professional purposes or to sell it, but not simply to increase the rent, as then the tenant has the right of pre-emption. Conversely, no ground for termination is required if the notice to quit is served after eight years. In the event of the tenant's death, a provision of the previous 1978 statute applies, which allows his or her spouse or partner, heirs and relatives who cohabit with him or her to succeed in the contract.

The law allows the tenant to withdraw at any time in serious circumstances (for instance, a change of family status or work conditions), provided that the landlord is given six months' notice. This grants a certain degree of flexibility even where the contract is subject to the mandatory minimum length of four years.

6.RENTAL TENURES FOR PRIMARY RESIDENCES: THE RENT CONTROL FORMULA ('ASSISTED' TENANCIES)

The 1998 statute seeks to balance landlords' and tenants' rights by putting a new tenure type at the disposal of the parties, based on the agreements reached by the tenants and landlords associations. The statute delegates the Minister of Public Works to convene the most representative landlords' and tenants' associations at the national level, to promote a 'Convention' identifying the general criteria for the assessment of the rent (art. 2).

The main feature of 'assisted' tenancies is that the agreed rent is determined according to the criteria fixed by the Convention or by more specific agreements at the local level. In general, the rent remains below the market level. However, landlords are encouraged to opt for this system by ensuring them both a higher degree of flexibility (the contract may have a shorter duration: three years instead of four, renewable for a further two), and, more importantly, a tax benefit. This consists of a reduction in the property tax (art. 2 subs. 4), which according to the Stability Law of 2016, is reduced to 75 per cent. For the tax to be paid on the rental incomes, landlords are entitled to deduct 30 per cent in addition to the ordinary deduction of 5 per cent and pay a lower annual registration tax (the 2 per cent of the annual rent is reduced by 30 per cent). These 'assisted' tenancies also ensure benefits for the tenants in terms of fiscal deductions (Bianchi, 2017, p. 112).

Although the stability of the agreement is slightly less protected, the 'assisted' tenancy formula, in awarding tenants a higher level of protection in terms of rent fairness, places them higher in the 'rent plus' ranking.

Although performance in terms of assisted tenancies rates was initially poor, the figures have significantly increased since the flat tax on rented dwellings (cedolare secca) entered into force and made 'assisted tenancies' more worthwhile and desirable (art. 3, Leg. Decree no. 23/2011). Landlords who opt for this fiscal regime benefit from a fixed income tax of 19 per cent, in the case of 'assisted tenancies' stipulated in most densely populated cities, instead of 21 per cent, in the case of 'free-market tenancies' (Bianchi, 2017, p. 108). To further promote 'assisted tenancies', in 2013 the rate was lowered by 15 per cent (art. 4, subs. 1, Decree-Law no. 102/2013, converted into Law no. 124/2013) and in 2014 by 10 per cent (art. 9, subs. 1, Decree-Law no. 47/2014 converted into Law no. 80/2014).

General market conditions are a variable that may influence the success of this measure. After the spread of the COVID-19 pandemic hit the private rental market, the 'assisted' tenancy formula, which grants more affordable rents, has become more attractive for landlords (Mancini, 2020).

7. AIRBNB-TYPE SHORT CONTRACTS

The growth of platforms such as Airbnb has significantly increased the number of dwellings used for short-term tourist rentals. This trend has seriously impacted rental costs and housing accessibility, especially in large cities. Italy has the third-largest Airbnb market in the world, following the United States and France, with approximately 340,000 listings in 2018 (Petrella et al., 2019). In 2015, Italy had about 83,000 'hosts' who rented to tenants through Airbnb (Airbnb, 2016). Given the touristic purpose of this kind of contract, Airbnb rentals are subject to the special regulation of short-term tenancies provided by Legislative Decree no. 79/2011, which applies the general Civil Code regulation (Arts. 1571–1614) instead of the particular housing tenancy regulation (Cuffaro, 2017).

Nevertheless, the written form, as a requirement of the contract, is extended to a short-term touristic contract by art. 1, subs. 4, Law no. 431/1998. The rule also requires contracts to be registered at the Inland Revenue Agency, but only for those lasting more than 30 days. Such limitations on registration duties have led to a lack of fiscal controls and, thus, a rise in tax evasion.

To prevent this, art. 4 Decree-Law no. 50/2017, converted into Law on 15 June 2017, states that intermediaries, even if operating online, shall collect and then transmit to the Inland Revenue Agencies all data relating to the rental contracts concluded following their intermediation (also less than 30 days). This statute extends the flat tax regime provided for long-term tenancies (that is cedolare secca) to Airbnb, and the 2024 Law Budget increases the tax rate to 26 per cent (for landlords renting more than two apartments). Intermediaries are obliged to withhold tax from the rent and directly pay it to the Revenue Agencies (the so-called 'withholding tax' or 'retention tax'). In order to avoid circumventing practice, the law specifies that in case the intermediaries are not residents and do not have a permanent establishment in Italy, they must appoint a tax representative in their capacity as the person liable to pay the tax.

Airbnb has challenged these provisions before the national administrative court, complaining that the regulation is anti-competitive. The issue of the compatibility of the regulation with art. 56 TFEU and Directives nos. 2000/31/EC on electronic commerce, 2006/123/EC on services in the internal market and 2015/1535 (procedure for the provision of information in the field of technical regulations and of rules on Information Society services) has been referred to the EU Court of Justice . In its judgment C-83/21 of 22 December 2022, the Court focused on art. 56 TFEU, i.e. the freedom to provide services, stating that the directives mentioned above do not apply to fiscal measures. The Court found that the communication duty (paras. 41-51) and the obligation to make withholding tax (paras. 52-55) were compatible with art. 56 TFEU, whereas the obligation to appoint a tax representative was considered disproportionate (paras. 56-76).

More recently, other measures aimed at limiting the negative externalities of online platforms in the housing market, such as tourism gentrification, have been discussed in the Italian parliament. First, legislative proposal no. 7.30, 23 January 2020, in amending art. 4, Decree-Law no. 50/2017, is aimed at preventing tax evasion and unfair competition for short-term tenancies by reversing the burden of proof for hosts who manage more than three rooms (no matter whether in one or more residential units). These hosts should prove they are not professional landlords falling under the definition of art. 2082 Civ. Code. This legislative proposal also aims to introduce a further measure in the form of the power of the mayors to issue a limited number of municipal licenses for Airbnb activities. However, the proposal has never been approved.

Second, on September 2023, the Minister of Tourism submitted a new draft law providing for an organic regulation. The bill intended to improve the definition of "lease for touristic purposes" (art. 2), introducing mandatory subjective requirements of the landlord for tourist purposes (art. 4) and objective requirements of buildings to be rented out for tourist purposes (art. 5). Furthermore, it provided for a new definition of "lease for touristic purposes in an entrepreneurial form" (art. 6) to which applying, also for tax purposes, the general discipline of the entrepreneur.

These provisions have not been turned into law. Indeed, the resulting Article 13-ter of Decree-Law No. 145/2023, converted into Law No. 191/2023, does not introduce any innovation concerning the private law regulation of short-term leases for tourism purposes nor of the activities of intermediaries and online platforms. Rather, it only transposes the new system for identifying all property units dedicated to short-term tourist rentals. (so-called Codice Identificativo Nazionale).

8. RENT TO BUY

A specific regulation for rent-to-buy contracts was introduced in 2014 to increase the demand for housing during the economic crisis and to help purchasers with difficulties obtaining housing loans.

The contract provides for the immediate right to the use of a dwelling for the tenant and the right to opt to purchase it within a fixed term in exchange for a periodical payment in favour of other parties (that is the possible sellers). This payment includes two distinct shares: the price of the immediate use of the house and the partial payment for the possible purchase. If the tenant decides not to opt to purchase the dwelling, the whole share, or part of it, should be returned to the tenant, as provided in the party's agreement.

The regulation provided by art. 23, Decree-Law no. 133/2014, converted with modification into Law no. 164/2014 (Cicero, 2015; D'Amico, 2015; Semprini, 2019), is mainly aimed at qualifying the tenant's right to interim use and protect the parties' expectations for the sale. First, despite the formal qualification as a 'tenant', during the temporary use of the dwelling, the occupier is entitled to the same rights and duties as the usufructuary (Arts. 1002-7 and 1012-13 Civ. Cod.).

Second, art. 23, subs. 3 allows the transcription of the tenant's right in the Public Register of the Immovables and provides him or her with the specific performance action granted in case of any violation of the preliminary contracts (art. 2932 Civ. Cod.).

Finally, a specific regime has been fixed in case of breach of contract by both parties (art. 23, subs. 5). If the tenant does not pay at least 1/20 of the whole rent, the seller has the right to ask for the return of the building; in addition, he or she holds the sum of money already received as compensation for the incurrence of pecuniary damages. In the case of a breach by the seller, he or she must return the sum of money paid to the tenant, which is then partial payment towards the future purchase.

Despite the legislative actions, rent-to-buy contracts did not live up to their expectations and boost the housing market. The absence of fiscal instruments that can conceive the two phases of the contract (enjoyment and eventual purchase) as a single transaction may cause this poor performance. Thus, the application of both fiscal regimes of tenancy and sale makes taxation more costly for the parties, with the additional risk of not receiving back paid taxes in view of the final sale. Indeed, the Inland Revenue Agency (Circular no. 4 of 19 February 2015) has clarified that taxes already paid in view of the future sale will not be returned even in case the tenant does not opt for purchasing the dwelling (Lomonaco, 2015; Poletti, 2015).

9. REAL ESTATE LEASING FOR HOUSING PURPOSE

Law 208/2015, art. 1, subs. 76–84 regulated the contract, according to which the lessor (a bank or another financial intermediary) takes over the purchase or the construction of the house following the decision and the instructions of the lessee, who obtains the right to use the goods for a certain period in exchange for a periodical payment in favour of the former (subs. 76). As the contract elapses, the user has the right to purchase the house by paying an additional price. The monthly payment is not intended only to remunerate the right to use, but it is calculated on the grounds of the house's commercial value, its construction costs, and the duration of the contract. Due to the immediate enjoyment of the goods, the lessee immediately assumes the risk of its accidental loss or damage.

In the event of a default by the user, the lessor has the right to return the property. However, to protect the lessee against events which may affect his or her solvency (that is job loss), subs. 79–80 introduce the suspension of monthly payments, not more than once and for a total maximum period of 12 months.

To incentivise the use of house leasing, tax benefits in the form of reduced rates and income tax deductions have been introduced if the contract concerns the lessee's main residence. Lessees with a total income of lower than 55,000 euros can deduct 19 per cent of the monthly payments from their personal income tax (up to a maximum amount of 8,000 euros per year for lessees under 35 and of 4,000 euros for those over 35) and 19 per cent of the final price (up to a maximum of 20,000 euros for lessees under 35 and of 10,000 euros for those over 35). In addition, the registration tax for the purchase is reduced from 2 per cent to 1.5 per cent of the final price.

Compared to a first-home loan, house leasing does not appear to be competitive (Lovera, 2017). Tax deductions do not represent a valid incentive to opt for a financial transaction, such as house leasing, which has an overall net cost that is too high in comparison with the cost of loans. However, as the initial cost of the operation is generally lower (about 20 per cent for house leasing and 30 per cent for a first-home loan), this may represent an incentive for young people who do not have any initial capital.

10. HOUSING COOPERATIVES

Cooperatives aim at providing their associates with housing to buy or rent at a favourable price and build them without profit. The associates personally contribute and can avail themselves of tax privileges generally granted by the state for non-profit initiatives.

Given the central role previously played by cooperatives in social housing policy, the law provided a special regime for cooperatives enjoying state subsidies. Thus, cooperatives aided by the state were subject to public social housing regulation provided by the Royal Decree no. 1165/1938. This privileged status ended when the Decree-Law no. 1022/1965 (converted in Law no. 1179/1965) stopped providing state aid to housing cooperatives by directly financing the entire cost of housebuilding (the so-called 'contributo in conto capitale'), only supporting the cost of the loan contracted by cooperatives with private banks (the so-called 'contributo in conto interessi'). Thus, art. 16 of the Law no. 136/1999 stated that Civil Code rules (Arts. 2511 ff. Civ. Cod.) apply to each type of housing cooperative (both the so-called 'cooperative libere' and 'cooperative a contributo statale'). Furthermore, the Law 31 January 1992 no. 59 introduced a special housing cooperative register ('Albo nazionale delle società cooperative edilizie di abitazione'), and to obtain state aid cooperatives must be registered and fulfil the specific requirements provided in art. 13.

In the context of housing cooperatives, a current distinction is about whether cooperative or associates eventually become the formal owners of the houses: sometimes cooperatives maintain the ownership, and the houses are rented or assigned to the associates (that is 'cooperative a proprietà indivisa'); in other cases, cooperatives only build the dwellings that are later sold to associates (that is 'cooperative a proprietà individuale'). The second type of cooperative is the most widespread. In addition, the legislation introduced a specific procedure for cooperatives 'a proprietà indivisa', so they can sell the dwellings to whoever has already obtained the assignment (art. 18 of Law no. 179/1992).

11. PUBLIC TENANCIES AND THE RIGHT OF REDEMPTION

Public tenures (in Italian 'Edilizia Residenziale Pubblica', ERP) involve aspects of both administrative law and private law, such as the definition of allocation criteria and selection procedures for public dwellings assignment, and the requirements for public tenancy contracts, the rental amount and contract termination rules.

In particular, the art. 2 of Ministry of Infrastructures and Transports Decree of 22 April 2008 (in implementation of the art. 5, Law no. 9/2007) states that the requirements to obtain and remain in a public or social dwelling and the amount of the rent are established by local agreements between regions and municipal public entities (so-called 'rent agreements of social dwelling').

In recent years, the sale of public dwellings has played a significant role in increasing homeownership, and in alleviating the pressure on the State budget. The sale of public dwellings in favour of the occupants is currently managed at a regional level, and thus it involves limited stocks of buildings. art. 8 of the 2014 National Housing Plan provides regional rent agreements for public and social dwellings and can also provide the right for grantees to redeem the dwellings after at least seven years of tenancy execution, and under specific additional conditions. The redemption can be claimed only by a tenant who has no alternative properties suitable for meeting his or her family housing needs. In addition, after the redemption the dwelling cannot be sold to third parties for the next five years (subs. 1).

The price for the redemption, which tends to be lower than the market price, is fixed by the rental agreement. A quota of monthly rents due during the tenancy can be devoted to the partial payment of the redemption price (art. 8, subs. 2). The sale is executed after the payment of the whole price and within 120 days from the exercise of the right of redemption.

FINAL REMARKS

Notwithstanding the attempt of the Italian legislator to boost intermediate tenures by providing new contractual schemes New types have joined old ones in recent years. All have been assessed by considering their actual success in satisfying people's needs and their affordability, which is a general issue affecting the housing market. The success of any type is closely related to intentional policy choices or their unintentional effects in the long term.

A preliminary conclusion from the analysis conducted in this chapter is that no single tenure option can be recommended, but an adequate 'tenure diversification' is certainly preferable and should be further pursued by policymakers (Kenna et al., 2016; Poggio, 2018).

For no- and very low-income individuals, public housing and the different forms of social housing represent the most suitable types of tenure, and only these can counteract homelessness (Kenna et al., 2018) or inadequate housing . However, intrinsic inefficiencies should be addressed by regularly monitoring the actual housing needs of the assignees and tackling the rental arrears issue (Poggio and Boreiko, 2017, 2018; Boni and Cordini, 2018). A basic shortage issue is also found, which is due to the privatisation of public stock pursued since the end of the 1950s (Breccia, 1980, pp. 93 ff.). The tenants' right of redemption, which allows for the indiscriminate dismission of the public stock at low prices, should be revoked or reconsidered, while new investments are required to renew existing buildings (Poggio and Boreiko, 2018, p. 73).

The housing needs of low- and medium-income households cannot be merely left to the free market, to ensure the home is respected and socially undesirable evictions are prevented. This has become more urgent since the COVID-19 pandemic hit the employment market and through which tenants and housing lenders are at risk of arrears, notwithstanding the general decrease in housing prices (Mancini, 2020). The legislator has reacted to the emergency by suspending evictions and refinancing both the funds mentioned (Law Decree no. 18/2020, 'Cura Italia'). Given the long-term effects of the pandemic, it is likely that these measures will be reiterated in the future.

Although the private rental market undoubtedly needs to be subsidised, the question is which tool can be recommended. As this chapter shows, 'assisted' tenancies have proved to be the most successful formula in counteracting both the unaffordability and the black market in housing. This type can certainly be recommended in the future, provided that it is targeted in combination with fiscal leverage (Bargelli, 2021).

However, simply granting rental allowances to tenants has not proven to be fully successful. First, empirical data shows that landlords are inclined to increase rents when subsidies are enacted at a local level, with the aim of boosting the rental market. Second, as access to rent subsidies is given on the basis of the tenants' incomes declarations, there may be a risk of benefitting households whose actual income is higher than the legislative threshold.

Homeownership affordability remains a policy goal in Italy. However, the contractual schemes that provide intermediate tenures between rent and ownership have proven to be expensive and risky options and are therefore found to be unsuccessful (see above §§ 8 and 9).

Conversely, the mortgage market has performed relatively well in comparison with other European countries. Several factors may have led to this: the traditional caution of Italian banks in awarding real estate loans, the monitoring efforts by the Bank of Italy, and the enactment of national guidelines for the assessment of real estate by soft law (Fausti, 2016). All of these reduced the dramatic effects of the financial crisis in the first decade of the 2000s (Anderson and Arroyo Amayuelas, 2017). The implementation of the 2017 directive has certainly increased the level of fairness and transparency (Bargelli and Donadio, 2017). At the national level, the suspension of mortgage rates has been implemented in recent years and has been reinforced as a consequence of the COVID-crisis.

Of all the types of housing tenures examined in this chapter, the 'assisted' rent type of tenancy does not appear to be common to other European countries. In our opinion, this is worthy of consideration elsewhere, due to its ability to strike a balance between commutative justice and various housing goals (Schmid, 2018).

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CHAPTER 4

THE "SPAIN 2050" LONG-TERM NATIONAL INITIATIVE: A STEP IN THE RIGHT DIRECTION TOWARDS A SUSTAINABLE AND AFFORDABLE ACCESS TO HOUSING?

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ABSTRACT

"On 20 May 2021, the initiative "Spain 2050" (España 2050) was presented, the country's long-term strategy towards its consolidation as one of the most advanced countries in Europe. According to this initiative, in which a hundred of recognised researchers from diverse academic disciplines and institutions have been involved, there are several challenges to be addressed related to productivity, education, climate change, welfare state and longer life expectancy, poverty and inequality, and especially to a balanced, fair, and sustainable territorial model. The implications of the territorial imbalance of Spain causes difficulties in several areas, such as the access to decent and adequate housing, and the initiative sets the priorities as far as housing is concerned for the coming years and decades. Unfortunately, the Spanish Act 12/2023, of 24 May, on the right to housing has not taken into account such initiative. This contribution addresses whether this initiative, which include proposals such as the regulation of intermediate tenures and housing cooperatives that may inspire housing polices from other European countries, is appropriate in achieving the policy objectives set, as well as the success of the existing housing policies".

KEYWORDS: housing policies, "Spain 2050", territorial cohesion, access to housing, long-term strategy, affordability, housing management, homelessness.

INTRODUCTION

On 20 May 2021, the initiative "Spain 2050" (*España 2050*)[1] was presented, the country's long-term strategy towards its consolidation as one of the most advanced countries in Europe. According to this initiative, in which a hundred of recognised researchers from diverse academic disciplines and institutions have been involved, there are several challenges to be addressed related to productivity, education, climate change, welfare state and longer life expectancy, poverty and inequality, and especially to a balanced, fair, and sustainable territorial model. The initiative foresees, in this regard, several proposals that include:

- a diachronic and prospective analysis of nine major challenges that Spain will have to overcome by 2050 if it wants to consolidate itself as one of the most advanced countries in Europe.
- more than 200 proposals to achieve this goal, taking into consideration the expansion of the opportunities of the young population, especially in areas such as education, employment and access to housing.
- a table of 50 objectives and quantitative indicators to design lines of action, take concrete actions and monitor progress in the coming years.

1 https://www.lamoncloa.gob.es/presidente/actividades/Documents/2021/200521-Estrategia_Espana_2050.pdf

In this vein, one of the nine challenges addressed is how to articulate a balanced, fair and sustainable territorial development (chapter six[2]). According to the Report, it is estimated that, in 2050, 88% of the Spanish population will live in cities and that the rural areas will lose almost half of its current inhabitants. If an action is not taken, large cities and their metropolitan areas will become more extensive and less sustainable, and problems such as access to housing or social segregation will worsen, especially in cities such as Madrid, Barcelona and Valencia. On the contrary, many rural municipalities and medium and small cities will lose economic dynamism and suffer a sharp social and patrimonial decline.

To mitigate these processes, several measures are suggested: recovery of the model of compact city; promote public and social housing; encourage the rehabilitation of buildings; and transform the model of mobility in favor of public or shared transport and the pedestrianization of urban space. At the same time, rural areas and medium-sized cities should be revitalized through a firm commitment to technological integration, public transport or teleworking. As a result, four important challenges must be addressed in the coming decades concerning the territorial development in Spain: 1) difficulties in access to housing; 2) environmental deterioration and urban health; 3) inequality and social segregation; and 4) loss of dynamism in the rural world.

This contribution addresses the challenge of territorial development by adopting a plural approach concerning the right to housing, as housing is, in fact, the only good that is both an important financial asset and a human right. As a result, the main measures concerning housing as a human right and access to housing, management and organization of housing and housing as a financial asset shall be briefly addressed, which may inspire housing policies from other countries, mainly the Southern European ones (e.g. Portugal, Italy or Greece), which follow the southern model of housing that has some distinctive particularities with the rest of Europe[3]: high homeownership rates (they are homeownership societies[4] - the homeownership rate is above 70% on average in these countries[5]) and high rates of second homes, low rates of rental and social housing and the important role of the family in the provision of housing access.

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2 The other challenges related to be more productive to grow better (challenge 1); conquer the educational vanguard (challenge 2); improve the training and re-qualification of the population (challenge 3); become a carbon neutral society, sustainable and resilient to climate change (challenge 4); prepare the welfare state for a longer-lived society (challenge 5); solve the deficiencies of our labor market and adapt it to the new social, economic and technological realities (challenge 7); reduce poverty and inequality and reactivate the social elevator (8); and expand the foundations of our future well-being (challenge 9).

3 Azevedo, B., López-Colas, J. & Módenes, J. A. (2016). Home Ownership in Southern European Countries: Similarities and Differences. *Portuguese Journal of Social Science*, 15:2, 277; see also Allen, J. (2006). Welfare Regimes, Welfare Systems and Housing in Southern Europe. *European Journal of Housing Policy*, 6:3, 253.

4 Wind, B., Lersch, P. & Dewilde, C. (2017). The distribution of housing wealth in 16 European countries: accounting for institutional differences. *Journal of Housing and the Built Environment*, 32:4, 627 ff.

5 Eurostat (2023). *Distribution of population by tenure status, type of household and income group.*

THE RIGHT TO HOUSING AS A HUMAN RIGHT
THE RIGHT TO HOUSING AND TERRITORIAL COHESION

The right to housing is a fundamental pillar of the right to the city that must be developed in harmony with other human rights. Therefore, housing must not only comply with the elements identified by the General Comment No. 4 of the UN Committee on Economic, Social and Cultural Rights (1991)[6], but also be in an environment close to the workplace, with access to basic services and well connected to communication and transport networks, as established in the New Urban Agenda (Habitat III)[7]. Public authorities must guarantee citizens the enjoyment of better systems of communication and public transport, variety of sources of work, services of social welfare and supplies of more quality and diversity, greater possibility of economic and professional development and amplitude of recreational and cultural activities. Precisely, the concept of housing affordability has become much more complex and multidimensional in the twenty-first century[8], and when measuring and assessing it, sustainability principles must also be taken into account, i.e. economic, social (and cultural) and environmental aspects (quality of life and neighbourhood liveability, local businesses, energy efficiency, etc.)[9].

Following the Report "España 2050"[10], until the eighties, most Spanish cities followed the so-called "Mediterranean city" model, which is characterized by being compact, having a diversity of uses (residential, commercial and services) seeking closeness to each other. Since the 1990s, however, the suburbanization processes (growth of residential areas on the outskirts of cities led by the middle classes) were transforming this urban model towards a more dispersed and less density one, which is associated with higher soil consumption, an increase in environmental pressure, longer travel times, and a significant increase in costs in the provision of services. Indeed, such urbanization process has taken place mainly in medium cities, in particular during the real estate boom (1998-2008). Urban areas from medium-sized cities, then, have shift from being the paradigm of the compact city to a large and more dispersed city, with a lower density of land occupation, greater spatial fragmentation, and greater complexity[11]. The Report "España 2050" suggests the recovery of the

6 UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 4: The Right to Adequate Housing (Art. 11 (1) of the Covenant), 13 December 1991, E/1992/23, available at: https://www.refworld.org/docid/47a7079a1.html (accessed 1-6-2024).

7 Source: https://habitat3.org/the-new-urban-agenda/ (accessed 1-6-2024). Paragraphs 32 and 70.

8 Haffner, M.E.A. & Hulse, K. (2021). A fresh look at contemporary perspectives on urban housing affordability. *International Journal of Urban Sciences*, 25(sup1), 59-79.

9 Stephen Ezennia, I. & Hoskara, S.O. (2019). Methodological weaknesses in the measurement approaches and concept of housing affordability used in housing research: a qualitative study. *PLoS ONE*, 4:8.

10 "España 2050", cit., 265.

11 It is the conclusion of Olazabal, E. and Bellet, C. (2017). De la ciudad compacta a la ciudad extensa. Procesos de urbanización recientes en áreas urbanas españolas articuladas por ciudades medias. *Anales de Geografía de la Universidad Complutense*, 39:1, 168-169. Available at: https://

model of compact city. In this vein, the New Urban Agenda (Habitat III)[12] and the 2030 Agenda on the Scope of Sustainable Development Goals (SDGs)[13] point to the benefits of dense and compact environments. The increase in density allows the creation of spaces of proximity, improve access to services and ensure sustainable mobility for different generational groups. Also, the OECD[14] points out the environmental (e.g. less automobile dependency and more opportunities for urban-rural linkages), economic (e.g. easier access to local services and jobs) and social benefits (e.g. lower travel costs for low-income households) of compact city policies.

However, the approach taken by some cities, like Barcelona, which aims to become the "Silicon Valley" of the Mediterranean[15], underlines a desire to an increase in urbanization and densification. Examples are the aim to construct more units over the same building[16] or house people in hostels, shipping containers or other substandard housing -see below section 2.2-, which is not in line with the provision of equal opportunities and re-rulalization. The increase in urban population can lead to major problems such as congestion, pollution, overcrowding, pressure on essential services, increased inaccessibility of housing and urban discrimination. In this regard, the negative impact of the process of urbanisation on housing unaffordability is a major concern at a European level[17]. Thus, the success of urban compactness will be largely determined by the availability of quality and affordable housing that is made available to the citizens who will inhabit these cities[18]. To avoid these episodes of segregation, housing policies must ensure a diversified supply of housing tenures (see below section 2.3), especially in urban and metropolitan areas, both in terms of the distribution and design of infrastructure, and regarding the different forms of housing tenure in the same space (integration model or pepper-potting), as this will achieve a social balance and make socio-economic divisions difficult.

ACCESS TO HOUSING AND MANAGEMENT AND

revistas.ucm.es/index.php/AGUC/article/view/64681 (accessed 1-6-2024).

12 Paragraphs 51, 52, 69 and 98.

13 https://sdgs.un.org/2030agenda. Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable.

14 OECD (2012). *Compact City Policies: A Comparative Assessment*. Available at: https://www.oecd.org/regional/greening-cities-regions/compact-city.htm (accessed 1-6-2024).

15 See for instance Alessandro Solís Lerici, Economía Digital, "*Miquel Rodríguez: "Barcelona debería intentar ser Silicon Valley*", 28-9-2020. Available at: https://www.economiadigital.es/politica/barcelona-no-es-silicon-valley-pero-deberia-intentar-serlo_20097343_102.html (accessed 1-6-2024).

16 See Jesús Cañizares, M., Crónica Global, *Luces y sombras de la venta de derechos de vuelo en edificios centenarios*, 24-10-2016 (https://cronicaglobal.elespanol.com/vida/como-sacar-rentabilidad-a-los-derechos-de-vuelo_62428_102.html, accessed 1-6-2024).

17 See Nasarre Aznar, S. (coord.) (2021). *Concrete actions for social and affordable housing in the EU*. The Foundation for European Progressive Studies (FEPS), 128.

18 Ballén Zamor, S. A. (2017). Vivienda y ciudad compacta. Conceptos y debates sobre ecourbanismo en España. *Cuadernos de Vivienda y Urbanismo*, 19:10, 68-85.

ORGANIZATION OF HOUSING

THE HOMEOWNERSHIP-TENANCY DICHOTOMY AND THE LACK OF ALTERNATIVES FOR YOUNG PEOPLE

Spanish housing policies have prioritised homeownership since the end of the 1950s, a substantial share of it with public support, at a time when the country's economy began to recover from the devastating effects of the Civil War (1936-1939). Along with some other societal, financial and economic factors (e.g. tax incentives, a structured mortgage market since 1872, certainty of the rights of buyers and lenders since the enactment of the Spanish Civil Code in 1889 or property transactions supervised by Latin notaries and land registrars[19]), this may explain: a) The current high homeownership rate, which amounted to 75.1% in 2023, the vast majority of it without a mortgage (47.8% of households are homeowners without a mortgage[20]; b) The progressive decline of the private rental sector since then; and c) The assumed to be relatively low -though until now not properly quantified- share of social rental housing (see below section 2.4).

However, credit restrictions and the insecurity of the labour market since the 2007 Global Financial Crisis, which are increasing due to the consequences of the economic downturn caused by COVID-19[21]has posed difficulties to accessing homeownership. Access to the former is not a real option for many Spanish households, including young people and the less affluent, especially during the last 17 years. For its part, recent reforms of the law governing urban leases (1994) [22] in Spain in 2019 (at national level Royal-decree Law 7/2019, of 1 March[23]), 2020 (at Catalan level, where a stronger rent control has been put into force by Act 11/2020, of 18 September[24], which was rendered unconstitutional by judgement TC 37/2022, of 10 March[25], due to competence issues) and 2023 (Spanish Act 12/2023) have been passed. So far, these amendments have not succeeded in making leases a truly desired alternative to homeownership[26], while the attempts to increase the social housing stock (even

19 Nasarre Aznar, S. *et al.* (2015). Tenancies as an alternative to homeownership in Spain, Portugal and Malta? The legal drivers in a European context, in Schmid, C. (ed.), *Tenancy Law and Housing Policy in Europe*. Elgar Land and Housing Law and Policy series, Elgar Law Publishing, 76 ff. See also Sergio Nasarre Aznar, cit., p. 59.

20 Source: Spanish National Statistics Office (https://www.ine.es/jaxi/Tabla.htm?tpx=56582&L=0).

21 See about the impact of the pandemic on access to housing in Spain Nasarre Aznar, S. (2020). Llueve sobre mojado: el problema del acceso a la vivienda en un contexto de pandemia. *Derecho Privado y Constitución*, 37, 273 ff.

22 ELI: https://www.boe.es/eli/es/l/1994/11/24/29/con.

23 ELI: https://www.boe.es/eli/es/rdl/2019/03/01/7/con.

24 ELI: https://www.boe.es/eli/es-ct/l/2020/09/18/11/con.

25 ECLI:ES:TC:2022:37.

26 For reforms in Spain see Nasarre Aznar, S. (2020) *Los años de la crisis de la vivienda*. Valencia: Tirant lo Blanch, 551 ff.

including intrusive measures, that interfere with private contractual relationships, which have been taken at a regional level since 2015) have only had a limited success. This has led big municipalities (where people have concentrated in these turbulent times due to the absence of a proper policy of territorial cohesion) to even accommodate low-income groups in insecure or inadequate housing, such as hostels or shipping containers (see below section 2.2). Other housing tenures, such as housing cooperatives (see below section 2.3.2), are still far from being a self-standing true alternative option to homeownership and leases[27].
In this context, the initiative "España 2050"[28] highlights the greater difficulty in accessing a home, which coupled with job insecurity, has had very profound effects in Spain: it has contributed to the increase in inequality; it has altered social dynamics; and it has exacerbated the delay in the age of emancipation (46% of young adults aged 19-34 lived with their parents in Spain in 2019, far above the EU average -28.2%; the situation is similar in Greece -57.8%-, Italy -53.1%- and Portugal -45.1%-[29]). In addition, from the affordability point of view, homeownership has been more affordable than renting since 2012 in Spain. Indeed, between 2015 and 2022, the accumulated growth of rental income per square meter for the average rented housing stock exceeds 28.5%[30]. It is not just by chance, then, that Spanish citizens have a rational preference for homeownership[31].

From a European perspective, homeownership has experienced a decline in some EU countries in recent years among the young population: the rate among young people aged 25-34 is 59,5% on average in the EU[32]. In fact, Southern European countries, apart from Malta, "have witnessed the largest decline (2005-2016) in homeownership of young people, ranging from -6.7% in Italy to -17.8% in Spain (-11.0% on average). Recovery from the 2009 crisis is not (yet) visible"[33]. This seems to be associated with mortgage and housing market financialization, i.e. credit constraints and risk mitigation[34]. The difficulties in accessing to and the insecurities surrounding homeownership has made the private rental sector and co-residence regimes to thrive throughout Europe as a

27 Kees Dol (2020). *West European homeownership sectors and the Global Financial Crisis*, Ph. D., TU Delft.
28 "España 2050", cit, 184 and 262.
29 Eurostat, *Share of young adults aged 18-34 living with their parents by age and sex* - EU-SILC survey.
30 Banco de España (2023), *Informe Anual 2023*, Madrid, 240. Available at: https://www.bde.es/f/webbe/SES/Secciones/Publicaciones/PublicacionesAnuales/InformesAnuales/23/Fich/InfAnual_2023_Cap4.pdf (accessed 1-6-2024).
31 Sergio Nasarre Aznar, (2020). *Los años*, cit., 59.
32 Filandri, M. & Bertolini, S. (2016). Young people and home ownership in Europe. *International Journal of Housing Policy*, 16:2, 155.
33 Dewilde, C. (2020). Exploring Young Europeans' Homeownership Opportunities. *Critical Housing Analysis*, 7:1, 90.
34 Ibid, 99.

general rule[35]. In Southern European countries[36], the private rental market has been liberalised so as to boost the tenancy rate, but this land tenure is far from being an attractive alternative to homeownership from the legal frameworks' perspective due to the lack of enough affordability, flexibility and security for tenants. In addition, renting is more unaffordable than homeownership in Europe as a general rule[37]. This would be in line with the fact that the housing status of people between 18-34 years is correlated to some extent to the housing system (in terms of accessibility and availability of social or public housing, subsidized rent schemes and regulation) and welfare states, so the share of young people living independent is higher in countries with a social democratic welfare state with strong state support (e.g. Denmark or Sweden), the same may be said in conservative (e.g. France, Germany, Belgium or Austria), in which co-residence (i.e. living with parents) also play a relevant role, whereas in Southern European countries (which adopt a strong familialist-orientation approach) co-residence is the main housing status among young people[38], which could led to hidden homelessness (see below section 2.2). This means that the more protectionist welfare systems may provide better solutions and that homeownership rate is

35 Following Schmid, C. (2015). Introduction, in Schmid, C. (ed.), *Tenancy Law and Housing Policy in Europe,* Elgar Land and Housing Law and Policy series, Elgar Law Publishing, 3, tenancy is the "main accessible housing option for many low income households". It has however been defended that this has not deterred home-leaving by young adults, see Lennartz, C., Arundel, R. & Ronald, R. (2014). *Young people and homeownership in Europe through the global financial crisis* (CUS Working paper series; No. 03). Amsterdam: Centre for Urban Studies, University of Amsterdam: "A glance at the general developments in the rental housing sector and co-residence reveals that the financial crisis in Europe is associated primarily with a tenure shift to the rental sector rather than deterred home-leaving in general, suggesting a homeownership crisis rather than surmounting constraints for younger adults across the entire housing market", 5, 22 and 23. The same may be said concerning Central and Easter European countries, where those who did not benefited from the privatisation that took place after 1989 are the ones entering into the private rental sector, according to Hegedüs, J. (2017). Central and East European Housing Regimes in the Light of Private Renting, in Hegedüs, J. *et al.*, *Private Rental Housing in Transition Countries: An Alternative to Owner Occupation?*, Palgrave Macmillan Limited, 389 ff. This is why young people under the thirties has been coined in UK as 'generation rent' (McKee, K. (2012) Young People, Homeownership and Future Welfare, *Housing Studies*, 27:6, 854), and why rental accessibility is paramount in attaining independent living (Arundel & Ronald, cit, 900 ff.), at least at first stage in their transition to homeownership. This segment of the population, however, aspire not only to live on their own house but also to live with the same level of security as their parents. Empirical studies in UK (Hoolachan, J., *et al.* (2017). Generation rent' and the ability to 'settle down'- economic and geographical variation in young people's housing transitions. *Journal of Youth Studies*, 20:1, 69-70) show in this regard that they are frustrated living in the private rental sector as they are unable to consider the place in which they live a "home" (understood as the place where provides a number of values) due to the lack of security of tenure (mainly because the short assures tenancies, which has become one of the underlying reasons of the increase in the homelessness in UK) and restrictions in the use of the property (e.g. in terms of decorating it).
36 Nasarre Aznar, S. *et al.* (2015), cit. 67 et seq.
37 The housing cost overburden rate is higher in tenants in comparison to homeowners as a general rule, see Eurostat, *Housing cost overburden rate by tenure status* - EU-SILC survey.
38 Arundel, R. & Ronald, R. (2016). Parental co-residence, shared living and emerging adulthood in Europe: semi-dependent housing across welfare regime and housing system contexts. *Journal of Youth Studies*, 19:7, 900 ff.

influenced to a larger extent by social protection expenditure, so homeownership is deemed to be a "safety net" in countries which low welfare generosity, such as the Southern European ones (see below section 3). Be that as it may, households' over-indebtedness is higher as a rule in northern Europe countries, which have promoted public housing for rent. One hypothesis could be that a more distributed home ownership and more population density living in flats (as is the case in southern European countries), could mean in practice more affordability in cities.

As a result of such problems in housing access, inequality has increased in Europe leading to a "Great Divide" between the bottom and the top of the income distribution[39], being at the bottom, not surprisingly, young people and families with children. In fact, young people are the group most at risk of poverty due to the change in earnings and in labour market conditions. In this context, two challenges have been identified[40]: to ensure that young people have an equal opportunity to leave the family home and live independently (the economic resources, parental support and state policies play a relevant role in this regard); and to improve the suitability and availability of housing for young people by improving the security of those living in the private rental sector and those living in share accommodation. In this regard, the provision of affordable access to homeownership could also be an option to be considered within the aim to achieve a continuum of land tenures, as analysed below in section 2.3.

THE PHENOMENON OF (HIDDEN) HOMELESSNESS

Homelessness is a problem that is on the rise in nearly all EU Member States, even though methodologies and sources vary from country to country, meaning that there are no comparable European data on homelessness[41]. Moreover, "the economic and social effects of the pandemic are being exacerbated by the current steep rise in energy and consumer good prices"[42]. As happens at a European level, there is neither a common definition nor a standard methodology for dealing with and quantifying the homelessness issue in Spain[43]. Official data is provided by the National Institute of Statistics, but it

39 OECD (2017), *Understanding the socio-economic divide in Europe*. Available at: https://www.oecd.org/els/soc/cope-divide-europe-2017-background-report.pdf (accessed 1-6-2024).

40 Mackie, P. K. (2016). Young people and housing: identifying the key issues. *Journal International Journal of Housing Policy*, 16:2, 140 ff.

41 There is a lack of available data and the data produced is not comparable, according to Fondation Abbé Pierre and Feantsa (2023). *Eighth Overview of housing exclusion in Europe 2023*, 15. However, this same report (page 24) undertakes a calculation of a minimum estimate number of rough sleepers, people staying in night shelters and in temporary accommodation of 895,000 people. The 2020 Report stated that 700,000 homeless people were estimated sleeping rough or living in emergency or temporary accommodation across the EU (an increase of 70 percent in the space of ten years). Fondation Abbé Pierre and Feantsa (2020). *Fifth overview of housing exclusion in Europe 2020*, 11.

42 Fondation Abbé Pierre and Feantsa (2023). *Eighth Overview*, 10. "Lurching from one crisis to the next, the living conditions of the most disadvantaged households have worsened significantly over the past few years".

43 Lambea Llop, N. (2024). Homelessness and Hidden Homelessness in Spain: Tackling a Somewhat Unknown Yet Increasing Phenomenon, in Evans, C (ed.). *The Routledge Handbook of Global Perspectives on Homelessness, Law and Policy*. Abingdon and New York: Routledge. pp. 109-125. 109.

only considers people who are in contact with the services provided by public bodies or NGOs: 28,552 homeless people were assisted in shelters and food services during that year (an increase of 24.5% over 2012)[44]. Meanwhile, there are many Spanish cities undertaking overnight counts regularly in order to have an approximate number of people sleeping rough; the current outcome is 5,385 roofless people in Spain. In general terms, the highest numbers (in absolute terms) are concentrated in large cities, such as Barcelona (1,384 people in 2023) and Madrid (650 people in 2018)[45]. Starting from scratch after arriving from another country (28.8%), losing a job (26.8%), and housing eviction (16.1%) are the main factors for becoming homeless in Spain[46] (experiencing a sentimental breakup was the third cause in 2012). Thus, the main grounds for becoming a homeless person in Spain are related to structural problems: (1) immigration; (2) unemployment or precarious/unstable jobs; (3) housing and (4) relationship breakdown[47]. And most homeless people consider that having housing (82%) or a job (78%) would help them overcome their homelessness. In addition, the transition from eviction to homelessness is closely linked to counting on economic, personal and social support or resources[48].

However, these numbers hardly reveal the full extent of the problem, since the homeless phenomenon includes not only the roofless people and people living in shelters for homeless people, but also other kind of temporary accommodations, as well as those living in insecure or inadequate housing (following the European Typology on Homelessness and Housing Exclusion of Feantsa)[49]. Thus, there is a whole range of hidden homelessness that is much more difficult to identify. In fact, a report of Foessa Foundation (2019)[50] estimates that there are more than 4.5 million people living in inadequate housing and more than 2 million in insecure housing in Spain. Consequently, it may be seen that these numbers are far from those mentioned above. Therefore, roofless and houseless people are only the tip of an iceberg of a much larger problem.

Precisely, many of the hidden homelessness situations are the result of the unstoppable global urbanisation process[51] accompanied by a context of unemployment (which has worsened with the coronavirus crisis) and job insecurity, as well as a lack of affordable and social housing and a lack of territorial

44 National Institute of Statistics (2022). *Encuesta sobre las personas sin hogar*. Available at: https://www.ine.es/dyngs/INEbase/es/operacion.htm?c=Estadistica_C&cid=1254736176817&menu=ultiDatos&idp=1254735976608 (accessed 3-7-2024). Apart from that, the Spanish National Institute of Statistics also has a survey on support centres for homeless people.

45 See https://www.arrelsfundacio.org/persones-sense-llar/problematica/espanya/ (accessed 3-7-2024).

46 National Institute of Statistics (2022). *Encuesta sobre las personas sin hogar.*

47 Lambea Llop, N. (2024), cit., 113.

48 Kenna, P. et al. (eds.) (2016) *Pilot Project - Promoting protection of the right to housing – Homelessness prevention in the context of evictions*. European Commission.

49 See https://www.feantsa.org/en/toolkit/2005/04/01/ethos-typology-on-homelessness-and-housing-exclusion (accessed 4-9-2021).

50 Fernández Maíllo, G. (coord.) (2019). *VIII Informe sobre exclusión y desarrollo social en España 2019*. Madrid: Fundación Foessa, 252.

51 See Nasarre Aznar, S. (coord.) (2021), cit., 133.

cohesion policy. All this impacts negatively on people who need to live in cities due to work opportunities or support networks mainly, but do not have the economic resources to access housing (mortgage or rent) without becoming overindebted. Thus, a Report for the Barcelona Ombudsman[52] highlights some of the existing housing situations in that city which, under the ETHOS typology, are considered homelessness situations. On the one hand, cases of insecure housing would be those where people have to share housing or even rooms (with family, friends or strangers) due to economic difficulties, unemployment and/or job insecurity, or due to other circumstances (e.g. family breakdown); subletting of rooms without the consent of the landlord, needed on the basis of article 8.2 Spanish Urban Leases Act 1994 (as landlords are not always asked for their consent, this leaves the sublessee in a weak legal position); room rental, governed by the Spanish Civil Code, which means that the tenant will not enjoy the protective measures of the Urban Leases Act 1994[53]; squatters; people at risk of being evicted or those suffering from domestic violence. On the other hand, cases of inadequate housing would be people living in shacks or in tiny and deprived apartments unsuitable for living, e.g. lacking accessibility or basic supplies or damp housing, housing in shipping containers, provided that they do not meet habitability requirements, or people living in overcrowded conditions (e.g. "hot beds" for immigrants -permanent and continuous use of beds throughout the day by different persons- or "beehive apartments"[54]). In fact, the Catalan Decree 50/2020, of 9 December[55], was passed with the aim to promote new types of shared housing, essentially under a rental scheme, so as to lower the cost of emancipation of young people and respond to the growing labor and training mobility, but also to allow new residential modalities for other population groups such as the elderly. To this end, the Catalan Housing Act 18/2007[56] was amended to allow the construction of private units with a lower surface (minimum 24m2) sharing common spaces. Even though this framework may be appropriate for coliving experiences, it is not suitable for households seeking permanent residence. Most of these cases neither comply with the key factors that must be taken into account when talking about "adequate housing" according to

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52 UNESCO Housing Chair URV (2020). *L'habitatge compartit a Barcelona i la seva adequació als estàndards internacionals, Informe para la Oficina de la Síndica de Greuges de la ciudad de Barcelona*. Ajuntament de Barcelona. Available at: https://www.sindicadegreugesbcn.cat/pdf/monografics/lloguer.habitacions.pdf (accessed 4-9-2021).

53 E.g. there is no protection period for the benefit of the tenant (5 years in the Urban Leases Act 1994 since RDL 7/2019 -7 years when the landlord is a legal person), and the rent may be established and updated freely the parties (the updating of the rent depend upon an index in art. 18 Urban Leases Act 1994).

54 Not legal but an existing practice in large cities such as Madrid or Barcelona, with companies offering 2.6 square meters apartments, not as a tourist experience but as a housing solution. See https://cronicaglobal.elespanol.com/vida/millar-barceloneses-cola-piso-colmena_211446_102.html (accessed 4-9-2021).

55 https://www.boe.es/diario_boe/txt.php?id=BOE-A-2021-1478.

56 Permalink ELI: https://www.boe.es/eli/es-ct/l/2007/12/28/18/con.

the CESCR General Comment No. 4, i.e., legal security of tenure, availability of services and facilities, affordability, habitability, accessibility, location and cultural adequacy.

Taking all the above into account, the Report "España 2050" does not mention homelessness directly, but indirectly highlights the need to guarantee the right to access affordable, accessible and adequate housing and the need to tackle poverty, inequality and social segregation; as well as to strengthen public education and address labour market shortcomings (see challenges 6 and 8). The homelessness issue has begun to be addressed by public policies in Spain (e.g. Comprehensive National Homelessness Strategy 2015–2020 and National Strategy to Combat Homelessness in Spain 2023–2030), and the concept has even been introduced legally, although poorly defined in Act 12/2023. It still lacks specific and special legislation. And the Spanish multi-level government and the fact that homelessness is related to different areas implies that the level of commitment and the steps taken in this field vary significantly between regions and municipalities[57].

COVID-19 has revealed once again the special vulnerability of homeless people, to whom it was impossible to comply with measures taken by governments to tackle the health crisis: lockdowns, improved hygiene, social distancing and so on. But at the same time, it has shown that it is possible to rapidly implement accommodation policies on a massive scale for this vulnerable group[58]. Furthermore, it has given the opportunity to give homeless (and mainly roofless) people a permanent housing or shelter to stay, with some space for privacy and supported by a network of entities providing continued attention and different kind of services. Whether these policies remain and are fostered and improved after the pandemic remains to be seen, as a large number of these temporary facilities have already been closed.

When tackling evictions and tackling homelessness, public policies cannot only focus on reactive measures, i.e., once the eviction has taken place (rapid rehousing, shelters, other social services, and so on), but also on structural and treatment measures: creating a continuum of housing tenures (see below section 2.3), increasing social housing stock, who must be properly managed (see below section 2.4), fostering responsible lending, rehabilitation policies, housing benefits and employment protection, alternative dispute resolution mechanisms, among other measures[59].

57 Lambea Llop, N. (2024), cit., 115.

58 By means of creating temporary and emergency accommodation places and using hotels, tourist accommodation, public buildings and so on. Fondation Abbé Pierre and Feantsa (2021), cit., 17.

59 See Kenna, P. et al. (eds.) (2016) *Pilot Project - Promoting protection of the right to housing – Homelessness prevention in the context of evictions*. European Commission. See some existing measures to prevent and tackle homelessness in Spain in Lambea Llop, N. (2024), cit.

ALTERNATIVE HOUSING TENURES

In a context in which co-residence is the main housing status among young people in Spain, tenancy does not provide a real alternative to homeownership and the steady increase of the hidden homelessness phenomenon, other alternative housing tenures to the traditional purchase or rental, could be an option in Spain and other countries, such as the Southern European ones. All in all, it is plausible to provide people with different options, i.e. functional formulas of housing tenures for each type of need and for each type of household (*continuum*), as suggested by the United Nations New Urban Agenda 2016[60]. According to the Report "España 2050"[61]:

> "In this context, other alternative tenure formulas to the traditional ones of purchase or rental, such as temporal ownership or shared ownership, may gain relevance. The collaborative economy may also break into the housing market in our country: some forms of shared housing (such as cohousing) can be an interesting option for both young and old, giving rise to new forms of intergenerational coexistence".

The temporal ownership or shared ownership are alternative housing tenures that could universalize and democratize access to homeownership by combining stability (homeownership has been proved to increase residential stability among low-income households[62]) with the prevention of households' over-indebtedness[63].

The following sections analyse the temporal ownership or shared ownership and cohousing within this *continuum* of land tenures.

INTERMEDIATE TENURES

The Spanish "España 2050"[64] suggests the implementation of alternative forms of tenure to homeownership and tenancy, such as the temporal property and shared property, into the Spanish legal system. These intermediate tenures[65] were regulated by Catalan Act 19/2015, on 29 July[66], which introduced

60 Para. 36.

61 "España 2050", cit., 262 and 269.

62 Aarland, K. & Carolina K. Reid (2019). Homeownership and residential stability: does tenure really make a difference? *International Journal of Housing Policy*, 19:2, 165 ff.

63 Sergio Nasarre Aznar (2020), *Los años*, cit., 519.

64 "España 2050", cit., p. 269.

65 Learn about the concept of intermediate tenures and about the housing access problems in Spain at Nasarre Aznar, S. (2017) (Dir.), *La Propiedad Compartida y la Propiedad Temporal (Ley 19/2015). Aspectos legales y económicos*. Valencia: Tirant lo Blanch, 776 ff.; and Simón Moreno, H., Garcia Teruel R. M. & Lambea Llop, N. (2017)."Shared ownership and temporal ownership in Catalan law", *International Journal of Law in the Built Environment*, 9:1, 63 ff.

66 Permalink ELI: https://www.boe.es/eli/es-ct/l/2015/07/29/19.

temporal ownership and shared ownership into the Catalan Civil Code on the basis of the English leasehold (but without any feudal reminiscences) and shared ownership schemes, respectively. These tenures are not regulated in the Spanish Civil Code. The latter was introduced in the UK during the 1970s-1980s and represents today less than 1% of all households in England; however, the supply has increased substantially in recent years. In fact, the majority of respondents to the British Social Attitudes Survey in 2018 would choose to buy a home (87%) rather than rent it (12%)[67]. Like the English scheme, the Catalan intermediate tenures offer the opportunity to move into full homeownership, provide security of tenure and support community stability[68].

On the one hand, the temporal ownership tenure confers on its holder the ownership of an asset (any immovable and certain movables) for a limited and specified period (which may not be less than ten years for real estate and one year for movables, nor higher, in any case, than ninety-nine years; art. 547-4.(3) CCC) as a consequence of a legal transaction *inter vivos* (for valuable consideration or gratuitously) or *mortis causa*, at the end of which the temporal ownership will revert back to the transferor or a third party who has acquired the right of reversal (arts. 547-1 ff. CCC).

On the other hand, the shared ownership tenure confers on the material owner (e.g. the buyer) a property share of the thing (movable or immovable property in question) which entitles him to the full possession, use and exclusive enjoyment of the whole thing (any immovable and certain movable assets) and the right to gradually acquire the remaining quota that may remain in the hands of the seller (formal owner) in the course of the following thirty years, unless otherwise agreed, with a maximum time limit of ninety-nine years (arts. 556.1 ff. CCC). The material owner has the exclusive use of the property and may sell or mortgage his share, but without compromising the integrity or functionality of the property. The buyer is not allowed to alter the structural elements of the property.

These new ownership-like intermediate tenures have the potential to spread sustainable homeownership for those who prefer this type of tenure (the vast majority, as explained above) but who cannot afford to take on full ownership without the risk of becoming over-indebted. They could become a model for Spain and other EU countries to achieve a *continuum* of housing

67 See UK Parliament (2020). *Shared ownership (England): the fourth tenure?*, available at: https://commonslibrary.parliament.uk/research-briefings/cbp-8828/, accessed 1-6-2024); and Ministry of Housing, Communities & Local Government (2019). *Public attitudes to house building: findings from the British Social Attitudes survey 2018*, 50 ff. Available at: https://www.gov.uk/government/publications/public-attitudes-to-house-building-findings-from-the-british-social-attitudes-survey-2018, accessed 1-6-2024). Homeownership is correlated with a good investment, security and the freedom of the owner.

68 Sinn, C. & David, S. (2015). *Shared ownership 2.0. Towards a fourth mainstream tenure*, Final Report. Available at: www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Shared%20Ownership%202.0%20towards%20a%20fourth%20mainstream%20tenure.pdf (accessed 1-6-2024).

tenures. In fact, they have been chosen as one of the 50 out-of-the-box Housing Solutions that provide affordable housing in Europe[69] as they try to mix the pros of homeownership (stability, freedom, autonomy, etc.) and leases (flexibility and affordability); and they are mentioned as a best practice in the Report *Concrete actions for social and affordable housing in the EU*[70]. Thus, these new options can be perceived as a way to distribute[71] this desired and secure type of tenure to those that have been unable to access it (e.g. young people) and who are suffering from precarious living conditions, landlordism and expensive leases.

HOUSING COOPERATIVES

Cohousing is a form of collaborative housing in which housing is designed, planned and managed with a view to a high and continuous social interaction between its members and a more practical domestic environment. This model is characterized, in general terms, by the self-management of the community by its members, the high participation of these in the ordinary functioning of the community and the design, which emphasizes the diversity of spaces and collective services, so that the maximization of these is promoted, even at the expense of private spaces or of exclusive use[72]. From an international perspective, there is no single prototype properly defined for these communities (diversity of design, target population, legal form, financing, etc.)[73]. In Spain, the cohousing model generally takes the legal form of cooperatives (housing cooperatives) where the property belongs to the cooperative (collective property) and its members enjoy an exclusive right of enjoyment on each apartment or unit thanks to the payment of an entrance fee and a periodic consideration, while participating in the maintenance and operation of the cooperative. There are already successful cohousing projects in operation in Spain[74], mainly for seniors.

However, there are several obstacles for cooperatives to overcome, regarding the assignment of land use, before they can become a real alternative

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69 Solution 46, 112. The publication is available at: https://www.feantsa.org/en/news/2019/12/11/hsp-publication-50-housing-solutions?bcParent=27 (accessed 1-6-2024).

70 See Nasarre Aznar, S. (coord.) (2021). *Concrete actions for social and affordable housing in the EU*, cit., 34 (Spain), 52 (UK) and 78 (the Netherlands).

71 Concerning the history of distributism, see Fernández Riquelme, S. (2012). "Tres acres y una vaca». El distributismo o la radical opción moral de la economía contemporánea. *VERITAS*, 26, 165 ff. The distributism, pushed forward by G.K. Chesterton and H. Belloc, among many others, was influenced by the social doctrine of the Catholic Church, which supports this "utilitarian" approach to ownership towards the full universal realization of people. In this vein, ownership (and homeownership is a paramount part of this) allows people to be free (both from the market rules and from the State rules), thus helping to achieve their full realization as human beings.

72 McCamantT, K. & Durrett, C. (2011). *Creating cohousing: building sustainable communities*. New Society Publishers, Canada, 25 ff. and 73 ff.

73 Czischke, D., Carriou, C. & Lang, R. (2020). Collaborative housing in Europe: conceptualizing the field. *Housing, Theory and Society*. 37:1-9.

74 Updated information about the housing cooperatives initiatives throughout Spain may be found at http://ecohousing.es (accessed 1-6-2024).

to leases and homeownership. Thus, the absence of a specific legal framework for this model in Spain and the challenges related to the organizational and financing issues that need to be solved prior to its constitution (it takes years to develop a project and it is not easy to get finance from lending institutions) pose difficulties that make the model hard to replicate. Indeed, in Spain, aspects relating to property rights and the transfer of use of dwellings (e.g. legal nature of the right, whether it may be transferred to third parties or not, etc.) are governed by civil law rules and not by the legal framework on cooperatives (arts. 89 et seq. Spanish Law 27/1999, of July 16[75], though there are laws that have been passed at regional level[76]).

The same may be said in other Southern European countries. For instance, in Italy there is a growing interest in cohousing thanks to new urban planning tools, but the debate about this land tenure is not well developed at a scientific level[77]. In fact, "*cohousing groups have resorted to existing legal structure, namely condominium regimes, cooperative and companies, or a combination of the two, to set up cohousing*"; this may cause problems as to the validity of the contractual agreements that restrict the right to dispose of individual units if cooperatives are created under the umbrella of condominium[78]. An unfavourable legal framework is also a barrier for the success of cooperatives in Greece[79]. On the contrary, France has adopted the model of housing cooperative on assignment of use (*Code de la construction et de l'habitation*, modified by *Loi 2014-366, du 24 mars, pour l'accès au logement et un urbanisme rénové* (ALUR[80]), which regulates *cooperatives d'habitants* (arts. L201-1 and following). And articles 18 et seq. Portuguese Decreto-Lei n.º 502/99[81] establish that in housing cooperatives created under a collective property regime, dwellings are assigned to the member either through a right of enjoyment (*direito de habitação*) or a tenancy (*inquilinato cooperativo*),

75 Arts 89 et seq. Permalink ELI: https://www.boe.es/eli/es/l/1999/07/16/27/con

76 Simón Moreno, H. (2020). Las cooperativas de viviendas en régimen de cesión de uso: ¿una alternativa real a la vivienda en propiedad y en alquiler en España? *REVESCO. Revista de Estudios Cooperativos*, 134. The Decree-Law 4/2023, of March 10, amending Legislative Decree 2/2015, of May 15, which approves the consolidated text of the Law on Cooperatives of the Valencian Community (available at: https://www.boe.es/buscar/doc.php?id=DOGV-r-2023-90086), has implemented a special regime for housing cooperatives that aims to address the legal uncertainty concerning the rights and duties of the shareholders of the cooperative.

77 According to Bianchi, F. (2020). THE ROLE OF CO-HOUSING. Towards a New Model of Collaborative Housing in Italy. *LgThe Lab's Quaterly*, 1, 7 et seq. The author presents two cases implemented in two regions of Italy.

78 Bettini, F. (2017). Inclusivity in Cohousing: A Comparative Legal Analysis of Sustainability and Enforceability, *IASC 2017*, 26 et seq. Available at: https://www.2017.iasc-commons.org/wp-content/uploads/2017/07/9C_Fabiana-Bettini.pdf (accessed 1-6-2024).

79 Siatitsa, D. (2019). Housing cooperatives in Greece Liberating the housing imaginary, at the Tackling the Global Housing Challenges Housing cooperatives' role in the provision of affordable housing International Conference, 06.12.2019, Zurich. Available at: https://genossenschaft-bellerive.ch/assets/upload/downloads/5_Siatitsa-Greece.pdf (accessed 1-6-2024).

80 Latest version available at https://www.legifrance.gouv.fr, last visited November 23, 2018.

81 ELI: https://data.dre.pt/eli/dec-lei/502/1999/11/19/p/dre/pt/html.

which provides legal certainty to the rights and duties of both the cooperatives and its members.
In addition, success and replicability are difficult without major public support (free land, subsidies, etc.)[82], which may not be available given that cooperatives cannot always be defined as affordable housing. Obtaining land, urban permits and financing are recurrent problems of housing cooperatives[83]. Nepotism (when recruiting new members for the cooperative), the reduced space of private units (which could lead to constitutional concerns as far as the right to privacy is concerned), the limitations in relation to the *inter vivos* and *mortis causa* transfers of the units and the past experiences of the Soviet Union and Danish cooperatives[84] are aspects that are worth pointing out as well.

SHARE AND MANAGEMENT OF SOCIAL HOUSING

Having a sufficient social housing stock is one of the basic instruments to fulfil the right to adequate and decent housing (art. 47 of the Spanish Constitution) and to prevent homelessness (one of the structural measures mentioned above)[85]. Precisely, both the share and the management of social rental housing is a challenge highlighted at a European level[86].

Institutions and doctrine (both nationally and internationally) indicate that there is a 2% of social rental housing stock in Spain (numbers range from 1 to 2.5%), even though this number is quite unreliable[87] and it neither includes the 6.7 million publicly protected housing built for sale between 1940 and 2011 (although some of them are no longer qualified as protected housing)[88]. Despite

82 For instance, in Sweden, public housing companies (*Familjebostäder*) finance the construction in collaboration with non-profit associations or cooperative associations, Mogollón García, I. & Fernández Cubero. A. (2016). *Arquitecturas del cuidado. Viviendas colaborativas para personas mayores. Un acercamiento al contexto vasco y las realidades europeas*. Zeberio: Emakunde, 1-265. Available at: http://www.emakunde.euskadi.eus/contenidos/informacion/publicaciones_subvencionadas2/es_def/adjuntos/beca.2015.1.arquitecturas.del.cuidado.pdf (accessed 1-6-2024).

83 Tummers, L. (2016). The re-emergence of self-managed co-housing in Europe: A critical review of co-housing research. *Urban Studies*, 53:10, 2023-2040.

84 Sergio Nasarre Aznar (2020). *Los años*, cit., 614 ff.

85 See European Parliament. *Resolution of 11 June 2013 on social housing in the European Union*, 2012/2293(INI). Para. 38, 45 and 58. and Kenna, P. et al. (eds.) (2016), cit., 124 and Annexes.

86 Nasarre Aznar, S. (coord.) (2021). *Concrete actions*, cit., 128.

87 On the one hand, it has not changed for years and has been obtained either from previous studies or from databases that do not include all or only social housing (e.g. data of the Spanish National Institute of Statistics also includes private rental housing offered at below-market price -3.3% used in Housing Europe (2023). *The State of Housing in Europe 2023*-; and the 1.1% used in the 2021 report only includes publicly owned social housing, while there are social housing provided by private entities as well). On the other hand, there are Programs of social housing at a regional level that are not included within the traditional figure of protected housing. See a discussion of the different percentages and their sources, as well as the diversity in terminology regarding social housing in Spain in Lambea Llop, N. (2022). *La gestión de la vivienda social en clave europea*. Valencia: Tirant lo Blanch, 282-283. In addition, it is important to consider the multi-level dimension regarding the ownership of the social housing stock, which makes it even more difficult to quantify the total existing share in the country.

88 Trilla i Bellart, C. & Bosch Meda, J. (2018). *El parque público y protegido de viviendas en España: un análisis desde el contexto europeo*. Documento de trabajo 197/2018. Fundación Alternativas, 22.

this, it is certain that social housing share in Spain is scarce, as in other Southern European countries such as Italy (3.8%) and Portugal (2%), while social housing in Greece is almost non-existent[89], as housing policies have historically been related to economic policies and there has been a tendency to build social housing for sale. Moreover, it has been an unattractive market for developers and providers, especially in times of economic and real estate boom[90].

Consequently, recent legislation (and only as a result of the economic crisis of 2007) focus on increasing, by all means, the permanent social housing stock in the country[91]. These policies include positive measures, such as mediation programmes, rights of pre-emption and first refusal or public-private partnerships, but also negative and more intrusive ones, such as different sorts of taxes, fines and forced social tenancies or compulsory expropriations for financial entities mainly[92]. All these measures hinder management and add complexity to an already complex sector, as they involve a distortion of the tenure form by which the housing provider acquires the dwelling, which subsequently becomes more pronounced when it comes to defining the legal relationship between the housing provider and the social beneficiary, implying, most of the times, more uncertainty for the most vulnerable groups, which are the main beneficiaries of these measures[93]. Also, different programs are governed by different rules, and there is a component of territorial dispersion as well.

To face a sector that is expected to be numerous and increasingly complex (due to the heterogeneous programs just mentioned, the diversity of housing plans at a temporary and territorial level[94], and the particularities of the social beneficiaries and the concentration of more vulnerable groups as a result of the concatenation of diverse crises -2007 GFC, 2020 COVID-19, 2002 Ukraine war- over the last 17 years), Spain lacks of a common legal framework of social housing management, as there has never been a need for it. Thus, there is a great variety of entities of different legal nature (and different size and scope of action) developing and managing social housing in Spain: public bodies and companies at a local and regional level, public-private companies, private for-profit entities, and private non-for-profit ones[95]. Also, financial entities have been compelled to play a role in the sector, due to the aforementioned negative measures (e.g. compulsory social tenancies); and other instruments are also being explored, such as cooperatives[96] (see section 2.3.2).

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89 Housing Europe (2021). *The state of housing in Europe 2021* and Housing Europe (2023), cit.

90 Molina Roig, E. (2018). *Una nueva regulación para los arrendamientos de vivienda en un contexto europeo*. Tirant lo Blanch. 51.

91 E.g., State Housing Plans 2013-2016, 2018-2021 and 2022-2025, regional Housing Plans and legislation on housing or measures to guarantee the right to housing, with some regional ones held to be unconstitutional. See all of them in Lambea Llop, N. (2022), *La gestión,* cit., 285-303.

92 See a list of these measures, from less to more intrusive ones, in Nasarre Aznar, S. (2020). *Los años*, cit., 469-474.

93 Lambea Llop, N. (2022), *La gestión,* cit., 396.

94 It implies that a housing provider might be managing social housing stock from different plans with different rules, also housing plans that are no longer in force but they still govern the social housing built and qualified as publicly protected housing within that particular Plan.

95 Lambea Llop, N. (2022), *La gestión,* cit., 353.

96 Pareja Eastaway, M. & Sánchez Martínez, M.T. (2017). More social housing? A critical analysis of social housing provision in Spain, *Critical Housing Analysis*, 4:1, 128.

Increasing the share of public and social housing is precisely one of the goals within the sixth challenge addressed by the Report "España 2050" "Promoting a balanced, fair and sustainable territorial development", which needs to be achieved while avoiding socio-spatial segregation and taking into account the real demand of social housing (e.g. household income, composition and specific needs). Also, the Report rightly highlights the need to improve social housing management by means of creating private-public collaboration. Precisely, there is an increasing trend towards public-private partnerships (e.g. in UK[97] but also Spain), as they allow to join complementary strengths of the public and private sectors: the former brings public land and has planning authority and housing responsibilities, while the latter provides the development expertise and a much more business-oriented management that allows it to be economically viable and sustainable.

The OECD concludes that countries where non-profit (or limited-profit) housing associations models prevail have larger social rental housing stocks (e.g. NL, AT, DK and UK), while public housing providers prevail in countries with lower social rental housing shares (e.g. ES, EE, HR and LU)[98]. In that same vein, housing association-like institutions are recommended at a European level[99], mainly when they adopt a hybrid structure[100], which allows linking public policies (providing a SGEI and receiving public aid for its development) to private funding (cross-subsidisation) and know-how management; although risks associated must be also taken into account (e.g. mismanagement, moral hazard, financialisation, loss of public control).

All in all, it is crucial that social housing management structures respond to new sociodemographic, environmental and technological challenges[101]. Housing providers shall guarantee access to affordable, sustainable (economic, social, cultural and environmental sustainability) and inclusive housing, thus, addressing not only the access to housing (through different formulas) but also health, work, social inclusion, urban management, mobility, energy efficiency, digitization of services, among other aspects. This vision goes in line with the New Urban Agenda and the 2030 Agenda for Sustainable Development of the UN and the

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97 See an example in Nasarre Aznar, S. (coord.) (2021). *Concrete actions*, cit., 68-70.

98 See PH4.2 Social rental housing stock, OECD Affordable Housing Database. There are some exceptions, such as SE (18%, although it is no social housing by definition anymore), FI (12%) and FR (16.5%). And Pittini, A. (dir.) (2019) *The State of Housing in the EU 2019*.

99 Nasarre Aznar, S. (coord.) (2021). *Concrete actions*, cit., 68-70, 134.

100 Hybrid organisations are nourished by elements from more than one sector, thus blurring the boundaries between the State, the market and the community. See Billis, D. (ed.)(2010). *Hybrid organisations and the third sector. Challenges for practice, theory and policy*. Basingstoke: Palgrave Macmillan, 3, and also Mullins, D., Milligan, V. & Nieboer, N. (2018). State directed hybridity? – the relationship between nonprofit housing organizations and the state in three national contexts. *Housing Studies,* 33:4, 568; Pestoff, V. A. (1992). Third Sector and co-operative services: An alternative to privatization. *Journal of Consumer Policy*, 15, 25 and Czischke, D., Gruis, V. & Mullins, D. (2012). Conceptualising social enterprise in housing organizations. *Housing Studies*, 27:4, 428.

101 Pittini, A. (dir.) (2019) *The State of Housing in the EU 2019,* cit., 39.

New European Bauhaus of the European Commission[102]. Despite all that, Spain still lacks a unitary and specific legal framework for social housing providers; and 12/2023 Spanish Housing Act has missed the opportunity to provide it[103].

HOUSING AS A FINANCIAL ASSET: EQUITY RELEASE SCHEMES

According to the Report "España 2050"[104]:

> "The future increase in longevity will accentuate the challenge of the sustainability of our public pension system. In 2050, for every person over 64 there will be 1.7 people of working age, compared to 3.4 today.155 The different simulation exercises carried out suggest that, in Spain, spending on contributory pensions will be place in a range of between 15.2% and 16.9% of GDP in 2050,156 compared to 10.8% in 2019".

Other European countries also share the same demographic (e.g. life expectancy and population aging) and economic (i.e. economic growth) problems, for instance the Southern European[105]. Indeed, they share a common approach concerning the social insurance pension system[106] and some demographic and economic problems that put pressure on public spending on pensions: Portugal, Greece and Italy are among the European countries with the highest public expenditure on pensions, and share with Spain the fact that private expenditure on pensions is very low (e.g. Social Security accounts for more than 99 percent of the whole system in Greece[107]). It must be taken into consideration that the poverty risk rate among people over 65 years of age falls from 83% to 10.9% thanks to public pensions[108], which indicates the high dependence of this group on state aids. Furthermore, homeownership is widespread among the elderly in these countries (almost 90% of the population among those over 65 years

102 https://europa.eu/new-european-bauhaus/index_en.

103 Also, some of its articles regulating different aspects of protected and public housing (16, 27.1.3, 27.3 and the 1st Transitory Provision) have been declared unconstitutional by the judgement of the Spanish Constitutional on May 21, 2024.

104 "España 2050", cit., p. 224.

105 Jgerenaia, E., Mourao, P. & Verulava, T. (2014). Pension System in Southern European Countries – Challenges and Opportunities. *International Affairs and Global Strategy*, 25,16-17.

106 They share "the prominent role of cash benefits, configuring an extreme variant of a ´transfer-centred` welfare state; a huge fragmentation of social policies; the hybridisation of the occupational roots of the model with universalistic schemes, and the particularistic appropriations of welfare resources", see Natali, D. & Stamati, F. (2014). Reassessing South European Pensions after the Crisis: Evidence from Two Decades of Reforms, *South European Society and Politics,* 19:3, 310 ff.

107 Symeonidis, G. (2016). The Greek Pension Reform Strategy 2010-2016. Social Protection & Labor Discussion Papers, 1601, 2. Available at: http://documents.worldbank.org/curated/en/491431468178146012/pdf/105821-REVISED-PUBLIC-1601.pdf (accessed 1-6-2024).

108 For instance, in Spain, see Entitats Catalanes d'Acció Social (2016). *Gent gran: pobresa i vulnerabilitat*, Informe INSOCAT per a la millora de l'acció social, 7. Available at: http://acciosocial.org/que-fem/informes-i-publicacions/insocat-informe-dindicadors-socials/ (accessed 1-6-2024).

old in Spain are homeowners[109]). Accordingly, housing equity as percentage of GDP is above the European average in Italy, Spain and Portugal[110], and non-financial assets accounts for 88% of the total value of the assets of the families in Portugal, more than half being primary residences[111], and housing wealth accounts for over 80% of Italian households' assets[112].

The Report "España 2050" does not make any reference to equity release schemes (ERS) so as to face the progressive ageing of the population and the increasing expenditure on pensions. The regulation and use of ERS has been suggested not only at the European level[113], with research projects aiming to establish whether housing equity may be an additional source of pension[114], but also in the rest of Southern European countries on the basis of the current socio-economic context, e.g. in Portugal, where the profitability of ERS for lenders has been tested from an economic point of view[115] or Greece, in which annuities are almost unknown[116]. In fact, Spain regulated the reverse mortgage (*hipoteca inversa*) in 2007 (First Additional Provision of Law 41/2007[117]), but it is not used in practice, and Italy regulated the reverse mortgage (*prestito vitalizio ipotecario*) in 2005, but the law did not have a significant impact. For this reason, the law was amended in 2015[118]. Spain and Italy, along with Ireland, and the UK, are the few European countries with a legal framework on reverse

109 Abellán García, A. & Pujol Rodríguez, R. (2015). *Un perfil de las personas mayores en España, Indicadores Estadísticos Básicos*, Madrid, Informes Envejecimiento en red, 10, 19. Available at: http://envejecimiento.csic.es/documentos/documentos/enred-indicadoresbasicos15.pdf (accessed 1-6-2024).

110 Demhow (2012). Final Report - DEMHOW (Demographic change and housing wealth). Available at: https://cordis.europa.eu/result/rcn/54413_en.html (accessed 1-6-2024).

111 National Statistics Institute of Portugal (2013). *Inquérito à Situação Financeira das Famílias 2013*, 4

112 Fornero, E., Rossi, M. C. & Urzì Brancati, M. C., *Explaining why, right or wrong, (Italian) households do not like reverse mortgages*, Working Paper 123/11, 14. Available at: http://fileserver.carloalberto.org/cerp/WP_123.pdf (accessed 1-6-2024).

113 Settanni, G. (2017). Equity release, reverse mortgage and home equity conversion: Perspectives in different law systems and questions for harmonization at EU level. *European Business Law Review*, 28, 731.

114 Such as the one led by iff-Hamburg, which was established in 2017 and examines the experience and patterns with respect to housing, pensions, mortgages and equity release type products in the UK, Germany, Italy, Netherlands Hungary and Ireland. More information available at https://www.iff-hamburg.de (accessed 1-6-2024).

115 Gonçalves, S. & Bravo, M (2018). Valuation of reverse mortgages: an empirical investigation using Portuguese data. Avaliable at: http://international-pension-workshop.com/wp-content/uploads/2018/04/Goncalves.pdf (accessed 1-6-2024).

116 Panageas, S. & Tinios, P. (2017). Pensions: Arresting a Race to the Bottom, in C. Meghir *et al.* (Eds.), Beyond Austerity: Reforming the Greek Economy, Massachussets: The Massachusetts Institute of Technology, 489.

117 Permalink ELI: https://www.boe.es/eli/es/l/2007/12/07/41/con. See Simón Moreno, H. (2018). *La optimización de la hipoteca inversa desde la perspectiva europea y norteamericana*. Valencia: Tirant lo Blanch, 285 ff.

118 Decree law no. 44 of 2 April 2015, further developed by Decree 22 December 2015. Available at http://www.gazzettaufficiale.it/eli/gu/2016/02/16/38/sg/pdf (accessed 1-6-2024).

mortgages. The potential use of ERS in Southern European countries is in line with studies that show that ERS could work in countries where public or private pensions are insufficient (in order to prevent the individual from falling into poverty) and the real estate market is more liberalized (commodified, e.g. the tenant is less protected), such as Spain, Portugal, Italy and Greece[119]. From the long-term care expenditure point of view (low in southern European countries, which must rely on their children and their assets), its public coverage appears implicitly in this analysis as individuals incorporate public policies when taking economic decisions[120].

However, the question to be answered then is whether housing assets should be considered a pillar or a complement of the pension system or a cornerstone of the welfare state[121] considering the decrease of homeownership among young people. Furthermore, the implementation of ERS face a number of problems of different nature, such a contract costs of the product, the disinformation and the perceptions -often wrong- that the elderly have about this mortgage product, the risks lenders face (e.g. the possibility of negative equity, etc.), the economic cycle and the psychological or sociological aspects, such as the will to bequeath housing to children[122].

THE SPANISH HOUSING ACT: A MISSED OPPORTUNITY

Due to the scarcity of affordable housing and the inability of public authorities to manage and provide enough social housing in Spain, some Autonomous Communities, on the basis of the competence they have to regulate town and country planning and housing established in Art. 148.1.3 CE, have

119 Delfani, N., De Deken, J. & Dewilde, C. (2014). Home-Ownership and Pensions: Negative Correlation, but No Trade-off. *Housing Studies*, 29:5, 659 ff. In Germany, for instance, the market itself would probably be quite small due to the wealth situation, among other factors. See Bartsch et al. (2021). Is there a need for reverse mortgages in Germany? Empirical evidence and policy implications. *EconPol Policy Report*, 31, ifo Institute - Leibniz Institute for Economic Research at the University of Munich, Munich. Available at: https://www.econstor.eu/bitstream/10419/236738/1/1765205522.pdf (accessed 1-6-2024).

120 See Bonnet, C., Juin, S. & Laferrère, A. (2017). *Financing long-term care through housing in Europe*. Ined. Documents de Travail, 233, 26. Available at: https://www.ined.fr/fichier/s_rubrique/26740/document_travail_2017_233_long.term.care_reverse.mortgage.fr.pdf (accessed 1-6-2024).

121 Elsinga, M. & Hoekstra, J. (2015).

122 See Simón Moreno, H. (2019). The regulation of reverse mortgages as a source of income in retirement: policy options and legal drivers. *Journal of Housing and the Built Environment*, 24:4, 1005 ff. A series of market failures on the supply side, such as adverse selection, moral hazard, and the costly regulation established to address these problems, are pointed out by Knaack, P. Miller, M. & Stewart, F. (January 2020). Reverse Mortgages, Financial Inclusion, and Economic Development Potential Benefit and Risks. *Policy Research Working Paper* 9134, World bank Group. Available at: https://documents1.worldbank.org/curated/ar/158231580411007157/pdf/Reverse-Mortgages-Financial-Inclusion-and-Economic-Development-Potential-Benefit-and-Risks.pdf (accessed 1-6-2024).

implemented both soft measures to increase the social housing stock (for instance a legal right of pre-emption granted to the Public Administration in case a dwelling is transferred to a third party after being acquired by the seller as a result of a mortgage enforcement proceeding[123]) as well as hard and intrusive interventions, such as the expropriation of the dwelling in cases where the social function of the property is not being fulfilled according to art. 33.2 CE (for example when it remains empty without just cause for a period of six or two years, depending on the Autonomous Community[124]) or the duty of large landlords (*e.g.* banks or individuals holding more than 15 properties), before initiating any mortgage enforcement procedure or eviction proceeding for non-payment of rent, to offer lessees facing eviction in Catalonia (if the family is at risk of residential exclusion) a rent below market price to remain in the dwelling (art. 5 of Catalan Act 24/2015, of 29 July[125]). As a result, the obligation to provide citizens with decent and adequate housing (art. 47 CE) has been progressively delegated to private owners by public authorities based on the social function of property (art. 33.2 CE), which, couple with the right to decent and adequate housing, has been the basis for the configuration of a statutory conception of this right focused on primary residences by Spanish Autonomous Communities. These measures, of an administrative nature, have been deemed to be in accordance with the CE by the Spanish Constitutional Court, which has applied the relative conception of the essential content, which is foreseen in art. 53.1 CE [126]. The Constitutional Court has included the social function of the property within the intrinsic content of right to private property and has prioritized its institutional aspect in connection with the right to housing, delegating its individual and economic aspect to a secondary role. A clear

123 Catalan Decree-law 1/2015, of 24 March. Permalink ELI: https://www.boe.es/eli/es-ct/dl/2015/03/24/1/con.

124 According to on the Population and Housing Census of 2021 carried out by the INE, there were 3,837,328 of empty dwellings (14%) of the total (26,623,708). The study used more objective information and data than the previous Census of 2011, such as electricity consumption (available at: https://www.ine.es/prensa/censo_2021_jun.pdf). For instance, the expropriation is foreseen in the Catalan Act 4/2016, of 23 December (Permalink ELI: https://www.boe.es/eli/es-ct/l/2016/12/23/4/con). However, it remains to be seen the effectiveness of the theses measures to increase the social housing stock. Furthermore, art. 5 of Catalan Act 24/2015, of 29 July (Permalink ELI: https://www.boe.es/eli/es-ct/l/2015/07/29/24/con), establishes that large landlords (for example banks or individuals holding more than 15 properties), before initiating any mortgage enforcement procedure or eviction proceeding for non-payment of rent, must offer lessees facing eviction (if the family is at risk of residential exclusion) a rent below market price to remain in the dwelling, which can last up to seven years (after the amendment enacted by Decree-law 17/2019).

125 Permalink ELI: https://www.boe.es/eli/es-ct/l/2015/07/29/24/con.

126 “The rights and liberties recognised in Chapter Two of the present Title are binding for all public authorities. The exercise of such rights and liberties, which shall be protected in accordance with the provisions of Article 161, 1a), may be regulated only by law which shall, in any case, respect their essential content”.

example was the judgement 89/1994[127], which considered that the Urban Leases Act of 1964, which regulated tenancy contracts for an indefinite period time subjected to a freeze of rents, did not go against art. 53.1 CE despite the low profitability for landlords, which eventually discouraged the supply of rental housing at that time. Other judgements from TC related to expropriation of empty dwellings are judgements 16/2018, of 22 February[128] and 32/2018, of 12 April[129].

The latest development has been the Spanish Act 12/2023, of 24 May, on the right to housing[130], which offers common definitions for the whole housing system (*e.g.* on social and affordable housing, art. 3), establishes the rights and duties of citizens towards housing (arts. 8 and 9), outlines broad principles on non-discriminatory urban rehabilitation, regeneration and renewal (arts. 12 and 13), implements new types of social housing (art. 17), regulates the so-called "stressed residential market areas" (*e.g.* when the average burden of the cost of the mortgage or rent on the household unit budget, plus basic expenses and supplies, exceeds thirty percent of the average household income, art. 18,) and promotes collaboration between public administrations in housing matters (art. 20) and consumer protection, *e.g.* by implementing transparency measures in the purchase and rental of homes (art. 31). Beyond the mere declarations of intent[131], two measures of the Act 12/2023 may be highlighted:

a) In order make housing more affordable, the Act 12/2023 amended the LAU allowing Autonomous Communities to implement a hard rent control system, so when the landlord is a large homeowner (meaning that they own more than ten properties), the rent agreed upon at the beginning of a new lease contract may not exceed of the maximum price limit applicable according to the reference price index system (art. 17.7 LAU) if the dwelling is located in stressed residential market areas. Furthermore, the rent agreed upon at the beginning of a new contract may not exceed the rent of the last tenancy contract that had been in force in the last five years in the same dwelling, regardless of who is the landlord (legal or natural person), insofar as the dwelling is in stressed residential market areas.

A similar rent control system was implemented before in Catalonia through Act 11/2020, which was rendered unconstitutional by judgement TC 37/2022, of 10 March, due to competence issues. The negative effects on the private rental market of this measure (e.g. reduction in the number of available

127 BOE, 89, 14-4-1994.

128 BOE, 72, 23-3-2018.

129 BOE, 124, 22-5-2018.

130 Permalink ELI: https://www.boe.es/eli/es/l/2023/05/24/12/con. More details at Simón Moreno, H. (2023). La evolución constitucional de la función social de la propiedad y el nuevo régimen del derecho de propiedad sobre una vivienda en la Ley por el derecho a la vivienda. *Derecho Privado y Constitución*, 42, 139-177.

131 See Argelich Comelles. C. (2024). *Ley por el derecho a la Vivienda*, 2nd ed. Cizur Menor (Navarra), Aranzadi.

dwellings for rent or the exclusion of the private rental market of the less well-off tenants) was pointed out on the basis of the empirical evidence of the effectiveness of (hard) rent control systems in other cities[132], which was also reflected empirically in Catalonia[133]. Based on the Spanish Act 12/2023, the rent control system is in force again in Catalonia since 14 March 2024[134], and it is applied to large homeowners that own more than five properties[135]; so far, Catalonia is the only Autonomous Community that have implemented this system.

b) Another remarkable measure is Art. 10.1.a) Act 12/2013, enacted under the competence the state has to legislate on civil law matters (art. 149.1.8 CE), not on the competence on housing (as has been usually the case, *e.g.* regarding empty dwellings, see above), which stipulates that the ownership of a dwelling comprises the powers of use, enjoyment and disposition of the same in accordance with its classification, state and objective characteristics, in accordance with the legislation on housing and other legislation that may be applicable, *e.g.* the laws implemented by Autonomous Communities. In practice this means the implementation of a special property regime specifically for primary residences outside the general regime of the right of ownership of the Spanish Civil Code (art. 348), that is now under state supervision[136].

Recent reports suggest that due to the Law 12/2023, there are 40,000 fewer apartments for rent in Spain with the forecast that, throughout this year, another 60,000 more homes will disappear from the private rental market[137].

132 Nasarre Aznar S. (28 October 2020). El control de la renta de los arrendamientos urbanos de vivienda en Cataluña: el riesgo de excluir a los ya excluidos. *Hay Derecho*. Available at: https://www.hayderecho.com/2020/10/28/control-renta-arrendamientos-urbanos-vivienda-cataluna-riesgo-excluir/. See the recent work of Kholodilin, K. (2024). Rent control effects through the lens of empirical research: An almost complete review of the literature. *Journal of Housing Economics Volume*, 63. Available at: https://www.sciencedirect.com/science/article/pii/S1051137724000020.

133 Kholodilin, K. et al. (July 2022). Lessons from aborted Second-Generation Rent Control in Catalonia. *DIW Berlin Discussion Paper No. 2008*, Available at SSRN: https://ssrn.com/abstract=4159469; and García Montalvo, J. & Monras, J., Raya, J. M. (February 2023). *Los efectos de la limitación de precios de los alquileres en Cataluña*, *EsadeEcPol Insight #44*. Available at: https://www.esade.edu/ecpol/es/publicaciones/los-efectos-de-la-limitacion-de-precios-de-los-alquileres-en-cataluna/.

134 See the Catalan Government resolution at: https://dogc.gencat.cat/ca/document-del-dogc/?documentId=980806.

135 It should be taken into account that the concept of "large homeowners" is not foreseen in the Spanish Constitution, so it is an invention of the legislator, first adopted by *Royal Decree*-Law *11/2020, of 31 March*, adopting supplementary urgent social and economic measures to deal with COVID-19 (Permalink ELI: https://www.boe.es/eli/es/rdl/2020/03/31/11/con), later maintained by Law 12/2023. The judgement TC 16/2018 held that there is justification for legal entities owning empty dwellings to be treated differently than natural persons by law.

136 Simón Moreno, H., cit. See also Nasarre Aznar, S. (2 May 2024). El progresivo debilitamiento de la propiedad privada de la vivienda: la regulación catalana del contrato de arrendamiento de temporada y por habitaciones. *Hay Derecho*. Available at: https://www.hayderecho.com/2024/05/02/vivienda-progresivo-debilitamiento/.

137 Source: https://www.economistjurist.es/actualidad-juridica/el-constitucional-avala-el-articulado-de-la-ley-de-vivienda-pese-a-las-graves-carencias-que-demuestra-en-su-primer-ano-de-vida/.

As it may be seen, Law 12/2023 has not implemented any structural measure to fill the existing gaps in the implementation of the right to housing in Spain regarding territorial cohesion or functional housing tenures, and the social function of the property, coupled with the right to housing, has been used at statal or regional level to progressively implement intrusive measures on the right to private property on primary residences.

CONCLUSIONS

I. From the right to housing and territorial cohesion perspective, the recovery of the model of compact city in Spain, as suggested by the Report "España 2050", is in line of the New Urban Agenda (Habitat III) and the 2030 Agenda on the Scope of Sustainable Development Goals. However, this goal goes against the wish expressed by some cities, like Barcelona, to an increase in urbanization and densification, which is not in line with equal opportunities and re-rulalization. The success of urban compactness will be largely determined by a number of factors, such as the availability of quality and affordable housing or the diversification of housing tenures to achieve a social balance.

II. Homelessness is a complex issue that is on the rise in nearly all EU Member States, even though the diverse methodologies and sources used in each country hinders the possibility to offer comparable European data on homelessness (complete data on the phenomenon also lacks at a Spanish national level). Available numbers only reveal the tip of a much bigger phenomenon. A lot of hidden homelessness situations, which are much more difficult to identify, are the result of an unstoppable global urbanisation process (jointly with a lack of territorial cohesion, lack of affordable and social housing and a job insecurity and unemployment situation). Covid-19 revealed, on the one hand, the special vulnerability of homeless people and the importance of housing to fulfil other fundamental rights, such as security and health and, on the other hand, the need for comprehensive policies and measures, involving a network of entities, to tackle a complex issue such as homelessness. In that sense, public policies should not only rely on reactive measures, but also focus on structural and treatment measures, such as creating a continuum of housing tenures and increasing the social housing stock, among others.

III. The suggestion of the Report "España 2050" to implement in Spain the Catalan intermediate tenures and the promotion of cohousing cooperatives is in line with the aim of achieving a proper *continuum* of functional housing tenures that should range across the spectrum from public housing (fostering public-private partnerships), different types of private leases for, on the one hand, young people and professionals who need high mobility and, on the other, for households that wish to live in a stable tenure, intermediate tenures (shared ownership and temporary ownership, currently only present in Catalonia, and housing cooperatives) to full ownership. A wider variety of functional housing tenures would create a spectrum that guarantees more affordable housing for every type of household, e.g. young people and the less affluent, which would be less dependent on financial markets and would require less intrusive intervention of the public administration.

IV. Even though numbers are uncertain, social rental housing sector in Spain is currently scarce and that is why one of the goals of the Report "España 2050" is to increase the share of public and social housing. However, to efficiently manage a numerous stock that is also expected to be increasingly complex, there is the need to adopt a functional and common legal framework on social housing management, which is non-existent today (12/2023 Spanish Housing Act has missed the opportunity to provide it). Only then will it be possible to foster the creation and improvement and help emerging management models in the country, such as public-private collaborations or partnerships (fostered also in the report "España 2050") or housing-association-like institutions. All that, considering management models that have been successfully managing large social housing stocks for decades and that will also be capable of responding to the new sociodemographic, environmental and technological challenges.

V. From the housing as an asset perspective, the question that remains open is to what extent, if any, should housing assets be considered a pillar of the pension system or a cornerstone of the welfare state in a context where the public pensions are not likely to guarantee the same standard of living that citizens enjoyed before retirement. The current evolution of homeownership would imply the exclusion of several segments of the population, such as young people.

VI. The measures gathered at the Report "España 2050" are based on solid and up-to-date scientific evidence through the participation of a hundred of recognised researchers from diverse academic disciplines and institutions, and may inspire housing policies from other countries, for instance the Southern European, from a human right and access to housing, management and organization of housing and housing as a financial asset perspective. Unfortunately, the Spanish Act 12/2023, of 24 May, on the right to housing, has not implemented any structural measure to fill the existing gaps in the implementation of the right to housing in Spain.

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CHAPTER 5

HOUSING POVERTY IN JAPAN: CHANGES IN LIVING INFRASTRUCTURE AND EXCLUSION FROM HOUSING

Yoshihiro Okamoto

ABSTRACT

The purpose of this chapter is to clarify the mechanism of its emergence and to mention countermeasures for the problem of residential distress that has become apparent in Japan since the1990s. Section 1 shows that not a few people lose stable housing and are in difficulty in securing housing. Section 2 reviews the mechanism of post-war Japan, which has improved the level of residence, and confirms the fact that most of them are no longer functioning today. Since the collapse of the bubble economy, the spreading of dispatched temporary workers and unstable economic trends have made it difficult to get stable housing. In addition, the aging of the population and the frequent occurrence of severe disasters are spurring it. Section 3 clarifies the factors of the resident in need by analysing the records of telephone consultations. It is shown that various factors gradually impoverish the residence. Section 4 analyses the relationship between residential distress and life stages. Section 5 clarifies the process of creating residential distress based on the interviews of each person. Section 6 clarifies the role of the landlord and landlady in the prevention and measures of the residence poverty. The activities and perceptions of the landlord and landlady are analysed from the viewpoint of developing solutions to the present residential distress.

Catchwords/Stemming (tags): I think the relationship between the society and the housing is the most important viewpoint. So it clarifies how the society forms the housing.

INTRODUCTION

This chapter takes up the housing poverty in Japan, which achieved rapid economic growth after World War II and has achieved an improvement in housing situation. Economic growth has enabled housing construction and higher levels of housing situation, and housing construction has created a desirable economic cycle that encourages economic growth. However, since the 1990s, the desirable cycle has not worked, and socio-economic changes have placed a heavy burden on people. There is a way of thinking that it expects a desirable cycle of economic growth and housing construction, but it is required the discussion based on the pathway of housing poverty in Japan. To contribute to the establishment of appropriate housing policies, I would like to confirm the pathway of housing poverty in Japan.

2021 marks the second year of the Covid-19, and it will be time to grasp the state of corona disasters and prepare responses to them. However, the situation in Japanese society based on »the working independence« is still uncertain. The rapid economic growth since the 1960s has established the idea that the fruit of employment improve people's lives and improve housing situation. It was linked to the idea of »the working independence« of improving the housing situation with the fruits of working. In the era of low and unstable economic growth since the oil crisis in the early 1970s, a new way of thinking should have been born to replace »the independence in employment«, but after the bubble economy with 1990 as the climax, Japanese society is based on that way of thinking. It has been thought that it is basic to support the housing by the fruits of employment. To support the lives of employees, companies have guaranteed »lifetime employment« and »seniority wages«, and have provided corporate welfare such as company housing, dormitories, and housing expenses allowances. Families, relatives, and neighbourhoods had established in-formal mutual aid that supported each other in times of difficulties. The government has provided social securities for people who do not have corporate well-being or informal mutual help.

This chapter will consider the pathway for housing poverty to look back on the 30 years of the bursting of the bubble economy and the full-fledged progress of the global economy since 1990. Living in Japan has been supported by the three pillars of companies, relatives, and governments. Since the 1990s, it has become apparent that the three pillars do not work for living. As the global economy progressed, cost reductions for firms have reduced wages and reduced corporate benefits. Migration throughout the period of rapid economic growth has led to a shrinking household and weakening of local communities. In addition, the increase in medical care and welfare services due to the aging of the population and the increase in debt due to the implementation of public works in the recession have brought the restriction of budget to central government and municipalities. It has become clear that it was not possible to defend »the right to housing« by the principle of a Japanese society, which is that »it is not possible to live for the person who does not work« and »the housing is the fruit of working«. By introducing the outline of this chapter, it confirms the functional disorders in various aspects that support the housing in Japanese society. First, disasters, including corona disasters that threaten housing are occurring frequently. Second, unstable employment has spread, and households are not able to support their housing. Third, changes in population structure and social relations, such as longer life, the increase in the number of single-person households, and an increase in the number of foreign national populations. Four, the exclusion from housing. Five, social mechanisms and policies that hinder the realization of appropriate housing. Six, the community and the policy which excludes from the housing. As a result, people are unable to live in the right place of residence for a person. Housing poverty measures are also being developed, but various factors are congested in the process to lead to housing poverty, the principle of »the working independence« cannot help those in need of housing.

SECTION 1. LIVING CAPITAL - STRUCTURE AND CONDITIONS THAT SUPPORT DAILY LIFE

Before considering changes in the conditions surrounding housing that cause unstable housing, it will define the concept of »living capital«, which means the mechanism and conditions that support living.

«Living capital», which is a mechanism and condition for realizing life, is indispensable for people's lives. It begins with securing a place where a person is guaranteed. The place is »decent housing« which protects people's life and health. A space where decent housing can be realized must be acquired and maintained at the reasonable economic burden. It is also important to use the resources that support the lives which everyone needs at various life stages. Proper housing requires resources and conditions appropriate for life events such as age, school attendance, employment, marriage, childbirth, child growth, transfer, and retirement. In addition, as everyone's health, economic condition, housing, socio-economic conditions, and so on are always changing, the appropriate relationship between life and each resource and function adjustments are necessary. Therefore, it is also essential to participate in the process of formation of a »living environment«.

With the above-mentioned construction of »living capital« in mind, it will confirm the change in the living infrastructure which is difficult to construct and maintain »living capital«.

SECTION 2. FREQUENT DISASTERS AND LOSS OF HOUSING

Disasters deprive people of their »foundation of living« in an instant. The main disasters in recent years shown in Table 1 which shows how severe disasters have increased. It is said that the Great Hanshin-Awaji Earthquake of 1995 was the beginning of the series of disasters, but it makes clear the disparities and issues that had been hidden. More than 5,000 people died in the collapse of houses in an instant, because of the Great Hanshin-Awaji Earthquake that occurred in the early morning. After that, many victims died in evacuation centers, temporary housing, reconstruction housing, and along the process of restoration and reconstruction. In addition, 20 years after their living in residence, some of them ware forced evictions from »deemed reconstruction housing«. There was no consideration for each person's life and the housing. And then earthquakes occurred one after another, including the Western Tottori Earthquake in 2000, the Geiyo Earthquake in 2001, the Northern Miyagi Earthquake in 2003, and the Tokachi-Oki Earthquake. In the Niigata Chuetsu Earthquake in 2004, all residents in Yamakoshi village were evacuated. The 2011 Off the Pacific Coast of Tohoku Earthquake caused a huge tsunami. In the Kumamoto earthquake in 2016, the main shake of seismic intensity 7 occurred after strong earthquake.

Evacuation was extremely difficult, and related deaths exceeded the victims of the earthquake. With the earthquake, disasters have been varied by region, bringing new challenges in each, and urging us to respond to them.

Disasters occur not only in earthquakes, but also in a series of volcanic eruptions, heavy rains, floods, typhoons, heavy snowfalls, intense heat, and the current corona disasters. We are striving to overcome the challenges we face, but what has exposed to us is the fact that we have not inherited our experience. For example, it is difficult to expand the support for rebuilding people's lives carried out in the Tottori Prefecture Central Earth-quake. It was said that evacuations were carried out by region based on the experience of the Great Hanshin-Awaji Earthquake in the Chuetsu Earthquake, but it was the result of the late Mayor Nagashima responding obediently to the voices of the residents affected by the disaster. As mentioned before, the issue of related deaths in evacuation centers and temporary housing has also been highlighted by the Kumamoto earthquake. It has become a problem that past disaster experiences have not been inherited from this time. In the landslide disaster in the Izusan area of Atami City that occurred in July 2021, evacuation in hotels was carried out due to the topographic problem in the disaster area called steep slope. Until now, it has been pointed out that the poor environment of evacuation centers in gymnasiums and auditoriums, and the evacuation to facilities such as public centers, welfare facilities, inns, hotels, passenger ships, and so on has been advocated. In addition, supporters understood »Humanitarian Charter and Minimum Standards in Humanitarian Response« for international evacuation centers. The environmental quality for evacuees in shelters has been improved due to the COVID-19 and the topography.

Speaking of disasters, a loss of housing has come to be imagined, but there is no need to evacuate, large-scale repairs do not have to be made, but there are also disaster conditions that cause inconvenience in daily life. The system for realizing and maintaining housing in Japan is based on the «fruit of working». Therefore, the victims will not be able to receive support from the government unless there is a large-scale and severe damage. As a result, there are many people who live in inconvenient with minor damage such as the Northern Osaka earthquake brought. If the landlord has no economic power to repair the rented houses, the residents should be compelled to live an uneasy life.

Moreover, people who were unable to work due to corona disasters and whose incomes decreased or lost have increased. Many people who barely maintained housing in financial poverty lost their accommodations. Disasters have widened household disparities through the disaster and the process of restoration and reconstruction, drives people who cannot rebuild their homes into housing poverty (Shiozaki, 2014).

Table 1. Major disasters in recent years

2000.03.31	Eruption of Mt. Usu
2000.06.26	Miyakejima eruption
2000.09.11-12.	Typhoon No. 14 (Tokai Heavy Rain)
2000.10.06	Western Tottori Earthquake
2001.03.24	Geiyo Earthquake
2003.07.26	Miyagi Northern Earthquake
2003.09.26.	Tokachi-oki Earthquake
2004	Typhoons 16, 18 and 23
2004.10.23.	Niigata Chuetsu Earthquake
2005.03.20.	Fukuoka Prefecture West Coast Earthquake
2005.09.05-08.	Typhoon NO.14
2005.11.2006.02.	Heavy snowfall
2007.03.25.	Noto Peninsula Earthquake
2007.07.16.	Niigata Chuetsu-Oki Earthquake
2008.05.08.	Ibaraki Earthquake
2008.06.14.	Iwate-Miyagi Naiku Earthquake
2008.07.24.	Iwate Coastal Northern Earthquake
2009.08.11.	Suruga Bay Earthquake
2011.1.	Eruption of Mt. Shinmoedake
2011.03.11.	Tohoku Earthquake
2011.03.12.	Northern Nagano Earthquake (Sakaemura Earthquake)
2011.04.11.	Fukushima Hama-dori Earthquake
2011	Typhoon No. 12 Torrential Rains on the Kii Peninsula
2013	Intense Heat
2013	Typhoon 26 Izu Oshima Debris Flow
2014	Heavy Snowfall
2014.08.	Landslide disaster in Hiroshima City due to heavy rains
2014.09.	Eruption of Mt. Ontake
2016.04.	Kumamoto Earthquake
2016.04.	Oita Chubu Earthquake
2016	Typhoons 7, 11, 9 and 10 + Front Heavy Rain in Hokkaido
2017.07.	Heavy rains in northern Kyushu in July
2018.06.	Northern Osaka Earthquake
2018.07.	Heavy rains in July
2018	Extreme Heat Typhoon No.21 (Kanku inundation, connecting bridge collision)
2018.09.	Hokkaido Eastern Iburi Earthquake, Blackout
2019.08.	Heavy Rains in Northern Kyushu
2019.09.	Strongest force at the time of typhoon No. 15 kanto

2019.09.	Typhoon NO. 19 Heavy rains in Kanto-Koshin region and Tohoku
2020.07.	Heavy rains in July 2020 (central Kumamoto)
2021.02.	Fukushima-oki Earthquake
2021.07.	Landslide in Izusan District, Atami City, Shizuoka Prefecture

Source: Created from www.7mate.jp/saigai/ (view October 2021).

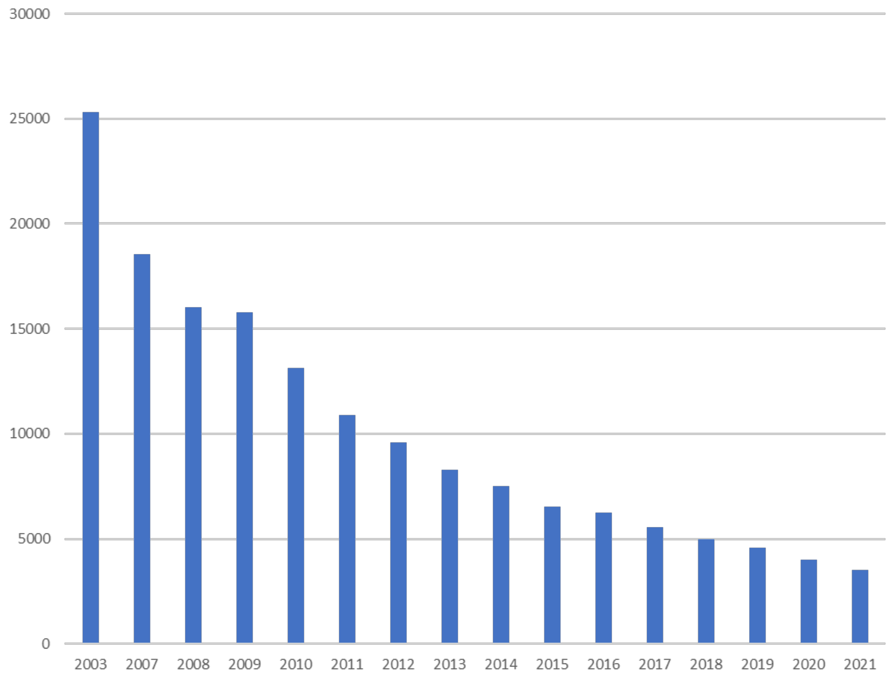
SECTION 3. ECONOMIC POVERTY AND HOUSING EXCLUSION

Changes in work patterns, decreasing of incomes, and decreasing of low rent housing are factors contributing to the housing poverty. A stable income is necessary to secure an accommodation. However, more and more people are not able to earn a stable income. The homelessness is prime example of economic poverty, and many of them experience construction day labour. »Economic poverty« can bring about rough sleeping, which is the most severe exclusion from the housing (Fig.1, Table 2). Rough sleepers in Japan can be roughly divided into two groups. One is day labourers who relied on the open-air labour market, which is said to be »Yoseba« established in several large cities. The other is middle-aged or young workers who were laid off by enterprises to survive the bursting of the bubble economy and the global economy. The former is forced to sleep rough because of relative high wages and aging, so it is not possible to obtain employment in Yoseba. The latter is a worker who is not employed because the employment burden of the enterprise becomes too large in the life employment and seniority wage. Until the 2008 financial crisis, young people were able to work as low-wage workers such as part-time workers. The rapid economic downturn after the 2008 financial crisis also made it difficult for young people to work. Many young people in need continue to avoid rough sleeping by traveling around internet cafes, manga cafes, and 24-hour stores, and have not been grasped the whole picture.

Japan's official definition of homelessness (»Act on Special Measures concerning Support for Homelessness«) is narrow, referring to those who live in parks, streets, stations, and so on, but has consistently declined since peaking in 2003. From 2008 to 2009, the number of dispatched workers who were suddenly dismissed due to the 2008 financial crisis increased rapidly, losing work and housing at the same time, and lost track. »New Year's Dispatch Village« to support such workers was set up in front of the Ministry of Health, Labour and Welfare, and the support for workers who lost their whereabouts was appealed. As a result, the operational barriers to the application of welfare were lowered, and the welfare recipients of rough sleepers increased.

Here's how homeless people have visualized since the 1990s in Japan.

Figure 1. Changes in the Number of Rough Sleepers



Source: Ministry of Health, Labour and Welfare, Survey of approximate number of homeless persons.

Japan's economy has grown consistently since the Korean War in 1950 until the oil crisis of the 1970s. As a result, the standard of living of the people rose, and the number of people who were not able to secure the dwelling because of poverty decreased. Against the background of the improvement in the economy and living standards, the government's support for the poor has also decreased slightly. The place as the blue-sky labour market in metropolitan only played a role as the adjustment valve of economy. Day la-borers stay at the cheap lodging house around Yoseba when they obtained the income by the employment, and slept rough around Yoseba for the next work if there was no work. For a long time, rough sleepers (homelessness) were almost limited at Yoseba, and they rarely attracted the attention of the general public in Japan.

Since the first oil crisis in 1973, Japan's economic growth has become uncertain and the number of poor people with rough sleep has gradually increased, but in the latter half of the 1980s, a large amount of funds concentrated in Tokyo on the back of monetary policy against the strong yen recession and Tokyo's position as an international financial market, and so-called bubble economy occurred. This economic phenomenon has once again raised the

Japanese economy. The extraordinary boom in the bubble economy has also reduced the number of rough sleepers.

Table 2. Changes in the Number of Rough Sleepers

Survey year	man	woman	unknown	total	Change	rate of change
2021	3 510	197	117	3 824	**▲168**	(▲4.2%)
2020	3 688	168	136	3 992	**▲563**	(▲12.4%)
2019	4 253	171	131	4 555	**▲422**	(▲8.5%)
2018	4 607	177	193	4 977	**▲557**	(▲10.1%)
2017	5 168	196	170	5 534	**▲701**	(▲11.2%)
2016	5 821	210	204	6 235	**▲306**	(▲14.7%)
2015	6 040	206	295	6 541	**▲ 967**	(▲12.9%)
2014	6 929	266	313	7 508	**▲ 757**	(▲ 9.2%)
2013	7 671	254	340	8 265	**▲ 1,311**	(▲13.7%)
2012	8 933	304	339	9 576	**▲ 1,314**	(▲12.1 %)
2011	10 209	315	366	10 890	**▲ 2,234**	(▲17.0%)
2010	12 253	384	487	13 124	**▲ 2,635**	(▲16.7%)
2009	14 554	495	710	15 759	**▲ 259**	(▲1.6%)
2008	14 707	531	780	16 018	**▲ 2,546**	(▲13.7%)
2007	16 828	616	1 120	18 564	**▲ 6,732**	(▲26.6%)
2003	20 661	749	3 886	25 296	1 206	
2001	—	—	—	24 090		
out/99	—	—	—	20 451		
mar/99	—	—	—	16 247		

Source: Ministry of Health, Labour and Welfare, «National Survey on the Actual Situation of Homelessness (Approximate Survey)».

Since the cardboard house in the underpass at the west exit of Shinjuku Station in 1990, the problem of homelessness has become a social problem and has become serious. The reason why the number of rough sleepers living in parks and streets in large cities in Japan increased visibly was as follows.

In the 1990s, the collapse of the bubble economy was revealed, but the government's stimulus measures brought many workers in the construction industry. However, with no signs of economic recovery, the recession has worsened, especially since the Great Hanshin-Awaji Earthquake of 1995, and corporate bankruptcies and unemployment have increased. Public investment has also declined, and progress in the global economy has forced companies to cut costs. The Asian economic crisis of 1997 also had a significant impact. Because of the necessity of reducing labour costs, companies avoided recruiting at Yoseba, and many workers who had relied on Yoseba could not work. Many workers continued sleeping rough. The rough sleepers who exceeded the capacity of

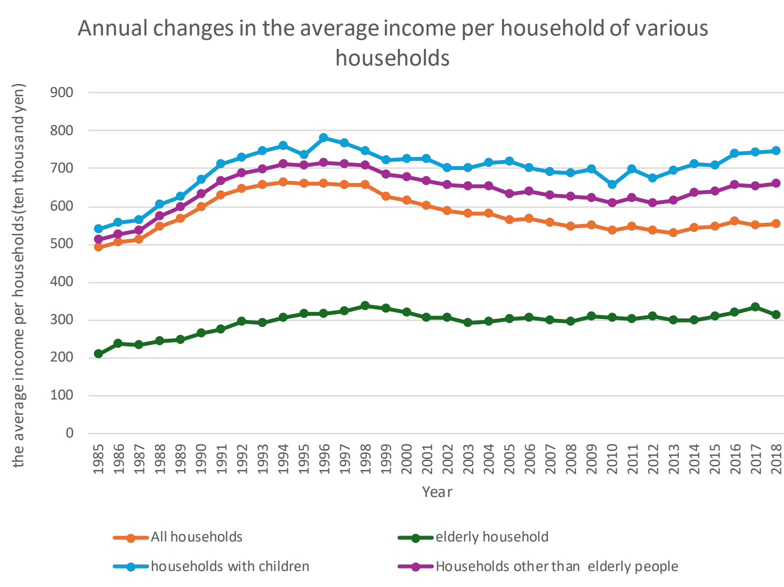
Yoseba over-flowed to the surrounding parks and streets. And rough sleeping came to be seen in the public. In addition, the reduction of labour costs was not limited to companies that rely on Yoseba, but many companies' restructured (dismissed) middle-aged and elderly employees, and people who did not know Yoseba lost their jobs and became rough sleepers. These people slept rough at parks in the city centre where were visible, and it was noticed «Homeless with a tie».

In the early 1990s, young people who were useful as low-wage workers were stocked in the labour market as temporary workers and part-time workers after a decade of new graduate employment ice age, and became people who stay at internet cafes, manga cafes, and 24-hour chain stores in the 2000s.
The »homelessness problem« has made it known that there is a strict framework in Ja-pan that cannot bear the cost of maintaining an accommodation without a stable income and cannot stay in the building. When you have become a rough sleeper, the income is unstable. If you have gotten the money by working, you can only stay at an internet café, a manga café and so on. Next, let's check the decline in income and unstable employment patterns.

The Japanese government has set the goal of «making Japan the easiest country in the world for companies to operate» and the internal reserves of companies have increased (Yamaya, 2019). As Fig. 2 shows, the average income of households decreased moderately, peaking from around 1994 to 1998. According to the Comprehensive Survey of Living Condition, the average household income peaked at 6.642 million yen in 1994 and de-creased to 5.289 million yen in 2013. The average income in 2018 rose slightly to 5.523 million yen. In 2018, the household distribution of income was «2 million to less than 3 million yen» (13.6%), «1 million to less than 2million yen» (12.6%), and «3 million to less than 4 million yen» (12.8%). The median price is 4.37 million yen, and the average income amount (5,523,000 yen) or less is 61.1%, and many low-income households are. The aging of the population has been pointed out as a factor in income decline, but households other than the elderly have shown a similar trend.

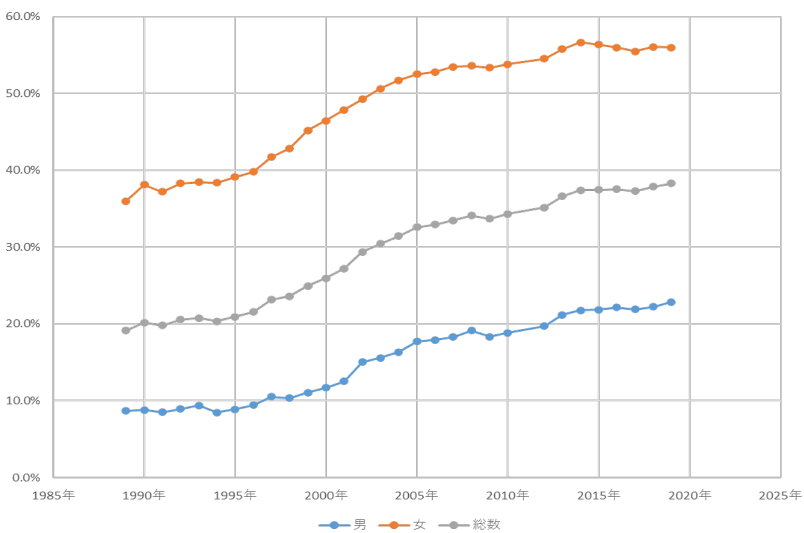
The decline in average income is thought to have been caused by an increase in un-employment and changes in the form of work. Long-term time series data from the Labour Force Survey shows that the lowest unemployment rate was 1.1% in 1964 and in 1969-1970, the highest unemployment rate was 5.7% in 2009-2010. The high unemployment rate indicates a deterioration in the employment situation since the first half of the 1990s. In particular, the unemployment rate among 15- to 19-year-olds was high and was 9.6- 9.8% due to the 2008 financial crisis. The high unemployment rate among young people indicates that it is difficult for Japanese society, which has improved the level of residence on the premise of »lifetime employment« and »seniority wages«, to secure an appropriate level of residence in the future.

Figure 2. Annual changes in the average income per household of various households



Source: Ministry of Health, Labour and Welfare, Comprehensive Survey of Living Conditions 2019.

Figure 3. Changes in the Ratio of Non-Regular Workers



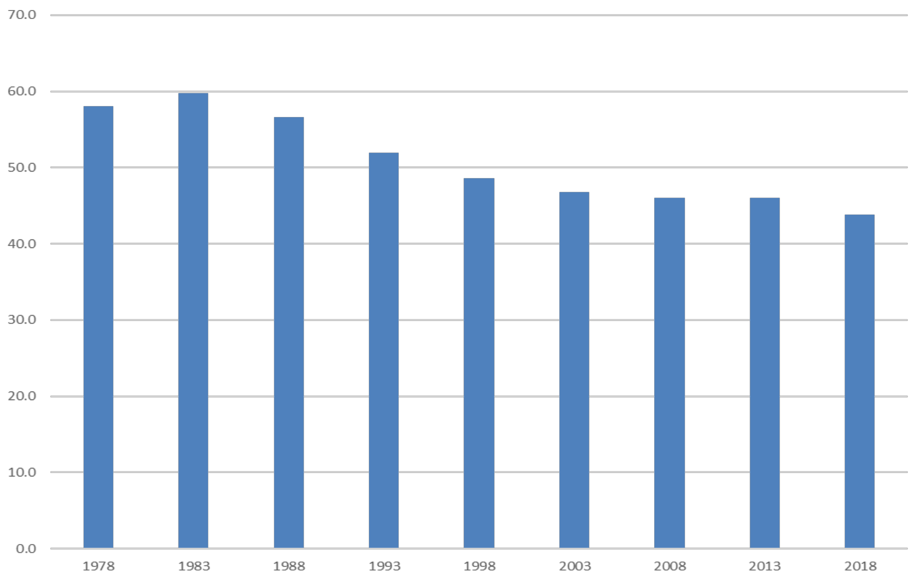
Source: Ministry of Health, Labour and Welfare, White Paper on Health, Labour and Welfare 2020.

A major cause of this condition is the increase of non-regular employees. The change in the form of employment is seen by the composition ratio of the position in the employment. In the 2017 Basic Survey on Employment Structure (2017), the ratio of non-regular employee workers was calculated 36.0% in 2017. Non-regular employee workers mean part-time worker, temporary staffs, contract employees, part-time employees, and others. Fig. 3 shows the changes in the ratio of non-regular workers by white papers of Ministry of Health, Labour, and Welfare. It is easy to infer that the deterioration of the employment situation and the destabilization of the employment form have a significant influence on the income decline. The government says it is the result of workers choosing a variety of work styles, behind this revision of the Worker Dispatching Act. There are few problems when workers with advanced and special skills, they travel around the companies with their skills. When the scope of dispatched labour is generalized, problems are likely to arise. Companies will decide the production according to the economy and demand, and the number of temporary workers to be employed accordingly. And if the Great Recession, like the 2008 financial crisis of 2008-2009, happens, many dispatched workers will easily lose their jobs. If there is insufficient security for low-income and incomeless people to live, such as in Japan, companies are more likely to provide an accommodation for recruitment. Workers who are difficult to acquire and maintain housing are easy to choose jobs that are set of an accommodation and work, and unstable housing becomes normal. And the worker who lost work and the accommodation at the same time as after the 2008 financial crisis when the recession comes, and it will materialize as a dispatch village. Unfortunately, it should be remembered that foreign workers who had entered and employed as a countermeasure against labour shortages were forced to return to their home countries after 2008 financial crisis.

It must be said that the problem of non-regular employees is a major issue from the perspective of housing, although it has been pointed out that wages are low, and social insurance is not being enrolled. As Fig. 4 shows, the ownership rate in the late 30s of male has decreased. People who had reached the own house hierarchy had to live in the rented house, too. It shows that it has become difficult for Japanese society to maintain or im-prove the level of residence.

By the way, it is as a lot of intellects describe that the problem of non-regular labour has grown fast in corona disaster. Many of the non-regular workers, who make up 40%, are women. In addition, industries with a large demand for women's labour are industries with many interpersonal services such as food and drink, wholesale and retail, tourism, and events. The field of medical care and welfare applies to this. However, all these industries were forced to close business hours or close to prevent the spread of the new coronavirus. The decline in demand forced managers to reduce their workforce and lay off non-regular employees. The Impact on Factories and Manufacturing Industries in the 2008 financial crisis materialized, but the Corona Disaster has a significant impact on tourism, restaurants, and retailing. In the manufacturing industry, the worker who works in the same place at the same time loses work and the residence at the same time, and the workers work at each time in each place in the sightseeing industry, the food and drink, and the service industry, and there is no unity like the factory workers. They lose their jobs gradually individually in tertiary industries. The accommodations are lost respectively, too. Therefore, it is difficult to manifest it as a social problem.

Figure 4. Changes in the home ownership ratio of Major Workers (35-39 Years Old)



Source: Ministry of Internal Affairs, Housing and Land Survey.

Another reason why problems are difficult to materialize is related to the overwhelming number of women. Instead of losing jobs all at once nationwide, the management becomes difficult in accordance with the spread of corona infections, and the number of unemployed people increases accordingly. As a result, the severity of the situation does not materialize though the worker who lost the job will surpass the 2008 financial crisis. Compared to men, women have built-in buffers that do not reveal housing problems. One is to enter the home with unemployment. Unemployment does not manifest by carrying out housework instead of going out and working. It means entering the home when get-ting married, and it will return to the parents' house in case of unmarried. Two, not a few people are single mothers with children. They put the highest priority on protecting children's lives. They give priority to protecting children's lives rather than to appealing it to the society. Therefore, it becomes difficult to cooperate with people who face poverty. It is worth the right to housing to be violated when women are not able to obtain the housing where they can be relieved.

SECTION 4. HOUSING EXCLUSION

The decline in low-rent housing is one of the major reasons why people with unstable low incomes and low-income earners are in dire straits. The decrease in low-cost housing stems from a decline in conditions requiring low-cost housing and a decrease in stock itself. The decline in the necessity of low-rent housing is due to the change in industrial structure. As the central industry shifted from primary industry to secondary industry and tertiary industry, the relationship between housing and employment has become weak. According to Business establishment statistics, the ratio of employees by the manufacturing industry decreased from 30.3% in 1972 to 18.5% in 2001, and the service industry increased from 17.3% in 1972 to 29.3% in 2001. Early manufacturing required many workers, but advances in manufacturing technology and transportation, as well as the shift of towing industries to tertiary industries, reduced the number of workers required by a single office. For example, manufacturing establishments that employ more than 300 people decreased from 31.3% in 1969 to 25.8% in 2006. In response to intensified com-petition due to economic globalization, a decrease in the number of workers required per business site can be presumed that the spending control has been accelerated.

Unstable working conditions and their income prevented young people from becoming independent and forced them to stay at their parents' homes for a long time (Housing Policy Proposals • Review Committee, 2014). Exclusion from housing is caused not only by economic barriers such as a decline in income and a decrease in low-rent housing, but also by procedures such as changes in resident attributes and physical barriers of housing structures, as well as the guaranteed system.

The primary problem of housing exclusion is caused by a decrease in low rented housing, a decrease in dormitories and company housing, and a decrease in public rental housing.

First, the number of low rent rented houses decreased. Looking at the number of houses rented for less than 40,000 yen (including less than 50 yen) in the Housing and Land Survey, the number of this rentals in the Housing and Land Survey accounted for 7,787,000 units in 1993 and 49.6% of all rentals but decreased to 5,336,600 and 28.0% in 2018.

Second, since the 1990s, dormitories and company housing have declined against the backdrop of economic globalization. According to the Ministry of Land, Infrastructure, Transport and Tourism's 2014 Housing Economic Data, the ratio of company houses ac-counted for 7.0% (1,433,000 units) in 1963. Thereafter, although the number of company houses increased, the ratio of it gradually declined. During the bubble economy in 1988, it dropped to 4.1% (1,550,000 units). In 2018, it fell to 2.1% (1,100,000 units) as company houses was reduced as a cost-cutting measure to win global economic competition, although it increased to 5.0% in 1993 as companies provided company houses to compensate for the decline in workers' ability to acquire housing, mainly in the Tokyo area (Table 3). According to the General Survey on Working Conditions, the ratio of company's implementing »homeowner assistance« decreased from 11.8% in 2002 to 8.9% in 2007. While it is undesirable for companies to influence dwellings, which are the basis of their personal lives, the reduction in corporate welfare of employees in terms of residences has had an impact on the difficulty of securing a residence for employers. Company houses, which was responsible for springboard to improve the living standards of low-income young workers, reduced its ratio and role.

Thirdly, social housing such as Rented Houses Owned by Local Government and Rented Houses Owned by Urban Renaissance Agency or Public Corporation decreased. In contrast to company houses(Housing for employee and civil servant), social housing was only 4.6% (944,000) in 1963, but in 1973 the number of social housing units exceeded that of company houses, and in 1983 the number of Rented Houses Owned by Local Government exceeded the number of company houses. The composition ratio of it also reached 7.6%. The number of Rented Houses Owned by Local Government has fallen to 1,922,000 in 2018, peaking at 2,181,200 in 2003. Initially nearly 80% of all households could apply for the Rented Houses Owned by Local Government, but the number of Rented Houses Owned by Local Government applications has been limited due to discussions such as ensuring fairness that unfairness occurs between households living in Rented Houses Owned by Local Government and households living in private rental housing even though they are the same low-income households. Currently, the number of households subject to the measures is the bottom 25% of income quantiles, and the problem of not being able to maintain the residential management function of public housing estates has become visible due to the concentration of low-income households and households requiring support in public housing estates.

On the other hand, the application rate for Rented Houses Owned by Local Government increased from 2.6 times in 1997 (national average) to 9.9 times in 2005, and then up to 5.8 times (national average) in 2014 (Ministry of Land, Infrastructure, Transport and Tourism) indicates the high demand for low-rent housing. Furthermore, looking at the changes in private rent (ordinance-designated cities) in the »Retail Price Statistics«, it has risen because of urban gentrification and urban revitalization strategies. It is presumed that low-rent private rental houses had been demolished due to urban redevelopment, and new and expensive rent houses have been built one after another.

The second problem of housing exclusion is the change in resident attributes and many people can’t live in non-barrier-free housing structures. Changes in people's attributes are making it difficult to access housing as the foundation of life. According to the Population Census, the ratio of proportion of people aged 65 and over reached 7.1% in 1970 and 28.6% in 2020. The increase in the number of elderly people, especially the elderly aged 75 and over, has increased the number of people with mental and physical disabilities and is disseminate the housing exclusion.

In addition, the number of adults and children with disabilities was 3,864,000 in 2011, up from 2,506,000 in 1987 (Survey on difficulties in daily life) (Nationwide survey of adults and children with disabilities at home).

Table 3. Changes in the Number of Housing Stock by Ownership Relationship (unit: 1,000 units, %)

Survey year	Total housing	Occupied Dwellings	Owned houses	Rented House					Ratio of Social housing	Ratio of Housing for employee and civil servant
				Total of rented house	Rented housing owned by prefectural and municipal government	Rented house owned by urban renaissance agency and housing corporations	Privately rented housing	Housing f or employee and civil servant		
1963	21 090	20 372	13 093	7 281	944	-	4 904	1 433	4,6%	4,6%
1968	25 591	24 198	14 594	9 604	1 403	-	6 527	1 674	5,8%	6,9%
1973	31 059	28 731	17 007	11 723	1 995	-	7 889	1 839	6,9%	6,4%
1978	35 451	32 189	19 428	12 689	1 719	723	8 408	1 839	7,6%	5,7%
1983	38 607	34 705	21 650	12 951	1 868	777	8 487	1 819	7,6%	5,2%
1988	42 007	37 413	22 948	14 015	1 990	809	9 666	1 550	7,5%	4,1%
1993	45 879	40 773	24 376	15 691	2 033	845	10 762	2 051	7,1%	5,0%
1998	50 246	43 922	26 468	16 730	2 087	864	12 050	1 729	6,7%	3,9%
2003	53 891	46 863	28 666	17 166	2 183	936	12 561	1 486	6,7%	3,2%
2008	57 586	49 598	30 316	17 770	2 089	918	13 366	1 398	6,1%	2,8%
2013	60 629	52 102	32 166	18 519	1 959	856	14 583	1 122	5,4%	2,2%
2018	62 407	53 616	32 802	19 065	1 922	747	15 295	1 100	5,0%	2,1%

Notes: 1. The total number of houses includes houses with residential households, vacant houses, temporary-only houses, and houses under construction. Since 1973, it has been included in Okinawa Prefecture; 2. Houses with residential households include unknown ownership; 3. The ownership rate is the ratio of owned houses to houses with residential households. The percentage of vacant houses is the ratio of vacant houses to the total number of houses.

Source: Ministry of Internal Affairs and Communications, »Housing and Land Survey«; Prepared from the Ministry of Land, Infrastructure, Transport and Tourism [2019 Housing Economic Data].

However, barrier-free housing, which is the foundation of daily life, is lagging. According to the 2018 Housing and Land Survey, only 6.5% of houses have two or more handrails, indoors with no steps, and wheel-chair-accessible corridors, and only 3.6% of rented houses. Housing in Japan is not a living environment for people with disabilities can become independent. Houses in Japan physically exclude people with disabilities from their residences. Given the increase in the number of people with disabilities in the future, there is concern that more people will be excluded from housing.

Table 4. Prevalence of barrier-free housing

Judgement items	whole	owned house	rented house
A : Handrail (2 or more locations)	24,8%	34,2%	10,8%
B : No-steps indoor	20,9%	26,2%	13,9%
C: Wheelchair accessible corridor width	15,5%	20,1%	9,0%
Correspondence with one of ABC	37,3%	48. 5%	21,5%
Correspondence with A or B	34,6%	45,5%	19,2%
All correspondence with ABC	6,5%	8,5%	3,6%

Source: Ministry of Internal Affairs and Communications (2018) »Housing and Land Statistics Survey«; Ministry of Land, Infrastructure, Transport and Tourism «2020 Housing Economic Data».

Newer Japanese houses are better in function. For example, in the 1970s, apartment buildings were often five stories high without elevators. Rented Houses Owned by Local Government is a poor living facility with clear differences in housing functions depending on the construction period, and the older dwelling unit the smaller, and there is no bathtub. Such a dwelling unit cannot support the life of the resident who has the trouble by aging. For example, a person with a lower limb disorder cannot live without an elevator on the fifth floor and without a bathroom.

Thirdly, it is an exclusion from the house as the building. The exclusion state from the dwelling by the space is expressed in the statistics. »Occupied Buildings other than Dwellings" are displayed in the »Housing and Land Survey«(Table 5). Looking at the changes from 1998 to 2018, the total number of Occupied Buildings other than Dwelling has decreased by almost half, from 133,100 in 1998 to 72,100 in 2018. Although number of items such as »Worker's Dormitories", "School Dormitories", "Hotels or Inns" have almost halved, the ratio of »Others« in » Occupied Buildings other than Dwelling« has risen from 32.3% in 1998 to 74.5% in 2018.

Table 5. Changes in the Total Number of Occupied Buildings other than Dwelling

year	Total Number of Occupied Buildings other than Dwelling						
	total	Worker's Dormitories	School Dormitories	Boarding house	Hotels or Inns	Others	Ratio Others (%)
2018	72 100	9 100	4 800	—	4 500	53 700	74,5%
2013	69 700	12 000	5 300	—	8 400	44 000	63,1%
2008	74 600	18 300	6 100	—	10 700	39 600	53,1%
2003	81 400	25 500	7 400	1 400	12 400	34 800	42,8%
1998	133 100	51 500	9 800	4 500	24 200	43 000	32,3%

Source: The Ministry of Internal Affairs and Communications' «Housing and Land Survey».

Fourthly, it is a housing exclusion by the social environment produced by the social custom and the policy. The public assistance removes the economic barriers to live in rented houses, but landlords have the anxiety such as »guarantor« and »daily life support« in the rented house contract. Therefore, rough sleepers are easily excluded from the private rental housing market even if there is a possibility of receiving public assistance. The »guarantor« issue is solved by the guarantor company's intervention in a rental housing contract, but it does not eliminate all the fears of the landlord. Rough sleepers are often forced to sleep rough because of the exclusion from the rental housing market. Therefore, the poverty business provides accommodations such as the free low-priced accommodation and the escape house for welfare recipients is born. Most of the housing assistance and welfare expenses are spent on poor living environments and support that is not a housing support. Many of the municipalities don't have their own living resources for the poor, forcing them to rely on inadequate facilities.

SECTION 5. DEMOGRAPHIC CHANGES AND POVERTY

The number of households that are difficult to support their lives under unstable socio-economic conditions has increased. In this section, it keeps discussion on the declining birth rate, ageing population, and changes in household structure, and consider the so-called demographic changes.

Acquiring a dwelling does not mean adequate housing. We must maintain an appropriate state of »living capital« that changes every day. For that purpose, it is necessary to adjust the relationship between the state of each person and the residential area and the local society, but demographic changes make it difficult.

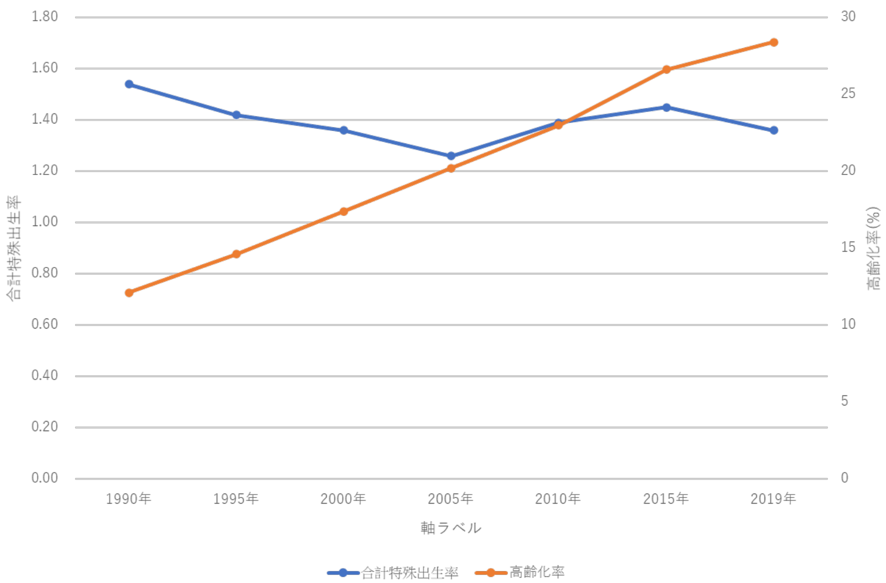
The population is ageing, and the household size is shrinking nationwide, but there are regional differences. Changes in industrial structures, the evolution of production and transportation and communication technologies have led to changes in urban structures, such as migration from rural areas to metropolitan areas and the expansion of urban areas. The over-expanded urban area has become one of the reasons for the use of Internet cafes, but several migrations have resulted in a reduction in household size, saying that »the elderly are left behind«. Along with the ageing of the population, the proportion of the elderly people is high in urban inner areas, suburban housing estates, and mountainous areas. In such areas, population decline, purchasing power decline, and dilution of human relationships have led to a decrease in living facilities such as commercial facilities, difficulties in maintaining local communities, and an increase in solitary deaths.

The first shocking fact is that the population, which has consistently increased since the Meiji era, except for the end of World War II, began to decline. The Population Census found 128 million people at its peak population in 2010. Japan is a country surrounded by the sea on all sides, the migration is limited. The decrease in population sums up the decrease in the number of births and the increase in deaths. The decrease in population is the result of an extremely long-lasting declining birth rate. It is said that a total fertility rate of 2.1 is necessary to maintain the population, but as shown in Fig. 5, it is currently about 1.4. As a result, the population is declining in the long term. The Japanese government provides maternity and childcare leave, establishment of nursery schools, and childcare allowances after children are born as a countermeasure against the declining birth rate. Unfortunately, it is untouched to develop a living infrastructure such as housing where newlywed and raising children households can live with peace of mind.

The symbol of the declining birth rate and aging population is the extreme concentration of the population in Tokyo. Many higher education institutions and companies' headquarters functions have concentrated in Tokyo. People gather in Tokyo to receive higher education and gather in Tokyo for jobs. The pressure of the population concentration raises the land price in Tokyo, and the living expense is raised. It is very difficult to cover the living expense in Tokyo by the earnings of one young person when they get married and arrives at the pregnancy and giving birth. As a result of it, they move to the suburbs for childbirth and childcare. Therefore, the total fertility rate of Tokyo is low. The best practice to counter the declining birth rate is to develop conditions in which everyone can live with peace of mind, but it has not yet been implemented.

The aging of the population is linked to the declining birth rate. To its natural end was a common dream for mankind. In Japan, achieving an exceptionality old age is difficult and doing so in good health is even more of a challenge. Whether you can live healthily and without need for nursing care, or whether you can receive nursing care according to your needs. One of the indicators of the state is the age composition. The percentage of people aged 65 and over is used as an aging index, but in 1920, when the Population Census began, it was 5.3%. The aging rate exceeded 7% in 1970 at 7.1%. This is where an aging society began. It was 14.6% in 1995 exceeded 14%. From this point, it will become an aged society, exceeding 21.0% in 2010 at 23%, and it will enter a super-aged society. In 2015, it was 26.6%, and it is now close to 29% in 2020.

Figure 5. Changes in total fertility rate (%) (left vertical axis) and ageing rate (%) (right vertical axis)



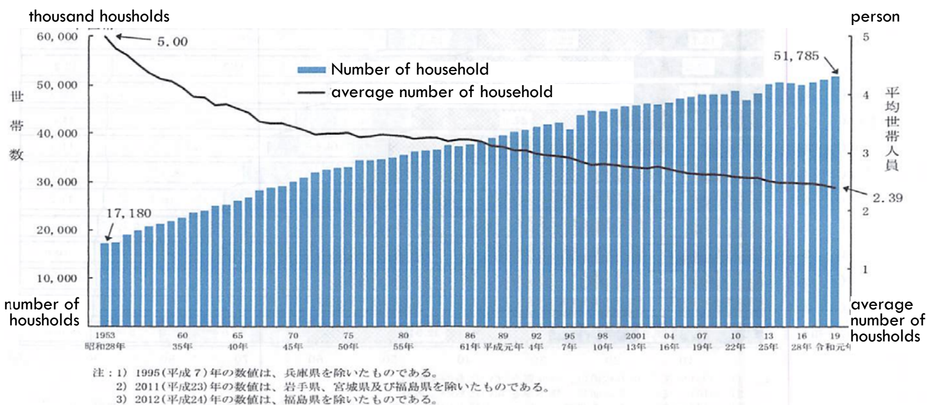
Source: Ministry of Health, Labour and Welfare, Vital Statistics; Ministry of Internal Affairs and Communications, Population Census.

In 2007, there was a fire incident at Tamayura rest Home in Gunma Prefecture. It was revealed that many of the victims were welfare recipients in Tokyo. The incident revealed the fact that welfare recipients cannot live in Tokyo for care. In 2025, all baby boomers will become late-stage elderly. There is a fear that the current situation will be able to meet the demand for nursing care. In other words, it is uneasy whether the housing right of the elderly person who needs nursing care can be protected.

Although Yoseba stopped functioning due to labour cost reduction, the ageing of construction day labourers also had a major impact on the increase in the number of rough sleepers. Baby boomers (born in 1947-49) reached the age of 50 in the end of the 1990s (1997-99). In general, when people over the age of 50 are not able to get jobs at Yoseba because of companies to avoid employment of elder persons due to accidents, there are more cases where they are forced to sleep rough. In the 1970s, their parents in hometowns were still healthy and they were able to return home, but after 1990s parents become older and can’t afford to support them. Thus, the decline of the connection between people and the ageing of the population leads rough sleepers in the metropolitan area. Thus, »Homeless issue« is a complex phenomenon comprised of the loss of the interpersonal relationship as well as an economic problem.

Next, let's consider about the problem of the household which supports life. The degree of the ability to be able to coop with the life issues is roughly represented to the house-hold size. Looking at changes in household size in the Population Census, the average household size in 1960 was 4.14, but it has consistently declined to 2.21 in 2020. Fig. 6 shows the transition of the average household size. The average household size around 1990 was about three people. The mode household size was four between 1960 and 1985 but has been one since 1990. In 2000, the total number of households of one and two became the majority, and in 2010, one and two households accounted for 59.6%.

Figure 6. Annual trends in the number of households and average household members



Source: Ministry of Health, Labour and Welfare, Comprehensive Survey of Living Conditions 2019.

Then, the change of the household attribute is considered. Looking at changes in family types in Comprehensive Survey of Living Conditions, the ratio of single-person house-holds increased from about 20% in 1990 to 28.8% in 2019, as shown in Tables 6 and Figure 7. Currently, married couples accounted 24.5% of households, so as mentioned before, the majority are single-person households and married couples. In addition, the problem is the decrease in »A married couple with their unmarried children« and »three-generation households«, and an increase in other households. “A married couple with their unmarried children« fell from 41.4% in 1986 to 28.4% in 2019, while »three-generation households« fell from 15.3% in 1986 to 5.1% in 2019. On the other hand, »single parent« households (5.7% to 8.8%), »married couples only« households (9.8% to 19.8%), and »single person« households (20.5% to 32.4%) increased. Again, the increase in small households such as »married couple« households and »single person« households stands out. A »single person« household is likely to be in financial distress because of illness or injury. Even »married couples« households may have either illness or injury, which can be a fatal burden on the household. Even »single parent« households have serious consequences with the illness and injuries of earners for households. Changes in household size and family type are bringing the vulnerability of households. It can be recognized from these statistics that the rapid decrease of the ability to respond in the household if something happens. In other words, the need for the society to support each household has increased. On the other hand, the number of households where landlords worry about the occurrence of problems at their living has increased. In a word, the number of people who cannot live in the houses is increasing.

The change of the family type is considered from the living issue. People and house-holds such as elderly people, women, people with disabilities, and minors other than »a married couples and their unmarried children« households are excluded from housing introductions by real estate brokers. To prevent such difficulties in securing residences, the »Act on Promotion of Supply of Rental Housing to Persons Requiring Housing Security« (2007) was enacted.

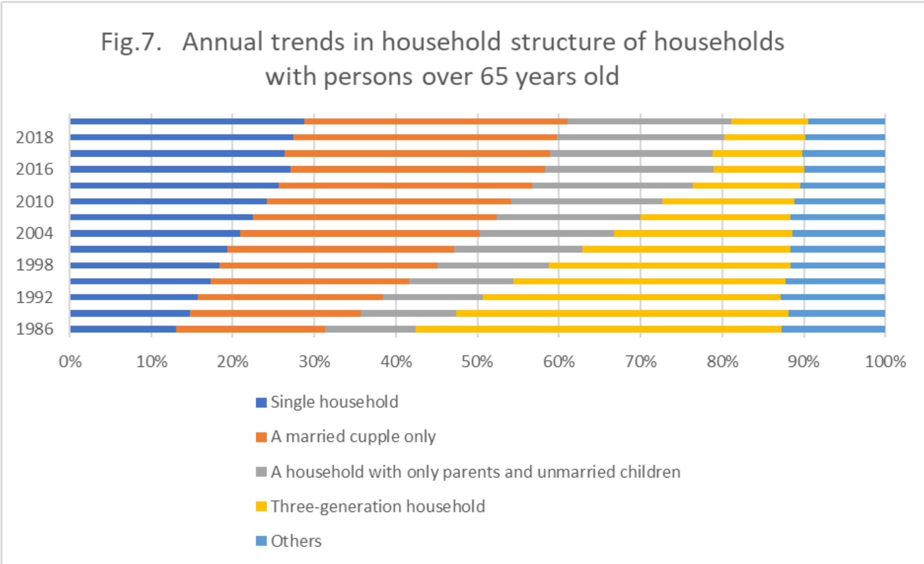
Older people have more opportunities to find it difficult to maintain and manage their homes, so there is a growing need to sign a leased housing contract. The following situation is assumed. Housing loans could not be paid off before the retirement. It was necessary to find the rental house by rebuilding the condominium and the apartment. Houses will be dismantled due to road widening and urban redevelopment. Although he/she is scheduled to be discharged from the hospital, he/she cannot live in the original house with barriers. The aging of residents and the aging of buildings proceed at the same time. Many patterns of Japanese settle down in their late 30s to get a house. When children become independent and pays off his or her mortgage, large-scale repairs and rebuilding of their houses occur. Then, it is urged to find a new house temporarily. In the case of the elderly, landlords and real estate agents are likely to hesitate to provide rented housing. Older people often have diseases, and they must focus on geographic relationships with specific clinics, and there are fewer options for rented houses. It is difficult for an elderly single person to find the rented house because of the solitary death. The landlord considers that a renting property become an accident object due to a long time after resident's death.

Table 6 - Annual trends in households by household structure and household type, and average number of households

year	total	household structure						household type				average number of household
		single household	A married couple only	A household with only parents and unmarried children	a household with single parent and unmarried children	Three-generation household	others	elderly household	single-mother household	single-father household	others	
	estimated number(unit: thousand household)											
1986	37 544	6 826	5 401	15 525	1 908	5 757	2 127	2 362	600	115	34 468	3,22
1989	39 417	7 866	6 322	15 478	1 985	5 599	2 166	3 057	554	100	35 707	3,10
1992	41 210	8 974	7 071	15 247	1 998	5 390	2 529	3 688	480	86	36 957	2,99
1995	40 770	9 213	7 488	14 398	2 112	5 082	2 478	4 390	483	84	35 812	2,91
1998	44 496	10 627	8 781	14 951	2 364	5 125	2 648	5 614	502	78	38 302	2,81
2001	45 664	11 017	9 403	14 872	2 618	4 844	2 909	6 654	587	80	38 343	2,75
2004	46 323	10 817	10 161	15 125	2 774	4 512	2 934	7 874	627	90	37 732	2,72
2007	48 023	11 983	10 636	15 015	3 006	4 045	3 337	9 009	717	100	38 197	2,63
2010	48 638	12 386	10 994	14 922	3 180	3 835	3 320	10 207	708	77	37 646	2,59
2013	50 112	13 285	11 644	14 899	3 621	3 329	3 334	11 614	821	91	37 586	2,51
2016	49 945	13 434	11 850	14 744	3 640	2 947	3 330	13 271	712	91	35 871	2,47
2017	50 425	13 613	12 096	14 891	3 645	2 910	3 270	13 223	767	97	36 338	2,47
2018	50 991	14 125	12 270	14 851	3 683	2 720	3 342	14 063	662	82	36 184	2,44
2019	51 785	14 907	12 639	14 718	3 616	2 627	3 278	14 878	644	76	36 187	2,39
	composition ratio(%)											
1986	100,0	18,2	14,4	41,4	5,1	15,3	5,7	6,3	1,6	0,3	91,8	-
1989	100,0	20,0	16,0	39,3	5,0	14,2	5,5	7,8	1,4	0,3	90,6	-
1992	100,0	21,8	17,2	37,0	4,8	13,1	6,1	8,9	1,2	0,2	89,7	-
1995	100,0	22,6	18,4	35,3	5,2	12,5	6,1	10,8	1,2	0,2	87,8	-
1998	100,0	23,9	19,7	33,6	5,3	11,5	6,0	12,6	1,1	0,2	86,1	-
2001	100,0	24,1	20,6	32,6	5,7	10,6	6,4	14,6	1,3	0,2	84,0	-
2004	100,0	23,4	21,9	32,7	6,0	9,7	6,3	17,0	1,4	0,2	81,5	-
2007	100,0	25,0	22,1	31,3	6,3	8,4	6,9	18,8	1,5	0,2	79,5	-
2010	100,0	25,5	22,6	30,7	6,5	7,9	6,8	21,0	1,5	0,2	77,4	-
2013	100,0	26,5	23,2	29,7	7,2	6,6	6,7	23,2	1,6	0,2	75,0	-
2016	100,0	26,9	23,7	29,5	7,3	5,9	6,7	26,6	1,4	0,2	71,8	-
2017	100,0	27,0	24,0	29,5	7,2	5,8	6,5	26,2	1,5	0,2	72,1	-
2018	100,0	27,7	24,1	29,1	7,2	5,3	6,6	27,6	1,3	0,2	71,0	-
2019	100,0	28,8	24,4	28,4	7,0	5,1	6,3	28,7	1,2	0,1	69,9	-

Source: own elaboration; The Ministry of Internal Affairs and Communications' «Housing and Land Survey».

Figure 7. Annual trends in household structure of households with persons over 65 years



Source: Ministry of Health, Labour and Welfare, Comprehensive Survey of Living Conditions 2019.

By the way, the number of official rough sleepers has decreased even in COVID-19 crisis. Although many facilities ware closed by the Corona Disaster, people who lost their accommodations to stay at night look for internet cafes, manga cafes, fast food restaurants, and so on that are easy to stay to avoid accommodation procedures. If they can receive livelihood protection, they stay at a cheap lodging house. If they are unable to receive livelihood protection, they will have to choose the option to stay in unreported facilities, share houses, share rooms. There is an increasing number of places for people who are financially distressed or unable to secure an accommodation. When considering a poor place of residence, some of its residents come to mind foreign nationals.

Table 7 shows the housing of foreign nationals, but it should not be forgotten that the number of foreign residents will increase as one of the changes in the population structure. There is a desire to solve labour shortages and not to accept immigrants in Japanese society. So, Japanese society has not established a system to accept foreign nationals. Foreign nationals generally live in rental houses but are excluded from the rental house market just because they are foreigners. Then, the district where people of the foreign nationality gather is formed in various regions of Japan. In Aichi Prefecture, foreigners live together in social housing such as public housing and Urban Renaissance Agency housing. There are many housing estates where 60 to 70% are foreign nationals.

The aging and single household of Japanese residents is progressing in public housing, but the housing estate where the foreign population and Japanese gathers is also in the same situation. The foreigners are centred on households raising children, Japanese people are old age. The operation of the housing estate is realized through the cooperation of Japanese and foreign nationals.

It is necessary to note here that the nationality and the word used are various even if it is said the person of the foreign nationality. Foreign workers in Aichi Prefecture were the main people from Brazil and Latin America until the 2008 financial crisis. They were asked to return home at that recession, since then number of foreign workers from Southeast Asia such as Vietnam and the Philippines are increasing. In other words, we must create a housing system where people of various foreign nationals can live in Japanese housing estates or Japanese society with peace of mind.

However, a lot of people who entered Japan as a technical trainee live in Occupied Buildings other than Dwelling outside the social housing estate. In addition, there are instances as nine persons are pushed into the six-tatami room as a dormitory of the company, they are watched strictly, and deducted excessive living expenses. The escape of technical trainees is considered as a problem, but the actual housing situation that does not protect basic human rights is one of the reasons.

In 1961, the ILO presented »Worker's Housing Recommendation«(No.115). It advised that if a company provides a house for an employee, it will manage employee's life other than work, so it should stop doing so immediately. To achieve this, it was said that it was necessary to develop the housing policy which leads for workers to get the appropriate housing without difficulty. It is difficult for people to even get the right housing. This situation might allow the inhumane state of housing for foreign nationals. The recognition that the realization of the housing suitable for the person is a basic human rights is lacking in Japanese society.

Table 7. The Ownership of the residence of a Foreign Residents

Year	2000		2005		2010		2015		every household(2015)	
Private households	501 053	100,0%	673 130	100,0%	702 809	100,0%	748 166	100,0%	53 331 797	100,0%
Private households living in dwelling	447 720	89,4%	586 706	87,2%	614 923	87,5%	667 351	89,2%	52 460 618	98,4%
Principal households	414 841	82,8%	548 590	81,5%	578 252	82,3%	618 762	82,7%	51 984 188	97,5%
Owned houses	86 358	17,2%	104 839	15,6%	117 512	16,7%	129 606	17,3%	32 693 605	61,3%
Rented housing owned by prefectural and municipal government	33 251	6,6%	38 886	5,8%	41 963	6,0%	41 131	5,5%	2 046 146	3,8%
Rented house owned by urban renaissance agency and housing corporations	12 660	2,5%	25 050	3,7%	30 652	4,4%	30 800	4,1%	844 610	1,6%
Privately rented housing	241 780	48,3%	333 298	49,5%	346 153	49,3%	374 200	50,0%	15 108 361	28,3%
Housing for employee and civil servant	40 792	8,1%	46 517	6,9%	41 972	6,0%	43 025	5,8%	1 291 466	2,4%
Rented rooms	32 879	6,6%	38 116	5,7%	36 671	5,2%	48 589	6,5%	476 430	0,9%
Private households living in other dwelling	53 333	10,6%	86 424	12,8%	87 886	12,5%	80 802	10,8%	870 799	1,6%

Note: Note; Private households includes housing unknown.

Source: Ministry of Internal Affairs, Population Census.

SECTION 6. THE IMPACT OF SOCIAL CUSTOMS AND POLICIES

The customs and policies of the trade of dwellings also influence the securing of the dwelling suitable for the life.

As mentioned before, the need for guarantors at the time of rental housing contracts is an obstacle to securing the house of many living in need. The reduction of the size of the household and the change of the household type increases the necessity of the guarantor. The homeless and the living in need who have lost most interpersonal relationships are often impossible to get the guarantor. Landlord requires the guarantor to prevent or solve troubles. But the most annoying problem is handling after resident death. In addition to the disposal of belongings, there are also preparation of various documents to the local government office and even cineration. It is difficult for persons who are living in poverty to get a guarantor who will be responsible for such an act.
»Policy change« raises the responsibility for each person's habitation. Welfare measures have been converted from direct government provision such as benefits and measures to a system provided through insurance and contracts. In Japan, public safety nets to help those who have lost income were originally sparse, supplementing with family and kinship and corporate and workplace relationships. Because both have decreased as described be-fore, the number of persons living in poverty increases.

Since 2010, the Ministry of Health, Labour and Welfare has implemented a »regional transition« to shift inpatients to community life so that mentally disabled people can live in familiar areas. However, as mentioned before, persons with disability are excluded from community and rental housing market. It is presumed that the difficulty of being excluded from housing hinders the community life of persons with disability rather than the policy result.
To reduce facilities such as social welfare facilities, it is necessary to have a mechanism to connect regional residents with local residence support resources (facilities and human relations, official and informal) so that facility residents can leave the facility and live in the local community, but there are no resources and systems in the region to accept institutional residents.

The regional environment to live in also influences the social exclusion. The number of shopping refugees was estimated 7 million people by the ratio of people who are inconvenient to daily shopping (17.1% in Cabinet Office FY2010) and 41.98 million persons over the age of 60 (October 1, 2014) (Author). Commercial facilities tend to relocate be-cause they are unprofitable if they are in residential areas where the population is aging and the population is decreasing. Therefore, the number of people who feel inconvenience to daily shopping is increasing (16.6% in Cabinet Office FY2005). Residents in housing estates, settlements, and even urban inner areas built in the high rapid economic growth period are facing shopping refugees. To leave the formation of urban areas to the market, the decrease in population and the decline in the consumption vitality of residents have caused the withdrawal of commercial facilities, and changed the character of urban areas, and led social exclusion of residents.

With the disappearance of the system to support the residence in the region, the necessity of providing it to people who do not originally have the mechanism to support the residence in the region has increased. Requiring people who have lost connections with communities and societies that maintain appropriate housing to live in communities on the premise of human-to-human connections is driving people into more serious housing poverty.

SECTION 7. CONCLUSIONS

Looking back on the 30 years since the bubble economy, it is clear once again that Japanese society is based on the employment independence. »No work, no residence« seems reasonable at first glance, but there are big deficiencies as mentioned before. People who are in enrolled in school can't work. People who retired do not work either. People can't work when they are sick, injured, or even after the disaster. We must not ignore these facts and create a »system to realize housing« based on the fruit of working. The current system of housing is based on economic growth during the period of high economic growth, rising incomes, age composition with many young people, and household composition with nuclear family. However, since the bubble economy peaked around 1990, the economy has been unstable due to its low growth and global economy, and income has also decreased. Despite the increase in the number of people who did not have housing that was the foundation of a stable life, the increase in the number of elderly people, the size of households has shrunk, the number of foreign nationals and vulnerable households has increased, and the relationship that supports living has weakened. Against the back-ground of this, people who were excluded from habitation became apparent. Furthermore, the shift in the trend of social security policy from direct government provision to consumers to improvement of the market and other policy environments has weakened the ability to help people in need. Moreover, with the normalization of severe weather phenomena, households that lose housing have become a state where households that lose housing are born together every year. »Improvement of the standard of residence by employment« no longer functions. The security of housing and the formation of appropriate settlements must be promoted so that they can cope with unstable employment and un-stable housing occurring throughout the country. Otherwise, the whole country of Japan will overflow with the living poverty person who searches for a stable housing.

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CHAPTER 6

IDENTITY AND PLACE-ATTACHMENT ISSUES FOR RAPIDLY TRANSFORMING INFORMAL SETTLEMENTS: A CASE FROM ISTANBUL

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ABSTRACT

The urban housing pattern in Istanbul, which is in a rapid change triggered by the law has significant qualitative problems. The aim of the law "The Transformation of the Areas under Disaster Risk" is to improve the lives of the citizens through improving the built environment and generating a healthy / secure urban pattern. Due to the fact that the transformation of individual buildings and neighbourhoods have focused on the physical improvement only qualitative and human aspects, such as mutual support among neighbours have been generally ignored. Lack of housing satisfaction, loss of identity and sense of belonging, fragmentation of urban socio-spatial fabric and lack of participation are some of the issues observed in the newly developed housing examples in the transformed areas, along with the problems related to the physical quality characteristics. The study aims to analyse the transformation process of informal settlements with its problems and potentials and to examine the socio-spatial quality of housing and neighbourhoods developed within the rules of the new law. Methodology of the study is based on the research conducted by the authors, relevant literature and systematic observations.

Catchwords/Stemming (tags): Urban transformation, housing, identity, place-attachment, community participation.

INTRODUCTION

Due to the rapid increase in population and migration to cities after the 1950s, and the government's inability to meet the growing housing demand, »new urbanites« tried to solve the housing problem by building squatter housing. This issue, which became especially evident during the rapid urbanization period between 1980 and 1990, has increasingly become a severe urban problem in Istanbul. Changes in economic, political, and social dynamics necessitated the re-evaluation of planning processes. Consequently, in the 2000s, the concept of »urban transformation« and associated projects emerged to renew squatter settlements and depressed areas of the city. Today, the agenda of housing policy in Istanbul focuses on urban transformation to protect the urban fabric against earthquake risk.

The concept of urban transformation was introduced into Turkey's urbanization and planning practices in the 1970s and became an application tool in the 1980s. Since the 1990s, urban transformation has become increasingly important in urban planning, defined as a comprehensive vision and action to solve urban problems and provide lasting solutions to economic, physical, social, and environmental conditions in changing regions (Thomas, 2003). The purpose of urban transformation is to renew urban areas that have deteriorated physically, socially, and culturally, making them vibrant again by reconnecting them with the city. The content of urban transformation includes:

- Transforming spaces that have lost their function by assigning new functions,
- Renewing unqualified, unhealthy, and illegally built areas,
- Converting structures at risk of natural disasters for different uses,Integrating urban functions within a planned framework,
- Updating urban infrastructure in the development process (Avcı, 2013).

Urban transformation, with new housing initiatives under the leadership of the Mass Housing Authority (TOKİ), has become a crucial urban issue. Many settlements have been declared as urban transformation zones through TOKİ and local municipalities. After identifying these areas, a suitable model must be determined for each project. The project's scope, ownership structure, socio-demographic profile, and financing model should be thoroughly examined, ensuring the transformation plan aligns with the city plan.

Types of urban transformation projects in Turkey include transforming central business areas, conserving of protected areas and transforming for tourism purposes, projects initiated by TOKİ, large infrastructure investments, urban transformation for disaster resilience, transformation of squatter areas, and creating new housing in empty or unsuitable areas. During these processes, approaches such as urban conservation, rehabilitation, revitalization, renewal, regeneration, and gentrification are applied. Urban transformation models and methods are mainly shaped by the consolidation and transfer of development rights These projects aim to address unplanned construction, infrastructure deficiencies, green space, parking, and social amenities (Kara, 2007).

National and local development plans, along with the 2004 Urban Transformation Draft Law, highlight shanty houses as urban transformation targets (Genç, 2014). Post-2004, the concept of urban transformation was incorporated into EU Structural Program laws, emphasizing Turkey's earthquake vulnerability. The 2012 Law on Transformation of Areas under Disaster Risk aims to create safe and healthy living environments, in accordance with the norms and standards of science and art, in disaster-prone areas by setting improvement, liquidation, and renewal procedures (ANON, 2012). The Ministry of Environment and Urbanization, TOKİ and the local municipality are responsible for implementing the law. The concepts of reserve building areas, risky areas, and risky buildings are defined in the law; the determination of risky structures and how the process will proceed are also explained in detail. Within the scope of the law, financial support is provided to beneficiaries whose houses are at risk, thus paving the way for individual transformation.

Although earthquake-resistant and safe living spaces have been built in informal developed urban environments where a rapid urban transformation process is taking place, inevitably, it is seen that important problems arise related to some qualitative issues such as place identity, sense of belonging, architectural characteristics, and environmental quality. The article focuses on the issues of identity and place attachment in these residential areas, based on the rapid change in urban transformation practices and the frequent displacement problems. In order to address this issue in detail, an attempt has been made to reveal the problems posed by urban transformation practices in terms of identity and place attachment based on an extensive literature search and the comprehensive research conducted by the authors in one of the important districts of Istanbul -Kağıthane- that has undergone urban transformation.

THEORETICAL CONTEXT

In general, identity defines who or what an individual is. While personal characteristics create individual identity, our social identity is based on belonging to a social group or category, such as religion, nationality, ethnicity, or social class (Bonaiuto & Bonnes, 2000). Place attachment is the sense of belonging people feel toward the places they live. This can be a functional (or practical) or emotional attachment. We establish stronger ties with places that suit our lifestyle and meet our physical and psychological needs, forming a stronger bond with harmonious places that support our identity. Generally, it is accepted that there is a relationship between functional and emotional ties. Therefore, »belonging to a place is the sum of experiences of the environment and geographical location that emotionally connects the individual to that place« (Rubinstein & Parmlee, 1992).

WELL-BEING AND SATISFACTION OF PSYCHOLOGICAL NEEDS

Along with other factors, well-being primarily derives from satisfying core psychological needs (Deci & Ryan, 2000; Diener, Oishi & Lucas, R. E., 2003). Although consensus on their relative importance has fluctuated, four needs frequently emerge as critical contributors to well-being: belonging, control, self-esteem, and meaning (Deci & Ryan, 2000; Heine, Proulx & Vohs, 2006). Interestingly, each of these needs has emerged in the literature on interpersonal attachment and, less frequently, on place attachment. The need to belong, considered by some as the »king« of all psychological needs (Baumeister & Leary, 1995), is undoubtedly supported by secure interpersonal attachment relationships with parents, romantic partners, or friends, who provide a responsive, reciprocal, and genuine sense of relatedness (La Guardia, Ryan, Couchman, & Deci, 2000). Humans are believed to have evolved sophisticated social systems because group coordination and cohesion brought adaptive advantages in our evolutionary past, including social capital, safety in numbers, and division of labor and child-rearing duties (Neuberg, Kenrick & Schaller, 2010). Thus, belonging is psychologically valued, and ostracism is highly aversive. Ties to place are relevant to well-being (Cattell, Dines, Gesler & Curtis, 2008; Eyles & Williams, 2008), as has been established in various contexts, such as neighbors (Rollero & De Piccoli, 2010). The dwellers of neighborhoods exemplify this tie better in informal settlements. The profile of the people also makes a difference when discussing place attachment and well-being. For example, rural residents with greater attachment to their community report higher levels of happiness, life satisfaction, and optimism than those less strongly attached (Brehm, Eisenhauer & Krannich, 2006). Residents in informal settlements often have rural backgrounds and experience community attachment more readily than other urban groups.

Belonging may also be supported by place attachment and identity, such as when important places symbolically connect individuals to their ancestors or cultures (Billig, 2006; Hay, 1998; Low & Altman, 1992; Mazumdar & Mazumdar, 2004), reinforce social ties and community belonging (Fried, 1963; Hidalgo & Hernandez, 2001; Kyle et al., 2004), or provide a place to call home (Cuba & Hummon, 1993). Another crucial psychological need is self-esteem. It is often discussed in the interpersonal attachment literature, given that close relationships are believed to contribute to positive or negative internal working models of the self (Bartholomew and Horowitz, 1991). Additionally, self-esteem is influenced by emotional ties to a group and the subsequent internalization of the group's positive and negative attributes (Tajfel, 1981). Place identity is a type of group membership with implications for self-esteem (Proshansky, 1978; Proshansky, Fabian & Kaminoff, 1983). While less work has explored place attachment as a source of self-esteem, some evidence exists (Droseltis & Vignoles, 2010). For example, concepts such as »place-related distinctiveness« describe how unique features of a place (architectural, natural) promote a sense of pride that can contribute to self-esteem (Twigger-Ross & Uzzell, 1996).

Meaning in life includes the need for coherence and understanding about life and the world around us (Heine, Proulx & Vohs, 2006) and has strong associations with life satisfaction, positive effects, and adverse effects (Zika & Chamberlain, 1992). Studies of interpersonal attachment show that securely attached individuals report more meaning in life and that priming individuals with representations of a supportive other can increase this sense of meaningfulness (Mikulincer & Shaver, 2005). Conversely, priming with rejection can reduce one's sense of life's meaningfulness (Zadro, Williams, & Richardson, 2004). As Tuan (1974) and others have speculated, place attachment may similarly influence one's sense of meaning in life, given that important places can serve as a center from which the rest of the world becomes coherent (Casakin & Kreitler, 2008). Additionally, places of attachment often memorialize past events and people, offering coherence over time, or »place-referent continuity« (Twigger-Ross & Uzzell, 1996).

Places also offer self-coherence when they represent a person's values and preferred lifestyle, known as »place-congruent continuity.« Place-referent continuity and place-congruent continuity likely contribute to a general sense of meaning in life, though this link has not been specifically examined. Another expected outcome of secure attachment relationships is a sense of control and autonomy. Secure interpersonal attachment relationships support autonomy, allowing control over life decisions (La Guardia, Ryan, Couchman & Deci, 2000). Perceived control over the immediate physical environment relates to outcomes such as workplace satisfaction, productivity, and well-being (Gifford 2014). Although control has received less emphasis in the place attachment literature, some suggest that places of attachment can support freedom and control (Droseltis & Vignoles, 2010). For example, control is a key feature of attachment to local coffee shops; patrons who felt their feedback was incorporated into the design and management were more attached. The ability to alter the space by moving tables and chairs was another instance of control expressed by place-attached patrons.

Most studies on place indicate that place attachment enriches satisfaction. A large study examined the relationship between three domains of active appropriation (physical, social, and territorial) and several indices of attachment that might be associated with a safer environment (Brunson, Kuo, & Sullivan, 2001). »Physical appropriation« refers to physical presence, defined as spending time outside, near one's residence. »Social appropriation« refers to connecting with other residents, such as greeting, chatting, and relaxing with them. Questions about »territorial appropriation« addressed actions near their home indicative of ownership and control (social control, such as reprimanding troublemakers; caretaking, such as cleaning up trash). The dependent measures were attachment indices specific to each kind of appropriation. Results were complex and vital for older, long-term residents and supported the idea that appropriation was related to attachment indices.

People also appropriate areas away from their homes. For some authors, the components of attachment/identity and dependence affect the appraisals and preferences of natural scenarios differently (Kyle, Mowen & Tarrant, 2005), which questions the conceptualization of attachment as a multidimensional construct. Attachment has also been seen to influence identity, suggesting that attachment is a process of providing personal and group identity. As Hay (1998) points out, the development of place attachment is regulated by factors such as rootedness and length of residence (Hernandez, Hidalgo, Salazar-Laplace & Hess, 2007).

In summary, several studies in neighborhoods or housing developments illustrate how different forms of appropriation relate to evidence of attachment or neighborhood satisfaction. One study illustrated how the loss of neighborhood gathering places resulted in dissatisfaction with the neighborhood and a longing for how things had been before the redesign

URBAN TRANSFORMATION IN INFORMAL SETTLEMENTS LEGAL REGULATIONS

On May 31, 2012, discussions on urban transformation gained legal status in Turkey with Law No. 6306: The Transformation of Areas under Disaster Risk (ANON, 2012). This law aims to create a healthy, secure environment that aligns with technical standards and aesthetic norms by establishing principles for the improvement, removal, and renewal of risky lands. It is a constitutional right for all to live in quality dwellings within a healthy and planned urban environment, and governments should fulfill this requirement. The government plans to demolish approximately 6.5 million risky dwellings and transform risky urban areas within 20 years. The law targets areas unsuitable for settlement due to geological and ground characteristics, including regions with densely dilapidated buildings, unplanned and uncontrolled constructions, inadequate social and technical infrastructure, and areas affected by natural disasters.

According to the law, licensed institutions must determine risky buildings following regulations prepared by the Ministry of Environment and Urban Planning. Urban transformation decisions for public lands should be given by the Council of Ministers, based on the proposal of the Ministry of Environment and Urban Planning. Demolition of risky buildings requires the consent of property owners, and rent subsidies should be provided to those who relocate to rental housing during the transformation process. Loans should be offered for the reinforcement of buildings that are technically reported to need it. Squatter areas should only be demolished after appropriate dwellings are allocated or compensation is provided to the owners (Dülgeroğlu Yüksel, Ozsoy & Pulat Gökmen, 2014).

Urban transformation projects are implemented when cities become old, worn out, vulnerable to natural disasters, or need renewal for various reasons. These projects can be supported in line with their basic goals and objectives. The urban transformation law is positively evaluated because it addresses the entire city holistically rather than focusing on specific areas. However, current projects have been criticized for being real estate/rent-based, fragmented, and handled independently of planning disciplines. Projects that do not consider different segments living in urban spaces and displace citizens living in transformation areas contradict the objectives of urban transformation. Considering the urban transformation law and its practices, the process is primarily handled from physical and economic perspectives, while emerging social issues are ignored and should be addressed.

Globally, transformation studies involve partnership strategies with the participation of central-local governments, the private sector, and the public. Unfortunately, it cannot be said that there is active public participation in the transformation practices in Turkey during the process. The fact that people are not adequately informed and the exclusion of professional chambers and universities are the most significant problems in this process.

Based on the philosophy of making cities livable, transformation should be carried out with active models involving the public, private sector, non-governmental organizations, and the public. First, the settlement, property, and accommodation rights of those living in transformation areas should be protected. By abandoning the perspective that views cities only as physical phenomena and sources of rent, cultural, economic, and social projects should be developed. The urban transformation process should not be uniform across all areas; different intervention forms should be developed according to regional characteristics.

CASE STUDY

Kağıthane village was established by Barbyzes Creek in Byzantium. During the Byzantium era and later Ottoman times, Kağıthane Valley was used for hunting, and the wide meadows by the creek served as resort areas. Several paper production ateliers existed between Haliç (Golden Horn) and Pissa village, the early village of Kağıthane. The name Kağıthane comes from these paper ateliers, with 'Kağıt' meaning paper in Turkish. Later, during Bayezid II's reign, a gunpowder factory was founded by the creek.

After the conquest of Istanbul, Kağıthane, with its market gardens and animal pens, provided vegetables and milk to the Palace and Istanbullians. With its ample water resources, Kağıthane became a pastoral entertainment and picnic area, as well as a place for public gatherings and industry. Starting in the 15th century, the area's public entertainment function became dominant for many centuries. Surrounded by pastoral areas for the public, many elegant kiosks and summer palaces with gardens were built when the government divided the Kağıthane and Alibeyköy into parcels as a continuation of the Sadabad Palace in the Golden Horn. Kağıthane became known for its beautiful water and tree landscape. Kağıthane is a natural pasture with continuous vegetation alongside the creek's waters. Its hills and steep slopes feature various trees, such as willows, redwoods, and junipers.

A turning point in Kağıthane's history was the Ottoman-Soviet War during 1877-78, followed by massive migration to Istanbul (117,000 people), particularly to Kağıthane (Duman, 2007). The area had been a religious endowment until the Republic's foundation, after which the lands were transferred to the Treasury. The large lands with water were suitable for industrial use, attracting squatter settlements. Internal migration from rural areas turned the settlement into a place of labor and production.

Kağıthane's village status continued until 1954 during the Republican period, changing to a town municipality in 1963. Since the 1950s, with industrial production, migration from Anatolia increased the population, especially starting in the sixties. The industrial foundation and squatter settlement characteristics of Kağıthane continued until the late eighties but began to regress in the nineties, with de-industrialization starting in the 2000s.

Kağıthane, with a population of 3,084 in 1955, was governed by the village headman until 1963. The Çağlayan and Hürriyet neighborhoods were established in 1953, distributed to those whose houses were burned in the 1934 fire. Initially starting with 45 households, the population grew over time. Those evicted due to expropriations within the zoning movements in Istanbul before 1960 settled in Harmantepe, Çeliktepe, and Ortabayır districts. Kağıthane was a neighborhood of Şişli district until 1987, gaining district status afterward. Today, 454,550 people live in 19 neighborhoods within a 23 km² area in Kağıthane (TUIK, 2021).

By 2007, the sub-municipality's plan was completed, with 1,000 new dwellings built and transferred to settlers in the "squatter housing prevention areas" as part of the transformation goal. Another 1,000 dwellings are under construction for future transfer to inhabitants. In most cases, the new settlement dwellers are former squatter house residents; in other cases, original dwellers may need to be relocated. In-situ transformation and relocation sometimes occur together. Since 2004, one-fourth of the housing stock within sub-municipal boundaries has been planned for renewal, amounting to 45,000 independent housing units. The total housing stock in Kağıthane is 180,000 units, with plans for complete transformation.

URBAN TRANSFORMATION TYPES PLANNED BY KAĞITHANE MUNICIPALITY:

- Squatter housing prevention areas
- Transformation into new urban blocks
- Transformation of industrial areas

The first category involves mainly public land, facilitating transformation. The second is challenging to implement because existing house dwellers on individual plots must agree to combine plots for larger housing estates. The third category involves land belonging to the Treasury or private sector, with changing land use and functions. The municipality encourages transformation in privately-owned residential areas into urban blocks rather than individual plot transformations, offering 30% more development rights to those who agree to urban block transformation versus a 1.2 to 1.5% increase for individual transformers. However, the municipality tends to leave the transformation process to the private sector, avoiding direct involvement with developers and contractors. The sub-municipality is not inclined to identify risky areas or buildings, although recent laws allow for it.

The Urban Transformation Law provides flexible implementation for the sub-municipality. To understand the municipal perspective, one should consider the actions taken in Kağıthane since the law's enactment:

- Illegal/unpermitted construction activity is prevented.
- Squatter housing prevention areas are identified.
- Macro-scale plans (1/5000) are revised.
- 1/1000 plans are prepared.
- 134 rundown buildings have been demolished.
- Traffic and transportation projects for large and small streets are implemented.

Demand from investors and projected urban transformation projects have doubled property prices. In the future, the municipality plans to transform the area into one with 250,000 m² of commercial real estate and 100,000 new housing units. Factories, offices, and residences are expected to be built within 3-4 years. The transformation is expected to contribute an alternative labor supply to the Maslak region with its expected 25,000 workers.

Greater Istanbul Municipality has selected Kağıthane as one of 15-20 urban transformation regions in Istanbul, driven by new transportation investments, including tunnels and metro connections, and infrastructural investments. Both factors have attracted capital holders, initiating a natural transformation. Cendere Valley is the main axis, running parallel to an existing Levent-Maslak CBD (Central Business District) axis, with the potential to become a rival development axis. The Cendere Valley was anticipated to be similar to Silicon Valley in California. Numerous projects were offered by nationally and internationally known construction firms for the area (Dülgeroğu-Yüksel, 2023). Furthermore, large-scale projects are planned to be open to the public with large urban squares connected to the pedestrian axis. Most existing industrial areas (approximately 300,000 m²) in this region will be transformed into housing, including prestige housing, offices, and shopping centers, focusing on commercial projects.

Recreational areas planned for Cendere Valley, regeneration of the historical railway, and relocating factories to the city's periphery have increased Kağıthane's overall value, making it a potential urban center of Istanbul. However, this carries the risk of relocation and gentrification, potentially harming the existing social pattern of neighborhoods. The dwellers have formed a well-knit community for over half a century here. The disaster vulnerability in Kağıthane furthered this bond and also initiated close communication with the local authorities. (Dülgeroğlu-Yüksel, 2023). Yet, Kağıthane sub-municipality lacks a specific model for transforming rights for long-term tenants integral to the community.

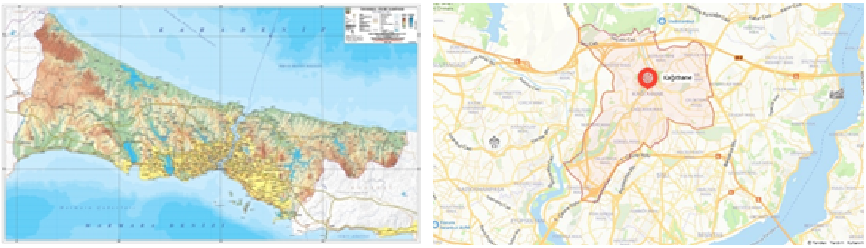

Figure 1. The maps of Istanbul and Kagithane (URL1, URL2)

Figure 2. Some photos from Kagithane area (Ozsoy, 2022)

SOME DATA FROM THE KAĞITHANE RESEARCH PROJECT

Proshansky and colleagues (1983) refer to memories, thoughts, feelings, attitudes, values, preferences, and meanings regarding the psychological and social functions of belonging in daily life. Ethnicity, housing type, and characteristics affect attachment levels. However, personal views on the neighborhood, age, and time lived there remain dominant factors. The neighborhood unit's spatial scale also plays a crucial role in primary attachment to place. Belonging increases in regions with high homeownership. Considering urban transformation processes in Kağıthane, in this article, parameters used to define and measure attachment to the house and neighborhood are defined as follows:

- Duration of residency in Kağıthane
- Social ties and place attachment
- Environmental quality/safetySatisfaction with dwelling and neighborhood
- Views on the on-site transformation trend.

Data from the survey of 1,013 households who witnessed the transformation process in the region, along with results from the focus group study, in-depth interviews, and relevant literature, have been evaluated together.

DURATION OF RESIDENCY IN KAĞITHANE

57.1% of the sample stated that they migrated from their hometown to Kağıthane and have lived in this area for a long time. Those who have lived in the region since birth constitute approximately one-fourth (25.3%) of the sample, and approximately one-fifth (21.7%) have lived there for over twenty-six years. Additionally, 68.4% of the interviewees stated that they have been in the area for more than ten years. Approximately one-third (38.9%) of the interviewees moved to Kağıthane from other districts in Istanbul. When the sense of belonging to their place of residence is compared with the duration of their stay, there is a statistically significant relationship (99% significance) between belonging and duration of stay.

Regarding homeownership in the area, 60.5% of the interviewees own houses. When asked when they bought or built their home, 62.0% said it was more than ten years ago. Approximately one-third (30.0%) of this group stated that they acquired housing through inheritance. When asked about the financial resources used to acquire their houses, more than half (59.1%) said they used their own resources, while less than one-third (28.2%) stated they received family support. Very few (3.8%) people received bank loans. There is a statistically significant relationship (99% significance) between the interviewees' sense of belonging to their place and their ownership status.

Quantitative data from the interviews suggest that changing ownership or leaving houses vacant indirectly affects attachment to the place (Sampson et al., 1997) and shows that high rates of ownership change in poor areas cause problems. Overcoming issues of trust and distrust of new neighbors can be difficult. For individuals, moving (mobility) means better adapting to their housing needs and expectations. However, high levels of turnover rate in communities tend to be seen as a potential problem due to the regional deterioration of social ties and neighborhood relations. It is observed that 38.94% of the interviewees come from other districts of Istanbul. When asked why they prefer this neighborhood, it is revealed that 29% have lived in this neighborhood before. These findings show that residential mobility in the city is not negatively affected by the neighborhood’s ability to foster a sense of place attachment.

SOCIAL TIES AND PLACE ATTACHMENT

According to a study conducted in England (Hummon, 1992), it is stated that as social homogeneity increases in an area, place attachment among residents increases. This can be explained by the tendency to meet common needs collectively. As a result of similar lifestyles, the individual's social identity regarding the place is formed. Research conducted in recent years shows that people's place attachment is positively affected by the level of satisfaction they feel with the residential structure of their neighborhood (Desmond, 2017). In the research conducted in Kağıthane, for the question »Do you feel like you belong to the neighborhood?«, 78.3% of the sample answered »yes,« which shows a strong level of belonging.

When asked about their association memberships, 29.2% of the sample stated their membership in »political associations« and 23.6% in non-governmental organizations (NGOs). The fact that more than half of those interviewed are members of an association indicates that there is a strong level of social commitment in the area. According to Hummon (1992), a sense of place means a multidimensional understanding, social satisfaction, belonging, and identity. Social belonging means emotional attachment to the neighborhood. The interviewed neighborhood residents embrace the area they live in and work with the local government to find solutions to their problems (Pulat Gokmen, Dulgeroglu, Ozsoy, 2014). In the Kağıthane example, the majority of those interviewed (73.9%) stated that they wanted to stay in the same neighborhood when a transformation project was implemented. This finding is confirmed by the answers given to the attitude question regarding how important it is for project owners to remain in the neighborhood: more than 90% of the sample said that this issue is important or very important.

ENVIRONMENTAL QUALITY/SAFETY

In the research, the security of the neighborhood was questioned as an indicator of environmental quality related to the concept of place attachment. While 54.3% of the people interviewed thought their neighborhood was safe, 13.8% thought it was very safe, and 29.2% said it was unsafe. When asked about unsafe places in the neighborhood, 32.3% of the interviewees said the streets and the whole neighborhood in general; 28.6% stated that they found the back streets unsafe. When the interviewees' feelings of belonging and the security of the neighborhood are compared, it is seen that there is a statistical (99% significance level) relationship between belonging and trust. On the other hand, in another question, 71.6% of the residents of the neighborhood talked about how they could walk easily in the parks, squares, and streets in the neighborhood at night. Considering that the neighborhood is perceived as a safe area, it can be thought that place attachment is strong. When the interviewees' answers to the questions about their sense of belonging and walking around comfortably in the neighborhood at night are compared, it is seen that there is a statistical relationship (at the 99% significance level) between belonging and 'moving around comfortably in the neighborhood'. When asked about their opinions on the earthquake risk and safety of buildings, 39.9% of the interviewed people think that their buildings do not pose an earthquake risk, 31.2% do not have sufficient information about the durability of buildings, and 28.2% believe that they live in a risky building.

SATISFACTION WITH DWELLING AND NEIGHBORHOOD

Social satisfaction is affected by the perception levels that constitute the sensitivity and diversity of the society rather than people's perceptions of the environment and independently measured objective conditions, and this causes further differentiation (Campbell et al., 1976). A literature review on the subjects of place attachment and social belonging shows us that in order to ensure the participation of local people in a neighborhood, people most likely need to establish emotional bonds with the place.

In the surveys, the rate of those who stated that they were satisfied/ very satisfied with their homes was 68.6%. When the issue of being satisfied with one's home and the homeownership of the neighborhood were compared, it was seen that there is a statistical (99% significance level) relationship between belonging and satisfaction. Those who were not satisfied with their homes generally dissatisfied their homes to be old and worn out, not earthquake resistant, small, not well lit, and not well equipped. In the answers to the questions about the infrastructure of the house, it is stated that almost all of the houses interviewed (99.4%) have water networks and electricity, and most of them use natural gas as an energy source (87.1%). It is seen that 63.2% of the houses interviewed have internet connections. When people were asked how they use their gardens, more than half (63.3%) stated that they usually sit and chat; 23.1% said that they met with their neighbors in the garden and had a fun time.

VIEWS ON THE ON-SITE TRANSFORMATION TREND.

The tendency for on-site transformation was evaluated as one of the important indicators of place attachment in the study. Even tenants consider on-site transformation important at a rate of 44.8%. This means that ensuring the continuity of the social pattern in the neighborhood during the transformation process is considered very important by the majority of the residents. In the study, the participation of homeowners and tenants in the decisions to be taken in the design and implementation stages of urban transformation was found to be important in terms of making the place their own and feeling like they belong. 45.1% of the people interviewed stated that they found them “very important.”

CONCLUSION

The study underlines the critical importance of involving landowners, homeowners, and tenants in the design and implementation processes of urban transformation projects. This engagement fosters a sense of ownership and belonging among residents. Many interviewees considered the decision-making processes »important« or »very important.« Those who had lived in their neighborhoods for a long time exhibited a strong sense of belonging, highlighting the impact of long-term residence on community attachment. High satisfaction with living conditions and the perception of residing in a safe environment further reinforced this sense of belonging. Additionally, membership in non-governmental organizations, neighborhood solidarity, and the ability to collectively address local problems also contributed to a strong community bond.

The study also evaluated the tendency for in-situ transformation as a crucial indicator of place attachment. Residents’ views on urban transformation revealed varied levels of awareness about Law No. 6306 on the Transformation of Areas Under Disaster Risk. Information was primarily conveyed through community leaders and neighborhood meetings, with many obtaining information from the media, friends, acquaintances, and the Municipality. The need for more transparent communication and education about urban transformation processes is evident. Many residents lack sufficient knowledge about the intricacies of urban transformation, which can lead to misconceptions and resistance. Providing clear and accessible information through various channels, including media, community leaders, and local government initiatives, is vital for informed community participation

When asked about their understanding of urban transformation, residents associated it with strengthening buildings, reconstruction and change, planned urbanization, and modernization. Preferences for housing types during the transformation showed a notable inclination towards housing estates, detached houses, and apartments. Many residents preferred participatory urban renewal type of urban transformation, including a significant portion of tenants. This indicates that maintaining the social fabric of neighborhoods during the transformation process is crucial for residents.

The phenomenon of place belonging was highly prevalent, as examined through the study's criteria. Insights gathered from residents should be integral to urban transformation policies aimed at creating livable environments. For example, in an urban transformation project in Ka□ıthane, designing an »in-situ transformation model« that allows residents to remain in their neighborhoods without displacement would be more appropriate than individual transformations and transformation by mass demolitions of residential zones and building up a new. Developing affordable new housing solutions within the same neighborhood is essential for such a model to succeed. Ensuring the participation of local residents with a high sense of belonging and other stakeholders in the planning decision processes is crucial. Therefore, local governments should prioritize planning studies and processes that comprehensively address the area's specific problems.

The high level of place belonging observed should inform urban transformation policies and practices. In Ka□ıthane, for instance, implementing an »in-situ transformation model« that prevents displacement and fosters continuity within the community is advisable. This model requires developing affordable housing solutions within the neighborhood. Active participation from all stakeholders, particularly those with a strong sense of community attachment, is essential in planning. Thus, local governments must focus on comprehensive planning studies that address local issues and support sustainable urban transformation.

The importance of preserving the social fabric and cultural heritage of neighborhoods during urban transformation cannot be overstated. Displacement and disruption of established communities can erode the sense of belonging and weaken social ties. Therefore, urban transformation policies should prioritize strategies that minimize displacement and support the continuity of community life. This includes developing housing solutions that respond to the varying needs of different income levels, ensuring affordability, and maintaining accessibility to essential services and amenities.

Additionally, fostering partnerships between local governments, non-governmental organizations, the private sector, and community groups can enhance the effectiveness of urban transformation projects. These partnerships can facilitate resource sharing, collective problem-solving, and the development of tailored solutions that address specific local needs. The involvement of diverse stakeholders in the housing market ensures that multiple perspectives are considered, leading to more inclusive and spatially, socially, and economically sustainable outcomes.

In conclusion, the study emphasizes that successful urban transformation requires a holistic approach that integrates community participation, transparent communication, strong partnerships, and a commitment to preserving the social fabric. Local governments must adopt policies that prioritize the well-being of residents and address the unique challenges of each neighborhood. By doing so, urban transformation can become a tool for creating vibrant, resilient, and inclusive communities that enhance the quality of life for all residents.

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CHAPTER 7

HOUSING IN EUROPEAN UNION: A RESTATEMENT OF CONCEPTS AND A COMPILATION OF ACCEPTABILITY EFFECTS

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ABSTRACT

Poverty and social exclusion are a complex phenomenon, the measurement of which requires a multidimensional approach. Therefore, the EU uses a set of indicators to measure progress towards the Union's poverty reduction target. The main indicator measures the number of people at risk of poverty or social exclusion. The Social Indicators Panel, under the European Pillar of Social Rights, adopts the multidimensional approach of the Europe 2020 Strategy and introduces additional indicators to measure poverty. These indicators are severe housing deprivation and the at-risk-of-poverty rate at work. In parallel with the indicators of poverty, income inequality criteria provide a broader perspective of social exclusion. The lack of quality and affordable housing has been a concern of public policies. Through an analysis concluded by a multidimensional model, we use a set of explanatory variables that expose the weakness of monetary poverty in relation to the deficiencies found today. 'Stemming' for the most significant concepts: affordability, disposable income, poverty ratio, monetary poverty, dependency ratio.

A BRIEF ANALYTICAL INTRODUCTION TO HOUSING EVOLUTION

The purpose of the research analysis of this study is to generate a tool to know the views on the effects of the variety of policies that affect the population of the European Union (EU). This job doesn't involve much more than minimal risk. There are no harms or discomforts associated with this study other than those encountered in normal daily life. Society gains a better understanding of what influences different people's views on public policies that affect us all. The only alternative to carrying out this work would be not to carry it out. Any information obtained in connection with this study is official to the extent of the sources used, namely statistical data from Eurostat.

The housing policy in the EU has never been a policy assumed as a policy of primacy, leaving it to each State to conduct this desideratum. This stance is followed by the European principle of subsidiarity. The European Parliament (EP, 2014) issued in December 1996 a document entitled "Overview of Housing Policies", in which the Commission and the Council did not recognize housing policy as a common policy within their competence. In turn, in the October 31, 2021 update of the 2021 Report "On the Council position on the draft general budget of the European Union for the financial year 2022 (11352/2021 – C9-0353/2021 – 2021/0227 (BUD)", the European Parliament in point 40 of the "Opinion of the Committee on Employment and Social Affairs of 28.9.2021, recalls that the "COVID-19 pandemic has once again exposed the lack of policy responses to the impact of demographic change in the Union, such as the lack of adequate and affordable housing, quality care facilities and sufficient care and support services; stresses that the budget 2022 should underline the importance of safeguarding and promoting the dignity of the elderly and their fundamental rights in the Union; calls , furthermore, for sufficient funding to support investment in housing in order to effectively tackle the growing problems of a lack of affordable housing, poor housing conditions, housing exclusion and homelessness" (EP, 2021).

It is true that each country is different, but there is an immutable value that crosses the entire EU: the human beings who inhabit it, whatever conditions and places they may be. If we want the EU to be an exemplary geographical area of solidarity, tolerance and dignity, but with civil order, it has to assume the housing reality. Housing has evolved a lot over time, from natural shelters, such as caves and grottos, to the buildings of today, including artificial wooden shelters, tree branches and all kinds of materials that were available at different times of evolution of Homo sapiens. With the evolution of time, Man began to produce houses with the available materials, in addition to the construction techniques mastered by certain groups of individuals with congenital qualities. Over time, planning and architecture have been implemented according to economic activities, lifestyle and cultural patterns. Rural housing is greatly influenced by the geographical environment in which it is located, as the inhabitants have direct contact with nature as they are smaller groups and less technically equipped, but with more connection to traditions. In turn, rural housing not only serves as a shelter but is also often a place of work and storage of products. With the stone, although it does not exist in all regions of the continents, its main domain was the European area that surrounds the Mediterranean. It is not by chance that essentially in southern Europe there are large numbers of dwellings with stone, granite and slate structures. With the evolution of time, the more agglomerated and urban housing and the growing scarcity of land as the population increased, created the need for more construction, the use of different types of materials already industrialized, e.g., brick, cement, reinforced concrete, iron, aluminium, acoustic and thermal insulation. All of this was adapted to new construction techniques, taking into account the geographical location and the climate. In many places, the houses in the traditional sense of the term were finally reduced to coexist with the well-known skyscrapers, taking advantage of the volumetry of the infinite cubic space farther from the ground. We must therefore consider that human needs are physical, e.g., food, housing, clothing and furniture, and social, e.g., sanitation, transport, health, work, education and culture.

THE LATITUDE OF THE HOUSING CONCEPT

The first notion to remember is that housing must be understood as a fundamental asset for the functioning of any society and economy. Important aspects of economic and social development pass through it, namely in terms of the population's standard of living and the modernization of its consumption model and social mobility, adjusting lifestyles, collective behaviours and the ancestral practices of cultural entities (Götz et al. al., 2021). Housing needs arise from the ambiguity of what Lauster (2019) calls "cultural adequacy" as the criterion that provides more propensity to the standard and, therefore, levels of well-being of each people. The characteristics of a dwelling present quite different aspects from household to household. The information of each one has a good forecast of its experience and use. The useful housing area, the number of people in the household, the housing typology, the number of bedrooms, living rooms, bathrooms, kitchens, and the existence or not of a garage, swimming pool and garden, are examples of these characteristics that households identify according to their budget constraint. What makes housing so different from other goods? Some goods have some of the characteristics of housing, but no other has them at the same time. Among several authors, e.g., Bandyopadhyay *et al* (2011), Coley et al (2013), Manase *et al.* (2020), Meen *et al.* (2020), an excellent exposition of the list of features inherent to housing was conceived by Gibb *et al.* (1999:25):

a) Housing is a durable good because it physically remains for long periods of time; this reality can be easily verified even without resorting to tested empirical evidence; in addition to mentioning that its duration can be extended through maintenance and rehabilitation;

b) As an asset, housing has a relatively substantial offer price in relation to its average earnings [1]; means that most people have to resort to a bank loan or public authorities to secure their possession or ownership, buying or leasing; in this way, mortgage financing and its funding sources, due to their maturity, are of critical importance in the nature and performance of the housing market;

c) Housing is a complex asset or, in other words, it is a heterogeneous asset, insofar as each dwelling has its particularity, varying the materials used in its construction, its quality, finishes and its functionality; its value is influenced by the location and attractiveness of services, workplaces, the quality of the environment and neighbourhood; all this contributes to the convergence of its attributes to a unique value of each housing property[2];

Considering the concept of housing in a broad way, it appears that economic factors play an essential role and condition the attitudes and behaviour of the various agents involved in the global process of housing provision by the plural society. As previously mentioned, housing must be understood in its fullest scope as a means of alleviating or eliminating poverty, maximizing collective well-being and guaranteeing economic and social equity. In a more pragmatic way, this approach requires an efficient set of planning techniques, which must take into account social, economic, environmental, legal and institutional aspects, which requires a deep connection between housing as a physical space and the policies relating to urban development. It was the essence of what happened with the French reality with regard to the emergence of the "Grands Ensemble" or "Garden Cities" in the post-World War II period.

About its value, and also according to the authors (Gibb et al., 1999: p1): "Housing is one of the basic necessities of life. It provides safety, security, a store for possessions, protection against the elements and a locus for family life. The central problem in the provision of housing is that, in all except the most primitive societies, housing embodies a considerable amount of capital and labour. To put it plainly, housing is relatively expensive". Arnott (1987:p960) has already written that for the vast majority of families, housing is their most important consumer good. Due to their high acquisition costs, they nor-mally require intensive use of the asset.

As stated by Bengtsson (1995:128), "The most important costs related to a household's transfer from one dwelling to another are probably associated with the emotional, social and cultural values implied by notions of a home and a neighbourhood". Arnott (1987:960) defined this characteristic of housing as "complexity and multi-dimensional heterogeneity".

In fact, social life in these urban spaces would become one of the privileged objectives of urban sociology during the sixties and seventies of the last century. Housing arises from the combination of three effects: a) the idea/object, underlying urbanism proposals; b) the concrete space, which is the practical translation of the previous effect and is the result of various constraints specific to specific historical contexts; and c) the space lived and appropriated by Man, simultaneously structured by society and structuring of social behaviour. Humans who own their space where they live are more likely to feel like members of the local community and to communicate more like creative citizens, creating a healthy neighbourhood environment. The concept of housing can be analysed both from the point of view of consumption and from the point of view of production. This distinction is important because the problems associated with the two groups do not have the same causes nor do they necessarily have to be coincident. Housing is a durable good that, on the one hand, produces flows of services inherent to its consumption and, on the other hand, represents a capital asset for its owner. In a simple market classification, two concepts of housing can be distinguished: one is to consider housing as an economic good and the other is to consider it as a set of services derived from that same good. The scenario of the emergence of scientific disciplines becomes evident, from the outset urbanism itself, and of the entire set of social and human sciences that reflect, analyse and formulate new concepts and conclusions from the observation of the relationship between man and housing. . If we focus specifically on the course of development of the problem and the analysis of housing issues, the perception that there are multiple factors that play with each other in its development and analysis, dynamically, sometimes conjuncturally and sometimes not, is evident.

By mentioning this characteristic, the increase in empirical material capable of discussing new concepts, hypotheses and typologies is visible, but the growing complexity of this problem is also evident, entangling a great diversity of quantitative and qualitative dimensions in rapid change, and not only in the set of European countries. In other words, the housing field reveals itself to be full of contradictions inherent to the variety of points of view of the protagonists who intervene in it, from landlords, builders, users and policy makers (Richardson, 2019). Housing as an economic good results from an investment operation, that is, what in macroeconomic and national accounts language is called gross fixed capital formation (GFCF). GFCF is amortized over a relatively long period of time and depends on financial costs and regulatory conditions imposed by law or the financial industry. Housing as a service results from the flow of benefits that housing-well can bring to its users at any given moment in time. Is the increase in empirical material capable of discussing new concepts, hypotheses and typologies? In our view, the issue is relevant because while the owner-occupier consumes a service produced by a good that is his, the tenant consumes a service produced by a good that is owned by the landlord, whose use price is rent. In practice, this is not the case, because the two concepts are drying in substance, because the factors that set transaction prices are similar in that they are assets that provide income over time, starting right from their use. Housing can be seen as a consumer good composed of several attributes, internal and external to its physical surroundings. Among the first are the dimension, the constructive typology, the number of divisions, the quantity and quality of the equipment, the age, the constructive quality. The second include the location in the urban context, the environmental and urban characteristics of the immediate periphery and the proximity to commercial and service facilities. These services may include different quantitative and qualitative aspects, but buyers, represented by owners or tenants, whether for trade or services, even in litigation, tend to deflect the best set of services at certain price levels. In this case the rental price. If the housing stock changes through new construction or demolition, then there will certainly be a change in the consumption of housing services. The demand for housing services is a function of a number of exogenous variables, e.g, the price of alternative accommodation, the prices of other goods, the number of families formed, the income of the households, tastes, ages, size and household composition and the availability of finance. The extreme durability of housing capital always implies the existence of a supply stock. The amount of housing services provided by this stock of fixed capital significantly obeys the investment decisions of landlords and tenants themselves.

THE UNCERTAINTIES OF THE HOUSING SECTOR

Since the scientific proof of the presence and apparently long subsistence of the Covid-19 virus, which had its embryo in the SARS-CoV-2 virus, human life has suffered a powerful shock that has caused not only colossal sensitivities due to changes in economic activity, but also reflections on the behaviour of people in companies and governments. Although two years have passed since this outbreak, there are many uncertainties with a high degree of probability that people can be more inclusive and more cooperative, but at the same time, they can bring an increased risk of adapting to the reality of teleworking and its effects on several fronts. . Housing has increasingly become a space for leisure, work and education. The greater the scare, the greater the innovation. It seems almost unbelievable to write this sentence, but it represents the ultimate outcome of a virus that, coming from health and not finance or the economy, changed the world completely. As a general rule, no one feels seriously safe. No one trusts their peers very much. We have never had as many precautions and concerns with our parents, children, grandparents, great-grandparents and with ourselves as we have been, even showing an image of a certain optimism and that everything has returned to the recent past or will pass. This general feeling of the emergence of a new real did not result from war conflicts or natural catastrophes. But what is going on? Welcome to the new real and not the new normal, a term that has mistakenly become generalized. What new normal? Will the pre-Covid-19 period re-establish the same family, social and work routines? Has the world normalized? Has the extension of confinement beacons become synonymous with a return to the still recent social past? That yes already had a standardized status in a dynamic atmosphere, because science and technology are unstoppable. The dexterity of mutations was not and is not being as it was. Let the readers be convinced that the world has changed and will not be the same again in terms of social relations, business value chains and the relationship between citizens and public causes. Therefore, there is and will not be a new normal because the effects of rapid social change are much greater than any higher octane fuel that you can put in a motor vehicle to make it travel faster. The so-called new normal is, at best, the new everyday life at home or any other term that one might find. It's a matter of fantasy or marketing. A new reality began to exist, which became permanently changeable because it varies daily from hour to hour, regardless of time zone. There have never been so many concerns about the human species as now, the housing problem has come to the fore. We have heard for years and years about civil wars, wars between countries, and wars for the liberation of peoples, localized, urban or tribal guerrillas. They were so many that most people didn't even connect them to the suffering of others. Now that the new reality has reached us all, a mere hybrid virus has inverted collective life, without warning and without transmitting hopes of a definitive resolution. The pandemic crisis has shortened the distance between the different peoples of the planet. Because? Because the collective feeling of fear brought us together, a feature that had never happened before and that brought us home. We always knew that there were other people and so many countries through geography, education or the media, but we did not imagine that, after all, we are all the same as humans, although different in customs. We induce that we are facing a delusional collective feeling of fear. It is not, however, just the fear of Covid-19. It is also the fear of other viruses that may eventually arise through genetic transformation. After this introductory introduction, the real estate market, namely housing, is surrounded by grey clouds. The pandemic changed the reality of the sector, whose activity was in the positive direction that time was running smoothly, although with different bumps from country to country. The awareness of the housing plight exists, despite the time that has passed.

The insecurities on the horizon exist. We outline, in general, and mainly for European countries with less mature housing markets, some trends for the always contiguous future. Rents will decrease but for a limited time with the crisis that the pandemic has caused in the tourism sector, in which a greater number of properties have entered the long-term rental market. Hence, a consequent drop in rent values. To think that forecasts may point to this reality being exhausted as soon as the crisis caused by Covid-19 can end is altruism. The rental market in 2008 attracted supply and demand, due to the financial crisis, but as soon as there was stabilization in the buying and selling market, the rental market lost what it had or was gaining. Interest rates will not remain low or low for a longer period of time than initially anticipated by the US government. The European Central Bank (ECB) was too long without reacting, but this phenomenon is reaching Europe. Reference interest rates in the coming months will increase with the effects that will be reflected in credit agreements with individuals, in rent values and in financing agreements with real estate developers, including the State, due to social housing. The interest rates used as indexes in mortgage loan contracts are in line with expectations regarding the ECB's policies and, in this context, should not remain low for longer. If eventually the spreads practiced by banks remained so low, achieving rates of 1% or lower, it would always be possible for the banking system to define the criteria for granting credit, given the risks of the economic situation of European countries in general. The demand for more peripheral areas has increased in the EU area. The period of confinement has led many families to realize that they need another type of housing space or to adapt existing ones. It is to be expected that, in the coming months or a few years, there will be a greater than normal exchange of properties in densely populated urban centre’s with properties on the periphery or even in rural areas, with lower population density and with greater available outdoor spaces. The improvement of the quality of life will thus be in sight, lacking the mobility of work that is exogenous to citizens, insofar as it depends on the relocation of companies and other organizations.

The return on investment will always dictate the recovery of the real estate sector, which theoretically demonstrates that European real estate will continue to be an attractive asset for internal and external investors, although different in the choices of land locations with or without built properties. There may be projects postponed or investments frozen, but real estate will tend to recover and internal and external interest should gain strength depending on the trajectory of the economic and social cycle. Many predicted significant drops in the real estate sector, particularly in the residential sector. A drop over the next few years in EU countries, on average, would mean a drop of about a third in the number of transactions, and it is still expected that house prices will fall, but not for now, because as long as banks continue to lend, transactions will continue to exist, not justifying this dubious and expected drop in prices. The big question that arises is how long the pandemic psychological crisis will last. We can consider that at the end of the year we may witness a drop in the number of transactions, which will have an impact on market prices or prices of free or affordable income in European countries. However, we must also witness a resumption of demand motivated by the desire to change houses on the national market, a resumption of demand for the interest of the international market and protection of savings. There is a strong relationship between household income and propensity to save. This correlation is not as substantial when comparing with other products that are not real estate, because it requires financial knowledge that usually reveals people's failure to understand the concepts, their understanding and their expectations. Here, we consider the savings of each household to be the sum of the net investment (applications minus redemptions) of the household members in strictly financial assets, eg, savings bonds, investment funds, equities, private refuge, government bonds, gold, foreign currencies and capitalization bonds, and in real estate, e.g., purchases of real estate and land in cash or on instalments discounted from sales. In practice, we take each household's savings rate as the ratio of household savings to gross disposable income.

SOME CONSIDERATIONS ON ETHICS AND HOUSING

Ethics, when it is exercised, comes from past generations since the individual is born and internalizes, from that moment on, what is happening within the family. In this sense, family education is a preponderant factor for the ethical formation of the human being. Concepts begin at home when parents teach, e.g., how the child should behave, to say expressions such as, e.g., "please", "thank you", "excuse me", "good morning", "good afternoon" and "good night«. Nowadays, the lack of these concepts within the household is bringing young people into the world who are unable to develop and survive civically in society, becoming excluded from it and becoming marginalized by the community. Even if they are taught to build that character within the family, they do not apply it outside the home. Will ethics be understood by people? This is a question with eternal theoretical substance, but its very interpretation and practical use is ambiguous. In praxis, people try to have a civic behaviour but in a selfish way, that is, in their own way. With housing as a social good and imperative for a healthy society, its availability has become distorted from ethical principles because it hurts homes and the sense of “living”. Positive behaviour from public, private, municipal and government agents should be encouraged, especially from the most intellectually developed Universities and institutions, so that they implement the aforementioned expressions, even if they are not exclusive to the housing sphere. People choose to live away from urban noise, away from mega technological infrastructures, e.g., logistical, cultural, hospital and leisure facilities, offered by urban canters. Every day they face tortuous road networks, high fuel consumption, dust and toxic fumes in exchange for larger plots of land, surrounded by some remaining fauna and flora, private rest, relative peace, tranquillity and intimacy. But the intended paradise on the outskirts of the cities potentially brings disquiet when an inopportune neighbour decides to share his intimate daydream, visually enjoying through a sunny and huge transparent window facing the side border of your land. The privileged view or not of the neighbouring house is tempting for its landscape and its exterior life. The neighbourhood may be inclined to observe what they can, as if it were a “reality show”, not knowing when we are being observed. On the other hand, we are certain that the Law cannot be reconciled with someone who, with the spirit of an owner, absolute owner of a piece of land, claiming to be a tolerant and faithful doer of fundamentals, wants to build in an irrational way what he wants, not wanting to know if it unbalances the environment, if it contradicts the collective, if it steals or assumes the privacy of others as unpunished. People born in urban areas have a distinctive character of their own, as if superior to that of smaller or rural human agglomerations. In other words, people who are landlords who promote housing in the middle of cities are characterized in an important way but, as Grohmann (2021, p456) states, have an unpopular image of “parasites”. A city woman, e.g., can be seen as a businesswoman, well dressed and successful. A man, on the other hand, is seen as a lawyer, technocrat or a well-educated doctor. These people are considered rich, well in life, and they pass these attributes on from parents to children through the buzzwords presented by the surrounding city. People who are born or live in rural areas are assigned a different, more common category, an older and more understandable style, with the stereotype of those who live in “poor traditional housing” in the words of Czischke Ljubetic et al. (2016). They learn from a young age that everything is different and more difficult, but in the end everything is the same, because what changes is the refinement of life and showing off. A woman who lives in rural areas, for example, acquires the position of a simple woman, a housewife and mother of many children. . A man earns a standard of an honest and common manual worker. Therefore, people from each milieu acquire and attribute distinctions to each other. People who live in the city think that one who lives in the village is peasant and complex. And people who live in the country think that a person who lives in the city is rich and smart. Status is the space that the individual fills in the social universe from the point of view of the value judgment of the people who make up the group. It also encompasses a person's glory, dignity and degree of social importance. Some human attitudes can have harsh consequences from the perspective of life in society, because depending on their way of acting, Man can become the bearer of certain marks that, socially, can cause damage to his image. Status is a seal that defines an individual's ability and effort to obtain it from birth, with housing and living being the external portrait of this relative merit.

HOUSING: AN ANGUISH THAT SHOULDN'T EXIST

Housing has evolved a lot over time. When we talk about housing protagonist, we are referring to the performance of living in cities, rural areas and other places where human beings are. The intersection of multiple social relationships and varied individual behaviours have made people lose their ability to participate in regional differences in most countries of the world. Survival conditions prevail over other needs, including the promotion of decent housing adapted to the size of the households. This adaptation has to be continuous as families grow in number of human beings. Furthermore, the distribution of this phenomenon is not uniform. There is almost an automatic correlation that people make between the dignified adequacy of housing and the deprivation of what the housing is built for. The first burden of the lack of legal property with housing dignity is the lease. The lease charge is an international concept. In order to face the lease, it is not absolutely necessary to face the construction of more housing units due to the existence of vacant dwellings in many parts of the world, including the EU. This raises the ethical question of allocating housing to all households, with the costs of maintaining it being borne by the residents. It is the practical application of a philosophy that is based on a policy of social allocation, which serves to complement the earning capacity of citizens. There are people who live in places that were not built for housing. They live in true shelters, almost in the primitive sense of the term, e.g., in slums, under sheds, in marquees, inside cars, and in abandoned sheds, often in cohabitation. Shouldn't these people or families have their own space to live without funding or subsidies? Here is a question that remains as a public reflection, not forgetting that they are human beings.

Another aspect that we should look at and reflect on is when we talk about future housing production. We are talking about the new families that are conceived every year. The characteristics of these new families are also changing, e.g., with divorces and land and cadastral legislative changes that make the finding of more housing evident. It is not easy to estimate the pace of housing stocks available for rapid changes. The temporal uncertainty of constructions depends on variables ranging from regions, urban planning and construction itself. We know that haste is the enemy of prevention, and prevention requires execution time. It is a prodigy of transience with obvious temporal deviations between leaving one house and enjoying another. Looking in the rear-view mirror we saw the past, but the search and future availability of decent homes is looking at the front glass. What is the methodology to achieve this aspiration? Here's another question to ponder.

As for the social affectation of housing, there is an increasingly recurrent aspect that is here to stay and become the rule. It is the subject of professional mobility. When we look at the world of housing policies, families will need new housing, leaving the old one. After moving to another location, households now have proximity to other people and proximity to public health, education and transport facilities that they are supposed to have had. Therefore, with or without voluntary mobility, families start to have, at least theoretically, a life condition that is better suited to their well-being. The target audience of the social allocation policy starts to have greater social mobility. Many people move from neighbourhoods, cities or countries to the opportunities or obligations of employment. With this increasingly accelerated human migratory occurrence, there should not be the serious problem of availability of housing that we have on the planet, which is cruel, unethical and unmoral. It does not carry with it the consideration of the system of thought to explain this global everyday phenomenon. The Covid-19 pandemic created an unprecedented new world context and made people more concerned about the future. What is most surprising is that the intervention of public authorities is theoretical, scarce in its practical efficiency and short-sighted, not taking into account the destination. I believe that housing accessibility is cantered on ethics, technique and cooperation between theory and practice. We must assume ethical values and principles to demonstrate unequivocal respect for all citizens. Ontologically, we must keep the needs of individuals first and foremost. This is the only way to gain credibility and confidence in the future.

THE TYRANNY OF HASTE AND THE SOCIAL DISCOMFORT OF LARGE AGGREGATIONS

In a world plagued by legal, economic and climatic uncertainties, cities increasingly demand resilience from their inhabitants. The experiences that are found have shown successive social conflicts in different cities in as many countries, amplified by the strength of social networks and the most diverse information decoded by the plural society. With so much scientific knowledge regarding the theoretical part about cities, the practice shows mismatched occurrences with the doctrine of theoretical rigor, observing a certain anti-scientific cloud. Science will always have a long and infinite way to go to achieve what it actually improves. However, this path, in addition to being tireless, will never adjust to the coincidence of the two propositions, theory and practice. The lag will continue to be the rule. So, what will the behavioural reality of people be like in this time interval? The world has changed in the face of the daily barriers we face and in the speed of responses. We can equate the reflexes of the pandemic moment, e.g, on the middle class, the exhaustion of democracies, the failures in the elaboration and application of public policies, that is, impacts on a global chain in which the inevitable will be the understanding of the importance of what is the digital. Looking to the future, cities are politically disorganized communities for intentional and resilient communities, as laboratories for the emancipation of citizens from civic and political intervention, promoting the capacities of civil society through experience. To think about urban growth is to think about improvisation and casuistry, little inspired and admitted by laws and legal norms. This practice takes place, for example, through the development of forms of governance, decision-making, food, water and energy autonomy, through the design of social, economic, cultural techniques, in places in cities where the inhabitants can experience and train these social technologies in order to build, elaborate and favour the transition to an unknown reality (Lloyd et al., 2017, pp3-5) . This has already been happening, albeit in a timid way, considering the global latitude of the planet and, in particular, the urban and the peripheries, in a very significant way in all continents. We are a long way from inspiring and driving civil society as a whole. However, we are gaining some incompetence, incapacity and lack of ability on this path to the unknown due to the unpredictability of the purposes in which we will live in a few decades. This is to question the mode of social experience at the moment we are going through. Urban disorganization, the excess of bureaucracy associated with it, corruption and the natural selfishness of humans with or without ethical and moral principles put “the others”, using Aristotle’s term (1998), before an alternative choice that generates degradation. Quality of life, putting future generations at risk. All this turmoil generates social discomfort in commuting from home to work and in leisure time, such as schooling at home. The debate on resilience is always welcome as a focus on dialogue with victims of disasters, conflicts or disorders, which has made the population of cities worried about the trivialization of the term and the preoccupation of responsibilities. Let's look at the commitments with the Paris Agreement, which should follow on three major fronts: mitigation, financing and adaptation. If we analyse the speeches of the leaders in the last United Nations Conferences on Climate Change (COP's), we attest that they basically disregard adaptation. Proof of this are the endless meetings and discussions that leave a trail of little collective impact. So, how can we talk about resilience if we don't address the complexity and urgency of climate change accommodation measures? As for housing, how can the dozens of opinions, essays and commissioned or financed works be applied in practice if we do not see their reproduction portraying itself in what is terrestrial? It is a question of allocating the range of these documents produced to the resolution and not to the alleviation of the housing problem. Agendas for big cities need to move in this direction. They need to be inductors of citizen emancipation, allowing them to communicate their intentions and demand short and medium-term public policies. The climate and environmental emergency that we are experiencing will be considered as a cross-cutting issue for all places. Without sustainability, the results will not be benevolent.

Now, let's think about two aspects. First in resilience, which is fundamental because it mitigates the causes that generate the very need for resistance. Second, there are important legal instruments for the resilience of cities, but they have little practical application, therefore, without perceptible results. More debate is needed among opinion makers and this transitory movement between different actors is encouraged. In this way, the aim is to know the ways of life, understood here as revealing effects of a multiplicity of historical, political, economic, social, cultural and psychic vectors, which intertwine in a given time and space, updating the modes of existence. With the outbreak of the pandemic, families began to choose to undertake a trajectory that requires them to break with previous ways of living, from the transgression of norms and laws to the abandonment of values and references in the construction of new forms of relationship and in the taking of decisions. New attitudes with a constant effort to achieve solidarity among all. In the rich narrative of the subjects, dreams, contentment, misfortunes and tensions are revealed that shape the social relationships that permeate their exhausting daily life. This results in the construction of an existential space as a polemical thread, where housing and living are manifested in multiple meanings, leading to an understanding of their importance, especially for households with less mobility and accommodation possibilities. In everyday language it is easy to see the connection between living and living. This conjugation of language leads to the interpretation of shelter, security, privacy, rest, education and human relationships. Ethics in cities puts us before a set of moral values and principles that guide human conduct in society, serving to ensure a balance and good social functioning, allowing no one to be harmed. In this sense, city ethics, although it cannot be confused with laws, is related to the feeling of social justice. It is built by a society based on its historical and cultural values where no one can be left behind.

EVIDENCE OF PEOPLE AS THE SOCIAL FOCUS

Independent and critical thinking is important and crucial for our development as autonomous people. We must, however, emphasize that the goal of such thinking is the truth and not the achievement of personal comfort. In other words, while everyone has an ethical duty to help those whom they can, or at least not to hurt them internally, it is possible to defend the thesis that everyone has a duty to make an effort to believe in what is true and visible, avoiding belief in what is false. Everyone therefore has a duty to examine evidence and arguments ethically and carefully before accepting any claim or argument and not accepting what is unsatisfactory. In short, every human being has an ethical duty to adopt a modestly sceptical position that tends towards a real and external solution. Reflecting on the above, we infer that the themes of ethics generate more questions than certainties (Araújo, 2019, p7). In a world characterized by a collective expectation of the rapid erosion of customs and ethical ruin wrapped in the dome of exponential uncertainty, inequalities can become devastating as the world reorganizes and readjusts at an extreme and unimaginable speed. This environment requires accountability, lucidity and sincerity, to the extent of the monitoring and supervision to which we are individually subject. What will human society look like, adding to this the widespread shortage of decent and affordable housing? What will become of the increase in people living alone and the aging of the population? The first answer is that this reality will force us to reassess the main models and places of human habitation, without dissociating them from labour mobility. Persistent proposals for solutions that can better respond to the human housing reality come up against large cities. With this in mind, the focus of research has focused too much on contemporary models of collective housing that seek to reinterpret the concept of housing to better adapt to current lifestyles. Is it morally acceptable when the practice of ethics is permanent happiness and future well-being? We build dwellings that function in a community, but we accept, and rightly, that houses must be dignified because they are inhabited by people (Boccagni et al, 2020). Another thing is whether they are adaptable to the size of the households. However, the production of housing has been encouraged by few public tenders and a lot via the market, even if the construction and sale are supported by public authorities. One of the innovations is, e.g., in the creation and dissemination of architectural possibilities, which can be used in new prospects, and also through their dissemination, provided that within the scope of a regulation that serves as a basis for other ideas and projects. It is a kind of multiplier effect of innovation focused on the housing phenomenon. In terms of residential maintenance, both indoors and outdoors, and from the perspective of technical assistance as a public housing action, local decision-makers can and should coordinate and promote a collaborative environment in which actors are included, e.g., teachers, based on a participatory methodology. . They may even propose policies that address the quantitative and qualitative housing deficit by improving unstable and inadequate housing (United Nations, 2015).

Strategies such as technical assistance in this context are a fundamental step in promoting the quality of life of inhabitants who are already established in a certain place, without the obligation to move them away from urban centres'. In view of the transformation of the central territory of large agglomerations, this desideratum has the general objective of answering whether the action taken to consolidate these occupations is morally legitimate or not. It turns out that such principles can represent a substantive contribution to the centre of bioethical reflection, analysis and action.

As a field full of possibilities of study, the subject of housing has been approached from different aspects and different perspectives, being the object of different interpretations. However, whatever the perspective adopted for its analysis, it is consensual that housing is an essential and privileged space for human beings. Dwelling is the place of life. As Hamilton (2017, p. 180) says, "The house is a space to live, a geographical location imbued with meaning and materiality". Housing is not just having a roof. Reason is not benefited when we assiduously use the verb to live in the sense of inhabiting. There is no way to live without occupying a space, ethical by nature, where human relationships are exercised. Housing is the main human need, but not the only one. Individual identity is portrayed, first of all, in our family relationships at home (Neves, 2018, pp58-72). It is not enough to be protected because having a house to live in is much more than a place of protection. Housing is the place of permanence of human evolution in the family nucleus in society. In Heidegger's line of thought (2016, p80), space is only what is occupied, what is enjoyed, what is held and what is closed. In this sense, ethics and housing share the same principle, that is, we must not polarize but integrate, which means that any human being has to be prepared for criticism. A single human being is a family, although the stereotype of a family is a group of people who live together for the purpose of existing and maintaining their composition. Families are economic agents and, therefore, they create bonds between their members that are not identical in their thinking and in their behaviour. Preparation for criticism is just that, depending on the age of its members, the relationships between them and the social situation of each of its members. That said, countries are concerned and recommend the use of a home base where the existence of "living in" determines who are considered family members. In this way, families change over time due to many factors, whether housing is seen as a form of shelter or the biological lifespan of each member (Eurostat, 2011).

AN APPROACH TO THE CONCEPT OF HOUSING POLICY

The term housing policy is used in different ways and covers a multitude of activities and aspects. In general terms, the word policy means a close relationship to a particular problem that is intended to be solved or improved in order to achieve a certain objective. The concept of housing policy implies the idea of altering and adapting the existing housing stock and the services inherent to housing conditions. Action implies changes in relation to what already exists. It is juridical and consciously planned to give rise to new future realities. In this sense, e.g., Stephen Ezennia (2019), Dawkins (2021), Kemeny (1992), Lawson (2007), Lund (2017) and particularly the authors Malpass et al. (1999, p5), state that "It is in this context that politicians present their policies for dealing with problems whether they be economic, social, environmental or any other type. Policy therefore implies a process, involving an initial formulation of a problem and a planning or policy-making stage, followed by execution or implementation of the policy, which may itself be followed by an appraisal or evolution of the success of the policy".

In short, policy can be defined in terms of the positions and actions of decision-makers and those who are responsible for carrying out those decisions. Public policy can be defined as the policy of public bodies, such as governments, state, regional and local authorities, companies and public and private institutes. Housing policy can be defined as an element or domain of public policy related to the area of housing. But when we talk about housing policy, we must be careful not to forget its intimate relationships and even the overlaps with other categories of public policy: social policy, economic policy, urban policy, regional policy, fiscal policy and employment policy. We intend to be cautious and not that the coherence of housing itself, within four walls, may not be as coherent with the substance of the intended housing policy. Housing policy is a transversal policy that deals with very important aspects of the social and administration of the territory. This public policy as a specific category of social practice may not be independent of economic and financial policies, much less of the situation and potential of the economy. Although the term policy implies a coherent, global and coordinated approach, in the field of housing it is widely recognized that there is not a single policy, but a multiplicity of policies, as housing is understood to be a system made up of many and diverse components with strong links and connections with each other. In a rule of law, such as those in the EU, housing policy is a public policy and, therefore, part of the economic policy of each country and, consequently, of the European Union. But this multiplicity of policies in the field of housing is convergent, if only because of the principle of political rationality of governments, and complementary because the various measures and policy instruments tend to contribute to the same objective. It is worth constantly remembering that the right to housing is one of the social rights constitutionally recognized, even stipulating that citizens have the right to adequate housing. From here comes the state imperative to define what they are, and what are the minimum conditions of quality and quantity whose integrate this concept. In fact, this imperative becomes, therefore, the practical requirement of a social policy capable of facilitating access to good housing for all individuals who do not have the economic means to purchase or rent a house at market prices. This makes housing policy an essential feature: its social dimension. We can mention that one of the essential characteristics of housing policy is its community dimension, for whom the concept of housing policy comprises the set of instruments adopted and put into practice by the State, in order to achieve or guarantee a reasonable and socially acceptable balance. Between demand and supply of housing in the market and in society.

In a way, we can say that housing is not just any economic good, which imposes on the State, in the context of a market economy, regulatory and promotion obligations, the State being forced, in a modern society, to be concerned with the offer of adequate accommodation, both in quantity and quality. Thus, housing policy is understood to be the set of measures adopted and implemented by the State whose main objective is to ensure a balance between supply and demand, through market intervention instruments. The housing policy, in addition to economic objectives and their multiplier effects on other productive sectors, such as job creation and the development of civil construction companies and adjacent companies, also aims to achieve redistributive effects given that, in a indirectly, it mitigates or even reduces social inequalities in the distribution of national income. Regarding government intervention and public agents acting in this sector, two types of market intervention instruments are available: a) support for investment in housing, and b) support for the acquisition or consumption of services produced by the property/housing. It is about “helping the stone”, in the first case, and “helping the person” in the second case. This corresponds to a commitment based on the policy of granting subsidies to users, whether for rental or acquisition, in tax benefits in the acquisition, such as the deductibility of depreciation and exemption from municipal taxes, or even in supporting the rehabilitation of housing and to self-construction, through the transfer of land or financial participation in the construction costs. In several or all European countries, we can find forms of support, direct and indirect, which aim to balance the market and the practical translation of the constitutionally enshrined right to housing. This is a form of indirect promotion oriented towards consumption, that is, towards increasing the solvency capacities of households in relation to their housing needs. “Aid to the stone” concerns the initiative and sharing of responsibilities by the State with the municipalities and the various independent public, private and cooperative promoters. In general, it is the influence of different interests and perspectives, each with their own ideas about housing problems and their importance in the social and economic context, which converge with the State in establishing the existence of public policies and, within them, housing policy in our sense. The existence of problems constitutes a condition for the existence of policies, but it does not necessarily and automatically imply the involvement of the State, nor does it predetermine its nature and forms. But state intervention, while not the ultimate cause of housing problems, is itself problematic. And for four essential reasons.

First, because housing policies are the result of continuous and variable processes, which means that they are often defined on an ad hoc basis through decisions accumulated over an extensive number of years. Second, because policies tend to be conservative in the sense that, when implemented, they strongly condition the possibility and direction of future policy developments or changes. Third, housing policies are, to a large extent, the state-level translation of conflicts, influences and diverse ideas. In this translation process something changes and, by the very nature of the process, the particular tends to be overshadowed by what is assumed to be general. Finally, state intervention is still problematic for another reason: the contradictory nature of the pressures exerted on the state provides the basis for further interventions. As a trend, the more the State is involved, the more it becomes a vehicle for problem solving and the greater the possibility of intervention. Although this type of intervention has limits, it tends to transform economic relationships into political relationships, or at least very dependent on politics, in which the State is an interested party. Examples of this are, e.g., the relationships between landlord and tenant, between developer and homebuyer, between buyer and banking institution, between owners and public administration, between municipalities and public institutes. The nature of housing problems, changed over time, is progressively placed at a level that permanently confronts the State, insofar as these problems are not definitively resolved. Even in cases of negative externalities and public goods where government action can be admitted, due attention should be given to the potential inefficiencies resulting from state intervention and the characteristics of the political process. Analogous to these situations that reflect the social arrangement of well-being are, e.g., poverty, inequality, the gauges of gender inequality, housing ownership and the results of ideologically oriented power relations, which define qualitatively different combinations. Between European states, such as legal markets and informal sectors. In the comparative research we have done, the social production of housing and housing well-being has been captured by the concept of "housing regimes" (Dewilde, 2017, p384).

METHODOLOGICAL ANALYSIS

Before starting the analysis, it is important to note that for all graphs and subsequent analysis, all countries that did not have complete information for the years under investigation were removed or omitted. For a certain variable, if there are one or more countries that do not have data for one or more years, that country is not considered in the analysis. The analysis was done using the R language (2008). For this analysis several types of charts were used. Line charts are often used to represent time series, that is, values that change over time. This type of graph serves to connect observations in the order in which they appear in the data. To create this graphs in R we use the function geom_line. This function requires arguments for both the x-axis and the y-axis. Boxplots were used in order to compare the distribution of various groups, giving a good indication of how the values in the data are spread out. The function geom_boxplot is used to create a boxplot in R. We also used scatter plots and correlation plots. The correlation coefficient of two variables in a data set equals to their covariance divided by the product of their individual standard deviations. To create this graph we use cor function which uses Pearson method to calculate the correlation. The variables used in this research are identified in Table 1 (Eurostat, 2021).

Table 1. Variable Description

Variable acronym	Variable designation	Variable definition
POPHOUTHRSES	At Risk Of Poverty Threshold	The threshold is set at 60 % of the national median equivalised disposable income (after social transfers). It is expressed in Purchase Parity Standards (PPS) in order to take into account differences in cost of living across EU Member States.
OCROWDR	Overcrowding Rate by household type	This indicator is defined as the percentage of the population living in an overcrowded household. A person is considered as living in an overcrowded household if the household does not have at its disposal a minimum of rooms equal to: - one room for the household; - one room by couple in the household; - one room for each single person aged 18 and more; - one room by pair of single people of the same sex between 12 and 17 years of age; - one room for each single person between 12 and 17 years of age and not included in the previous category; - one room by pair of children under 12 years of age. The indicator is presented by household type.
FINBURDENDEBTS	Financial burden of the repayment of debts from hire purchases or loans	The financial burden of the repayment of debts from hire purchases or loans refers to the percentage of persons in the total population living in a dwelling where repayment of debts from any credit card, hire purchase or other loans (that is, excluding mortgage repayments or other loans connected with purchase of main dwelling).
RENTPRICES	Financial burden of the total housing cost	A household spending 30 percent or more of their income on housing is considered cost-burdened. Noteworthy is the disproportionate share of income spent on housing relative to the cost of other necessities like food, clothing, and transportation.
MEDRELINCOME	Median relative income of elderly people	The indicator is defined as the ratio of the median equivalised disposable income of persons aged 60 and over to the median equivalised disposable income of persons aged between 0 and 59.

AGE>65	Old-age dependency ratio	This indicator is the ratio between the number of persons aged 65 and over (age when they are generally economically inactive) and the number of persons aged between 15 and 64. The value is expressed per 100 persons of working age (15-64).
RELMEDRISKPOV	Relative median at-risk-of-poverty	The relative median at-risk-of-poverty gap helps to quantify how poor the poor are by showing the distance between the median income of people living below the poverty threshold and the threshold itself, expressed in relation to the poverty threshold.
POVEREXCL	People at risk of poverty or social exclusion	Persons at risk of poverty or social exclusion are those who meet at least one of the following conditions: living at risk of poverty, facing severe material deprivation or living in households with very low work intensity.
EXPSOCIALPROT	Total expenditure on social protection	This reflects government's core function to redistribute income and wealth, financed by compulsory payments. The expenditure category dominating this division is 'social benefits' and social transfers in kind (purchased market production). Social benefits are paid to households to alleviate social risks and needs.
GINIEQUPISINC	Gini coefficient of equivalised disposable income	The Gini coefficient is a measure of the way in which different groups of households receive differing shares of total household income.
HOUSEDEPRIVA	Housing Deprivation rate by number of items	The indicator is defined as the percentage of the population deprived of each available housing deprivation items. The items considered are: - Leaking roof, damp walls/ floors/foundation, or rot in window frames or floor; - Lack of bath or shower in the dwelling; - Lack of indoor flushing toilet for sole use of the household; - Problems with the dwelling: too dark, not enough light.
HOUPRIRENTS	Housing Price Index	HPI captures price changes of all residential properties purchased by households (flats, detached houses, terraced houses, etc.), both new and existing, independently of their final use and their previous owners. Only market prices are considered, self-build dwellings are therefore excluded. The land component is included.

PURNEWD	Purchase of new dwelling	The total value of housing transactions is equal to the sum of the transaction prices of all houses sold in the respective period. When prices decreased, fewer dwellings are sold; and when prices increased, more dwellings are sold.
PEREXID	Purchase of existing dwellings	This measures the changes in the transaction prices of dwellings purchased for own-use and the cost of all goods and services that households purchase in their role as owners-occupiers of dwellings.

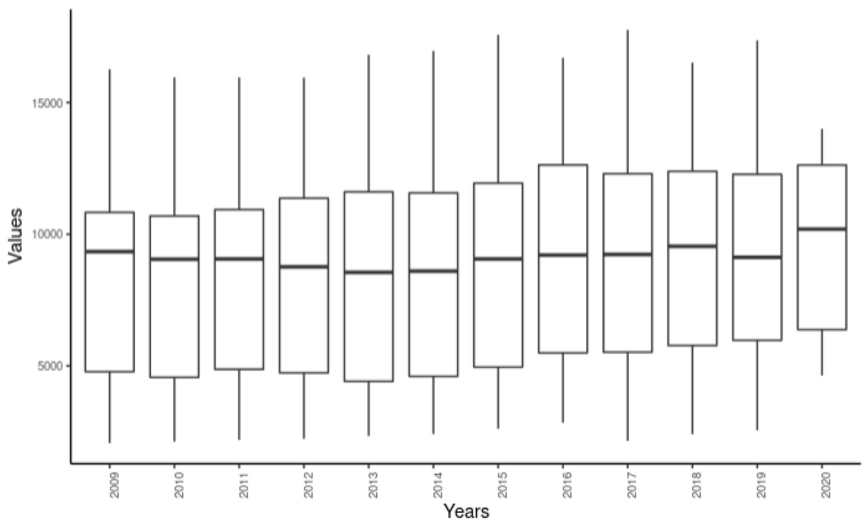
Source: Owen elaborating. Definitions from Eurostat.

DATA ANALYSIS

In order to have a sense of how the data is distributed throughout the years we decided to do use boxplot graphs. For the risk of poverty threshold variable, we can see that there are no outliers. These means that there are no values that differ from the rest. Even though there no outliers, there are still some differences within the data. For most boxplots the whiskers are long, which means that the values are widely distributed. There is a skew in the data. A skew refers to the asymmetry of the data. That is more visible in the years of 2009, 2010 and 2011 in Graph 1. The Overcrowding Rate variable, exposed in Graph 2, is very different from the other. For all years, except 2014 and 2020, we have outliers, meaning that there are odd values, values that don't fit in the distribution. Here the values are closer together than in the previous graph. That is why the boxes are smaller.

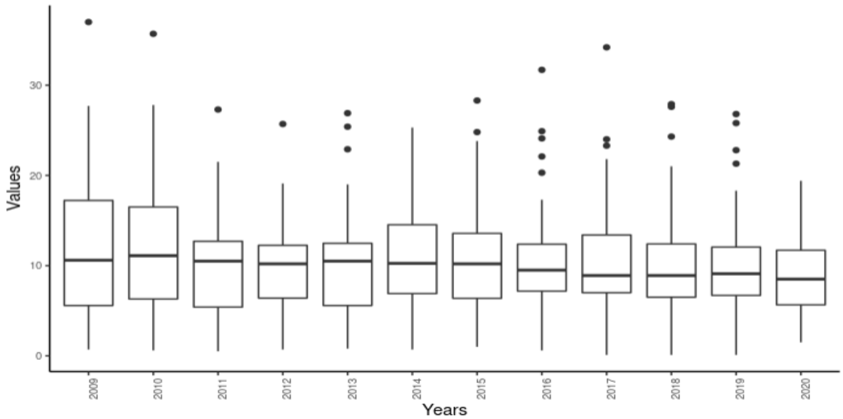
For the variable Overcrowding Rate, Estonia and Slovenia are the countries with higher percentage in 2009 and are the countries that present higher difference between 2020 and 2009, as we can see in Graph 3. Both Spain and Cyprus present the smaller values for the same years, even though for 2020 they also present a slight decrease. The trend in most countries is that in 2020 the values are smaller. This doesn't happen for Belgium, Netherlands, Austria and Sweden. In Graph 4, for every country except Cyprus and Greece the threshold for at risk of poverty for 2020 has increase. For 2020 Austria was the country with the highest risk of poverty, followed by Belgium, Netherlands and Denmark. Hungary, Bulgaria and Romania were the countries with lower values for this variable in 2009 and 2020. These two variables can only be compared with each other because they are related to the same type of household, the single household. There is no visible relationship between these two variables. However, there are 3 countries (Austria, Belgium and Netherlands) that have the highest values for the variable at risk of poverty threshold and reverse the trend seen in the overcrowding rate graph. For 2020 the values are lower than in 2009, so in this case, these countries have higher values in 2020 than in 2009. For example, for Austria were the threshold for at risk of poverty is the highest we see a big increase between the years but that increase is not proportional when talking about the overcrowding rate. In countries like Spain, Estonia, Hungary, Bulgaria and Romania we see that in the first plot (at risk of poverty) there was an increase for the year of 2020 given 2009, but that trend is inverted in the second plot (overcrowding) where for 2009 those same countries have higher values than in 2020 and for some the difference is big, namely for Estonia and Hungary. Sweden maintains more or less the same trend in both plots. Finland shows that even though the risk of poverty is higher for 2020 relatively to 2009 the trend is inverted for the overcrowding graph even though it is much smaller the difference.

Graph 1. At risk of poverty threshold for years between 2009 to 2020



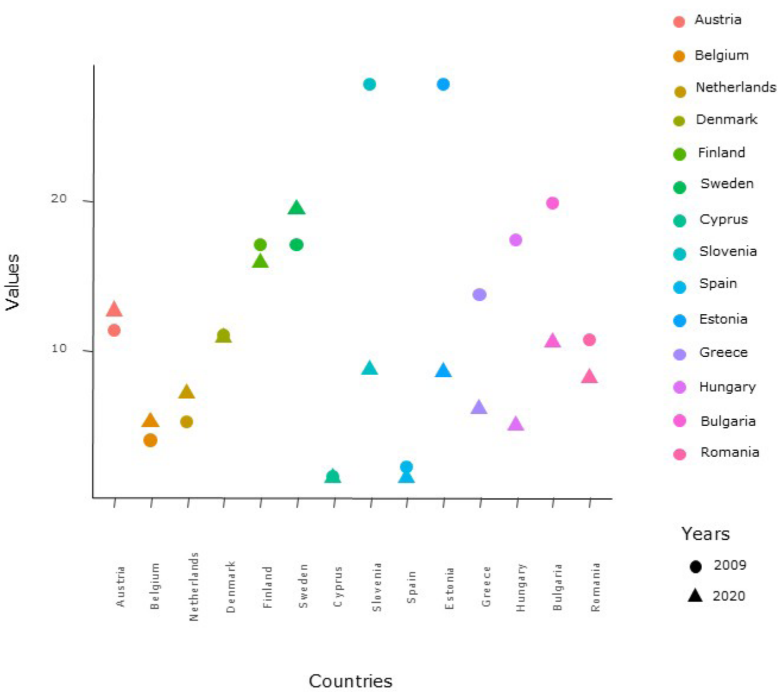
Source: own computation.

Graph 2. Overcrowding rate for years between 2009 to 2020



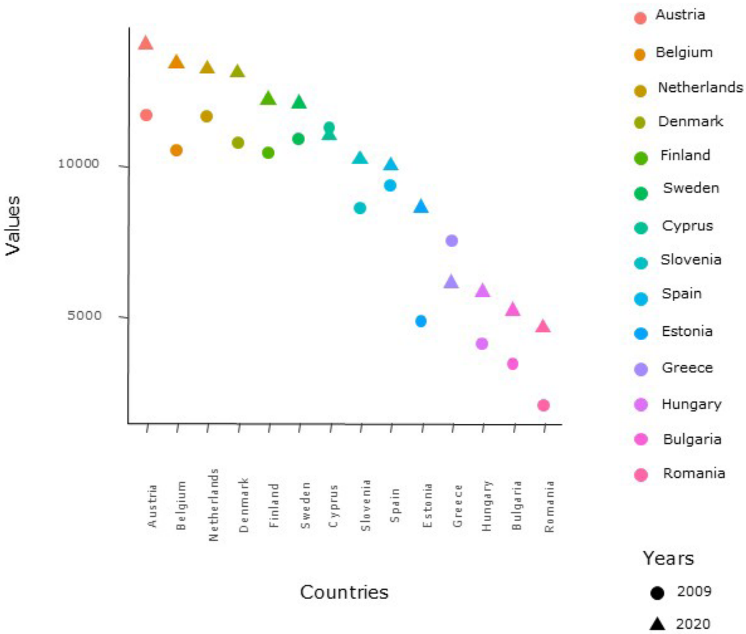
Source: own computation.

Graph 3. Overcrowding rate for 2009 to 2020



Source: own computation.

Graph 4. At risk of poverty threshold for 2009 to 2020



Source: own computation.

The graphs for FINBURDENDEBTS and RENTPRICES variables only start in 2011. In the FINBURDENDBTS variable, for all countries there is a clear trend that since 2011 the values have been decreasing. For some countries is more accentuated, for others is more gradual, and for Greece, even though the value of 2020 is higher than in 2011, it increased until 2017 and decreased since then.

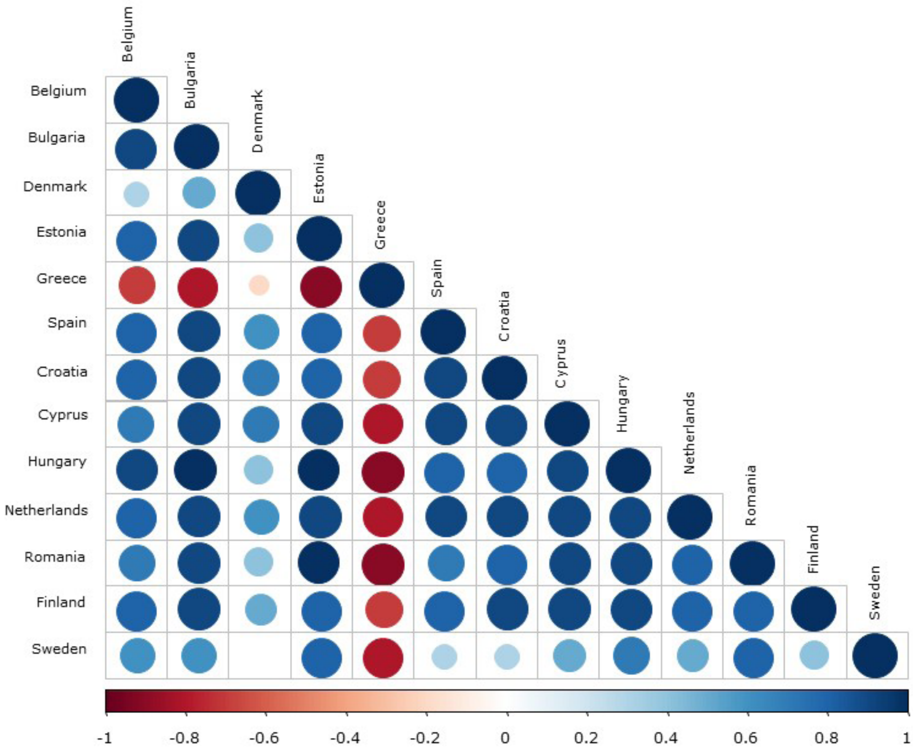
In RENTPRICES the values decreased between 2011 and 2020, except for Greece where the value increased. For Cyprus and Croatia both variables have similar behaviours. The financial burden with housing costs decreases just like the financial burden repaying debts. In a general form if it is easier to pay debts it is also lighter the burden of the total housing costs. It may not be a significant change even if it is in one of the variables but there is still some correlation. The Graphs 5 and 6, show the correlation between the countries for each of the variables. The correlation between the years wasn't significant because they showed a perfect correlation or almost perfect among all years. Between the countries there are different values of correlation so even though the sample is small, which influences the correlations, it is still useful to make some conclusions. In both correlation graphs, Greece is the country that demonstrates to be more negatively affected by others, demonstrated by the reddish colors. In the graph Financial Burden Rent Prices, Greece is influenced very negatively when compared to other countries, with the worst results when compared to Estonia, Romania and Hungary, and the best results, while still being bad, is with Denmark. Basically whenever values go up in Greece they go down in all other countries and vice versa.

Sweden when compared to Denmark does not show any kind of correlation, illustrated by the white color, which means that they are independent of each other. There are other countries that, despite showing a low correlation, are still positive, which implies that when the value of one country rises, the other also rises.

In Financial Burden Debts graph, as mentioned before, Greece is the country with the worst results, albeit better than in RENTPRICES. When compared to Belgium it is positively influenced indicated by the blue color and independent of Denmark, Cyprus and the Netherlands. In this the values are a little more dispersed even though they are all positively correlated. On a little note, Finland is slightly negatively influenced by Estonia. In both graphs it is possible to see that there are countries that maintain the same trend being positively correlated between them, such as Netherlands and Cyprus; Hungary and Cyprus; Romania and Cyprus; Sweden and Romania; Netherlands and Hungary; Romania and the Netherlands; Cyprus and Croatia. The correlation graph only shows half of the information contained in the correlation matrix. This happens because the other half has the same information and therefore is irrelevant. It is also important to note that the diagonal always has the highest correlation values because when comparing the country with itself the correlation is always equal to 1 and therefore the reason for always having the darkest blue color.

The following 3 variables are considered together because they are all related to elderly people. In Graph 7, we are able to see the values for the variables Age>65 and RELMEDRISKPOV and how they are distributed. For the relative poverty gap the difference between 2020 and 2009 is not as sharp as in the MEDRELINCOME. In 2020 the country with higher poverty gap is Hungary. Bulgaria is the country with the greatest variation among the values, followed by Greece and Estonia. Austria and Belgium are the countries that have the least dispersed values. As for the Old-age variable, the ratio rose when comparing 2009 and 2020 and for the most part the rise is quite visible. Finland is the country in which the difference between years stands out the most. This means that as the years go by we begin to notice the trend that more people over 65 are dependent on people in working age. Austria and Belgium are the countries that have their values with least variation. Their values are comprehended between 25 and 30. Because the values of these variable is ex-pressed by 100 people at working age, already in 2021 more than one fifth (20.8 %) of the EU population was aged 65 and over, and the share of people aged 80 years or above in the EU's population is projected to have a two and a half fold increase between 2021 and 2100, from 6.0 % to 14.6 % (Eurostat, 2022).

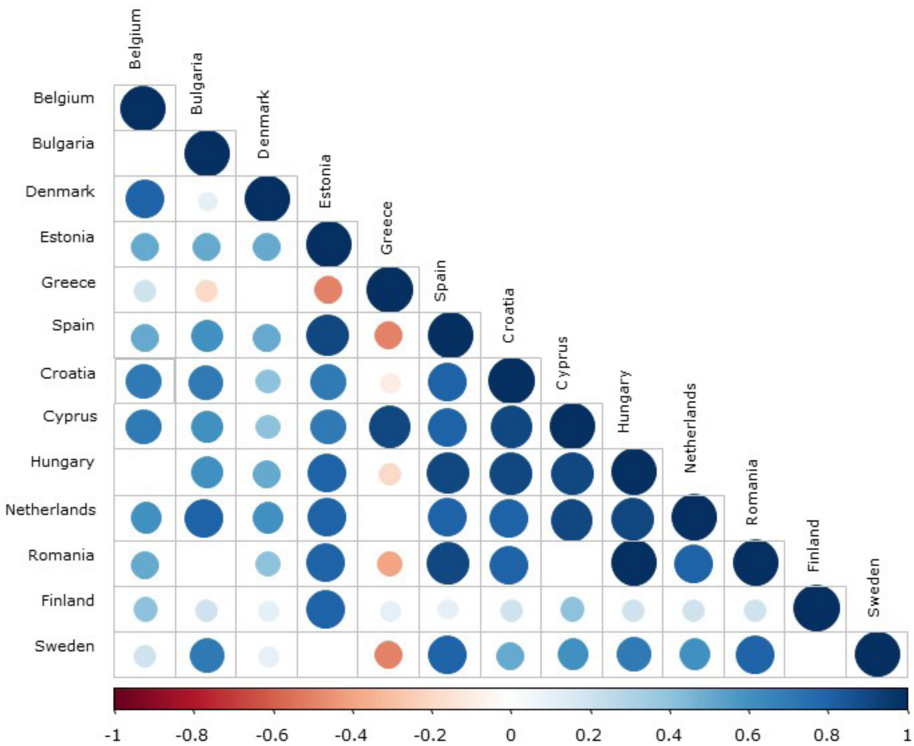
Graph 5. Financial burden rent prices



Source: own computation.

25 to 30 people with 65 plus years to every 100 people at working age (15-64). Cyprus is the country with lowest ratio of old-age dependency and Finland and Sweden are the countries with higher values. MEDRELINCOME is a measure used as an indicator of living standards and its variations can be visualized in Graph 8. In most countries the value for 2009 is lower than in 2020, meaning that in this countries the living standards have increased however the maximum values were usually encountered between 2014 and 2016. For example, it is the case for Cyprus, Greece and Spain. Sweden and Netherlands are the countries with the smallest differ-ence, but in case of Sweden there is an increase for 2020 relatively to 2009 and in the Netherlands 2020 has a lower value than in 2009. Hungary, Romania and Estonia are the countries which shows a smaller value in 2020 than in 2009, starting from the greater difference to the lowest, respectively, indicating that the living standards have decreased in these countries. Belgium is the only country that has the same value in both years although there has been changes in the values over the years.

Graph 6. Financial burden debts

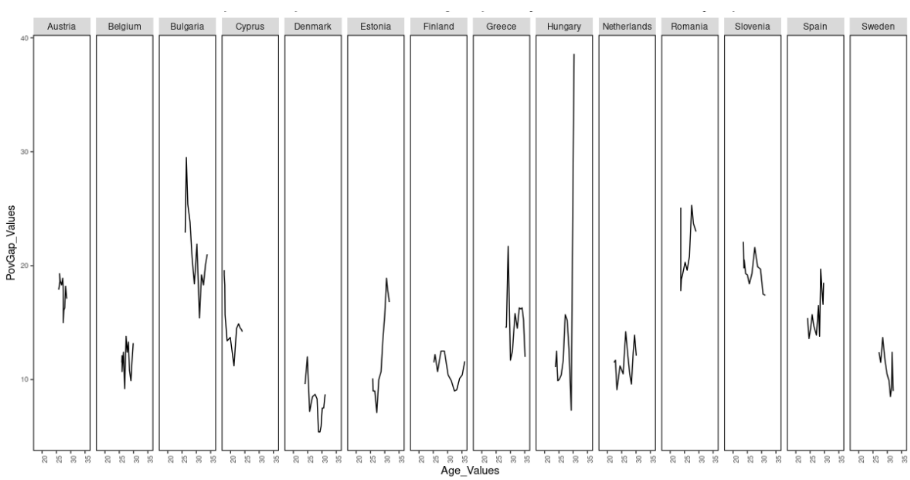


Source: own computation.

As a summary, Finland is the country with higher old people ratio per 100 people in working age. The indicator of living standards also increased, so even though there are more old people than people in actual working age the living standards didn't decrease as this is confirmed with the other graph which shows that the relative poverty gap for people 75 plus didn't get higher (a small difference from 2009 to 2020). The same thing happens in other countries like Austria.

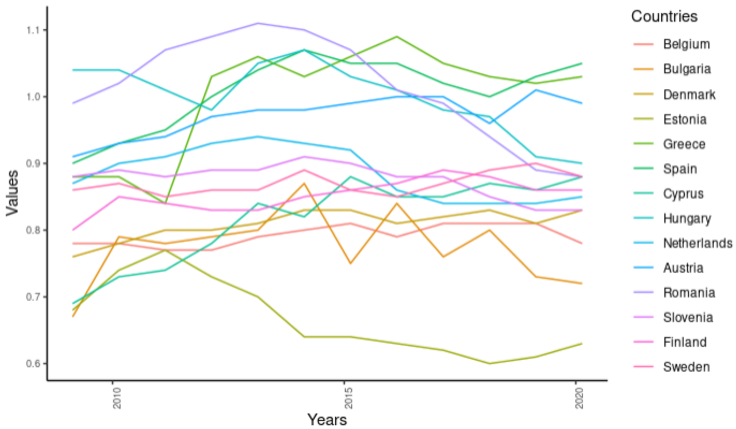
The EXPSOCIALPROT doesn’t have information regarding the year of 2020, and even for 2019 there aren’t many countries with values. There are only 5 countries which have information for the year of 2019 and they are Croatia, Lithuania, Hungary, Malta and Switzerland. The POVEREXCL returns the usual countries like in previous graphs. The analysis will be focused until 2018 in order to see if there any type of relationship between the two, so we are able to understand if a higher value in POVEREXCL creates higher EXPSOCIALPROT. It was important to compare this 2 variables because one is the indicator of the sum of people who are at risk of poverty or severely materially deprived or living in low income households, and the other is about the total expenditure on social protection. Assuming that having negative values for the variable POVERECL and that this is calculated as the cumulative difference in relation to 2008 (which in our dataset is equal to 0 in all countries) implies, in my point of view, that each the country will have fewer people in situations of poverty. For countries like Hungary, Bulgaria and Romania, the amount of people in situations of poverty have been decreasing, as shown in Graph 9. On the other hand, the total expenditure on social protection (Graph 10) remains more or less constant, even though it has been increasing slightly for Romania and Bulgaria. In Spain, the number of people at risk of poverty or social exclusion increased until 2014 and since then it has been decreasing, although the expenditure on social protection has remained constant, this may be due to the fact of what is being spent and not exactly to how many people are receiving it. Denmark is the country with the highest total expenditure on social protection.

Graph 7. Comparison between old-age dependency ratio and relative poverty gap debts



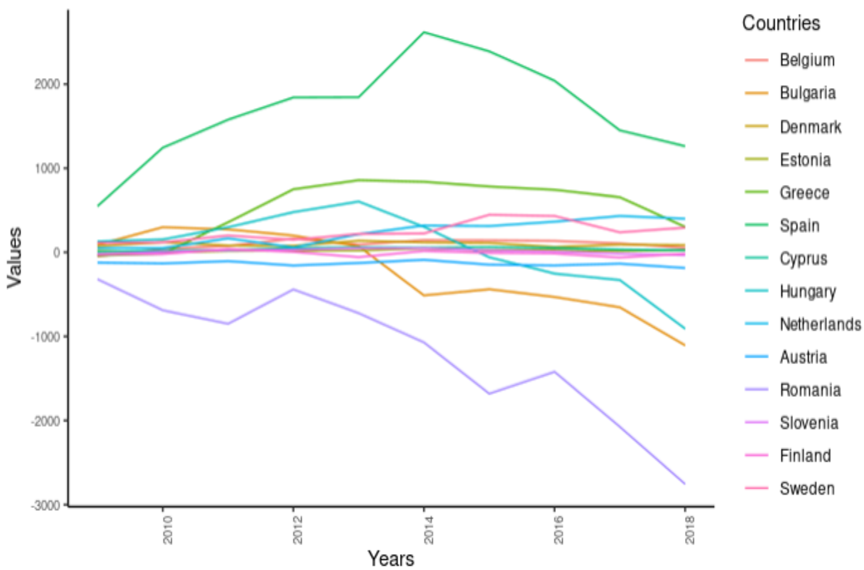
Source: own computation.

Graph 8. Median relative income of elderly people



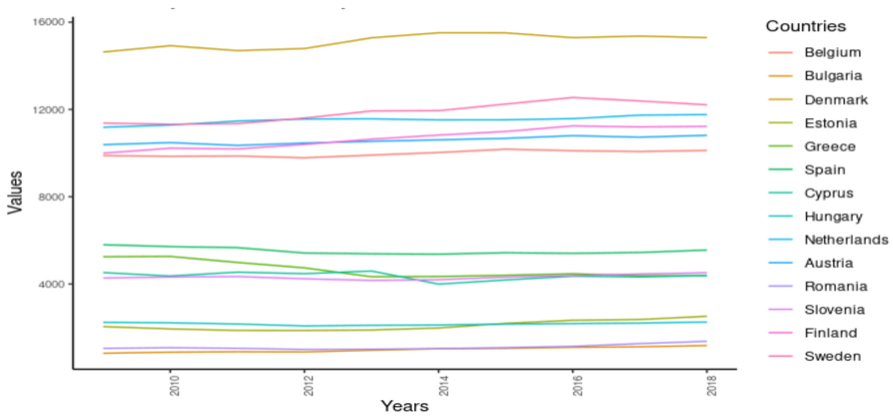
Source: own computation.

Graph 9. People at risk of poverty or social exclusion



Source: own computation.

Graph 10. Total expenditure on social protection

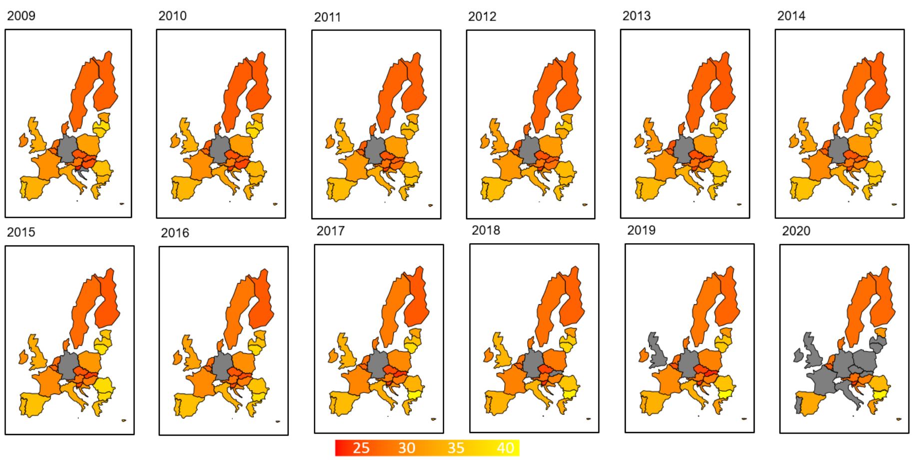


Source: own computation.

The variable GINI COFFICIENT is important because it allows us to understand how the countries vary among each other in terms of the distribution of income across the population. A higher index indicates greater inequality. A country in which every resident receives the same income would have a Gini Coefficient equal to zero. The maps that compose Graph 11 represent the Gini Coefficient that show only European Union countries over the years under analysis. United Kingdom was still considered as a European country inside the EC. Countries are colored according to the scale for the Gini Coefficient defined in the caption of each map. The greater the inequality, the greater the value of the Gini Coefficient and therefore the more yellow it becomes. If it has a smaller value, it is more reddish-orange. Comparing just 2009 and 2020 we see that Bulgaria and Hungary are the countries which have higher differences in the indexes. For some of the countries we can see that the index was going up until 2014 and since then it has been going down, for example Estonia and Spain. Slovenia is the country which consistently has the lowest Gini Coefficient throughout all years. Netherlands, Cyprus and Denmark are the countries that show the smallest difference when comparing 2009 and 2020. Relevant notes about the Gini Coefficient are shown in Table 2.

For HOUPRIRENTS, PURNEWD and PEREXID variables the value for 2010 is fixed as 100. Even if we removed it doesn't change much. The variable PURNEWD refers to new houses to debut or land for construction of houses and the variable PEREXID is applied to houses that already exist, or those that someone once lived there. These two variables will be compared because they have the same countries. The values for each of these variables are expressed in annual average index. These are the two variables for which we have more countries with information. In general the average purchase of new dwellings (Graph 13) is higher, albeit in some countries by a little, than the purchase of existing dwellings (Graph 12). Despite, there are countries where this doesn't happen, for example Sweden and Malta. In these countries the average for buying existing dwellings is superior to buying new dwellings. The same goes for Croatia, Czechia, Hungary, Luxembourg and Portugal even though the difference is much smaller than in the other two countries. Although Estonia has a higher average in the purchase of new dwellings, it has the highest value in the average purchase of existing dwellings. Denmark exhibits the highest average on the purchase of new dwellings.

Graph 11. Gini Coefficient



Source: Own elaboration.

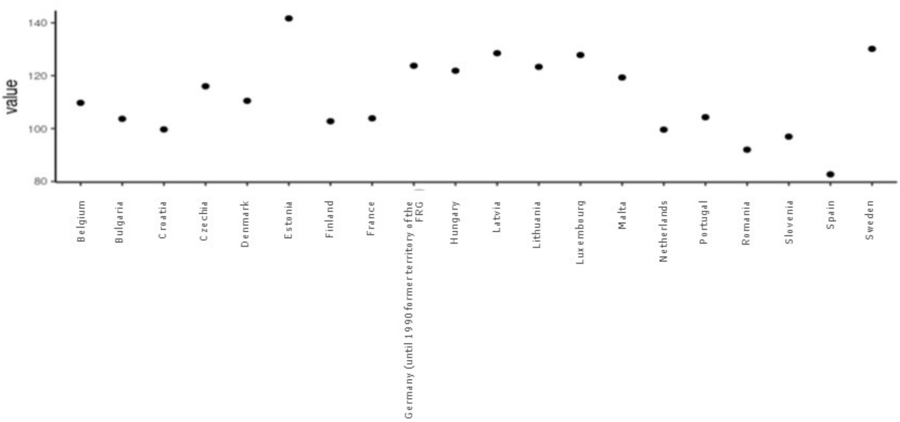
Table 2 - Relevant notes about the Gini Coefficient between 2009 and 2020

Years	Notes
2009	Slovenia is the country with the lowest Gini Coefficient
2010	Some countries registered a lower Gini Coefficient
2011	Lithuania has been showing signs of less inequality and Slovenia is still the country with lowest Gini Coefficient
2012	It was an irregular year. Some countries like Latvia, which had been showing better results, ended up getting slightly worse while others managed to continue to improve inequalities
2013	Bulgaria hits the worst value since 2009

2014	Slovenia, which is consistently the country with the lowest values, reaches the highest value since 2009. Lithuania also reaches its highest value and from this year onwards it goes down
2015	Romania since 2009 has been increasing reaching its highest value
2016	Most countries maintain the same range of values as in 2015
2017	Bulgaria hit's the highest value registered for a European country
2018	Slovakia is the country with lowest Gini Coefficient
2019	Portugal has been improving since 2009 and reaches his best result
2020	Is the year in which we have the least amount of information, still it is possible to verify that Slovenia is the country with the lowest value of Gini Coefficient

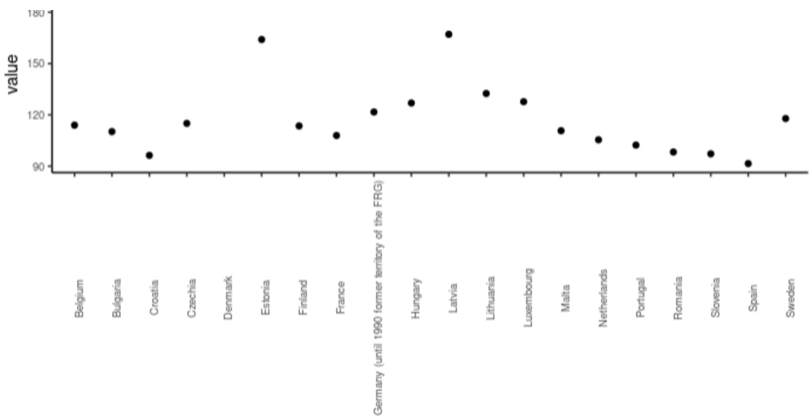
Source: own elaboration.

Graph 12. Average purchase of existing dwellings



Source: own computation.

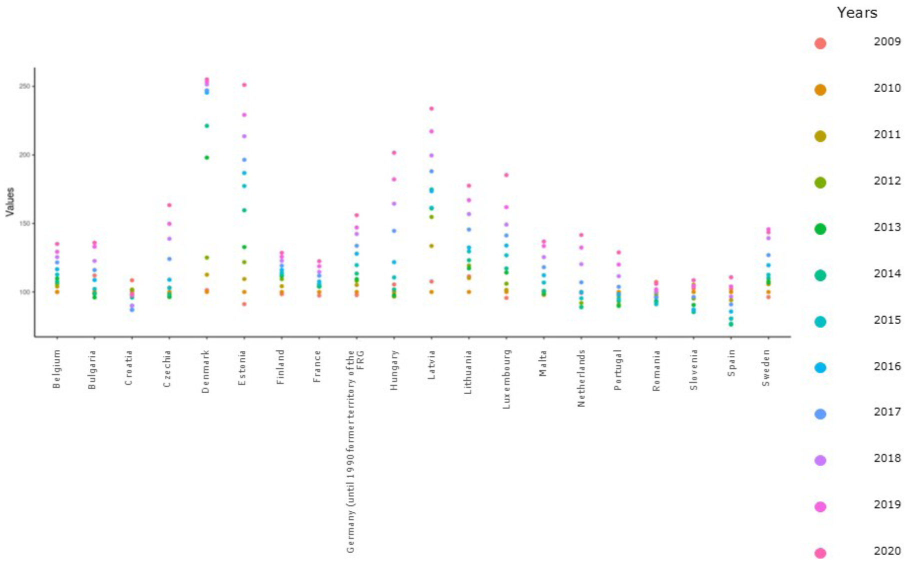
Graph 13. Average purchase of new dwellings



Source: own computation.

In Graph 14 and 15, we see that Estonia is the country with the greatest diversity of values, showing a gradual growth both in the purchase of new dwellings and in the purchase of existing dwellings. Belgium, Finland, Romania, Slovenia, Spain and France are the countries with the closest values for the purchase of new dwellings, demonstrating a slower pace of growth. France also shows this tendency in the purchase of existing dwellings. Most countries especially in the Purchasing Existing Dwellings plot (Graph 15) show that the fastest growing years are the last 3 years (2018, 2019, and 2020) and this is particularly notorious in Luxembourg. Some countries have even shown this growth in the last 5 years, since 2016, examples are Hungary, Portugal and Lithuania. As for the purchase of new dwellings (Graph 14), this trend of greater growth in the last 3 years is also possible to be verified for some countries such as Estonia (already mentioned), Hungary and Lithuania, as in graph 15. There are other countries that also demonstrate this growth, albeit in a lighter way, such as Portugal, Malta and the Netherlands. Denmark stands out in this graph as it has a very strong growth from 2012 to 2013, and in 2015 it slows down. As a conclusion Estonia is the country with the greatest diversity of values, thus showing the greatest growth followed by Latvia, for the purchase of new dwellings, and in the purchase of existing dwellings all countries show strong growth except Finland which presents rather condensed values.

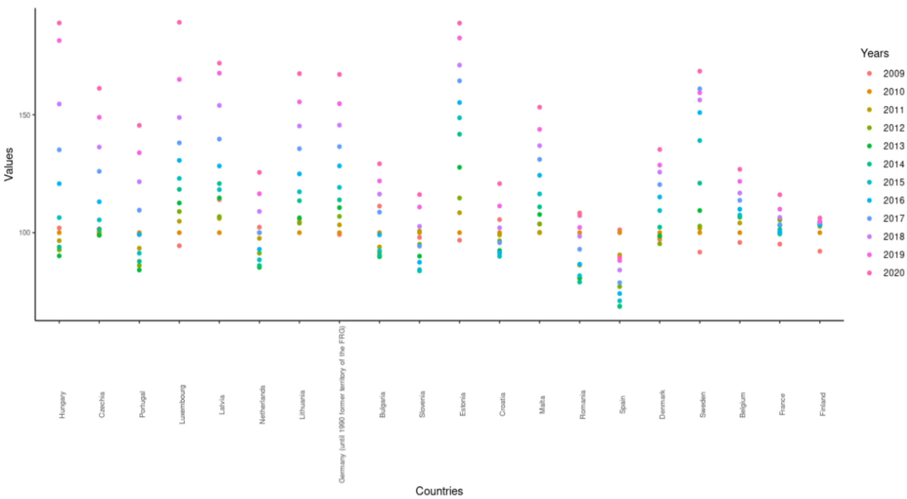
Graph 14. Purchase of new dwellings



Source: own computation.

The HOUPRIRENTS, as indicated in Graph 16, has been increasing for all countries, except for Cyprus and Spain where the highest value was reached in 2009, then it has been decreasing until 2015 and 2013, for each country respectively, where it hits its lowest value, although since then it has been increasing. For Estonia, prices have always increased significantly every year and the biggest difference is between 2013 and 2014, reaching the maximum value in 2020. Hungary behaves similarly to Estonia, with the biggest leap being from 2018 to 2019, and this growth has been faster since 2015.For all countries except Cyprus, Spain, Sweden and Finland the last 3 years (2018 to 2020) were the years where there was the greatest growth in house price values. In Finland, it is the country where growth is slower, the biggest leap is taken from 2009 to 2010. In Sweden, the years 2019 and 2020 were the years with the highest values from 2017 to 2018, there was a small decreaseand that is why it is not included in that group of countries that has suffered the greatest growth in the last 3 years.

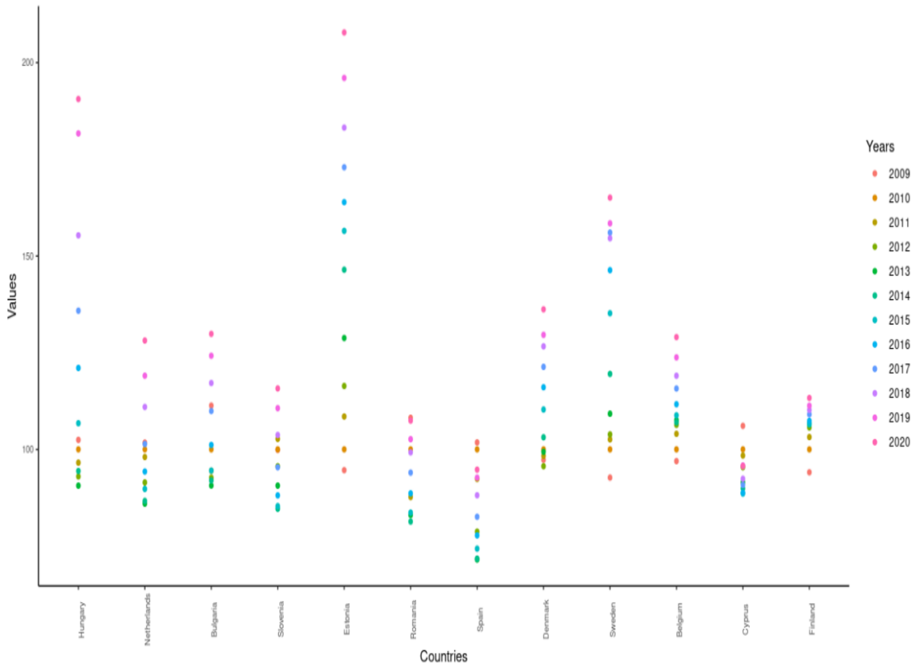
Graph 15. Purchase of existing dwellings



Source: own computation.

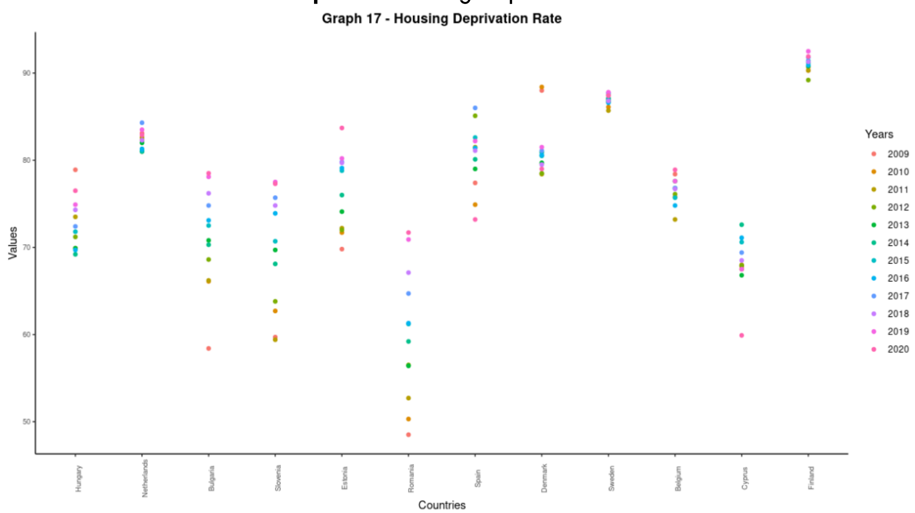
Relatively to HOUSEDEPRIVA, exemplified in Graph 17, the highest value is reached in 2019 by Finland, which is the country with the highest values overall. Denmark reaches its highest value in 2010 and then has a decline, rising again from 2014/2015. Finland and Netherlands are the countries which have their values closer to each other not showing a big evolution. Estonia, Bulgaria, Romania and Belgium are the countries that reach their highest value in 2020. Romania reaches the lowest value for all countries in 2009, followed by Bulgaria. Cyprus, like in another chart, reaches its highest value in 2014 and its lower value in 2020, this is very likely due to the issue of the pandemic, which still did not affect the other countries as much. Romania is one of the countries that shows the most progressive growth in this variable.

Graph 16. Housing price index



Source: own computation.

Graph 17. Housing deprivation rate



Source: own computation.

CONCLUSIONS

The concept of housing and housing policy is outdated, despite the existence of similarities with the politically assumed by the political powers, starting with the European Commission and ending with the discretion of the various governments of the European Union. Leaving each country its autonomy of housing policy is not an easy topic to appreciate and discuss. It is, pragmatically, debatable. As much as the European Parliament has this tendency and its pronouncement on the issue of European housing, the EC and the EU Council of Ministers do not feel politically comfortable to change their position until today. Perhaps that is why it implies the withdrawal of autonomy to national governments in the distribution of favours or that each Mayor can discretionally decide on who should delegate such works. The problem is always the same, as Aristotle said, who defended that man is a political animal by nature, because, joining Schumpeter's thought, he maximizes his utility or pleasure, given that he has acquired as a premise that his time of biological life is uncertain.

The empirical results from our research analysis allow us to conclude that Finland is the country with the highest rate of old-age (60+ years) dependence on people in working age (15-64 years). However, the living standards remain high and the rate that indicates the poverty for people over 75 has not suffered major differences. Also, we noticed that there is not much of a growth in buying existing or new dwellings, when compared to the remaining countries, especially when compared to Estonia and Latvia, which present great growth in the purchase of new dwellings. In terms of housing price it is in the same range of values, being one of the countries that suffered the least amount of variations, but in terms of housing deprivation Finland is the country with highest values. In the financial burden we also see that it is the country that shows not being very influenced by the rest (Graph 6). Greece is the country that is clearly either not influenced or negatively influenced by the others in terms of financial burden in rent prices and debts. When we talk about single household there are 3 countries that clearly stand out, namely, Austria, Netherlands and Belgium. These are the countries that in 2020 present the highest threshold for at risk of poverty but that nevertheless show lower values of overcrowding rate in 2020 than in 2009. If comparing the Gini Coefficient for these 3 countries in the years 2009 and 2020, we also see that they do not undergo major changes and are one of the countries that have lower values over the years. Bulgaria and Hungary go through major changes regarding the Gini Coefficient. As for Slovenia, it is the country that, in general, maintains the lowest value throughout the years. For Portugal, in specific, I can say that it is not similar to any other country or to European averages in any of the variables. Also, in general, there are never times when, from a certain year onwards, it always grows or always decreases. It has constant ups and downs.

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CHAPTER 8

INCLUSIONARY ZONING IN CALIFORNIA: UNLOCKING PRIVATE LAND FOR SOCIAL HOUSING AND INCLUSION

Robert J. Wiener, Luisa Cafe Figueiredo Facanha

ABSTRACT

Affordable housing built as the result of Inclusionary Zoning, commonly known as Inclusionary Housing (IH), first originated in the U.S. in the early-1970s in the wealthy suburbs of Washington, D.C. IH programs are adopted by cities and counties, typically within their municipal or county zoning codes, to stimulate affordable housing production whenever new market-rate housing development occurs. The first IH program in California was adopted in the City of Palo Alto in 1973. Since then, California has become a major epicenter of IH in the U.S. After 50 years of practice, this paper explores the current characteristics of more than 140 IH programs in California. What is the legal and economic context for IH? What are its strengths and weaknesses? How instrumental have these programs been in producing affordable housing and achieving social and economic inclusion? What program components are most important to success?
Keywords: Land, Affordable Housing, Social Inclusion.

INTRODUCTION

Inclusionary Housing (IH), also known as Inclusionary Zoning, first originated in the United States in the early-1970s in the wealthy suburbs of Washington, D.C. To counter historic patterns of residential segregation from exclusionary zoning practices, and increase supplies of affordable housing, local governments began to impose mandates on private residential developers requiring them to ensure new development included a mix of housing prices and types affordable to lower-income households; in other words, resulted in the creation of inclusive communities. In 1973, the first IH program in California was adopted in the City of Palo Alto. Since then, California has become one of the major epicenters of IH practice in the U.S., accounting for about a fifth (22%) of all programs, nationwide . These programs vary greatly in detail but share common characteristics.

Within the academic and professional literature, many have written over the past decades about the origins, growth, characteristics, and impacts of IH, including recent studies in California (Schuetz: 2009; Rawson: 2010; Wiener and Barton: 2014; Hollingshead: 2015; Wang and Balachandran: 2021). IH in European and other countries is of newer vintage, emerging mostly in the 1990s. Calavita and Mallach (2010) note the worldwide spread of IH, not only in Western Europe, but Canada, Australia, South Africa, and India. They located this trend within a broader international movement towards privatization, deregulation, devolvement, and shrinkage of the national government role in direct public financing, ownership, and management of social-sector housing. Moreover, some countries have adopted IH not only to increase supplies of privately-provided affordable housing, but to offset rampant private speculation in the housing market that is creating artificial shortages and price increases.

One of the most important questions concerning IH, and one that is most difficult to answer, is how many affordable units have resulted. The simple answer is we don't really know. One estimate in 2003 was that these programs had resulted in the addition of at least 34,000 affordable units in California. Another study estimated that from 1999-2006 these programs produced over 29,300 new affordable homes. Gathering accurate information is complicated by the following factors: 1) programs span five decades and, in some cases, inclusionary units, especially in the oldest programs, allowed the initial occupants to freely sell their homes on the open market; 2) inclusionary unit production has not been systematically tracked by local governments or by states; 3) locating knowledgeable local government staff can be challenging given fragmented program administration and staff turnover; and 4) there is much local confusion about whether an affordable unit was produced as the result of an inclusionary program or some other approach.

In addition, Inclusionary Housing programs are strongly buffeted by the vicissitudes and volatilities of economic conditions, housing markets, and political winds. With onset of the Great Recession in 2007, real estate prices crashed, residential construction slowed to historic lows, and the assumptions underlying Inclusionary Housing were torn asunder. Additionally, two chilling lower-court decisions in California in 2009 limited the power of localities to impose rental inclusionary restrictions, as well as fees in lieu of development. These forces caused many local governments to recalibrate, weaken, suspend, or repeal their existing inclusionary programs and others to delay adoption of new programs. Since the end of the Great Recession in the early 2010s, however, and the rise of hyper-inflationary housing prices, Inclusionary Housing has seen a resurgence of interest, nationwide. Further, the legal authority of local governments to implement key features of Inclusionary Housing in California was reinstated by higher-court decisions and State legislation in 2017, triggering a renascence of sorts. Once again, cities and counties are seeking to amend and strengthen their IH programs, while others are looking to design and adopt new IH programs that fit local conditions.

As we reach the 50th anniversary of Inclusionary Housing in the U.S., it is worth revisiting and taking stock of the status of Inclusionary Housing in California, one of the first states to pioneer this practice. We will explore several key questions. What are the strengths and weaknesses of IH as an affordable housing strategy? How instrumental have these programs been in producing new below-market-rate housing and achieving social and economic inclusion in higher-opportunity areas? What program components are most important to success? And what are the current legal and economic factors that inform inclusionary housing implementation? We conclude with reflections on the opportunities and challenges that California's programs face now and will likely face in coming years.

METHODOLOGY

This paper builds upon previous research on Inclusionary Housing in California, analysis of recent State legal and legislative actions, and quantitative and qualitative data gleaned from a recently completed statewide survey of nearly all California cities and counties.

In 2007, the Nonprofit Housing Association of Northern California (NPH) and California Coalition for Rural Housing (CCRH) published a statewide IH study in which 170 California cities and counties self-reported they had inclusionary requirements. To corroborate, from 2008-2009, CCRH assembled electronic copies of the ordinances and policies of nearly all these localities. Through closer examination and contacts with key local government staff, 26 programs did not meet the study's definition of IH, arriving at 144 programs located in about a quarter (27%) of the state's 536 jurisdictions. Over 30 key characteristics of these programs were, then, input into a searchable database platform for use by local governments, advocates, and researchers.

From 2018-2019, Grounded Solutions, Inc, contracted with NPH and CCRH to update Inclusionary Housing program activity in California, building upon the data compiled in 2007. A comprehensive questionnaire was forwarded electronically to nearly every city and county in the state using lists of local housing and community development staff provided by the League of California Cities, County Supervisors Association of California, regional Councils of Government, and other sources. Out of 540 units of local government, we were able to aggregate contact information for 537. Localities were contacted multiple times by email and phone to increase responses and fact-check answers. The response rate was 52%.

Additionally, an exhaustive internet search was conducted to retrieve electronic copies of policies to further fact-check respondents and complete unanswered questions. Electronic copies were also retrieved for localities not responding to the survey. Information was extracted from these policies and input into the questionnaire. This review continued into 2021. Via the questionnaires and electronic searches, the study was able to identify 144 IH programs; coincidentally, the same number revealed by the 2007 study.
Following completion of the study, the University of California, Davis, Center for Regional Change (CRC), and CCRH collaborated in the creation of a new searchable database of Inclusionary Housing programs. The database allows users to select and filter programs based on more than 10 criteria that can be used to model new programs compatible with local needs and conditions.

CRITICAL PERSPECTIVES ON INCLUSIONARY HOUSING IN THE U.S. AND CALIFORNIA

Since the earliest programs were adopted by Fairfax County, Virginia, Montgomery County, Maryland, and the City of Palo Alto, California, in the early 1970s, IH has proven to be an effective tool for many localities to ensure new market-rate housing development is balanced with the addition of new affordable dwellings for lower-income households. Inclusionary Housing in the U.S. encompasses a large variety of policies and no two programs are identical. What they do typically share in common is a requirement that profit-motivated developers directly build or facilitate the building of affordable housing for purchase or rent in new single-family home subdivisions and multifamily apartment complexes. At its core, IH is a 'build-first' approach. Alternative compliance methods may be offered to developers as a default only when building the affordable units is not possible, as will be explained later.

THE PILLARS OF INCLUSIONARY HOUSING

A model comprehensive Inclusionary Housing program would abide by three central pillars or tenets: 1) increased production of affordable, below-market-rate homes; 2) increased production of these homes in locations that will achieve integration and inclusion at the building and neighborhood levels by income, race, ethnicity, and other demographic characteristics; 3) and increased production of these homes concurrent and side-by-side with the production of market-rate homes.

Increased Production. Production of affordable housing in California, as in many other parts of the U.S., is very expensive due to the high costs of labor, materials, local government fees, financing and, above all, land. IH increases affordable housing supplies by mitigating two of these costs. It shifts some, and in a few cases all, of the public costs of financing new affordable housing to private developers and ensures that scarce land slated for development in new-growth areas or in-fill sites includes affordable units. Moreover, the existence of an IH requirement may actually reduce the value of land in a community. Given the insufficiency of government housing subsidy programs to support all the affordable units needed and keep up with increasing development costs, shifting some of these costs to the private sector as the price of entitling market-rate housing is a compelling option.

Social and Economic Integration. A singular element of IH that distinguishes it from other affordable housing strategies is its potential to achieve social and economic integration and inclusion. Where programs are working to maximum impact, they are providing real opportunities for lower-income and minority households to live in new-growth areas and urban infill sites undergoing regeneration with high-quality schools, shopping, parks, infrastructure, and services. In many cases, the affordable units will be contiguous to and indistinguishable from the market-rate units. These households live side-by-side with middle-income majority households, instead of concentrating their homes in distressed areas, and benefit from the same high quality of life.

Simultaneity. When the affordable units are built generally at the same time as the market-rate units, concurrent development can mitigate one of the major obstacles to affordable housing production – opposition from existing neighbors. Organized neighborhood opposition adds costly delays and can kill projects. Simultaneity can preempt local resistance and stigmatization.

Another way of thinking about Inclusionary Housing is to liken it to a 3-legged stool, which differentiates it from most other land use strategies. The first leg is production of affordable housing. Just as importantly, the second leg is social and economic integration. And, the third leg is simultaneity. Not all the legs are of equal significance. If the simultaneity leg is weakened or eliminated, the stool may teeter but still be left standing. However, if two or more of the legs are crippled or removed, the stool will topple over and not achieve the optimal outcomes of a comprehensive inclusionary policy.

Given these pillars, one can logically ask: "Is a program really Inclusionary Housing if it does not prioritize inclusion?" Many localities, due to the slow-down in residential building caused by the recession and losses of funding for affordable housing development, switched from a 'build-first' approach with in-lieu fees as a default option to a 'fee-first' approach. Typically, the fee-out option is much more appealing and less costly and time-consuming to developers than the build option, but the total fees collected are too little to replicate as many affordable units as would have been required under the build option.

As a general rule, programs offering weak construction incentives and allowing developers to fee-out easily, rather than build, produce fewer affordable units and are less successful achieving social and economic inclusion (NPH/CCRH: 2007). A strong case can be made that they are inclusionary in name only.

THE LIMITATIONS OF INCLUSIONARY HOUSING

Even the most effective Inclusionary Housing programs, however, have important limitations, and these are readily conceded by program proponents. IH is not a panacea.

First, IH only works in localities that are growing and is greatly affected by economic trends. During an economic downturn, when permitting of new home-building is low, few affordable units are produced. For example, due to the Great Recession, many California localities amended or modified their IH programs to offer developers 'off-ramps' to better suit the new economic and political realities and incentivize construction at a time when housing starts had plummeted. Anecdotally, we know that some of the following 'work-arounds' were adopted:

- Relaxing or eliminating affordability targets for above-moderate or middle-income units which had become more affordable in the private, unsubsidized market
- Recalibrating formulas for computing the purchase prices of new IH homes which were equal to or greater than market prices
- Reducing lengths of affordability of new IH homes for purchase to make deed-restricted, below-market units more desirable than non-restricted, market-rate homes
- Reducing the dollar amounts of in-lieu fees.

Second, there are great variations in the quality and productivity of programs. Voluntary programs are less likely to produce affordable housing in good locations than mandatory programs. Programs that too easily allow developers to fee-out are less likely to achieve inclusionary goals than programs that require build-first and offer alternative compliance methods only as a last resort. Programs that offer meaningful construction incentives, e.g., subsidies, fee waivers, density bonuses, zoning variances, design concessions, and expedited processing, can make the opportunity costs of producing inclusionary units more lucrative than the costs of construction alternatives. Even in voluntary programs, localities can greatly disadvantage developers who refuse to build by prioritizing building permits for developers including affordable units. Some have called this approach 'voluntary mandatory'.

Third, IH is only one tool, and perhaps a modest one at that, among the many land use and financing strategies that can be deployed by local governments. The percentages of affordable units required are usually too low to address all of a locality's housing needs. Some localities impose IH requirements on market-rate developers but deny or obstruct housing production by affordable housing developers, using a weak inclusionary requirement as a 'fig leaf' to mask exclusionary policies. Relying solely upon inclusionary mandates on private developers defeats the purpose of an IH program, which is to supplement not replace other production methods.

Administering these programs and ensuring compliance with affordability covenants can be labor-intensive and requires systematic, long-term monitoring. In smaller, lower-capacity localities, lack of professional staff and oversight can undermine a well-intentioned program.

CONTRASTING INCLUSIONARY HOUSING WITH OTHER COMMONLY USED LAND USE STRATEGIES

In California, it is important to make a distinction between what is Inclusionary Housing and what is not. There are many other land use tools local governments have at their disposal that rely upon incentive-based, voluntary compliance or exactions that generate funding for affordable housing but not necessarily new units. These are often confused with IH. Some distinguish between 'traditional' Inclusionary Housing programs and these other land use tools. While these tools may ultimately result in affordable housing production, the core difference is that builders are not required to produce the units as a condition of receiving development approvals.

A good example of this is California's Density Bonus law, which is often mistaken for Inclusionary Housing. Under California Government Code Section 65915, local governments are required to offer residential developers a boost in the allowable density when affordable housing is to be included. Unlike IH, density bonuses are mandated by the State of California. The increase in density is linked to the percentage of affordable units and computed by formula. The density increase may be denied by the local government under certain narrow exceptions when it will result in adverse environmental and public health and safety impacts. Since it is the locality, not the developer, that is mandated to enable the units, density bonus programs do not meet the traditional definition of IH. On the surface, this may appear to be a legal distinction without a difference if what results is production of new affordable housing embedded in a new market-rate development. However, in practice, the distinction is quite significant.

Other examples are Housing Impact and Commercial Linkage Fee programs, which are also sometimes labeled as Inclusionary Housing. Both tools are voluntarily adopted by localities, but do not impose requirements that developers build actual affordable units. Housing Impact Fees are imposed by cities and counties on new market-rate residential development. The proceeds are typically placed in a 'Local Housing Trust Fund' and used to support various kinds of affordable housing assistance, e.g., construction subsidies for low-rent housing, first-time homebuyer assistance, rental assistance, or operating assistance for a homeless shelter. Likewise, Commercial Linkage Fee programs impose fees on commercial development to offset the impacts of new job creation on local housing markets. While companies could theoretically build and operate affordable housing themselves, that is not their expertise. Instead, they opt to pay fees. The two are 'fee-first' approaches and, arguably, neither meets the traditional IH definition.

THE NEXUS BETWEEN INCLUSIONARY HOUSING AND REGIONAL HOUSING NEEDS

In California, the adoption of Inclusionary Housing policies, with a few exceptions, is at the sole discretion of each local government wielding its police powers to control land uses within its jurisdiction. Efforts at the State legislative level to mandate IH in all cities and counties have failed in the face of strong opposition from the building industry. Local governments also typically resist efforts in the State Legislature to impose land use and housing requirements that impinge on powers they consider to be their sovereign prerogative, especially when such mandates are unfunded. Therefore, where IH is adopted, it is usually voluntary and highly differentiated by local conditions and political considerations.

While IH is not mandated by the State, the State does mandate that every city and county plan for the housing needs of all its citizens and accept its fair share of the regional housing need. Adopted in 1969, California Code Section 65583 requires that each city and county prepare a Housing Element to its General Plan every eight years in concert with regional transportation plans. Among other information, localities are required to state goals and actions to meet their fair share of the regional housing need, including identification of sites zoned or to be zoned for provision of housing affordable at all income levels. Regional housing needs are determined by the State of California Department of Housing and Community Development within each income range and assigned to Councils of Government (COGs). COGs then allocate each member city and county its fair share of the region's housing need.

The State's Housing Element and Fair Share Housing Allocation laws have their share of critics, with advocates for the poor saying the laws do not have sufficient 'teeth' and local governments saying the laws are too onerous. The relevance for IH, however, is that legal services attorneys have successfully challenged non-compliant jurisdictions in the courts, resulting in local adoption of IH as a way to meet localities' fair share. In the City of Folsom for example, the court issued a moratorium on development of all vacant sites until the City agreed to undertake specific steps to zone adequate sites for affordable housing, create a housing trust fund, and adopt a mixed-income housing law (Hallfeldt v. City of Folsom, 2002). The ordinance required that 10% of new housing be affordable in projects with 10 or more units. Several other localities have also created IH programs in response to court edicts.

RECENT LEGAL FACTORS AFFECTING INCLUSIONARY HOUSING IN CALIFORNIA

Since the end of the 2000s, Inclusionary Housing has experienced a 'roller coaster' of legal headwinds. Lower-court challenges by developers limited the authority of cities and counties to impose inclusionary requirements and caused a chill in IH program growth. State legislation, precipitated by a large State budget deficit, eliminated one of the major funding streams used by localities to stimulate affordable housing production. Later higher-court rulings and State legislation in 2017 restored the authority of localities to implement IH under circumscribed conditions. These are discussed below.

Adverse Court Decisions: In 2009, two lower-court decisions in California achieved what decades of builder opposition could not. Many cities and counties were forced to revisit their policies and explore modifications and work-arounds to limit legal exposure.

In the first of the cases, Building Industry of Central California v. City of Patterson (March 2009), the Fifth Appellate District Court of California found that the City of Patterson had imposed an unreasonable and unsupported in-lieu fee on a residential developer (Rawson: 2010). In other words, the City had failed to demonstrate the linkage between the production of market-rate homes and increased need for affordable housing and that this need justified imposition of a fee of nearly $21,000 per unit. Having not proven an appropriate nexus, the in-lieu fee component of the City's IH program was invalidated.

The upshot was that some jurisdictions concluded they must conduct a nexus study to: 1) make the link between new market-rate housing development and increased demand for affordable housing; and 2) determine an appropriate fee in lieu of development. Previously, localities had imposed fees as an alternative compliance method typically tied to the replacement cost or purchase price of a comparable affordable unit rather than the supposed costs that market-rate housing production had on housing affordability. The justification was that localities had the authority via their land use and zoning powers to dictate what kinds of private development may occur within their borders.

A nexus justification for exaction of an in-lieu fee creates not only an additional burden of proof and legal jeopardy, but bureaucratic and financial demands. For some jurisdictions, especially jurisdictions with low staff capacity and financial resources, such a reading of Patterson caused them to reduce the fee, eliminate the in-lieu fee option altogether or, in exceptional cases, repeal their ordinance. Ironically, the City of San Francisco commissioned a sophisticated nexus study which yielded significantly higher in-lieu fees per unit than existed in their program prior to Patterson. Some developers, facing the choice of onerous fees or direct development, might conclude that the production option was preferable.

The second case, Palmer/Sixth Street Properties v. City of Los Angeles (July 2009), posed even more daunting challenges for IH. Here, the Second District Appellate Court concluded that the City had violated the State's rent control law, the Costa-Hawkins Rental Housing Act of 1995, which allows landlords of post-1995 properties to set initial rent levels upon the commencement of a tenancy. IH proponents argued that the court misread the legislative history of Costa-Hawkins, which was intended to apply only to market-rate rental housing, not affordable rental housing built with public involvement. Nevertheless, the effect of the ruling was that mandatory rental Inclusionary Housing programs came to a virtual standstill. Owner Inclusionary Housing programs, however, were not affected by Palmer and remained valid.

Legislative Roadblocks: Following Patterson and Palmer, there were efforts in the California Legislature to restore the powers of local governments that had been stripped by the lower courts. In 2011, Senate Bill (SB) 184 was introduced to clarify that local governments have police powers under the State Planning and Zoning Law to adopt an ordinance establishing, as a condition of development, inclusionary housing requirements. The bill was defeated in the Senate due to builder opposition. Similar bills in successive years in the mid-2010s were also defeated.

In addition, the abolishment of California redevelopment agencies in 2011 negatively impacted local Inclusionary Housing programs. The State of California faced a severe budget deficit. To reduce the deficit, legislation was passed creating a mechanism for phasing out city and county redevelopment agencies and capturing locally-generated property tax increments from redevelopment projects to help close the shortfall. The authority to shut down these agencies was affirmed by the California Supreme Court. Since 20 % of redevelopment property tax increments were required under California Redevelopment Law to be reinvested in affordable housing projects, local governments lost millions of dollars annually to meet their housing obligations under State law, which remained. As a result, many cash-starved localities with IH programs weakened or eliminated their build-first approach and switched to a fee-first approach to compensate for the loss of housing funds.

Fixes to Patterson and Palmer: In subsequent years, a series of higher-court decisions and landmark State legislation reversed the negative rulings of lower courts and restored authorities previously held by local governments. With respect to Patterson and the issue of whether imposition of in-lieu fees necessitated a nexus justification, trial courts hearing lawsuits brought by the California Building Industry Association against the Cities of Sunnyvale and Palo Alto concluded that IH served a legitimate public purpose. In-lieu fees need not be based on the putative costs of any market-wide impacts on affordable housing whenever new market-rate housing development was proposed. In other words, it was sufficient to base fees on the public purpose of leveraging affordable housing and subsidizing new development rather than any supposed costs of market-rate development on housing affordability in the overall market. Another case, California Building Industry Association (CBIA) v. City of San Jose, made similar claims and was eventually settled in the California Supreme Court. The CBIA maintained that the City's IH ordinance was invalid since it failed to provide a sufficient evidentiary basis »to demonstrate a reasonable relationship between any adverse public impacts or needs for additional subsidized housing units in the City ostensibly caused by or reasonably attributed to the development of new residential developments of 20 units or more and the new affordable housing exactions and conditions imposed on residential development by the Ordinance." This claim was upheld in a lower court, reversed in a higher court, and then adjudicated by the Supreme Court at the request of the CBIA. In a decisive opinion in 2015, the Court unanimously affirmed that adopting an inclusionary program to address a severe shortage of affordable housing is a constitutionally legitimate exercise of local police power. The Court also affirmed that local governments must provide developers with economically beneficial incentives to offset their costs.

With respect to Palmer, Inclusionary Housing advocates repeatedly sought State legislation to delink rent-setting in rental housing produced under an inclusionary ordinance from Costa-Hawkins. This was finally settled via legislation in 2017, Assembly Bill (AB) 1505, which was an historic compromise between IH proponents and market-rate residential builders. The bill reinstated the authority of localities to impose inclusionary requirements on new rental housing and require below-market rents. In exchange, cities and counties were obligated to offer alternative compliance methods or off-ramps to on-site construction of affordable units. These may include, but not be limited to, off-site construction, land dedications, in-lieu fees, or acquisition and rehabilitation of existing units. In practice, the great majority of IH programs in California were already offering these compliance alternatives prior to the passage of AB 1505.

Additionally, AB 1505 authorized the California Department of Housing and Community Development (HCD), under certain circumstances, to review local programs to determine whether they impose punitive conditions that would impede housing production. The review is triggered when: 1) the ordinance was adopted or amended after September 15, 2017; 2) the ordinance requires more than 15% of total units in a project be occupied by lower-income households with incomes at or below 80% of the Area Median Income (AMI); and 3) the locality has not met at least 75% of its above-moderate-income (more than 80% of AMI) share of the regional housing need. When all these circumstances apply, HCD may request that the city or county provide within 180 days an economic feasibility study demonstrating that the ordinance does not restrain housing production. If no study is performed or the study is insufficient, a program may not exceed 15% of units affordable to lower-income households.

With Patterson and Palmer finally settled, and the police powers of local governments decisively reaffirmed and restored, anecdotal evidence suggests that Inclusionary Housing has now entered a new growth period. Resolution of these cases after nearly 10 years, combined with steep increases in housing prices, severe shortages of affordable housing, and intractable homelessness, have convinced many localities that now is the time to reactivate, update, and adopt Inclusionary Housing programs.

WHAT ARE THE KEY CHARACTERISTICS OF INCLUSIONARY HOUSING PROGRAMS IN CALIFORNIA?

In this section, we profile some of the major characteristics of IH programs in California and evaluate what lessons can be learned from current practice and experience. As mentioned above, no two programs are exactly the same. Programs vary depending upon the housing needs within a community and region; local government capacity, both the availability of administrative funds and human capital; the strengths or weaknesses of local proponents and opponents; and local politics and political will.

However, most programs do share many of the same components. These include: 1) specified percentages of units in a multifamily rental project or new home subdivision for purchase that must be affordable to and occupied by lower-income households; 2) housing payments not exceeding a specified percentage of gross household income; 3) specified terms or periods when units must stay affordable; 4) minimum-unit numbers triggering inclusionary obligations; 5) compliance incentives; and 6) alternative compliance methods.

MOST PROGRAMS WERE ADOPTED IN THE 1990S AND 2000S:

Figure 1. Year of Adoption

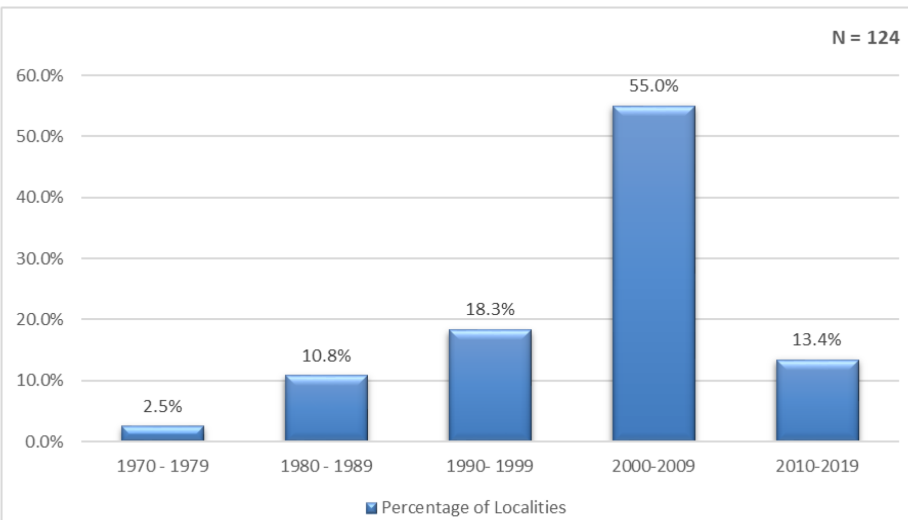
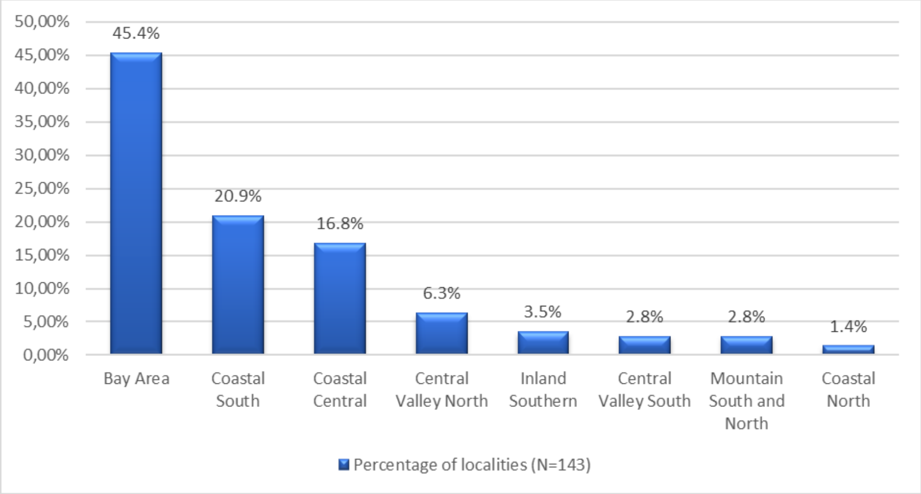


Figure 1 indicates that the first decade of the new millennium was the period of greatest growth of Inclusionary Housing when over half of all current programs were adopted. Nearly three-quarters (73%) were adopted in the 20-year period from 1990 to 2010. These were decades that sustained substantial population increases resulting in heightened consciousness about the impacts of unrestrained growth on schools, highways, water supplies, and air quality. Many localities adopted growth management strategies to affect the size and character of this growth. IH was seen as a way to ensure new residential development incorporated affordable housing for local residents and comply with State mandates that localities take affirmative steps to meet their fair share of the regional housing need.

What is most surprising is that program growth occurred in California during the decade of the 2010s despite economic downturn and court decisions that caused many localities to rethink and pause their programs. (Note: Most of the data were collected prior to the pandemic and it is unknown whether and how COVID-19 might have affected IH practice.) Through subsequent investigation, we found that at least 25 localities updated their IH programs from 2018-2021. Examples include higher minimum set-asides of affordable units and requirement of on-site affordable units in rental developments as the first compliance option, which can be explained by the passage of AB 1505 in 2017.

THE MAJORITY OF PROGRAMS ARE LOCATED IN EXPENSIVE COASTAL COMMUNITIES:

Figure 2. Geographic Distribution of IH Programs



The largest geographic cluster of jurisdictions with IH programs is in the nine coastal counties comprising the Greater San Francisco Bay Area, which accounts for close to half (45%) of all programs, statewide (Figure 2).7 The second largest cluster (20.9%) is in the southern coastal counties stretching from Los Angeles south to San Diego. Together, these two regions account for two-thirds (66%) of all programs. If the third largest cluster (16%) in the Central Coast region south of the Bay Area and north of Los Angeles is included, it becomes clear that a large majority of inclusionary programs – four out of five – are in expensive coastal counties. These percentages track very closely with the locations of IH in the 2007 study. Generally, these are expensive communities with median home prices for rent and purchase well above the state median, high land costs, and dwindling supplies of buildable land.

The remaining 15% of programs have the common characteristic of location in primarily interior and rural counties. Lower-cost and poorer counties far away from major metropolitan cities and the coast are much less likely to have IH programs. The fastest-growing areas of IH adoption in this group have been outer-ring suburban and rural counties that are within commute distance of coastal cities, as well as tourist, resort, and retirement destinations that have become new magnets of population growth. This spill-over growth has caused exponential housing price increases well beyond the payment abilities of local residents earning local wages. It is unknown the extent to which the huge rise in tele-commuting and influx of 'urban refugees' due to the pandemic have also contributed to IH program growth.

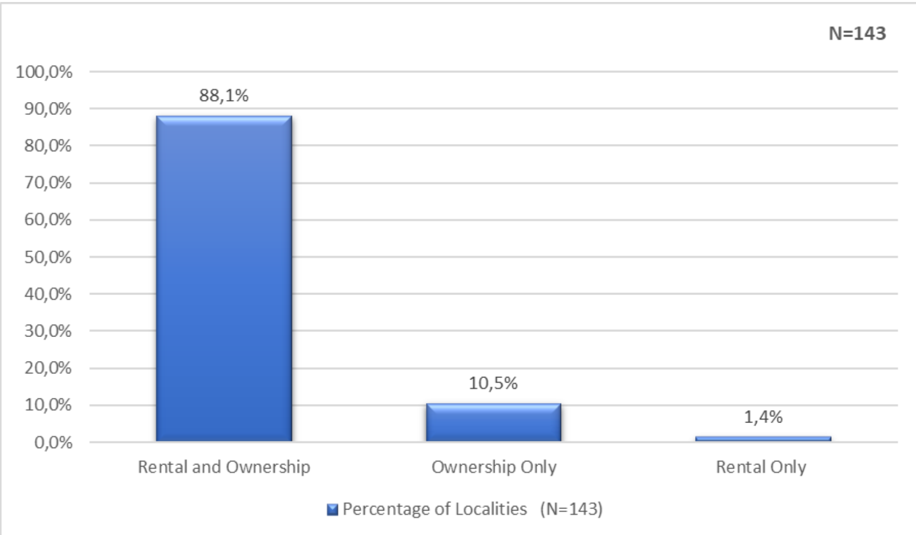
Finally, despite the emphasis in the academic and professional literature on IH in large cities and metropolitan counties, in practice, IH has been a singularly small-town strategy, a phenomenon largely found in smaller suburban communities and an expanding number of small towns in rural areas not contiguous to major conurbations. Half (51%) of all Inclusionary Housing programs in California are located in cities and counties with population under 50,000 (based on 2019 U.S. American Community Survey estimates). Four of every five (83%) are in localities with population 150,000 or less.

MOST PROGRAMS IMPOSE INCLUSIONARY REQUIREMENTS ON NEW UNITS FOR PURCHASE AND RENT:

With only a few exceptions, the great majority of cities and counties – nearly nine of every ten (88%) – impose inclusionary requirements on housing built for purchase and rent. In Figure 3, only relatively small percentages of programs are limited exclusively to ownership units or exclusively to rental units.

Interestingly, the percentage of programs with both for-sale and for-rent inclusionary programs decreased after the first decade of the new millennium. In the 2007 study, 94% of all IH programs, statewide, imposed inclusionary requirements on owner and renter housing compared to 88.1% in the 2019 study. Accordingly, the percentage of localities with owner-only inclusionary programs rose from 4% to 10.5%. A possible explanation is that from 2009 to 2017, due to the Palmer case, cities and counties were reluctant to impose inclusionary requirements on rental housing developers as the courts were deciding whether these programs violated the State's law limiting the ability of localities to control rents in privately rented, post-1995 housing. Moreover, hang-over from the Great Recession reduced the number of multi-family rental housing starts and some rental inclusionary programs were repealed. Instead, localities focused on creating owner inclusionary programs, which were not under a legal cloud.

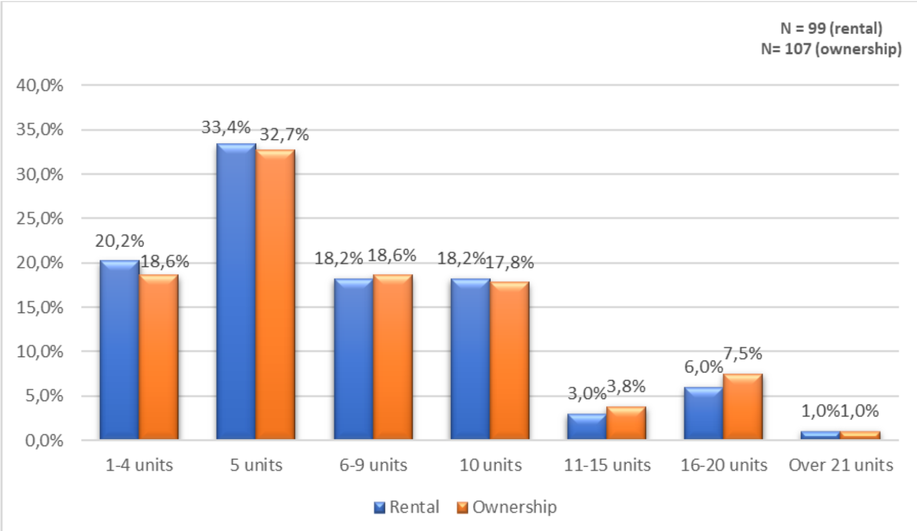
Figure 3. IH Programs by Tenure Type: Rental and Ownership



MOST INCLUSIONARY REQUIREMENTS ARE TRIGGERED IN DEVELOPMENTS WITH MINIMUM OF 1-10 UNITS:

Inclusionary requirements are typically triggered in developments that exceed a specified minimum number of units. As shown in Figure 4, 90% of rental and 88% of ownership inclusionary requirements are triggered in developments with 1-10 units. Both rental and ownership programs are more likely to be triggered in the 1–5-unit range than the 6-10-unit range. Five units is the most frequently occurring minimum-unit threshold, accounting for about one-third of all programs, and 10 units for just under 20% of all programs. When the number of affordable units as a percentage of total units equates to a fractional unit, the fraction may be rounded up and developers required to produce an additional dwelling unit. Alternatively, they may be required to pay a fee to the local government in lieu of building the additional unit. Some owner programs tie thresholds to number of lots or parcels in proposed subdivisions rather than units.

Figure 4. Minimum-Unit Threshold



TYPICAL INCLUSIONARY PROGRAMS REQUIRE THAT 10% OR 15% OF UNITS BE AFFORDABLE:

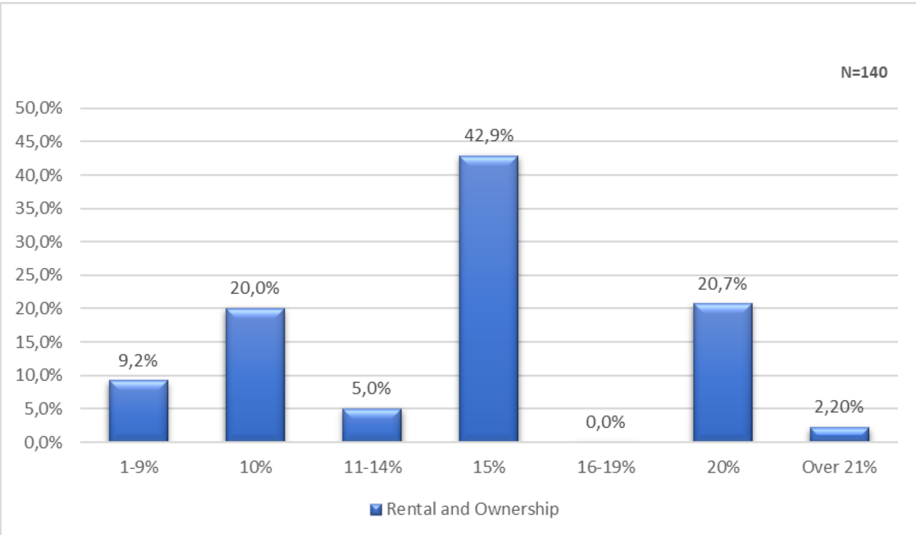
Figure 5 shows the distribution of programs by percentage of affordable units required. The most common percentage is 15%, which is required by 43% of jurisdictions. One of every five programs (20%) requires that 10% of units be affordable and another fifth (21%) requires from 20%. While programs often specify minimum percentages, in practice, these targets are usually treated as ceilings.

Within these percentages, localities typically differentiate among different income bands. For example, a city mandating that 15% of the total units must be affordable might require that 8% of the units be affordable to low-income households at 51-80% of area median income (AMI) and 7% to very low-income households at 31-50% of AMI.

Some localities establish minimum and maximum percentages depending on the size of the development. The City of Davis requires developers of multi-family rental developments containing 20 or more units to ensure that at least 25% of the units be affordable to low-income households and at least 10% be affordable to very low- income households. A developer of multi-family rental developments containing between five and 19 units, however, need only ensure that 15% of the units be affordable to low-income households and 10% to very low-income households.

To incentivize developers to produce homes affordable to households at lower income bands, some localities may reduce minimum percentages to accommodate more deeply subsidized units. For example, a program requiring no less than 10% of total units be affordable to very low-income households at 31-50% of AMI might reduce the requirement to 5% if the developer agrees to dedicate units with rents affordable to extremely low-income households at 0-30% of AMI. The theory is that units targeted to the lowest-income populations are scarce and require developers to more deeply subsidize rents. Therefore, it is good public policy to exchange fewer units for deeper income-targeting.

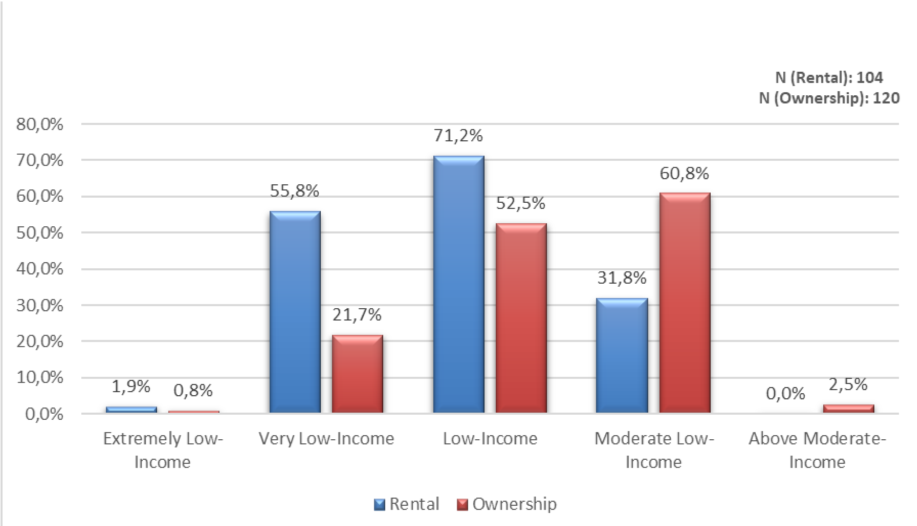
Figure 5. Minimum Percentage of Affordable Units Required



RENTAL PROGRAMS MORE LIKELY TO TARGET LOWER-INCOME HOUSEHOLDS THAN OWNER PROGRAMS:

As demonstrated in Figure 6, rental inclusionary programs are significantly more likely to target low-income (71%) and, especially, very low-income households (56%), while owner inclusionary programs are much more likely to target moderate- and above-moderate-income households (63% compared to 32%). Localities targeting these populations are typically very high-cost housing markets where even moderate- and middle-income households have difficulty finding affordable homes for rent or purchase. Some higher-cost localities have even required that units be affordable to households with incomes up to 160% of AMI and higher because the private market was not building homes within their payment ability. In practice, only a handful of jurisdictions target the extremes of the income spectrum. Units affordable to extremely low-income households require substantial subsidies in most housing markets that neither the developer nor locality is willing or able to bear. Units affordable to above-moderate income households will likely already exist in most markets and developers build to that population without the need for government mandates and incentives.

Figure 6. Targeted Income Groups



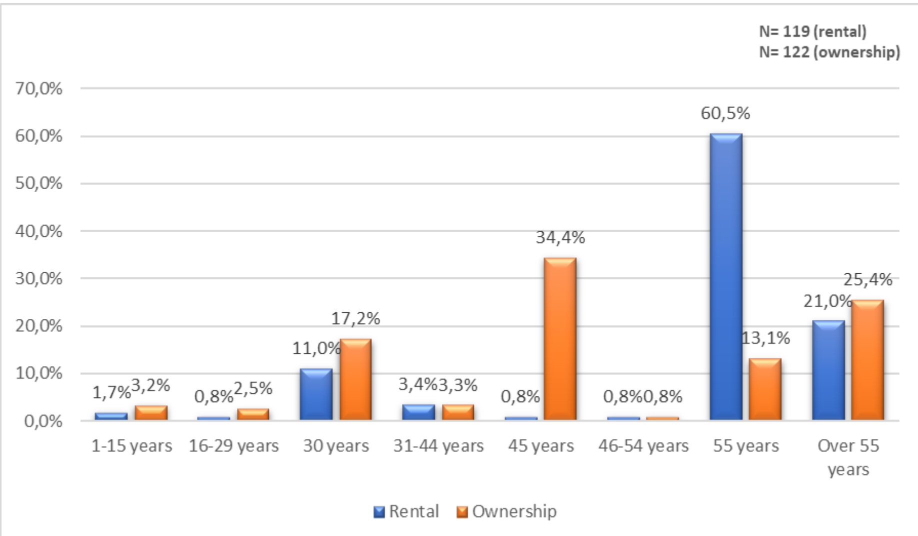
MOST PROGRAMS REQUIRE UNITS TO STAY AFFORDABLE 30 OR MORE YEARS:

In Figure 7, nearly all (98%) localities require that rental inclusionary units remain affordable to targeted income groups for 30 or more years. Six of 10 programs (61%) have adopted the State standard length of affordability, which is 55 years. Some rental programs go beyond 55 years, requiring that units stay affordable virtually in perpetuity. Owner programs are much more likely to require affordability terms of 30 or 45 years. Very small percentages of rental and ownership programs require 20 years or less.

It is understandable that owner programs would mandate shorter terms of affordability. Units with longer affordability restrictions will be more difficult to market, especially in communities where homebuyers have other ownership options or are looking to cash out in the near future. Moreover, there has been an ongoing philosophical debate in housing policy as to whether production of homes for lower-income homebuyers should be mostly about creating wealth or increasing supply. One view is that these households should have mostly unfettered access to the equity in their homes in order to graduate to better housing and achieve economic independence. Some earlier programs did not impose deed restrictions on the first occupants of the homes and allowed them to freely sell on the open market. Another view is that equity take-out and sales prices should be restricted to preserve these homes for successor low-income occupants.

Most localities now take the view that owner units must maintain their affordability for a specified time period and that equity access should be controlled through a deed restriction recorded against the property, although terms vary greatly from jurisdiction to jurisdiction. Some allow owners to sell units on the open market at market price but share a portion of the equity proceeds upon sale depending on the number of years the unit was owned – known as subsidy recapture. Others limit the sales price to an amount that is affordable to the targeted income group – known as subsidy retention. However, monitoring units is very difficult as many localities do not have dedicated staff and systems to track affordability over time.

Figure 7. Minimum Length of Affordability

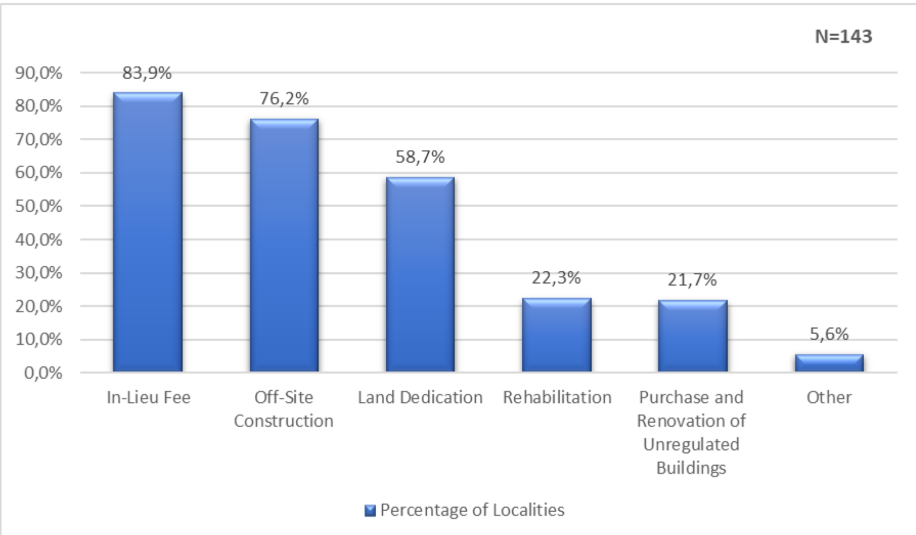


LOCALITIES OFFER A RANGE OF COMPLIANCE ALTERNATIVES:

Although traditional Inclusionary Housing programs, first and foremost, strive to increase supplies of below-market-rate homes in new market-rate developments, cities and counties typically provide a menu of alternatives or off-ramps to on-site construction. Figure 8 indicates that the most common alternative is payment of an in-lieu fee (84%), followed by off-site construction (76%), and land dedications (59%). About one-fifth (22%) of jurisdictions permit developers to meet their inclusionary obligations via rehabilitation of existing units or purchase, renovation, and conversion of non-regulated housing to affordable housing. Some localities allow developers to count Accessory Dwelling Units towards meeting their inclusionary obligations or produce fewer than the required number of affordable units on site if they exceed the requirement on another site, also known as a credit transfer.

Localities vary greatly on how they implement each of these compliance alternatives. In-lieu fees are typically formula-based and are linked to a specified percentage of the construction cost or purchase price of a comparable unit. Off-site construction allows the inclusionary units to be built on another site owned by the developer, provided the site has acceptable zoning, carrying capacity, and other locational attributes. Land dedications permit developers to contribute land to the local government, which may be deeded to an affordable housing developer to build an equal or greater number of IH units. And, conversions enable developers to meet the IH requirement by converting an existing, market-rate residential property or non-residential property into affordable housing.

Figure 8. Alternatives to On-Site Construction by Developer



Each alternative involves trade-offs. For example, a jurisdiction may conclude that it is better public policy to favor a land dedication than on-site construction if a greater number of affordable units with deeper affordability will be produced by a nonprofit organization on the site. The trade-off may be more units but less inclusion if the dedicated site is not integrated into an area with higher incomes than the target population. A locality may also decide that the in-lieu fee is preferable to on-site construction because the funds can be used flexibly to meet pressing needs off site, such as operating funds for a homeless shelter, capital funds to rehabilitate an existing affordable housing complex, or down payment assistance for first-time homebuyers.

Generally, larger localities are more likely to have more sophisticated and complex programs than smaller jurisdictions and offer a greater range of alternatives. Smaller localities may seek to limit alternatives in order to simplify administration and avoid alternatives, such as land dedications, that place them in the de facto role of housing developer.

LOCALITIES OFFER A RANGE OF DEVELOPER INCENTIVES:

Finally, localities offer a diverse set of incentives or 'sweeteners' to help offset developer costs of producing the below-market units (Figure 9). Three-quarters (76%) of respondents offered at least one incentive; one-quarter offered no incentives (10%) or did not know (14%).

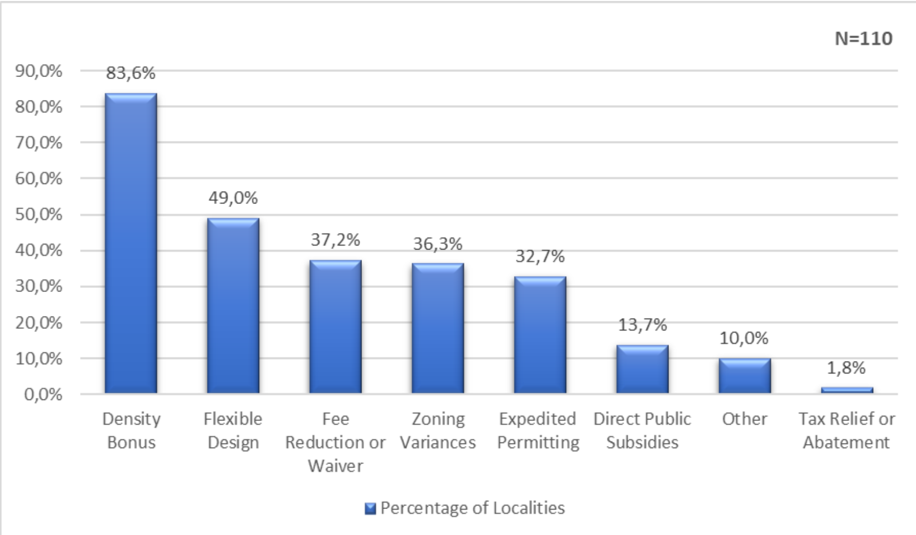
Among respondents reporting at least one incentive, the most common incentive, cited by more than eight of 10 localities (84%), is a density bonus or boost above the allowable density. As discussed earlier, provision of density bonuses by localities is required under State law whenever a developer agrees to include affordable units. When a city or county has an IH program, the density increase may exceed the State requirement but not any lower. Some developers, however, claim that a boost in density has little value in low-density localities because of constraining topography, infrastructure limitations, and neighborhood opposition.

The second most common incentive is design concessions, offered by about half (49%) of localities. Relaxing or modifying design standards can greatly reduce developer costs by allowing developers to produce smaller units with fewer amenities using more economical materials, provided that the outward appearance of the units is compatible with the market-rate homes and physical quality and functionality are not compromised.

About a third of localities offered fee reductions or waivers (37%), zoning variances (36%), or expedited permitting (33%). These are concessions that local governments may often grant on a discretionary basis without public approval and can result in significant savings.

Surprisingly, only 14% of localities offered direct public subsidies to write down developers' costs of producing affordable units for ownership and rent compared to about one-half in the 2007 study. This is perhaps the most valued incentive to offset costs and mollify developer opposition, especially for production of units targeted to the lowest-income groups. The steep decline in subsidies may be a direct result of the demise of local redevelopment agencies explained earlier. In an environment where many cities and counties are hard-pressed to finance public services, and federal and state housing funds are limited and highly competitive, the lack of sufficient local subsidy can greatly inhibit IH income-targeting.

Figure 9. IH Compliance Incentives



CONCLUSION

For 50 years, Inclusionary Housing has been a tool for local governments in California to manage the character of residential growth and create inclusive communities. Analysis of a recent survey and distillation of information from ordinances and policies reveal that IH is working, albeit with great variation from locality to locality. Not only has IH been a strategy for larger cities and metropolitan counties, but increasingly for smaller towns and resort and retirement destinations with severe shortages of affordable homes. IH program growth strongly correlates with sustained periods of rapid population growth, decreasing housing affordability, and State laws imposing affordable housing obligations on local governments to increase supply and reduce residential segregation.

The absence of mandatory Inclusionary Housing at the national and state levels has created the space for each jurisdiction in California, acting on its own, to design and adopt programs that best meet local conditions, while attempting to satisfy State requirements that communities plan for and meet their fair share of the regional housing need. However, it also means that about three-quarters (73.3%) of jurisdictions do not have IH requirements and that the quality of these programs varies greatly.

California's IH programs reflect the highly decentralized land use planning and regulation regime in the United States, which cedes most authority for zoning and development approvals, including housing, to local jurisdictions rather than federal, state, or regional bodies. In contrast, IH in European and other countries is reflective of the more central role played by national and regional governments in local land use and housing policy. The imposition of strenuous IH requirements by the national government and most state governments would be unthinkable in the American context.

Inclusionary Housing only works when private builders are building. In California, the Great Recession brought residential construction to a virtual standstill and the Patterson and Palmer cases placed a dark cloud over IH program administration and adoption. Since then, favorable high-court decisions and State legislation have reaffirmed and restored the discretionary authority of local governments to impose certain inclusionary requirements. These actions, combined with the worst affordable housing crisis in the state's history and an emphasis by State government on racial equity, have spawned a resurgence of interest in Inclusionary Housing as a tool to not only increase production but to achieve social and economic inclusion.

In today's environment, however, there are strong headwinds that could cause this trend to slow. With ongoing supply-chain shortages, inflationary pressures on labor, building supplies, land, and many other cost drivers of housing construction, increasing interest rates, inadequate federal and state housing assistance, and now the new threat of recession, it is anyone's guess whether enthusiasm for Inclusionary Housing will continue. As during the Great Recession, the practicality and durability of IH will be largely determined by how nimbly these programs can be adapted to changing economic and legal conditions.

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Endnotes

1 See Wang and Balachandran, Housing Studies, 2021. Table 3. Summary of data collection results, p. 10.

2 California Coalition for Rural Housing and Nonprofit Housing Association of Northern California. 2003. Inclusionary Housing in California: 30 Years of Innovation, p. ii. Sacramento and San Francisco, CA.

3 Nonprofit Housing Association of Northern California, California Coalition for Rural Housing, San Diego Housing Federation, and Sacramento Housing Alliance. p. 5.

4 Nonprofit Housing Association of Northern California, California Coalition for Rural Housing, San Diego Housing Federation, and Sacramento Housing Alliance. 2007. Affordable by Choice: Trends in California Inclusionary Housing Programs, p. 5, San Francisco, CA.

5 See national study: https://groundedsolutions.org/sites/default/files/2021-01/Inclusionary_Housing_US_v1_0.pdf.

6 According to Calavita and Mallach, 2010, the costs of an inclusionary requirement may not be borne solely by a developer but by landowners whose land is restricted and, thus, worth less on the open market.

7 Some programs have intentionally imposed onerous requirements to discourage any residential development.

8 The nine San Francisco Bay Area counties are San Francisco, Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, Santa Clara, and San Mateo. The southern coastal counties are Los Angeles, Orange, and San Diego

CHAPTER 9

THE PAST, PRESENT AND FUTURE OF SOCIAL HOUSING IN POLAND

Magdalena Zaleczna

INTRODUCTION

The concept of social housing developed primarily as a response to dramatic problems and housing inequalities in dynamically developing industrial cities. The war damage and economic crises forced the state authorities to provide emergency support to households to meet their housing needs. Actions traditionally undertaken by charities and community associations have been far from sufficient. The concepts and instruments of housing assistance adopted in Western, democratic, and socialist countries were not the same; the path to creating social resources diverged into two main branches, and these, in turn, into many more minor ways depending on national, regional, and local socio-economic and political conditions. It is worth noting that after decades, a higher standard and size of social resources characterize Western countries (EU-SILC). The concept of social housing has evolved, which is also visible in definitional problems. The researchers made many attempts, and the proposed definitions were sometimes very comprehensive; in some cases, they were limited to indicating the features that classified them into a set of social housing features (Scanlon, Whitehead, Arrigoitia 2014; Housing Europe 2005; Caruso 2017; Cham, Blessing 2016). The most often used criteria were the type of entity supplying and using housing units, the scope of housing rights granted to users, and the fact of public intervention.

A significant attempt to create a complete definition has been made in recent years and has resulted in the following: social housing is a system that meets the following criteria: (1) the target group are households with limited financial resources, they obtain the rights to long-term housing through organized distribution, (2) rents or prices are lower than market prices. Therefore, an additional public or private financial contribution is necessary (Granath Hansson, Lundgren 2019). This definition is consistent with contemporary conditions and indicates that intervention in the form of additional financial assistance does not necessarily have to be public, which is consistent with the approach of many countries (Morano, Tajani 2017; Norris, Byrne 2017; Noring, Struthers, Grydehøj 2020).

After years of using various solutions and instruments in the field of housing support, national differences and similarities are visible. However, processes of transformation and change and the search for new, better solutions are constantly ongoing. Attempts to adapt foreign solutions, proven in different conditions, only sometimes give the expected results. Despite differences in the size of the social stock and various rules for its distribution, there are typical problems with an insufficient quantity of social dwellings and the low level of quality and standard in individual EU countries. Current economic environment favor increased differences in housing conditions, reflected in negative social processes and phenomena, such as the inheritance of a passive life attitude and unemployment and educational exclusion (Fernandez, Aalbers 2017; Smith et al. 2022; Le Galès, Pierson 2019). Modern social housing could help reduce social and economic problems. However, few countries have decided to strongly support it due to the currently adopted priorities and budget constraints. Local government often plays a crucial role in social housing regimes. It conducts its housing policy within the existing institutional framework, which results in differences in the size, structure, and quality of the local housing services and the eligibility rules concerning persons entitled to housing assistance even in the same country. However, the local government must have adequate financial resources for conducting housing policy.

This study aims to present the past, present, and future of Polish social housing. To clearly outline the scope of the study, the author would like to explain how she understands social housing in Polish conditions. The interpretation problem results from the double meaning of the English term „social" in Polish, which directly impacts the examined issues. In a narrower sense, social housing is understood as resources allocated only to the needs of the poorest group of households to which the public actor is obliged to provide direct housing assistance. In Poland, municipalities were obliged to have social flats for many years. These dwellings were characterized by low and very low standards, problematic locations (in enclaves of poverty and exclusion), and minimal rents. In addition to this stock, municipalities had much larger resources (called municipal dwellings), with different standards and locations and higher rent rates. Since the changes in the law introduced in 2019 and postulated much earlier, social stock for the poorest has been abandoned, and social leases have been introduced, which are concluded with the tenant by the municipality. The municipality directs the help to the poorest; it flexibly decides which apartment to allocate for a given household in need - it does not have to be an apartment from the former social resources but can be located in the municipal resources. In a broader sense, social housing refers to all forms of non-market housing, to resources belonging to public and non-profit private actors whose statutory tasks include meeting housing needs. This interpretation of social housing is used in this study.

According to the author, it is only possible to understand the current state of social housing with an in-depth look at the history of the development of Polish housing. Therefore, the analysis begins with historical conditions and the state of meeting Polish housing needs before World War II's outbreak. The resources built at that time often still occupy a significant part of the centers of Polish cities. It was also necessary to take a closer look at the rules governing housing in the socialist period. This allows us to notice certain permanent phenomena and mechanisms and understand the difficulties of implementing changes. The author organized the analysis of the transformation period and the following years according to Poland's social housing forms. The directions and possibilities of potential changes were determined, which allows for predicting the future development paths of social housing.

DETERMINANTS OF POLISH HOUSING PROBLEMS: HISTORICAL CONDITIONS

INTERWAR PERIOD

In the 19th century, Polish lands developed similarly to other Central and Eastern European countries, remaining economically lagging behind highly developed economies (Koryś, Tymiński 2022). Poland regained independence in 1918 after years of division between Russia, Prussia, and Austria-Hungary, for which it was a distant province for years. The country's economic integration was complicated due to differences between legal regulations, the way of using individual parts, available infrastructure, and the level of urbanization. Moreover, economic isolation and lack of access to European transport corridors were important (Bukowski et al. 2015).

After World War I, the country was significantly damaged, and the reconstruction process was prolonged due to, among others, economic problems, hyperinflation, the Great Economic Crisis, and its consequences. Living conditions deteriorated, and the income level of the population dropped, which affected internal demand. Unemployment in industry, problems with maintaining the rural population due to tiny farms, and huge inequalities in the level of wealth caused social unrest and conflicts.

In 1922–1938, net migration from rural areas to cities included 1.6 million people. At that time, Poland had only a 25-30% share of the urban population (Table 1), which was much less compared to the most developed European countries (England 78%, the Netherlands 65%, Belgium and Germany over 50%), and only exceeded the Balkan (Bulgaria 18%, Romania 20%) and Eastern countries (e.g. Lithuania 10%) (Mały Rocznik Statystyczny 1939; Żarnowski 1973). Cities with metropolitan European standards were few.

Table 1. Housing and population in Poland in 1921 and 1931

	Population (percentage) in 1921	**Population (percentage) in 1931**	**Number of apartments (percentage) in 1921**	**Number of apartments (percentage) in 1931**
Poland	25135131 (100)	32107252 (100)	4863519 (100)	6402503 (100)
Cities over 20,000 inhabitants	3376272 (13,4)	5358363 (16,6)	749318 (15,4)	1223247 (19,0)
Cities under 20,000 inhabitants	2795535 (11,1)	3165451 (9,8)	591452 (12,1)	707100 (11,0)
villages	18963324 (75,5)	23184732 (73,6)	3522739 (72,5)	4472156 (70,0)

Source: own study based on the 1921, 1931 Census.

The main social class, comprising no less than half of society, were peasants, the majority of whom farmed on small and medium-sized farms, and together with agricultural workers, in 1931, they constituted approximately 61% of the total economically active population. The working class employed in large industry included about 15-20% of all workers because the majority were agricultural workers, hired workers in small enterprises, in public services, and employed as domestic servants; the petty bourgeoisie constituted approximately 11% of society (Żarnowski 1973).

Shortly after regaining independence, actions were initiated to improve the dramatic housing situation in cities. The 1919 decree on the protection of tenants and prevention of housing shortages blocked the increase in rent rates, which were to remain at the level of 1914. It also made it difficult for owners to terminate concluded lease agreements. Formal restrictions on the activities of tenement houses' owners continued partly until 1939. It resulted from the challenging situation in the housing market and economic problems exacerbated by the outbreak of the Great Depression. Restrictions about the new rental stock were abolished to stimulate the new construction for rent.

The Act on the State Housing Fund (1919) was intended to stimulate the construction of houses with small, cheap, hygienic apartments. Low-interest loans were to be granted up to 95% of the construction costs. However, due to the lack of sufficient financial resources and taking into account the real social needs of the time, in 1919-1923 the application of the Act contributed to the construction of approximately 6,000 apartments for higher-earning intelligentsia.

Regulation of the President of the Republic of Poland of April 22, 1927, on the expansion of cities created the basis for establishing the State Construction Fund collecting funds and financing construction through credit assistance, purchase and arrangement of construction areas and subsidies to loan interest rates. Attempts were also made to stimulate construction through indirect financing through tax breaks. Houses and apartments under construction were exempt from: real estate tax, tax on income from real estate, and stamp duty. Moreover, deducting funds spent on construction from income tax was possible. (Andrzejewski, 1977, 92-93). From 1922 to 1936, Development Committees were established, acting as local government bodies whose task was to initiate and assist residential, private, and cooperative construction. Under the Act of October 29, 1920, on Cooperatives, two types of housing cooperatives were distinguished: a) Housing cooperatives (also known as tenant cooperatives) - which built large residential houses and provided their members with premises under the right of use or legally enhanced lease, b) Housing and construction cooperatives (also known as ownership cooperatives) - which usually built single-family houses or tiny residential houses, establishing ownership or a right similar to ownership (Cioch 2011, 143-144). Issues related to the functioning of housing cooperatives were regulated mainly in their statutes (Skotarczak, Śpiewak – Szyjka, 2015, 11-13). In 1939, 322 the first type and 192 the second type housing cooperatives operated in Poland (Andrzejewski 1977).

A significant event was the establishment of the Polish Society for Housing Reform. It was initiated by activists interested in the housing sphere m.in. social housing. The members of the society included urban planners, architects, and local government officials. They took measures to alleviate the situation caused by the shortage of housing and to secure housing conditions for middle and low-earners.

On February 1, 1934, the Economic Committee of the Council of Ministers established the Society of Workers' Housing Estates (TOR), a state-owned enterprise whose statutory purpose was to build and finance the construction of workers' houses with specific parameters. Initially, it was not directly involved in construction but only in issuing opinions on loan applications. The competencies of TOR were also extended to include involvement in construction processes. The TOR specified the rigors of the amount of earnings and rent of potential tenants of these flats (Zadworny 2013, 84). Over the five years of operation, the Society obtained over PLN 43 million for the construction of workers' housing estates, which was allocated to the construction of over 18,000 residential rooms (Frejtag 2021).

Housing conditions in Polish cities were difficult, but they cannot be assessed unambiguously due to the significant diversity of the population in terms of wealth and the structure of the housing stock specific to each city. This is illustrated by a cursory comparison of Łódź and Warsaw: in the first one, 59.7% of apartments were single-room apartments, and the earnings structure of the population indicated 46% of industrial workers. In the capital, 39.1% of apartments had one-room apartments, and industrial workers constituted 19% of the inhabitants.

Differences were visible in the Western part of Poland - where the smallest apartments did not constitute the majority, larger apartments formed a significant amount of the stock, especially in larger cities. This is visible in the case of Poznań, whose apartment-size structure resembled Berlin more than Warsaw (Table 2).

Table 2. Structure of the housing stock in selected cities

The city	**apartments (%)**			
	1 room	**2 rooms**	**3-4 rooms**	**5 and more rooms**
Warszawa	39,1	25,3	25,9	9,7
Łódź	59,7	19,9	15,5	4,9
Lwów	27,1	32,3	31,1	9,5
Kraków	35,0	30,4	26,7	7,9
Poznań	10,9	25,6	46,5	17,0
Berlin (1927)	4,4	29,6	48,2	17,8
Sztokholm (1925)	13,7	33,9	35,8	16,6
Londyn (1921)	18,4 (1-3 rooms)			81,6 (4 and more rooms)
Ryga (1925)	6,5	45,9	33,1	14,5
Helsinki (1920)	42,8	28,4	18,1	10,7

Source: own study based on: 1921 Census.

The Polish housing stock in 1921 comprised 4.86 million housing units. There is no data on the size of the housing deficit, but it was officially called housing hunger[1] as 1.6 million people moved to the cities from rural areas in a short period. Most in large cities, at least 245,000 dwellings were built in 1928–1938. The social housing part was tiny: 2137 units were made by the state, 6,894 by cooperatives, and 3,548 by municipalities (own elaboration based on Ruch Budowlany, yearbooks). Protection of tenants in the conditions of a dramatic shortage of flats for rent deterred some potential investors (Wozny 2009) and was often bypassed by fly owners. For many properties, the rent was insufficient to cover maintenance expenses, so the decapitalisation of buildings was a common problem. In 1936, 96% of residential real estate in cities belonged to individuals and companies, 1% to municipalities, and 1.3% to housing cooperatives.

SOCIALIST PERIOD

The figures concerning pre-war and post-war Poland's population and housing stock cannot be directly compared. After World War II, the territory of Poland comprised 67.0% of the lands belonging to the Second Republic of Poland, which remained within its borders after 1945, 0.6% of the former Free City of Gdansk, and 32.4% of the Western and Northern Territories, which fell within its boundaries after 1945 under the Potsdam Agreement. The Summary National Census of Population as of February 14, 1946, indicated that the population of Poland was 23.5 million at the time (34.8 million in 1938).

Apart from the population losses caused directly by the war, it is necessary to mention migrations from the East (former part of Poland) and leaving by the Germans who lived in West part of the country. About 1.6 million flats and houses were destroyed during the war, i.e., about 22-24% of the housing stock (Andrzejewski 1987). First, the losses concerned urban areas, and apparent regional differences were visible (Piwońska 2015). The reconstruction process had to consider the need to build new housing units and renovate many existing buildings.

In 1950, there were 2.4 million dwellings in urban areas and 2.7 million in rural areas. Most people lived in the largest cities, i.e., 3.9 million in 1.0 million flats, 2.3 million people in 0.6 housing units in medium-sized towns, and 3.0 million people in 0.8 million dwellings in the smallest towns. Most homes were tiny (one-room) and small (two-room); their total share amounted to 58.5%. In cities, approx. one million dwellings (42.3%) were connected to the water supply system, 0.6 million (25.7%) were fitted with a toilet, and 2.1 million (86%) had electricity.

In the socialist period, the need to improve citizens' living conditions and support housing construction, including private construction, were officially indicated as housing policy goals, although construction activity was centrally controlled. Until 1960, the main objective was to provide shelter-like, small apartments (11 sqm per person). It was only in 1960 that multi-family buildings

1 Even epidemic housing hunger in some cities (Wachowska 1987).

began to be constructed *en masse*, mainly as projects of housing cooperatives (Frąckowiak 1993).

To support the development of private construction, the state began offering construction incentives introduced by the Act of June 1947 on investment incentives. These were aimed at involving private capital in the country's reconstruction[2]. In 1954–1955, two forms of single-family housing benefiting from loans from the state were established: for individual people and construction enterprises. Due to the high demand for loans and the low financial capacity of the state, the financial aid for individual projects was small (Jarosz 2010). The Resolution of March 15. 1957, about state aid for housing construction from the population's own resources made it possible to support such construction through, among other things, providing building plots, granting loans, facilitating the supply of building materials, and preparing the designs of typical single-family houses. The political leaders admitted that the state was not able to overcome housing difficulties with its efforts[3]. However, there were shortages of building materials, and the received loans were insufficient to complete the construction; citizens decided to build dwellings, as it was tough to find cooperative or municipal ones. Desperate people undertook illegal construction without a building permit. There were also difficulties in obtaining construction loans, which were granted based on the National Economic Plan (Jarosz 2010).

The unique role of housing cooperatives in the supply of housing in the socialist period did not develop in the first years after the end of World War II but only from the second half of the 1950s. New construction rules (including financing and allocation of building materials), apartment space standards, and many other solutions were introduced that helped cooperatives function and created many new ones. In the 1960s, housing cooperatives exceeded 1,000 and continued to grow dynamically in the following years (Kujawa 2015).

The housing policy of that time presented cooperatives as the primary resource creators in cities. A cost-saving housing construction program and the rules for allocating apartments were introduced. The 1970s saw a reduction in the obligations to give part of the resources to the state, which increased cooperatives' independence and economic efficiency. At that time, historical records were broken in Poland for apartments put into use (1978 - 283.6 thousand flats). In 1982, the Cooperative Law Act was passed (Journal of Laws 1982, No. 30, item 210), which, among other things, made it possible to create small housing cooperatives to build apartments better and faster with the participation of cooperative members. The economic crisis of the late 1980s, combined with hyperinflation, suspended many cooperative investments. In the following years, the state's departure from assistance in financing investments led to commercializing cooperative effects of housing construction.

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2 The sources of funds spent on housing investments were not verified. Investors were exempt from the war enrichment tax and income tax.

3 Famous words of Gomułka during the 10th Plenum of the Central Committee: »Neither today, nor tomorrow, nor in a year, nor in five years' time., the state will not be able to build as many housing units as necessary for workers with state funds. In order to increase housing construction in the near future to the size determined by the needs of workers, the state must use their own help....«

Table 3. The basic information about Polish housing stock in years 1950-1988

		1950	1960	1970	1978	1988
Total number of dwellings (thous.)		5789.6	6934.0	8081.0	9326.0	10716.9
	In urban areas	2445.4	3563.8	4623.3	5780.7	7039.9
	In rural areas	2666.3	3432.6	3457.7	3545.2	3676.9
Total population (thous.)		23961.0	28429.4	31859.1	34110.8	37129.5
	In urban areas	9224.3	14218.5	16889.7	19502.3	22532.2
	In rural areas	14736.7	14979.4	14969.3	14608.4	14597.3
Total number of households (thous.)		n.a.	8252.9	9365.1	10935.7	11967.1
	In urban areas	n.a.	4355.7	5524.2	6830.2	7862.8
	In rural areas	n.a.	3461.7	3840.8	4105.5	4104.3
The average size of a dwelling (sqm)		**n.a.**	**n.a.**	**50.7**	**53.9**	**59.1**
	In urban areas	n.a.	n.a.	47.0	49.3	53.8
	In rural areas	n.a.	n.a.	55.8	61.3	69.3
Number of people per 1 dwelling		n.a.	n.a.	3.94	3.66	3.46
	In urban areas	n.a.	n.a.	3.65	3.37	3.20
	In rural areas	n.a.	n.a.	4.33	4.12	3.97
Dwellings with water supply %		n.a.	29.9	47.3	67.4	84.2
	In urban areas	42.3	55.4	74.3	87.2	94.9
	In rural areas	n.a	3.7	11.7	35.8	63.8
Dwellings with toilets %		n.a.	18.9	32.9	52.9	71.5
	In urban areas	25.7	35.6	54.2	72.9	84.9
	In rural areas	n.a.	1.8	4.9	20.8	45.9

The new housing stock was built by socialist and non-socialist entities, and undoubtedly, the first group of providers implemented many more housing investments during the Polish People's Republic (Table 4). In the 1970s, there was an increase in housing needs, which was related to the demand generated by young people (post-war baby boom). Until the mid-1980s, under the pressure of numerous strikes, the government promised to intensively develop housing construction to provide every family with a dwelling. It should be mentioned that during the years 1950–1988, the urban population in Poland increased by 51.6%, and the urban housing deficit was still enormous (Frąckowiak 1993); 22.5 million inhabitants lived in more than 7 million dwellings in 1988.

Table 4. Size of housing construction by housing providers in the years 1950-1990 (thous. of dwellings commissioned)

year	total	socialist provider	private provider	urban area	rural area
1950	59.5	35.7	23.8	36.9	22.6
1951	58.5	40.7	17.8	34.9	23.6
1952	54.5	38.6	15.9	37.3	17.2
1953	69.0	50.0	19.0	46.1	22.9
1954	71.0	52.0	19.0	46.3	24.7
1955	89.0	63.4	25.6	54.4	34.6
1956	90.8	56.0	34.8	54.4	36.8
1957	122.4	75.1	47.3	68.0	54.4
1958	129.0	72.0	57.0	71.6	57.4
1959	137.6	76.1	61.5	82.8	54.8
1960	142.1	83.0	59.1	93.5	48.6
1961	144.2	89.5	54.7	101.2	43.0
1962	138.7	93.4	45.3	102.5	36.2
1963	142.4	97.3	45.1	106.1	36.3
1964	158.6	113.0	45.6	118.9	39.7
1965	170.5	126.1	44.4	131.2	39.3
1966	176.0	129.4	44.6	133.0	43.0
1967	185.7	136.0	49.7	139.1	46.6
1968	189.3	138.8	50.5	140.5	48.8
1969	197.0	145.1	51.9	145.8	51.2
1970	194.2	140.6	53.6	141.5	52.7
1971	190.6	136.4	54.2	136.9	53.7
1972	205.5	153.7	51.8	154.9	50.6
1973	227.1	171.5	55.6	173.1	54.0
1974	249.8	192.6	57.2	194.8	55.0
1975	248.1	190.2	57.9	192.1	56.0
1976	263.8	200.0	63.5	206.7	56.8
1977	266.1	192.5	73.6	206.6	59.5
1978	283.6	209.3	74.3	226.2	57.4
1979	270.0	206.0	72.0	221.6	56.4
1980	217.1	161.4	55.7	171.9	45.2
1981	187.0	140.9	46.1	150.5	36.5
1982	186.1	130.6	55.5	142.3	43.8
1983	195.8	138.1	57.7	145.4	50.4
1984	195.9	141.0	54.9	145.5	50.4
1985	189.6	132.9	56.7	140.2	49.4
1986	185.0	127.6	57.4	136.7	48.3
1987	191.4	131.0	60.4	141.1	50.3
1988	189.6	125.5	64.1	139.2	50.5
1989	150.1	95.2	54.9	106.4	43.7

During the socialist period, the general investment activity of the state was related to housing on a small scale. It was between 4 and 5% for years; from 1978 on, it was about 6%. That approach resulted from the recognition that housing construction constituted competition (in a situation of limited access to capital) concerning other sectors of the economy and was not a priority. The implemented housing policy models were based on the idea of the non-productive function of investment outlays on housing, which meant that those expenditures were not included in the economic growth models (Kucharska-Stasiak, Załęczna, Żelazowski 2019). In the years 1950–1988, over 6.6 million dwellings were built. However, the housing deficit in 1950 was 1.28 million and still 1.25 million in 1988.

THE TRANSFORMATION PERIOD AND SUBSEQUENT YEARS UNTIL 2022.

Despite the problem of the housing deficit being raised from the beginning of the transformation process, it became concrete in the form of an official political position only in 1995. The resolution of the Sejm of the Republic of Poland on July 6. 1995, set out the state's housing policy in this period of socio-economic transformation. The resolution highlighted the insufficient number of dwellings and the low quality of the housing stock and specified the goals and principles of the new housing policy. Counteracting the deterioration of families' housing conditions was announced as a priority. The necessity to eliminate the housing deficit and assist in obtaining the right to a first home was indicated.

The first legal acts thoroughly reforming the housing institutional framework were adopted in 1994. The municipality was designated as the entity responsible for developing and implementing the local housing strategy. The Constitution of the Republic of Poland was adopted on April 2. 1997. in Art. 75(1) states that: "public authorities shall pursue policies conducive to satisfying the housing needs of citizens, in particular combating homelessness, promoting the development of low-income housing and supporting activities aimed at the acquisition of a home by each citizen". These housing policy objectives were repeated in subsequent government and parliamentary documents in the following years, though they were not implemented in practice. The rule of reliance on the market has been in force in Poland's housing policy in the last decades, which has resulted mainly in supporting construction projects in the free housing market (Cesarski 2011, 2015; Markowski et al., 2018).

In the years 1990–2006, tax relief was the main instrument used in Polish housing policy to support the development of housing construction. That instrument was used mainly by citizens whose financial situation allowed them to meet their housing needs on market terms (i.e., the highest-income group paying the highest income taxes); improving housing conditions allowed for lowering the tax threshold. Thus, seemingly cheap in the first phase of its implementation, the instrument constituted a significant burden for the state budget without solving the problem of unmet housing needs for low-income groups (Groeger, 2016).

Some government programs stimulated the purchase of private housing, mainly by young people, supporting the owner-occupied housing sector. The first program was the Family in its Own Home (Rodzina na Swoim) Programme (2006–2012), promoting subsidized housing loans to purchase or construct a dwelling. The second, the Housing for the Young (Mieszkanie dla Młodych) Programme (2014–2018), made a down payment possible through co-financing from public sources. According to the Supreme Audit Office estimates, neither program contributed significantly to the elimination of the housing shortage, nor did they solve the problem of housing availability for low- and medium-income people (NIK 2020).

The Polish National Housing Programme (2016) and the Home Plus Instrument Package aimed to improve housing availability. A large number and variety of instruments supporting housing gave the impression that it was an essential aspect of social, economic, and political life. However, further modifications and new instruments were introduced due to the lack of achievement of the initially assumed goals. In 2021, it was announced that there would be a new housing program. Home Plus was supposed to be a program that balances the issues of rent and ownership. Meanwhile, subsequent government initiatives looked like a return to the old path of housing policy, where ownership is a priority (guarantee of own contribution, a housing voucher, or tiny houses without a permit).

Table 5. Housing construction in the years 1990-2022 broken down by housing providers (thous. of dwellings commissioned)

year	total	individual	cooperative	for sale or renting	municipality	company	TBS
1990	134.2	47.4	68.3	0	2.9	15.4	0
1991	136.7	39.9	83.5	0	2.5	10.7	0
1992	132.9	36.8	84.2	0	3.6	9.1	0
1993	94.4	33.4	50.0	0.4	4.5	5.9	0
1994	76.0	35.5	31.7	1.4	3.5	3.8	0
1995	67.0	31.6	26.8	2.7	3.2	2.5	0
1996	62.1	30.1	24.6	2.6	2.9	1.6	0.05
1997	73.7	35.0	28.1	5.0	3.7	1.3	0.2
1998	80.5	37.3	28.0	8.9	3.4	1.4	1.4
1999	81.9	33.3	27.4	14.1	2.6	0.9	3.3
2000	87.7	35.5	24.3	20.7	1.9	1.2	4.0
2001	105.9	40.6	25.8	29.4	2.3	1.0	6.7
2002	97.5	52.4	15.4	21.9	2.5	0.6	4.6
2003	162.6	118.0	11.9	23.8	1.9	0.9	5.8
2004	108.1	64.8	9.4	24.2	1.7	0.6	7.1
2005	114.0	63.2	8.2	33.0	3.5	0.5	5.4
2006	115.3	53.5	9.0	42.0	4.5	0.2	6.0
2007	133.6	66.2	8.2	51.1	2.4	0.4	5.2
2008	165.1	75.5	8.6	74.5	2.7	0.5	3.2
2009	160.0	64.7	7.2	79.6	4.2	0.6	3.6
2010	135.8	64.6	5.0	59.3	3.4	0.2	3.1
2011	130.9	65.4	3.7	56.9	2.5	0.3	1.9
2012	152.9	70.3	4.1	74.4	2.3	0.5	1.1
2013	145.1	71.9	3.4	65.7	2.2	0.4	1.3
2014	143.1	66.2	3.4	68.9	2.1	0.5	1.7
2015	147.7	67.7	2.1	74.4	1.6	0.4	1.2
2016	163.3	65.7	2.7	91.5	1.7	0.3	1.3
2017	178.3	67.6	2.3	105.0	1.7	0.1	1.4
2018	185.0	66.2	3.0	112.3	1.8	0.1	1.5
2019	207.4	69.2	2.1	131.4	1.8	0.3	2.4
2020	220.8	74.0	1.5	142.7	1.0	0.02	1.6
2021	234.7	88.1	2.0	141.9	1.2	0.1	1.2
2022	238.5	90.7	1.5	143.9	0.6	0.03	1.6

Source: own elaboration based on GUS Construction activity.

From 1990 to 2022, 4.48 million dwellings were built; according to the assessment of the Ministry of Development, the housing deficit was 0.64 million in 2019. The statistical increase does not mean Poles' housing needs are met (Przymenski 2019; Załęczna 2019; Nowak, Rataj 2020; Kluza, Kluza 2020). For many wealthy households, purchasing an apartment becomes a way to allocate funds safely. However, many families still have unmet basic housing needs, and the dwellings are expensive not only because of the rent paid but also due to technical defects related to underheating and lack of infrastructure. Nesting, i.e., young people (aged 25 to 34) living with their parents, amounted to 45.1% of this population at that time (Ministerstwo Rozwoju 2020).

FORMS OF SOCIAL HOUSING
MUNICIPALITIES AS HOUSING OWNERS

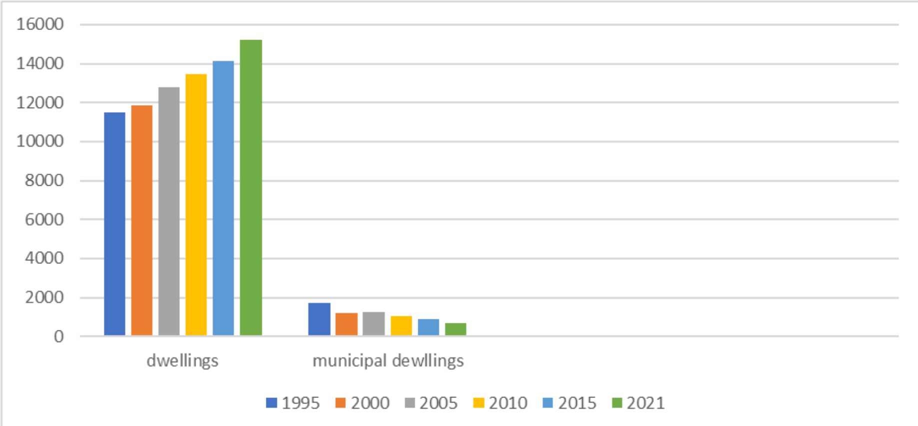
In Poland municipalities have clearly described housing tasks, i.e. primarily creation of conditions to meet the housing needs of households as well as provision of dwellings for low-income and vulnerable households and temporary accommodation. There are 3 groups of households entitled to direct housing assistance provided by municipality. The first one includes people who meet the general criteria determined locally by the municipal council, they have the right to municipal dwellings; in the second group there are households in a very difficult personal, material situation - vulnerable households, also evicted persons who have been granted a dwelling in the court verdict. In third group there are persons who are evicted without the right to dwelling, the municipality must provide temporary accommodation for them. Detailed criteria for the second and third groups are indicated in national law.

Households with eviction judgments granting dwellings occupy a special place on housing waiting lists. According to the provisions of the Act on the Protection of Tenants' Rights (Journal of Laws of 2023, item 725)., during the eviction proceedings, the court is obliged to examine *ex officio* whether there are any reasons for granting dwelling. In case a person belongs to a privileged category, the court rules about entitlement to dwelling and the municipality is obliged to provide it. The privileged are: pregnant women, minors, people with disabilities, bedridden patients, pensioners who meet the criteria for receiving social assistance benefits, people with the status of an unemployed, person fulfilling the terms specified by the local municipality council by way of an ordinance. A housing assistance will not be granted if these people have dwelling or their financial situation allows them to meet housing needs. Municipalities that are unable to comply with the obligation to provide dwellings to the households entitled, pay compensation (rent costs).

In Poland, by definition, there is no eviction onto the streets. When somebody has an eviction order without the right to dwelling, such accommodation should be ensured by the creditor, the debtor or a third party. In case nobody provides the shelter, a given municipality should indicate a temporary accommodation.

Officially, the number of households in the most challenging situation, waiting for direct housing assistance from the municipality, in 2019 (previously, the problem was not examined nationwide) was 150.6 thousand, and an additional 17.9 thousand were waiting for a temporary accommodation. In 2020, it was 136 thousand and 16.9 thousand, respectively; in 2021, 129 thousand and 16.6 thousand; and in 2022, 126 thousand and 16.5 thousand (Table 6). There is no doubt that there are many more potential users of municipal stock, but they do not contact municipalities because they know the lack of available resources.

Figure 1. Apartments in municipal stock compared to total apartments in the years 1995-2021



Source: own study based on the Central Statistical Office BDL.

Table 6. Number of households waiting for municipal assistance in 2019-2022

year	Housholds waiting for municipal and social flats (without temporary accommodation)	In this: only social flats	In this: only social flats due to eviction	Households waiting for temporary accommodation
2019	150579	81214	47644	17891
2020	136156	74859	43406	16898
2021	129019	71264	42064	16635
2022	126425	70192	40026	16537

Source: own study based on the CSO Housing Economy.

It should be highlighted that the short-term beneficiaries of the past were sitting tenants of the municipal housing stock who could buy their flats for a penny. However, due to the decapitalisation of the municipal housing stock, they need to cover huge expenses resulting from the poor technical condition of the buildings.

In 2006, the Parliament passed the Act, whose task was to create opportunities to support municipalities through state co-financing of the creation of social premises, night shelters, and houses for the homeless (Act of December 8, 2006, on financial support for the creation of social premises, sheltered apartments, night shelters and dwellings for homeless (Journal of Laws of 2015, items 833 and 1815). From the beginning of the program until December 31, 2018, 1,390 contracts were concluded (excluding terminated contracts) for a total support amount of PLN 1,007.0 million. During that time, investors completed and settled 1,194 projects, which resulted in the creation of 17,687 premises and 1,111 places in shelters and homes for the homeless (BGK). In the following years, 2019-2022, 5,367 apartments were qualified for support from the Subsidies Fund, and 100 contracts were concluded for this purpose for a total amount of PLN 491.1 million (BGK).

In 2019, an incentive for the construction of dwellings for rent was introduced as The First Home Program (Act of July 20, 2018, on state aid in bearing housing expenses in the first years of renting a flat, Journal of Laws of 2023, items 1351). The Act aimed to encourage private investors to create resources for the needs of municipalities and, at the same time, to support tenants in bearing the costs of using the apartment. The idea is that the investor concludes a contract with the municipality for the construction or regeneration of the building for rent; then, the dwellings are rented for 20 years to tenants indicated by municipality. The tenants pay market rents and receive a kind of re-payment from the state. By the end of 2022, 34 municipalities have concluded agreements on rent subsidies for apartments constructed under this Act (there are 2,477 municipalities in Poland).

There were also attempts to use public-private partnerships to provide housing as part of implementing municipal tasks. Of the 179 signed PPP contracts since 2009 (since the introduction of new law about Public-private partnership), only two concern housing.

Another recently introduced solution is Social Rental Agencies (Społeczne Agencje Najmu SAN) (amendment to the Act on Social Forms of Housing Development in 2021). A Social Rental Agency is an private actor that, to create conditions for meeting a local housing needs, conducts activities consisting of leasing residential premises or single-family residential buildings from their owners and renting these premises or these buildings to households indicated by the municipality. A municipal company, association, foundation, or social cooperative creates a SAN after concluding a cooperation agreement with the municipality. Such an agency leases apartments on stable terms from interested owners, manages them, and sublets them to people who have difficulties meeting their housing needs independently. An Agency run by Habitat for Humanity Poland has been operating since 2017 (even without a current legal basis), but new ones are being created with great difficulties. Very often, municipalities abandon this solution after analyzing the details.

NON-PROFIT ACTORS PROVIDING APARTMENTS FOR RENT

The origins of private actors providing housing resources on a non-profit basis date back to the turn of the 18th and 19th centuries in Poland, originating from patronage construction in the form of housing estates and workers' colonies (Biniasz-Celka 2020). They were created in industrial regions dealing with, among others, textiles, mining, and metallurgy in the form of housing estates and workers' colonies (Chmielewska 2009, 9). The colonies consisted only of residential houses, and the settlements were already at a higher stage of development because they had public facilities (e.g., hospitals or schools). In the socialist period, the role of housing providers was often fulfilled by workplaces, massive units that needed employees, and their location often had insufficient local housing market. In 1988, approx. 12% of the housing stock in Poland belonged to workplaces (Rocznik Statystyczny Polski 1989). Many industrial plants did not meet the profitability criterion during the transformation period. The burden included, among others, housing resources, holidays, and camp centers. Apartments were sold at very high discounts to their users, so the share of private owners in the resource increased.

Due to significant unmet housing needs, a new type of housing stock provider was established in 1995 - private non-profit entities (Social Housing Societies TBS) | whose task was to build and manage new housing stock for rent. This solution was modeled on French experiences, the Habitations à loyer modéré system. The Polish social rental housing program was founded on the basis of the Act of October 6, on certain forms of supporting housing construction 1995 (Journal of Laws 2021, item 2224) and operated in a uniform form from 1995 to 2009. TBSs could be established as joint-stock companies, limited liability companies, or cooperatives of legal persons. The main task of Social Housing Societies was to build residential houses and make them available on a rental basis; they also modernized and renovated buildings to adapt them into apartments. The program assumed this would fill the gap between the housing market and direct housing assistance. The apartments were intended for rent for specific groups - families with low and medium incomes. Additionally, a company or a municipality could also be a participant and have the right to appoint tenants of the premises. Institutional support primarily comprised preferential loans from the National Housing Fund (Krajowy Fundusz Mieszkaniowy)[4]. This structure aimed to result in rents below the market level but sufficient to cover the costs of bank financing and maintaining the buildings by TBS, allowing low-income households to use the new resource with a good location and standard. However, in practice, it turned out that the rent was lower than the market rate but too high for many less wealthy families. Moreover, some TBSs excluded »problem« tenants in their statutes, e.g., those without permanent employment contracts, without stable income (e.g., PhD students), explaining this by the need to close their budget (Belniak, Końska 2003, 122-123). As a rule, the Social Housing Society repaid only part of the interest in the first years; the remaining interest was capitalized and repaid with capital in subsequent periods (Szelągowska 2011). The users of the resources were primarily middle-income people. The statutory conditions set a limit on their income, but it was high, and the TBS themselves often added minimum thresholds.

At the beginning of 2001, 318 TBS were registered; in 1997, there were 55 of them, so their number was multiplying fast. This contributed to an

4 The National Housing Fund was a special purpose fund established under the Act of October 26, 1995 on certain forms of supporting housing construction... within the National Economy Bank (Bank Gospodarstwa Krajowego) in order to implement state policy in the field of housing management and development of housing construction. The National Housing Fund granted preferential loans of up to 70% of investment costs to Social Housing Societies (TBS) and housing cooperatives building residential premises for rent, and to municipalities for the implementation of technical infrastructure for housing construction. The National Housing Fund was liquidated in 2009.

increase in the supply of rental apartments. However, it amounted to a maximum of several thousand a year, so it had little significance concerning the size of housing needs in Poland. Construction activity was largely dependent on the availability of cheaper financing from the National Housing Fund.

The change in the economic situation - particularly the drop in interest rates and the standardization of loan agreements - contributed to the development of the mortgage loan market in Poland. The loan installment was often comparable to the rent in TBS (TBS also required a personal contribution), so the economic attractiveness of using the TBS resource was significantly reduced (Witt 2007, 137).

From 1995 to 2009, 1,719 loans were granted from funds belonging to the National Housing Fund. A total of 84,620 apartments in TBSs were put into use (Twardowska 2011, 47). In addition to the preferential loan; TBS used other sources of financing, including participation payments as well as the societies' funds from contributions made by partners and funds allocated (Jankowska, Pawelczyk 2011, 51). After the National Housing Fund ceased operations, its functions were taken over by the National Economy Bank (BGK), but it only provided preferential financing based on applications submitted by September 30, 2009. The period 2009-2014 is assessed as a phase of stagnation in the development of TBS; in the fall of 2015, there were changes in regulations to renew TBS activity after the resumption of preferential financing (Muzioł-Węcławowicz, Nowak 2018). However, due to the socio-economic conditions, TBs were no longer developing so dynamically, and tenants created a strong lobby, which led to the introduction of the possibility of purchasing the ownership of a apartments, which somehow negated the sense of the activities of these actors. Both high participation (up to 30% of construction costs for individuals) and the rent (after changes up to 5% of the replacement value of the premises per year) did not create attractive conditions for tenants comparing with the dynamic development of the mortgage lending market.

The principal owners of TBS were municipalities; approximately 73.2% of these entities were owned by them, and 11.1% had the majority capital. In this way, municipalities indirectly created apartments for households seeking housing assistance. Only 11.4% of TBS were private (Muzioł-Węcławowicz, Nowak 2018, 135).

On September 7, 2016, the National Housing Program introduced new instruments that were competitive with the TBS offer. Ultimately, the TBS formula was changed to Social Housing Initiatives (Społeczne Inicjatywy Mieszkaniowe SIM) in 2021. Like their predecessors, they are not profit-oriented. They are joined by municipalities and the coordinator of the entire program, the National Real Estate Resource (Krajowy Zasób Nieruchomości)[5]. A municipality interested

5 The National Real Estate Resource is a state legal person established under the Act of July 20, 2017 on the National Real Estate Resource (Journal of Laws 2023, item 1054). Its primary mission is to fulfill the obligation of public authorities to pursue a policy conducive to meeting housing needs. The most important tasks of KZN include, among others: managing real estate included in the Resource, creating conditions to increase the availability of apartments, taking actions aimed at implementing housing investments, creating conditions to facilitate the construction of municipal apartments, etc.

in building apartments may establish a new SIM with KZN or join an existing one. Construction is carried out on a municipal plot or land offered by KZN. The financing method combines several sources, including co-financing from the Government Housing Development Fund of up to 10% investment value and a grant from the Subsidies Fund of BGK in the amount of up to 35% investment value, participants' contribution (up to 30 percent of the investment value), preferential 30-year loan from BGK in the amount of up to 80 percent investment value. It must be remembered that SIMs are new actors with no credit history or experience, and their operations are just starting to develop. Construction processes will not start immediately after their establishment. In 2021, 11 SIMs were created; in 2022, 18, and 2023, the dynamics decreased significantly, and in the first half of 2023, only one actor was established. The founders were primarily associations of small municipalities that needed help implementing their housing tasks. The initial enthusiasm has not yet brought many actual results. Lower income thresholds eliminate some potentially interested parties, as does high participation. Tenants have the right to obtain ownership after a minimum of 15 years. During the lease period, they can apply for rent subsidies, potentially reducing the apartment's total cost. Still, there are concerns about the actual costs of obtaining ownership in high inflation and economic instability. It should also not be forgotten that ownership buy-out promotes ownership and reduces the social rental market.

HOUSING COOPERATIVES

In Poland, the first housing cooperatives were established at the end of the 19th century, with the principle of »self-help«, i.e. building each house together and distributing apartments among members of the cooperative (Wociór 2017). At the beginning of the 20th century, tenant housing cooperatives began to emerge, building multi-apartment houses which they remained the owners of. In the interwar period, the first Polish Act on Cooperatives was passed on October 29, 1920. It formalized the construction of cheap model apartments along with the housing estate infrastructure on the basis of cooperation between natural persons. On the eve of World War II, there were approximately 10,000 cooperatives. members, and apartments constituted only 0.2% of the housing stock in Poland at that time (Cesarski 2010).

After World War II, initially, solutions from the interwar period were continued, but cooperatives were soon deprived of managing cooperative apartments, could not take out loans or purchase building materials at wholesale prices, and were subordinated to state control. After the political changes in the second half of the 1950s, housing cooperatives were created as the main supplier of housing units in cities. Their numer was growing (Table 7), they were mostly large entities, and their presidents were often people with the »right« political profile. Part of the constructed housing units was put at the disposal of state-owned enterprises. Until 1972, cooperatives only offered tenant rights - a specific long-term lease that was obtained after paying a housing contribution.

In the following years, a quasi-ownership right was created - cooperative ownership right to the premises[6].

The political, social and economic transformation changes meant for cooperative a shock, in particular related to the closure of state financing. Since 1992, the construction of apartments was financed from the cooperative members' own funds, and the borrowers were buyers of cooperative apartments (Skotarczak, 2008). In 2000, the Act on Housing Cooperatives (Journal of Laws 2023, item 438) was introduced, which enabled full ownership. This resulted in the widespread privatization of cooperative resources (tenant rights were transformed into ownership rights or ownership). Specifically, because cooperatives in Poland cannot earn profit at the expense of cooperative members, purchases of apartments usually mean very high discounts for cooperative members. Cooperatives remained co-owners of common parts, owners of a certain part of land and were obliged to manage their resources. Some began to transform into housing communities.

Table 7. The numer of new housing cooperatives

Years	**Before 1957**	**1957-1970**	**1971-1980**	**1981-1990**	**1991-2000**	**2001-2010**	**2011-2022**	**Before 1957-2022**
Number of new cooperatives	20	222	59	816	1555	739	87	3498

Source: own calculation based on Central Information about economic activity in Poland.

Cooperatives gained independence and were forced to analyze the economic results of their activities, changethe management style, began to transform,. It often led to division of large units into much smaller ones that were easier to manage, and a sudden increase in the number of cooperatives was visible (Table 7). In 1995-2001, thanks to public support from the National Housing Fund (KFM) and direct subsidies, cooperatives maintained a high share of apartments built. However, after the subsidy was closed, the cooperative's activities focused on the current management of the existing resources, and strictly construction investments became less and less common. Additionally, in 2007-2018, cooperatives were deprived of the opportunity to build for tenents. Together with the National Housing Program (2016) and its instruments, new possibilities for financing the activities of cooperatives appeared, but they showed no interest in the development of publicly supported construction activity; in 2019-2022, cooperatives received support for the construction of 905 apartments (Milewska-Wilk 2023, 27). According to the 2021 Census, cooperatives owned 2.285 million apartments, of which 1.96 were owned by

6 Housing cooperatives in Poland offered that time two types of rights to apartments: cooperative ownership right (transferable, hereditary, subject to enforcement, but the owner was the cooperative, these rights still exist on the market, but new ones are no longer created) and tenancy rights (non-transferable, non-heritable, most similar to social housing).

private actors. According to the REGON database, 3,499 housing cooperatives operated in 2022, most of them in the Masovian Voivodeship - 830 and in Warsaw alone - 534 entities (Milewska-Wilk 2023, 11).

In 2022, a formula similar to a cooperative was introduced. This is a group of natural persons who decide to buy a plot of land and build single-family houses or multi-family buildings with apartments (at least 3) where they will live. Members of this organization can purchase land from the municipality for housing investment under special rules. The sale of a plot intended for such housing project takes place through a written tender limited to housing cooperatives (existing and new). The detailed location is determined in a resolution of the municipality council.

PROSPECTS FOR THE DEVELOPMENT OF SOCIAL HOUSING IN POLAND

A typical assessment of the housing situation in Poland is based on a statistical calculation of the number of housing units and households, which indicates the absence of a deficit. Undoubtedly, such an assessment needs to be corrected, wealthy households invest in apartments for rent, and government programs supporting ownership promote specific groups of beneficiaries, primarily young people. With limited supply, this means an increase in prices on the housing market and the inability to meet the housing needs of households that cannot afford to buy. Research shows that the purchase of 50 m^2 residential premises at the level of real estate prices and loan interest rates at the end of 2022 was unavailable to 75% of Polish families (Jedrzejczak et al., 2023).

The changes introduced under the Polish Housing Program 2016 were incomplete. They were not adapted to Polish conditions and needs, which meant that solutions that worked in other countries did not bring results in Poland. There was a false impression of a significant housing reform, which did not materialize in practice. Solutions regarding the privatization of TBS resources, special privileges for developers (Lex developer), and the promotion of only new housing construction violated the logic of long-term solutions postulated by specialists (Muzioł-Węcławowicz 2021).

Before the parliamentary elections in the autumn of 2023, the main political parties declared the need to support social housing, co-finance renovations, and modernization of municipal resources, and the then ruling party - Law and Justice - to activate housing cooperatives. Awareness of the lack of available housing and the growing differences between the economic situation of owners and tenants was common.

A critical factor influencing the possibility of expanding the offer of social housing entities is the availability of financial resources, the cost of which will be bearable in the conditions of non-profit operation. As the example of the functioning of the TBS system in Poland shows, the too-high cost of financing a social resource translated into the exclusion of the resource's availability to less wealthy people. According to experts, housing needs could be met mainly by building approximately 20,000 sq m. social housing for rent annually (Muzioł-Węcławowicz 2021) for the following years. This would require stable cooperation between municipalities, non-profit entities dealing with social housing, private investors, and central administration. Without a doubt, an interesting instrument would be the introduction of the mandatory contribution of apartments from commercial projects to the social stock (inclusionary housing) when commercial projects benefit from locally granted privileges, e.g., of a spatial nature.

We cannot forget about the basics - the reliable and detailed, publicly available information on the state of local social resources, waiting queues, possibilities of meeting housing needs, and a collective summary of data for the entire country are essential to evaluate and make attempts to improve the housing situation. The system's transparency and the residents' participation in making decisions and taking steps to implement them trigger a sense of agency and co-responsibility for meeting housing needs. In Poland, there is no complete and reliable set of data on households' housing needs. In this situation, holding politicians accountable for fulfilling election promises and constructing strategies and development plans is difficult. Individual municipalities, especially large cities, do not fulfill their statutory obligations in direct housing assistance. Despite the multitude of instruments, housing tasks have not been fully realized anywhere, although some cities conduct well-thought-out housing policies that bring the expected results (Zaleczna 2019).

The institutional environment is specific in Poland; formal norms are sometimes not respected because they are incompatible with informal norms. Poland lacks social capital in the context of shared responsibility for the local area and its development; the authorities are perceived as a »bad supervisor,« which is also noticed in housing. Currently, a common problem, visible both in the informal opinions of citizens and in formal court decisions, is the treatment of municipalities as housing providers responsible for their condition and donors of a rare good. Occupants of social resources who pay meager rent are sometimes middle-income households whose entitlements were not verified (so-called old tenants). At the same time, the queue of those most in need of housing assistance is growing. There is no social condemnation of the use of supported housing by people with a higher level of wealth; it is associated with resourcefulness in life. A household that, e.g., through inheritance, obtains ownership of other premises very often gives up this right by gifting it to a family member. It prolongs the possibility of using public housing.

Old social housing resources have their potential, but the level of their technical wear and tear sometimes means higher revitalization costs than the construction of new facilities. Therefore, it is necessary to take up the challenge of segregating buildings and demolishing resources that do not meet basic standards and sometimes even threaten residents' health. Using existing vacant buildings also often means making significant financial outlays in advance to improve infrastructure, insulate buildings, and renovate them. However, we must remember the surroundings of these buildings. The lack of greenery and social infrastructure reinforces the ghettoization of enclaves of old social resources.

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CHAPTER 10

HOUSING POLICY IN SLOVENIA: WHAT HAPPENED TO SOCIAL HOUSING?

Richard Sendi

ABSTRACT

Recent studies generally show growing levels of homeownership across Europe. It may be argued that this growth has been mostly propelled by various government policies that have favoured and provided incentives promoting the homeownership tenure at the cost of the social housing sector. The previous welfare state policies that guaranteed, among other things, favourable housing subsidy systems have, for some time now, been gradually fading. The decline of the welfare state, generally, has been fuelled by the implementation of neoliberal policies in pursuit of the ideals of the globalisation movement that gathered momentum world-wide in the 1980s. These developments, which have occurred also in Slovenia, have resulted in, among others, the privatisation and commercialisation of basic and essential services, including housing. The retrenchment of welfare state policies has thus left housing seekers (regardless of income or social category) with no choice but to solve their housing problem within the dominant housing tenure category and are, as such, forced to become homeowners. The homeownership tenure in Slovenia currently accounts for 91% of the total housing stock. It may therefore be argued that the social housing sector has been gradually absorbed by the homeownership sector and current trends indicate that the social sector is likely to continue to dwindle, unless suitable policies are implemented to reverse these processes.
Keywords: Housing policy, social housing, welfare state retrenchment, housing affordability, housing accessibility

INTRODUCTION

A review of statistical records on housing provision from the post-Second World War period until today clearly shows a drastic fall in the levels of provision of social housing in Slovenija. While the social housing tenure previously accounted for 37% of the total housing stock, its share plummeted to just over 11% soon after the country became independent from the Socialist Federal Republic of Yugoslavia and adopted a market economy system instead of the planned economy system of the post-war era. It is important to point out here, that the use of the term 'social housing' was also officially prohibited in the early 1990s. The current statistical data on the country's housing stock is recorded as 92% homeownership, 7% not-for-profit, and 1% as other[1]. The reduction of the share of the social housing stock from 37% to 7% clearly shows that the sector has undergone serious transformations, the continuation of which may threaten the existence of this tenure in the future as the homeownership tenure continues to aggressively expand at the peril of the rental tenure. We

1 Similar to the situation in many former socialist countries of Eastern Europe, Slovenia still does not publish official data on the share of private rented housing.

argue, in this discussion, that the root cause for this transformation may be found mainly in the processes of retrenchment of the welfare state policies, that may be traced back to the 1970s. At varying degrees, welfare state housing systems have, in recent decades, been subjected, to drastic transformations in every single European country (Edgar et al, 2002). In the majority of them, the generous welfare state policies that previously guaranteed, among other things, favourable housing subsidy systems have, for some time now, been gradually fading. Generally, the decline of the welfare state has been fuelled by the implementation of neoliberal policies in pursuit of the ideals of the globalisation movement that gathered momentum world-wide in the 1980s. Essentially, globalisation has been manifested in the enormous pressures exerted by large transnational corporations, to reduce public services and enhance the role of the free market (Kenna, 2005). These pressures have resulted, among others, in the privatisation and commercialisation of basic and essential services, including housing. At the European level, the globalisation processes and its optimum goal of achieving competitiveness within the European Union pulled the rug under the traditional principles of the welfare state (Turner and Whitehead, 2002). The housing policy changes introduced in the 1990s that included the reduction of general subsidies in favour of targeted subsidies resulted in, among others, a decline in the level of new construction and enforced the marketization of the operations of public housing companies. This inevitably had a significant impact on social housing policy and social housing provision. These societal changes have considerably reduced the ability of the state to adequately service traditional target populations. There are now many countries where states are not ensuring that adequate and affordable housing is available to all (Kenna, 2005) since the regulatory role of the state has been shaped principally to accommodate the market and to facilitate an increasing reliance on private finance in the delivery of public services (Edgar et al., 2002).

As a consequence of the developments described above, the traditional view of social housing as a public good subsidised by the taxpayer and allocated to tenants at below market rents has been modified and the role of local authorities has shifted from that of housing providers to housing enablers and regulators (Monk & Whitehead, 2000). The provider role has been replaced, in many European countries by the so-called 'enabling approach'. The enabling principle was also adopted and globally recommended by the General Assembly of the United Nations, as an appropriate strategy for the improvement of shelter problems (UNCHS 1988). In Slovenia, concretely, the adoption of the 'enabling approach' upon the introduction of a market economy system in 1991, has led to serious housing shortages and greatly exacerbated the level of access to housing. With previous public support and subsidies for social housing cut to the minimum or totally abolished, the social housing sector is under threat of gradual extinction.

The discussion continues first with a brief review of the characteristic phases of housing policy development in Slovenia prior to the adoption of the market economy in 1991. This is followed by a review of the circumstances that laid the ground for the decline of the social housing sector before we proceed to discuss the post-socialist housing policies and briefly examine their achievements. In way of a conclusion, we are proposing a fundamental shift in the academic discourse and current policy orientation that would require changing the focus of the debate from 'housing affordability' to discussing and searching for mechanisms to ensure housing 'accessibility'.

HOUSING POLICY DEVELOPMENT IN SLOVENIA

In order to be able to better understand the arguments presented in the discussion on the decline of the social housing sector in Slovenia, it is helpful to first present a brief review of the key elements of the housing policies that were implemented in the country before 1991. The literature review (Marinšek 1983) identifies five characteristic housing policy development periods, as follows:

1. Until 1945,
2. 1946 – 1955,
3. 1956 – 1964,
4. 1965 – 1971,
5. 1972 – 1990.

UNTIL 1945: HOMEOWNERSHIP AND RENTAL TENURE

The period that preceded and lasted until the end of the Second World War is described as that of predominantly homeownership and private tenancy tenures. The solution of one's housing needs was primarily a matter for each individual. There was, though, also some organized mass housing construction, which was built by municipalities and cooperatives for the needs of urban workers and larger organizations for their employees or for the rental market (e.g. banks, insurance companies, pension funds). The majority of rental apartments in private or multi-family apartment buildings were provided by private investors, who at that time played an important role in the housing market. Due to the low level of industrialization in Slovenia before the Second World War, there was not much migration from the countryside to the cities, and therefore the demand for housing in urban areas was relatively low.

1946 – 1955: EXPROPRIATION AND CONFISCATION OF PROPERTY

The period immediately after the Second World War is historically better known for the extensive expropriation of property. The communist government that took over the leadership of the country after the war expropriated and confiscated a lot of private property, including land, housing and apartment buildings. The housing was distributed mainly to state employees and workers in industries and factories. The rapid industrialization of cities began, which triggered more and more migration of the population from rural to urban areas. While a lot of financial resources were directed towards industrialization, the housing supply for the rapidly growing number of the urban population was far from sufficient. The rental apartments that were built during this period are mostly multi-apartment buildings with two or three floors.

1956 – 1964: INTRODUCTION OF PUBLIC HOUSING FINANCE SYSTEM

The property expropriation and confiscation processes that began immediately after the end of the war continued and were completed in 1958. Most importantly, this is the period during which legislation for financing public housing construction was introduced, for the first time. The law defined a system that required the gathering of contributions of funds from various sources that were specified by the state. The following constituted the most important sources:

- funds collected by Organisations of Associated Labour and other budget users,
- monthly contributions towards the housing fund deducted from the wages of all employees,
- finance from the Retirement and Disabled Community Social Security Fund,
- supplementary bank financing,
- rent income from public housing,
- profits from interest on housing loans,
- and target savings for the purpose of securing a bank loan.

With the funding guaranteed through this system, the big state-owned construction companies were able to regularly implement mass public housing projects in an effort to provide housing for all citizens. The requirement that the state provides housing for all citizens was, during the post-Second World War period, a doctrine which was common to all communist regimes of Eastern Europe (Balchin et al., 1996; Turner et al., 1992). The financing would be provided to the construction companies by either the government, local authorities or public enterprises, or by any combination of these. The policy of administrative distribution of housing was replaced by decentralization measures which enabled the municipalities to assume responsibility for the distribution, maintenance and construction of housing. For these purposes, the municipalities established companies for managing the social housing stock and raising funds for providing loans for housing construction. Although the goal to provide housing for all citizens was never achieved, the system did, nonetheless, guarantee a steady supply of new housing for public employees and the workforce of publicly owned companies and industries. With various corrections and modifications, this financing model lasted until the introduction of the Housing Act of 1991, upon the adoption of the market economy system.

1965 – 1971: INTRODUCTION OF MECHANISMS FOR INDIVIDUAL INITIATIVE

This period marks an important turning point in the field of housing provision in Slovenia. During this period, the state introduced, for the first time, measures intended to support private initiative in the area of housing provision. Housing policy became more open and the economic importance of the housing economy began to be emphasized and the need for the gradual introduction of economic relations into this part of the economy as well. After 1965, commercial banks began to play a special role in the housing construction financing system. Various forms of lending for social and private housing construction were developed. This economic reform opened up new development trends and enabled the engagement of individual funds in solving housing needs. As reported by Marinšek (1983), formal political support for private construction encouraged the more luxurious construction of individual houses and a gradual increase in housing standards in the private sector. Irrespective of the unfavourable loan conditions (due to high interest rates), the possibilities of obtaining a loan for housing construction enabled more intensive single-family housing construction activity.

1972 – 1990: PEAK PRODUCTION OF SOCIAL HOUSING

This is the period during which peak production of social housing was reached. With the stable funding guaranteed by the housing construction finance system described above, this period saw the intensification of new social housing construction in large housing estate complexes, especially in the larger cities and also in areas of high-scale manufacturing activity. The golden era of social housing construction was between 1974 and 1982 (Table 1). Peak construction was reached in 1975 when 9,750 new social dwellings were completed in a single year. One of the reasons for such high levels of new housing construction during this period was the urgent need to meet the growing demand for housing as a result of the massive influx of migrant workers from other republics of the former Yugoslav Federation, who were attracted to Slovenia by the job opportunities created by the intensive industrialisation processes, taking place at the time, in the Republic. Although the number of newly built social housing gradually decreased after that year, the volume of new construction remained relatively high until 1987, when this number began to decline more rapidly.

Table 1. Dwellings completed by year, 1955-2000

Year	Public sector (%)		Private sector (%)	
1955	2,052	62	1,258	38
1960	5,926	73	2,154	27
1965	6,176	69	2,766	31
1966	6,194	63	3,574	37
1967	5,593	59	3,801	41
1968	5,089	54	4,286	46
1969	4,364	48	4,724	52
1970	3,959	43	5,302	57
1971	4,818	47	5,451	53
1972	5,408	53	4,813	47
1973	4,810	46	5,688	54
1974	8,076	58	5,717	42
1975	9,750	61	6,143	39
1976	8,536	59	5,929	41
1977	8,164	54	6,811	46
1979	7,422	54	6,398	46
1980	6,999	51	6,673	49
1981	8,281	56	6,393	44
1982	7,105	54	6,140	46
1983	5,634	45	6,710	55
1984	4,910	42	6,702	58
1985	5,114	45	6,138	55
1986	4,887	38	8,050	62
1987	3,963	39	6,249	61
1988	3,684	37	6,115	63
1989	2,260	26	6,281	74
1990	2,246	29	5,513	71
1991	1,332	22	4,586	78
1992	1,349	21	5,143	79
1993	794	10	7,131	90
1994	538	10	4,984	90
	Legal person		**Natural person**	
1995	661	11	5,054	89
1996	760	12	5,468	88
1997	757	12	5,328	88
1998	1,228	19	5,290	81
1999	569	11	4,573	89
2000	1,577	24	4,883	76

Source: Statistical Office of the Republic of Slovenia, Statistical Yearbooks, 1955-2001

As may be gathered from Table 1, the level of public housing productions started to gradually decline towards the end of the 1980 and drastically fell in the early 1990s, following the adoption of a market economy system and introduction of new housing policy. It is also important to note the change in the nomenclature of housing providers which was introduced from 1995. While statistical records presented data on new annual completions by the state as '*public sector*' housing and that completed by private individuals as '*private sector*' during the post-war period, this terminology was changed, respectively, to '*legal person*' and '*natural person*', starting with 1995. This change is discussed more later on.

DECLINE OF THE SOCIAL HOUSING SECTOR

The beginnings of the decline of the social housing sector may traced back to processes that began in the 1980s and continued after the country acquired independence in 1991, adopted a new housing act and introduced new housing policy. The previous post-war housing policies that had been based on the principles of the welfare state were replaced with the so-called "enabling principle" In the simplest terms, the enabling principle advocated the thesis that each individual should solve their housing problem on their own. This meant that the state was no longer responsibility for providing housing for all its citizens. From here on, the state would only 'enable' individuals to secure suitable housing for themselves through their own initiative. The enabling principle was described in the relevant state document (Ministry of the Environment and Physical Planning, 1995) as "a mechanism that dissolves the state of the responsibility to provide housing, changing its role, instead, to creating conditions that allow individuals to solve their own housing needs". This, according to the new housing policy document, would lead to the "de-bureaucratization of the housing sector and the replacement of administrative housing allocation with procedures for organizing the housing market and with support for private initiatives." Through a system of social corrections, the state would, henceforth, cater only for groups of citizens (beneficiaries of social rental housing) who would not be able to solve their housing problem on their own.

Before we discuss the achievements of the new housing policies that were implemented in accordance with the enabling principle, it is helpful to first identify the key elements of housing policy change that triggered the ongoing processes of decline of the social rental sector. Most important among these were: the abolition of the previous system of financing public housing construction, the privatisation of the previously public housing stock and restitution of previously nationalised property and the abolition of the previous system of housing land planning which included also the operation of land banks.

ABOLITION OF PREVIOUS HOUSING FINANCE SYSTEM

The adoption of the enabling approach effectively meant the dismantling of the previous system of housing construction financing which had previously enabled the state, through various subsidiaries, to maintain a constant supply of new dwellings, especially for the consumption of state and factory employees. After the introduction of the 1991 Housing Act which eliminated the previous forms of housing finance, the construction companies were left without the resources necessary for undertaking such activity. Most of these companies went into liquidation and disappeared from the scene, while others were privatised and broken down into smaller, more easily manageable and specialised units. Those (very few) among them which managed to survive and still engage in housing construction activity found themselves in a situation where they had to secure their own financial means, purchase the land, and develop it for housing construction purposes. Since then, the housing constructed by these companies has been and continues to be intended, in most cases, for higher-income consumption, rather than for the needs of the social or non-profit rented sector. As would be expected, private investors undertake such commercial ventures with the aim to achieve profit. They are normally not concerned about the social aspects of the housing market. Moreover, almost all the housing constructed by private investors is intended for homeownership. Only occasionally is a small proportion of the newly constructed dwellings made available for rental purposes, at market rent price, of course.

HOUSING PRIVATISATION AND PROPERTY RESTITUTION

One of the major housing policy changes introduced by the 1991 Housing Act was the possibility of purchase by sitting tenants of the public housing unit they were occupying. Housing was offered for purchase at a considerably reduced price and under very favourable terms of payment. . At the end of the privatisation process, just over 77,000 dwellings (about 11% of the total stock) remained as public housing stock. Of this, approximately 13,000 dwellings were nationalised housing units. Nationalised housing refers to housing which was forcefully taken over by the state from private owners after the Second World War and for which claims for restitution have been filed by previous rightful owners or their descendants, in accordance with the provisions of the 1991 Denationalisation Act. The 13,000 dwellings thus potentially represent part of the private stock effectively leaving only 64,000 units in the public housing sector. It is estimated that about 9,000 claims for restitution were filed under the Denationalisation Act. By the end of the privatisation and denationalisation period in 1994, the ratio of the public housing stock to private stock which was 33% to 67% respectively before housing privatisation transformed to roughly

11% to 89% in favour of the private stock. This means that both the Housing Act and Denationalisation Act transformed 22% of the public housing stock into private stock just in a couple of years.

Inevitably, the immediate effect of housing privatisation and restitution of previously nationalised housing to its former owners was the decimation of the social rented housing stock. Shortages in public housing supply consequently led to a reduction in the rent income previously collected in the public housing sector, and the reduction of revenue for investment in new public housing construction.

Another aspect of property restitution was the return of previously nationalised land back to its rightful owners. This measure further exacerbated the problems of land availability for housing construction since the reintroduction of property rights on land enabled the restituted landownewrs to withhold serviced urban land from planned uses. The reasons for such behaviour may include, a feeling of economic security such property offers its owners, hereditary considerations and mere speculation in anticipation of higher economic profit on sale at an 'opportune' moment. Inevitably, the withholding of land from the market consequently led to scarcity of available land for housing construction and, of course, to a sharp increase in land prices.

While the aim of housing privatisation may indeed have been the achievement of economic efficiency in the management of mass housing and the redistribution of part of former public wealth to the population that created it (Sendi, 1995), the impact of privatisation and restitution on the housing stock and housing opportunities was, as Pikvance (1994) observed, the residualisation of the public, social housing sector.

ABOLISHMENT OF PREVIOUS SYSTEM OF HOUSING CONSTRUCTION PLANNING AND LAND ACQUISITION

There were changes also in the area of housing construction planning. In the previous socialist system, housing construction plans were regularly prepared at the local level by town planning offices and these formed the basis for housing construction projects. With the policy changes of the early 1990s, these were replaced by planning briefs, usually restricted to matters concerning planning policy and urban design but not to the actual implementation of housing programmes (Sendi, 1999).

Previously, housing construction planning constituted a vital component of housing provision policy as it allowed for the timely acquisition and purchase of land for new housing construction. One of the basic mechanisms of housing provision in former socialist countries was the comprehensive national plan which determined the number of units to be produced and the resources required for their production. The goals set by the national plans were then implemented through the more elaborate regional and local development plans. Before the introduction of the 1991 Housing Act in Slovenia, a number of *Housing Communities* operated in the country whose responsibilities included, among other things, the preparation of site planning documents, investment programmes, and the technical documentation necessary for the realisation of investment work.

The planning and implementation of housing programmes during the previous socialist system was also much easier as far as the securing of land for housing construction was concerned. An important element in the process of housing provision were the *Municipal Building Land Funds,* the local authority bodies which were charged with the responsibility of securing land and servicing it with communal infrastructure for the purpose of housing and other construction. Where necessary, expropriation and pre-emption rights allowed the public authority to acquire any land that was required or determined, by the development plan, for housing construction, irrespective of whether the land owner was willing to give it up or even whether the owner was awarded fair compensation for the land or not.

The situation radically changed following the adoption of a market economy system. First, the new legislation required the revision of the then valid mid- and long-term structure plans that had been previously prepared. There were two main reasons for that. It was found that some of the plans indicated vast amounts of housing land some of which was, in effect, either unsuitable for such purposes or simply unavailable for development. Unavailability of housing land was, in this case, the result of the reintroduction of property rights and the restitution of previously nationalised property. Also, some planned urban land uses, (for example, extensive agricultural land reserves in inner city areas) were considered inappropriate and irrational. They no longer met the needs of a transformed society and market economy system as they were deemed to present a wasteful use of serviced urban land. The second major change was the abolition of the Building Land Funds mechanism which previously forcefully acquired and stockpiled land banks for future public housing construction. Henceforth, the municipalities had to purchase the land for specific needs, on the open land market, just like any other consumer. Although the new Building Land Act provided for the possibility of land expropriation, this measure was possible only in case of projects of national interest. And while the construction of social and non-profit housing would be of national interest, such an interest would have to be established by a court of law, if expropriation action was contested by the landowner. Under the circumstances, the acquisition of land has thus been left to the free operation of an overly price-inflated land market in which the price of land accounts for (up to 30% in the case of a single-family house, for example) a very high percentage of the total construction cost. In the absence of comprehensive housing construction plans which previously included measures for securing house building land, and with the Municipal Building Land Funds having lost their previous priority status in the acquisition of land, the construction of public housing became a very expensive and rare activity.

On the whole, the obvious consequence of the policy changes described above was the drastic decline in the level of production of new dwellings in the social housing sector. At this point, we refer back to Table 1, to explain the change of housing provider nomenclature in 1994, from 'public sector. First of all, it must be stated that there is no publicly accessible official explanation for this change. We are, however, able to clarify that until 1994, the data under 'public sector' represented the new completions that were provided by the state through the public financing system. 'Private sector' data, on the other hand, referred to new completions financed and constructed by private individuals. Given the circumstances that emerged after the implementation of the policy changes described above, we can only assume that the change in nomenclature may have been driven by political considerations. As the data presented in Table 1 shows, the level of new housing construction in the public sector fell by almost 50% between 1992 (1,349 dwellings) and 1993 (794 dwellings) and further declined in 1994 (538 dwellings). To the politicians, this must have been a clear indication of where things would be going in the future. Concretely, the level of new housing construction in the public sector would be expected to further decrease since the state was no longer intensively engaged in the provision of new housing. In order to avoid the unpleasant display of minimum figures of public housing provision, it was conveniently decided to change the nomenclature from 'public sector' to 'legal person'. A 'legal person' can be any individual, company, or any other entity which has legal rights and is subject to legal obligations. This does, obviously, include also state institutions. As such, this change enabled the state to comfortably hide its diminished role under the new nomenclature. Under this disguise, official statistical data does not provide concrete information on the number of new dwellings provided annually for social consumption. It may, however, be observed that the change from 'private sector' to 'natural person' was made only to streamline the terminology. For this tenure, the housing investors continued to be the same, i.e., private individuals and the level of production in this segment has continued to be more or less stable throughout.

POST-SOCIALIST HOUSING POLICY

As already explained, the legal basis for the introduction of new housing policy was the new Housing Act that was adopted in 1991. This act stipulated the designing of a national housing programme which would determine the most important guidelines for development in the housing field to the year 2000. For some strange reason, it took the government until 1995 to be able to present the first Draft National Housing Programme (DNHP) to parliament for debate, and eventual approval. The document outlined the principle elements of housing policy and the government's role in its implementation as well as the role of local authorities and financial institutions. It may be particularly interesting to note that during the first reading of the DNHP, some members of parliament expressed a concern that the proposed programme was ‘too socially oriented’. They contended that the government’s role, with respect to the direct financing of housing provision, ought to be considerably reduced. Housing policy, it was argued, should be changed and adapted to the new market circumstances. The majority view was that securing one’s housing should be the responsibility of each particular individual. This later turned out and continues to be the principle orientation of national housing policy.

Following the first submission of the draft DNHP by the government for parliamentary procedure in 1995, the debate on national housing policy lasted another five years until the first post-socialist housing programme was finally adopted in 2000 as the National Housing Programme 2000-2009 (hereinafter, NHP 2000-2009). This means that there was no officially approved national housing policy from 1991 until 2000. It is, thus, not surprising that the brief review of the housing situation at the time which was presented in the introductory section to the NHP 2000-2009 (Ministry of the Environment and Physical Planning (2000) included, among others, the following observations

> *“For more than a decade, Slovenia has had low and declining levels of new housing construction. This has resulted, especially, in an intergenerational housing problem whereby younger people have found themselves in a particularly difficult situation on the housing market, as compared to the circumstances enjoyed by their counterparts before 1987.”*

> *“The gap between demand and supply of housing is increasing in Slovenia. The high demand and insufficient supply are clearly reflected in the high house prices, high rent levels in the private rental sector and long lists of applicants for the allocation of social and not-for-profit rental dwellings.”*

> *“The acquisition of social housing has completely stagnated in recent years (in the period 1991-1998 only slightly more than 900 social housing were acquired)..... These data are worrying, as they point out that access to suitable housing for socially weak population groups has drastically decreased. The continuation of such conditions may threaten social peace in the country in the coming years.”*

On estimated needs for social housing, it was stated that:

> *“During the implementation of the NSP2000-2009, and assuming that the most favourable financial resources are secured, it would be necessary to produce around 2,000 dwellings annually just for meeting the needs in the social sector. If such a rate of provision were to be realised, it would require*

seven years to be able to cover the accumulated shortage and current demand for social housing."

Against this background, it was explained that the NHP 2000-2009 "*aims to boost the supply of social housing as the solution to address Slovenia's dysfunctional housing market. It establishes a new framework for social housing designed to encourage new construction and attract private investors*" The key goal of the programme was to reach a production of at least 10,000 dwellings per year by 2008-2009 and, more importantly, to acquire annually 2,000 social, 2,500 not-for-profit and 500 private rental dwellings in addition to the new homeownership dwellings.

Towards this objective, the NHP 2000-2009 defined specific quantitative targets as shown in Table 2.

Table 2. New dwelling construction targets by type set by NHP 2000-2009

Year	Public sector		Private sector		Total
	Social	Not-for-profit	Homeownership	Rental	
2000	300	350	5500	50	6200
2001	400	450	5600	100	6550
2002	500	600	5700	150	6950
2003	600	800	5800	200	7400
2004	800	1000	5900	250	7950
2005	1000	1250	6000	300	8550
2006	1200	1500	6000	350	9050
2007	1400	1800	6000	400	9600
2008	1700	2100	6000	450	10250
2009	2000	2500	6000	500	11000
Total	**9900**	**12350**	**58500**	**2750**	**83500**

Source: Ministry of the Environment and Physical Planning, 2000

IMPLEMENTATION OF THE NHP 2000-2009

The state authority primarily responsible for the implementation of national housing policy is the Public Housing Fund of the Republic of Slovenia (hereinafter PHFRS) which was created immediately after the adoption of the 1991 Housing Act. Upon its creation, it was charged with the implementation of three key policy measures, namely:

- the provision of housing loans with favourable interest rates
- the provision of incentives for long-term saving for the purposes of acquiring high housing loan amounts,
- the construction of new housing.

The results of the implementation of the NHP 2000-2009 goals are presented in Table 3.

Table 3. Dwellings completed by year, 2000-2009

Year	Legal Person		Natural person		Total
	No.	%	No.	%	
2000	1,577	24	4,883	76	6,460
2001	1,048	15	5,667	85	6,715
2002	1,915	26	5,350	74	7,265
2003	1.228	19	5.727	81	6.567
2004	2.160	31	4.844	69	7.004
2005	3.032	40	4.484	60	7.516
2006	2.916	39	4.624	61	7.538
2007	3.869	46	4.488	54	8.357
2008	5.845	59	4.123	41	9.968
2009	4.400	52	4.130	48	8.530

Source: Statistical Office of the Republic of Slovenia, Statistical Yearbooks, 2000-2010

Although the programme had set clear annual targets by specific type of housing tenure (Table 2) it is important to note that the official statistical records presented in Table 3 do not provide any concrete data on the newly completed social and not-for-profit dwellings. As has been explained above, this information is concealed under 'legal person', which also includes new dwelling completions (mostly) by private investors. An indication of the actual contribution of the state in the area of social/not-for profit housing is presented in more detail in the following section discussing the implementation of the current national housing programme.

After the expiry of the NHP 2000-2009 it, once again, took another five years to prepare and get through parliamentary procedure the next housing policy document, which was adopted in 2015 as the *Resolution on the National Housing Programme 2015-2025* (hereinafter RNHP 2015-2025). In the description of its aim, it was stated that:

> *"The RNHP 2015-2025 is a document that responds to actual circumstances in the field of housing provision. With it, the state creates the conditions for the implementation of the right to housing choice as provided by the constitution and defines the general goals in the area of housing care. At the same time, it is a document of an operational nature, which ensures the conditions for improving the situation in the solving of the housing needs of citizens. It focuses specifically on ensuring quality of living for the more vulnerable population groups, taking into account their specific needs."*

> *"The new program pays special attention to solving the housing needs of two specific target groups of the population, i.e., young people and the older people."* (Ministry of the Environment and Physical Planning, 2015).

In order to realise this goal, it was then stated that:

> *"The policy measures aim at increasing accessibility to the rental housing stock. The programme plans to regulate tenancy relationships and the establishment of a new rental policy in order to increase the supply of rental dwellings within the existing housing stock."*

It is important to note here that the latter measure addresses 'accessibility' of rental housing, within the existing housing stock, through the regulation of the rental sector. The focus here was on activating the 21% of the housing stock which, according to census data was, at the time, found (or considered) to be vacant. In other words, the aim was to 'increase accessibility' of the current stock, as opposed to "increase availability" through the construction of new dwellings for social consumption. Most importantly in this connection, the term 'social housing' is not used or mentioned anywhere in the entire RNHP 2015-2025. Instead, under the sub-heading "Easier access to housing", the programme states the following:

> *"Housing affordability represents the ability of citizens to secure adequate housing for their needs. This mainly concerns the affordability of housing for different groups of the population as well as accessibility of supply of quality housing for various categories of consumers. The poor accessibility of housing is, to a large extent, due to a lack of rental dwellings (only 8% of the total housing stock).*

A few paragraphs later, it is stated in the RNHP 2015-2025 that:

> *"With regard to solving the housing problem young people, in particular, who are at the beginning of their family life are severely disadvantaged given that their creditworthiness is still low at the time when they start their professional career. For this reason, it is necessary, in addition to increasing the rental stock, to introduce special mechanisms for providing housing for young families and young individuals in terms of both long-term rentals and possibilities to purchase their first home."*

What needs to be particularly observed here is that contrary to the previous housing policy document (NHP 2000-2009), the current RNHP 2015-2025 does not define any concrete number of new dwellings that would be provided in the social/not-for-profit sector (or for any other tenure). There is, though, a lot of discussion about 'measures for increasing accessibility to housing for vulnerable groups of the population' (especially young people and older persons). Let us now examine how the RNHP 2015-2025 has been implemented thus far.

IMPLEMENTATION OF THE RNHP 2015-2025

Since its creation in 1991, the main tasks of the state authority responsible for the implementation of national housing policy (the PHFRS) have been modified a few times over this period. The question is whether the various modifications have meaningfully contributed to increasing the efficiency of its operation. In the current description of the main tasks of the PHFSR, it is stated that it operates in the interest of the state to provide financial resources for housing construction, promotes housing construction activity and the renovation and maintenance of dwellings and residential buildings. It is further explained that these tasks are performed by:

- engaging in real estate commercial operations for public interest purposes,
- investing in the construction of housing and acquisition of building land,
- providing incentives for the provision of various types of private and rented housing,
- providing long-term loans with favourable interest rates to legal persons for the provision of not-for-profit rented housing
- providing long-term loans with favourable interest rates to natural persons for purchasing dwellings provided by the PHFRS.

As is clearly evident, this description of the main tasks of the PHFRS does not include any reference to social housing. There is, instead, reference to 'not-for-profit housing' which, though, essentially means one and the same thing since this is housing acquired by state institutions and provided for renting with regulated and subsidised rent levels. Crucially, however, while the provision of loans for not-for-profit rented housing is mentioned above as one of its major tasks, this does not seem to be one of the priorities of the PHFSR since this is taxonomically presented fourth on the tasks list.
Table 4 shows the annual levels of new housing production since the adoption of the RNHP 2015-2025 till 2022.

The first thing to be observed in Table 4 is that there is no data specifically showing the number of new dwellings provided for the not-for-profit rental sector. As has already been explained, there is no official statistical data base that publishes concrete information on the number of new dwellings produced annually by the state. Instead, this information is y concealed under the category 'legal person'. It is, however possible to extract this data from the reports published annually by the PHFRS which normally include, among others, information also the acquired not-for-profit rented housing and activities in other housing tenures. The achievements of the PHFRS in the implementation of the RNHP 2015-2025 this far are presented in Table 5, focusing only on the acquired public rental stock.

Table 4. Not-for-profit Dwellings completed by year, 2015-2022

Year	**Legal Person**		**Natural person**		**Total**
	No.	%	No.	%	
2015	354	13	2.422	87	2.776
2016	356	12	2.619	88	2.975
2017	645	21	2.390	79	3.035
2018	601	20	2.436	80	3.037
2019	989	29	2.426	71	3.415
2020	1.065	30	2.475	30	3.540
2021	1.371	34	2.661	66	4.032
2022	1.714	40	2.572	60	4286

Source: Statistical Office of the Republic of Slovenia, Statistical Yearbooks, 2010-2023

Table 5. Dwelling acquired by the PHFRS by year, 2015-2022

Year	**Dwellings acquired**		
	Public rental		**Homeownership**
	Not-for-profit-subsidised rent	**Cost rent**	
2015	65	-	351
2016	0	6	85
2017	-52	150	82
2018	73	25	82
2019	8	46	-
2020	-	98	-
2021	220	-	-
2022	6	660	-
TOTAL	**372**	**985**	**600**

Source: PHFRS Annual reports 2015-2023

The figures presented in Table 5 clearly demonstrate the level of success of the PHFRS in the realisation of the current national housing policy objective. In the first eight years of implementation of the RNHP 2015-2025, the PHFRS has been able to add a total of 1,975 new dwellings to the country's housing stock. This includes 600 dwellings which were acquired through state funding but sold for private consumption. This practice, which transferred state subsidised housing into private property (below market prices) was, eventually abolished after 2018. In addition to this, it is interesting to observe that in the past eight years, the PHFRS has provided 985 cost rent dwellings, which is roughly two-and-a-half times more than the number of dwellings acquired for the not-for profit sector. Also, in 2017, 52 dwelling were transferred from the not-for-profit sector to the cost rent sector. Despite the declared objective to improve housing access for vulnerable groups, the figures in Table 5 clearly demonstrate otherwise. The not-for-profit sector continues to be the least attended to. On average, there have been only 46 new dwellings acquired annually for not-for-profit renting over the last eight years. The numbers for the entire period of operation of the PHFRS, since 1991, are equally telling. According to its 2022 report, the PHFRS operated a total of 3,033 not-for-profit rental dwellings at the end of the year. This means an average rate of provision of 98 new dwellings annually.

And while the RNHP 2015-2025 did not determine any concrete numbers of new housing provision we may, for orientation purposes, reflect back on the targets that were set by the NHP 2000-2009 which aimed at reaching an annual production rate of 2000 social and 2500 not-for-profit dwellings by the year 2009.

Given the circumstances described above, it is to be expected that the demand for not-for profit housing far exceeds the current rate of supply. This situation is most clearly demonstrated by the number of applications that are submitted to calls for the allocation of not-for profit rented dwellings, which are regularly announced (normally every two years) by the Public Housing Fund of the Municipality of Ljubljana. As the most populated city (the capital of Slovenia), Ljubljana is understandably the region of highest demand for housing, especially not-for-profit housing.

As may be gathered from Table6, the number of applications received for each call is always many times higher than the number of rental dwellings available. For the latest call of 2021, for example, the number of applications received (3941) was almost nine times more than the number of dwellings on offer (450). With such a high demand against a very low supply, the municipality housing fund can manage to provide not-for-profit rental dwellings for only a small proportion of those in need.

Through a review of the developments that followed the adoption of a market economy system and the adoption of new housing policy immediately after, we have been able to provide concrete evidence that the state has, indeed, largely abandoned the social housing sector, reducing its role in the provision of dwellings for this rental tenure to a bare minimum. Guided by the principles of the enabling approach, state action, however limited this may be, is now aimed mostly at encouraging and promoting homeownership. The major worry is that this may, in the not-so-far future, result in the near extinction of the social/not-for profit rental sector.

Table 6. Ljubljana Municipality calls for allocation of not-for-profit rental dwellings, 1995-2021

Call Year	Call type	No. of dwellings available	No. of applications received	No. of dwellings allocated	Allocation rate (%)
1995	SOC	160	2,319	157	6.8
1996	NfP	30	656	44	6.7
1997	Staff	30	402	33	8.2
1997	NfP	60	815	65	8.0
1998	SOC	100	1,207	99	8.2
1998	NfP	280	823	269	32.4
1999	NfP	63	788	67	8.5
1999	Staff	30	251	33	13.1
2001	SOC	100	1,184	96	8.1
2001	NfP	50	491	49	10.0
2004	NfP	230	1,666	234	14.0
2005	NfP	150	1,532	149	9.7
2006	NfP	300	1,615	330	20.4
2007	NfP	300	2,130	294	13.8
2008	NfP	370	2,909	358	12.3
2010	NfP	450	3,985	456	11.4
2012	NfP	390	4,028	392	9.7
2014	NfP	425	3,432	424	12.4
2016	NfP	250	3,132	282	9.0
2019	NfP	300	3,328	334	9.0
2021	NfP	450	3941	435	11.0

Source: Public Housing Fund of the Municipality of Ljubljana, Annual Reports 1996-2022

THE WAY FORWARD

As was alluded to at the beginning of this discussion, we attribute the weakening of the social housing sector provision mainly to the retrenchment of the welfare systems that previously sought to maintain a decent supply of public rental housing. Directly linked to this retrenchment is the change in the discourse whereby housing provision is now largely approached from the perspective of ensuring *housing affordability*. Housing affordability has become the buzzword of academic debates on the subject of housing provision. The use of the word 'affordability' has, of course, been inevitable since housing and housing provision, under the prevailing neoliberal housing policies have been increasingly seen as a free-market good. As such, the transfer of housing provision to the market has been described by some authors as the 'commodification' of housing (Forrest and Murie, 1990; Malpass and Murie, 1999; Chiu, 2001; Allen, 2006), or the financialization of housing (Fernandez and Aalbers, 2016; Kalman-Lamb, 2017; Leijten & de Bel, 2020; Wijburg, 2021). Edgar et al. (2002) have defined the complex process of the commodification of housing as the increasing dominance of the market in the distribution of housing, reflected in the withdrawal of the state from direct provision.

The use of the term in the literature generally suggests that housing affordability basically relates to the capacity to be able to purchase housing. According the definition forwarded by Haffner and Boumeester (2010), 'affordability' concerns the price or a rent paid for housing consumption. As such, cost, price and cash flows are the key indicators of housing affordability. When households are able to pay a given amount for housing, that means that they can afford to do so (Green and Malpezzi, 2003). Simply put, affordable housing is housing that people can pay for. This definition thus raises some major concerns. In a given country and under given circumstances, which criteria determine housing affordability and for whom? What is affordable for someone may not be affordable for another. So, what happens to those that cannot afford to buy housing at prices or pay rents at costs that may be considered by some institution to be affordable? As Forrest and Lee (2003, p. 135) conceded, a "fundamental difficulty remains that many households in all societies cannot afford adequate housing either at some stages of their housing careers or at any stage". In all this, the key problem with this debate is that the focus on affordability ignores another important element of housing provision, namely its 'accessibility'. It is not enough that housing is 'affordable', it must also be 'accessible'. This thesis leads us to the principle argument in the conclusion of this discussion.

We are proposing a shift in the discourse from the notion of 'housing affordability' to the notion of 'housing accessibility' (see Sendi, 2014). This proposal is grounded in the declaration that housing is a basic human right as determined in Slovenia's constitution. Regrettably, the implementation of neo-liberal policies that have led to the weakening of welfare state housing policies has resulted in the violation of this basic human right. The right to adequate housing which was previously understood to be a right that should be realised by the state was extinguished following the adoption of the enabling principle. Since the state abandoned its role as a major housing provider in 1991, as is clearly evident in tables 2. 3 and 4.

While affordability is a market concept related to capacity to pay, accessibility is a social and humane concept that relates to the opportunity to access housing. Those who cannot afford to pay for a certain good cannot gain access to it. The notion of housing accessibility, on the other hand, essentially implies the objective to guarantee the right to housing for every individual. It recognises that housing is not primarily a market commodity, but a right that must be guaranteed for every human being. It is important to stress here that the notion of housing accessibility applies to the entire population and not only to particular groups such as those often referred to as the 'vulnerable'. In our definition, the notion of housing access also covers households or individuals that may be housed but whose housing conditions at a particular moment in time exhibit a lack of access to adequate housing. Adequate housing here means housing that conforms to basic standards with regard to security of tenure, availability of services, facilities and infrastructure and habitability.

Guaranteeing access to adequate housing for all requires shifting the emphasis from housing affordability to housing accessibility. This re-adjustment will enable housing researchers and other experts to explore other avenues and policy alternatives beyond those restricted to the confines of the market. In contrast to affordability, the notion of housing accessibility rejects the market-will-fix-it ideology that has constituted the backbone of neo-liberal policies in the area of housing provision in the past decades. If housing is a right (according to Slovenia's constitution) the right to housing can be fully realised only through the implementation of measures that guarantee access to adequate housing for all. It cannot be expected that the market will, at some point, realize this objective. As such, the proposal to shift the emphasis from the notion of housing affordability to put more focus on the notion of housing accessibility is essentially a call for the resuscitation, in some form, of the welfare state housing policies. Concretely, the state needs to re-assume a more pro-active role in the provision of social housing. One way of doing this would be to introduce a universal housing care system that would be similar to the universal health care system that effectively operates in Slovenia (and many other European countries). The social-democratic typology of Esping-Andersen's (1990) categorisation which, for decades, was acknowledged world-wide as the model social care system would be particularly recommendable as it would present a suitable starting point to the introduction of a universal housing care system. Like universal health care, universal housing care would be introduced as a government managed and state financed system intended to guarantee that every citizen or resident has access to adequate housing. The introduction of such a system and revival of the social housing sector would also lead to the elimination of discriminatory and sometimes stigmatic etiquettes such as 'the vulnerable'.

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CHAPTER 11

COOPERATIVE HOUSING UNDER GRANT-OF-USE IN BARCELONA: A MODEL FOR THE FUTURE OF THE RIGHT TO HOUSING?

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INTRODUCTION

In 2015, Ada Colau, a renowned housing rights activist , assumed leadership as the head of the minority government through the citizens' platform "Barcelona en Comú" (translated as "Barcelona in Common"). Re-elected in 2019, she served as mayor until 2023. "Barcelona en Comù's" political agenda centred around social justice by ensuring fundamental rights, with an emphasis on access to adequate housing, as derived from the activist principles of the citizen platform. Colau's election followed over a decade of housing access protests driven by an extreme housing crisis, with skyrocketing housing prices, driven primarily by the real estate bubble that started at the end of 1990s and lasted until its burst in 2008. The economic downturn of 2008-2012, coupled with rising unemployment and mortgage rates, led to a wave of home foreclosures, affecting hundreds of thousands of households in Spain. This crisis gave rise to social movements advocating for the right to housing , demanding reforms and solutions to combat corruption and real estate speculation while promoting sustainable urban planning. The rise in unemployment, job insecurity, and declining household wages since 2007 have led to a drop in average household income, along with a surge in the number of individuals with low or meagre incomes. In addition, few years later a second housing bubble emerged in Barcelona: the rental bubble from 2000 to 2020. Rental prices witnessed a significant escalation, surging three times faster than household incomes. Consequently, gaining access to housing and maintaining one's residence became increasingly challenging. In Barcelona publicly managed housing only accounts for a 1.5% of the total apartments , not becoming an effective instrument to compensate market prizes. At the same time, major property owners control significant portions of the housing market. Housing is treated as a commodity in a predatory property market, prioritizing profit-maximizing purposes, particularly tourism and luxury apartments. This resulted in a geographical and socio-cultural shift leading to process of gentrification and resident's displacement , with severe housing exclusion manifesting through homelessness, illegal occupation, subletting, and substandard living conditions. Furthermore, concerns about healthy living environments and energy poverty are prevalent, especially in disadvantaged neighbourhoods. In response to the severe housing crisis, the municipality of Barcelona declared a "Housing Emergency in 2016" and developed the "2016-2025 Barcelona Right to Housing Plan". The plan was characterized by a mission-oriented approach and included measures such as encouraging the use of vacant properties, social renting, and controls on tourist apartments. It sought to diversify housing tenures through a three-tiered provider system, encompassing private, public, and communitarian (non-profit and limited profit) sectors, thus providing the overarching framework for cooperative housing under grant-of-use. The Housing Plan made explicit the link between specific solutions – cooperative housing under grant-of-use – and the city's housing question: housing cooperatives were seen as partners in the development of policies to reduce affordable housing shortage. As a result of this plan, seven specific strategies have been implemented between 2015 and 2023: public housing promotion by Municipal Institute of Housing and Renovation (1); rehabilitation of public purchased properties (2); industrialised building promotion (3); cession of public plots of land for cooperatives and foundations development (ESAL agreement) (4); housing promotion by municipal public housing developer "Habitatge Metròpolis Barcelona" (5); urban regeneration of vulnerable environments (6); and mobilisation of vacant housing (7). In the following discussion, the concept of housing as a fundamental right will be examined focusing on Spain and Barcelona. Furthermore, specific attention will be given to the outcomes of the cooperative housing under grant-of-use as part of municipal housing policies between 2015 and 2023.

RIGHT TO HOUSING IN SPAIN AND CATALUNYA: A LEGAL FRAMEWORK

The right to adequate housing is declared in more than sixty-nine national and supranational statutes: Article 25 of the Universal Declaration of Human Rights, UN Agenda 2030 Sustainable Development Goals, and UN Geneva Charter on Sustainable Housing, among others. In Spain, it is declared and regulated at the national, regional, and municipal levels. At the national level, the right to housing is recognized in Article 47 of the Spanish Constitution. At the regional level, Article 26 of the 2006 Statute of Autonomy of Catalunya notes that: <<Individuals who lack sufficient resources have the right to a decent home, and public authorities shall, therefore, establish by law a system of measures to guarantee this right, within the terms determined by law>>. Subsequently, the Law 18/2007 was enacted, highlighting the issue of housing as a primary concern due to the disparity between rising costs and wages, as well as the increasing indebtedness of the population with higher interest rates and more extended repayment periods. On March 24, 2015, just two months before Ada Colau's election, Decree-Law 1/2015 was published, which included extraordinary and urgent measures for the mobilization of housing from foreclosure procedures. Among these, Article 2 establishes the "right of first refusal and pre-emption" , which was applied in Barcelona also for constituting new housing cooperatives under grant-of-use.

In 2018, the modification of the Metropolitan General Plan established that new private developments of more than 600 m^2 must allocate 30% of the housing units to social housing. In 2019, Decree-Law 5/2019 and Decree-Law 17/2019 were published, making modifications and additions to Law 18/2007. The first introduces measures against permanently vacant houses, including the possibility of a coercive fine for property owners. The second includes measures to increase the stock of social housing and the overall rental housing supply, including incrementing the percentage of housing allocated to social housing in new private residential developments in Barcelona and the obligation to offer rent control for vulnerable groups. In 2020, two other relevant measures were introduced. The first is Law 11/2020, which regulates rental prices and allows for freezing and reducing rents in sixty-one Catalan municipalities where it has been determined that the housing market is under pressure. This law aims to prevent abusive rent increases and sets maximum limits based on the reference price index for rents, which is calculated as the average of rents in a specific area. The second is Decree-Law 50/2020, which provides the legal framework for accommodations with complementary common spaces to meet the demand for housing with shared-use facilities.

Finally, a new national housing law, Law 12/2023, has recently been enacted. This law establishes the right to housing (Art. 1), the social function of property (Art. 3), and housing as a service of general interest (Art. 4). It also introduces the concepts of "large holder" ("gran tenedor") and "Tense Market Residential Area" ("Zona Residencial de Mercado Tensionado" - ZRMT). These concepts aim to improve rent price control and prevent real estate speculation through specific regulations for areas with limited affordable housing supply.

It can be observed that since 2007, the region of Catalunya has progressively implemented measures to facilitate access to housing, considering its social function and opting for public intervention in defence of both collective interests and individual rights associated with housing. The following analysis will delve into the impact of the measures embraced in Barcelona, specifically focusing on cooperative housing under grant-of-use.

BARCELONA'S COOPERATIVES UNDER GRANT-OF-USE AS PART OF THE RIGHT TO HOUSING PLAN 2016-2025

The model of cooperatives under grant-of-use began to spred in Barcelona in the early 2000s from circles linked to civic activism, associationism and neighbourhood movements. In 2004, the association Sostre Civic was founded to disseminate and promote an alternative housing access and tenure model in Catalunya. That same year, about twenty people from the activist milieu of the "Ateneu Rosa da Foc" started to design Cal Cases, the first rural housing cooperative under grant-of-use project in Catalunya, located in Santa Maria d'Olò, eighty kilometres from Barcelona. The project materialised three years later, in 2007.

In 2008, following delays in the relocation of the manufacturing activities of Can Batlló, the neighbourhood platform "Can Batlló és pel Barri" was formed, bringing together popular movements and neighbourhood associations. Thus began a bottom-up process of reclaiming the industrial area, culminated in

2011 with the demolition of the walls of the industrial complex and the cession of some warehouses to the neighbourhood platform – from which the La Borda housing project was also born. Pressure from the La Borda collective and Sostre Civic – both constituted as cooperatives – obtained between 2014 and 2015 the establishment of an agreement with the Barcelona City Council – at that time led by Xavier Trias – for the cession of a municipal building and plot to develop a cooperative project under grant-of-use. The two projects – respectively "Princesa49" promoted by Sostre Civic and "La Borda" promoted by Habitatge La Borda – are pilot bottom-up projects, paved from neighbourhood movements and associationism, whose definition and development process in turn codified the main characteristics of the model itself, then replicated in the other cases.

After the election of Ada Colau, in October 2015, the Cooperative Housing Table ("Taula d'Habitatge Cooperatiu") was convened for the first time to provide the tools to promote the housing cooperative under grant-of-use. This entity was conceived as a new working group of the Barcelona Social Housing Council and included representatives from established organisations in the Social and Solidarity Economy sector.

The Cooperative Housing Table's work converged into the abovementioned ten-year policy plan "2016-2025 Barcelona Right to Housing Plan". The municipal government first encouraged the growth of community-led housing by holding tenders on public land to develop cooperative housing in 2016 and 2019, with a 75+15-year land lease. After this period, the entire building promoted by the cooperative reverts to municipal ownership. In addition, Barcelona City Council would provide technical support to new organisations, direct economic aid for construction, guarantees - or the facilitation of guarantees - for access to financing, bonuses in property (IBI) and real estate taxes, as well as subsidies for initial member's contributions. The plan specified that, to obtain public support, cooperatives would have to include shared spaces, be rooted in the territory and reach the highest energy efficiency classification. Under this regime, the goal was to provide 535 flats by 2025.

Starting in 2017, within the framework of the Solidarity Economy Network ("Xarxa d'Economia Solidària – XES"), entities related to the promotion of the model began to come together (La Borda, La Dinamo, La Xarxaire, Perviure, Ruderal and Sostre Civic). At the same time, other actors consolidate, acting as intermediaries, technical teams and consultants to support project development (Filalagulla, Coop de Mà or Celobert, among others). This set of actors configures a specific community around the policies to promote cooperative housing under grant-of-use as a formula to widen access to housing (Martì-Costa & Ferreri, 2021). However, in 2019, when the Cooperative and Transformative Housing Sector ("Sectorial d'Habitatge Cooperatiu i Transformador") was founded, the model was defined through its conceptual basis. Its core values are:

1. Non-speculation and collective ownership
2. Community-led and self-managed
3. Affordable and inclusive housing
4. Replicability and scaling-up
5. Neighbourhood engagement and right to housing.

In 2020, the COVID-19 pandemic has underscored the urgent need for affordable housing and creating strong communities as a response to loneliness. However, the complexity of public tenders and the proliferation of cooperative groups necessitated a more agile mechanism. On the one hand, overcoming the limitations of public tenders by accelerating timelines and reducing competition among groups was imperative. On the other hand, a method was required to facilitate co-governance and long-term vision.

Drawing inspiration from the experience of Community Land Trusts (CLTs) established in the United States, UK and more recently in European cities like Brussels, the solution lay in establishing a framework agreement for collaboration between the City Council, non-profit and cooperative housing developers (Cohabitac, FCHC, and XES), and the Catalan Federation of Social Housing Developers (GHS). The ESAL agreement, signed in November 2021, made public land and buildings available for these organizations, with 60% designated for social rental and 40% for grant-of-use. This formula reduces competition among collectives, as representative entities from the sector are responsible for selecting the best proposal for each public plot and building. Moreover, it expedites the transfer of properties and ensures joint governance with the third sector and the cooperative world.

THE GRANT-OF-USE COOPERATIVE MODEL

The cooperative cohousing model under grant-of-use is formulated echoing the emerging cooperative movement in the City and drawing from extensive international experience in collaborative social housing.

The grant-of-use model refers to an hybrid tenure system between individual ownership and rent. Ownership and use of the property are divided among the three parties involved: the City owns the land, the cooperative holds the surface right and, consequently, the constructed or rehabilitated building, while the cooperative members have the right to use the dwellings during the same term granted to the cooperative. This means that members do not own their dwelling units, they are not allowed to sublease it to third parties, nor to transfer the right to use by inheritance. Moreover, they can make modifications to the interior as long as they do not alter the building structure. After the established period of time of the agreement, either the property will return to the municipality or a new agreement will be formulated.

Cooperative members are responsible for covering costs through usage fees (monthly rent), which include mortgage payments, condominium fees, and collaborative facility and service expenses. Additionally, they must contribute the initial fees required to obtain financing for construction or rehabilitation. The contributions from cooperative members and the borrowed financing will be repaid when the properties are granted, as stipulated by the statutes of each cooperative. It should be noted that when public land or building is leased, the development must be qualified as social housing (HPO), and the usage fee is capped by the sections set for this housing regime. Publicly subsidized housing (HPO) entails specific eligibility criteria: cooperative members must be on the list of individuals requesting social housing in the city, which implies income thresholds, ranging from €53,118.20 annually for single-person units to a maximum of €59,020.22 annually for units with four or more occupants.

Cooperative under grant-of-use projects in Barcelona are characterized by a unique blend of features that make them stand out in housing initiatives. Among these attributes, is their promotion through a participatory decision-making process involving both technical experts and cooperative members. The collaborative design process enables the formulation of a shared vision for the projects, which takes into consideration the individual needs and preferences of prospective residents, while also involving negotiations within the group. Although this negotiation process can be demanding and may give rise to conflicts, it plays a pivotal role in fostering cohesion within the collective. Additionally, it serves an educational purpose, making future residents more attuned to the advantages of one choice over another. Upon the completion of construction, the community assumes responsibility for managing the building and governing community activities and tasks, thus fostering a collaborative way of life.

The hallmark of these cooperatives is the sense of community they cultivate. Cooperatives foster a strong sense of solidarity, social cohesion, and mutual assistance among their residents. Solidarity reaches beyond their boundaries as they actively engage with wider community networks, partnering with fellow cooperatives, participating in the social and solidarity economy network, and cooperating with the surrounding neighbourhood.

Collaboration and community living is reflected is the provision of shared spaces and facilities. These spaces may include reading areas, workspaces, care facilities, communal gardens or orchards, laundry rooms, dining rooms, guest accommodations, and spaces for children – in short, all elements that are part of the collective project designed by the members and may also provide services to the neighbourhood or surrounding area.

Cooperative housing projects exhibit high-quality architecture and typological experimentation. The primary innovation lies in the realm of communal living, offering an alternative to the traditional nuclear family model, particularly through the design of common areas and diverse apartment types. The design prioritizes an adaptable, open infrastructure that evolves over time

in response to usage, with a continued emphasis on diversifying typologies and flexible dwelling options. Within these developments, characteristics features are the spacious stairwells, double-height spaces, interconnected walkways, internal streets, shared balconies, and terraces, all thoughtfully designed to foster social interaction. The use of permeable connections and interfaces, including inhabited facades and rooftops, serves as a defining feature of these initiatives.
Environmental sustainability is another core principle of these cooperatives, facilitated by bio-materials and prefabricated construction systems. Cross-laminated timber construction has been implemented in many projects. This approach not only accelerates construction but also minimizes the carbon footprint of the buildings, aligning with global efforts to combat climate change. In addition, these cooperatives place a strong emphasis on energy efficiency. They consistently achieve energy efficiency class A and adhere to nZEB building standards, setting a high bar for sustainability in the housing sector. This commitment to energy efficiency benefits the environment and leads to low utility costs for residents.

The dedication to high-quality design not only enhances the efficiency and aesthetic appeal of these cooperatives but also contributes to the overall well-being of their residents. This relates to the thermal comfort and air quality achieved through passive building standards, as well as the positive perceptions of the living environment held by the residents.

BARCELONA'S COOPERATIVES UNDER GRANT-OF-USE: OUTCOMES EIGHT YEARS AFTER THE RIGHT TO HOUSING PLAN

Eight years after Ada Colau's election and seven years after plan's approval, it is appropriate to assess the results achieved. Firstly, Colau's municipal government conducted a census of vacant houses in Barcelona. Between 2015 and 2023, the City Council formed teams of professionals dedicated to specific issues, such as the Anti-Eviction Unit ("Unitat Antidesnonaments") and the Housing Discipline team ("Disciplina d'Habitatge"). The former, since 2016, has assisted over 140,000 vulnerable families at risk of eviction. The latter was responsible for inspecting the city's social housing stock and sanctioning real estate developers who did not comply with the obligation to allocate 30% of new developments to social housing. Thanks to this measure, integrated with a subsidy policy, the City Council has managed to increase the social rental housing stock, which, by 2022, covers 17.3% of tenants through public action, representing a 40% increase since 2012. To expand the public housing stock, over €500 million has been invested, increasing the total number from 7,500 units in 2015 to 11,500 at the beginning of 2023. Measures have also been implemented to regulate the tourist apartment and short-term rental market under the Special Tourist

Accommodation Plan (PEUAT), which has imposed limits on license renewals and the mobilisation of vacant apartments for emergency housing situations.

Subsequently, an examination of the specific outcomes of the cooperative housing policy in Barcelona will follow. As previously mentioned in the text, promoting cohousing projects as cooperatives under grant-of-use aims at increasing the public social housing stock with a target of 535 housing units. Between 2014 and 2015, La Borda and Princesa49 have been realized, totalling 33 housing units. As a result of the 2016 and 2019's public tenders, four cooperative housing projects have been developed, providing 92 new units. Finally, from 2021, as a result of the ESAL agreement, six cooperative communities are underway and over two hundred housing units are planned.

As of today, there are 135 completed and occupied cooperative housing units under grant-of-use in the city of Barcelona. This number increases to 259 when considering the entire Catalan region. Additionally, there are 571 units currently under development in Catalunya, expected to be completed in the coming years.

After approximately a decade of implementing the cooperative housing under grant-of-use framework in Barcelona, it is now feasible to pinpoint its constraints and delineate the obstacles it must confront to achieve scalability and replicability. One primary limitation pertains to affordability. Unlike traditional renting or homeownership, this housing model necessitates an initial payment and monthly dues. The access fee stands out as the most significant financial barrier to project affordability, averaging around €20,000 (La Dinamo, 2021). The predicament lies in the contradiction between classifying these initiatives as social housing and imposing an high initial access fee. Consequently, these cohousing projects tend to attract educated individuals from the lower-middle-class segment who possess the financial means to cover the initial fee but fall short of the income requirements for subsidized public housing. This situation makes it challenging to integrate economically vulnerable groups despite inclusivity being a fundamental value of the model, although new cooperative housing projects are including social diversity criteria in the social composition of the groups.

The uniformity among residents is evident in their economic status, backgrounds, and social capital (Leyva del Rio, 2022). People involved in these projects often share similar social networks, political beliefs, educational backgrounds, and cooperative experiences even before starting, resulting in a pre-existing sense of community.

Another limitation concerns the duration of project development processes and the commitment they require. The typical development process extends for three to five years and necessitates active engagement from resident-members in negotiations and meetings with diverse stakeholders. As a result, it becomes a highly time-consuming procedure that is not easily accessible. Participants in these projects frequently encounter stress and burnout due to the rigorous demands of self-management. This factor also affects the inhabitants' willingness to invest time in offering services to the neighbourhood once the project is completed.

A further critical issue is the neighbourhood engagement. Stated in the manifesto as one of the five core values of the model, it is only partially fulfilled. Cooperative housing projects often provide services open to the neighbourhood, like commercial premises, public building visits, and meeting venues for little groups, but also strengthen community networks and action through activism and the constitution of energy communities. However, concerns associated with privacy and security have hindered the desired integration and interaction between the community and the neighbouring area. Despite attempts to create public spaces within these projects, issues stemming from disruptive behaviour, thefts, perceived insecurity, and the desire for privacy have influenced the utilization and accessibility of these areas.

CONCLUSIONS

In the municipal elections held on May 28, 2023, for the 2023-2027 term, support for the "Barcelona en Comú" party, led by Ada Colau, did not see a renewal in democratic backing. Ada Colau secured third place in the elections, following Xavier Trias of "Junts" and Jaume Collboni of the "Partido de los Socialistas de Cataluña – PSC," who was subsequently elected as the mayor. Eight years ago, when Ada Colau was first elected as mayor, the housing question, particularly the issue of evictions, took center stage. Looking at the results so far, the promises made during the first election campaign of 2015 regarding housing, structured in seven strategies and incorporated into the 2016-2025 plan, have been mostly fulfilled. The public social housing stock has increased by approximately 53% as of early 2023, and it is expected to reach an 86% increase by the end of 2023 with the completion of units under construction or rehabilitation. However, the number of new social housing units constructed remains lower than projected in 2015 (4,068 versus the anticipated 8,000), and the results achieved still fall short of other European successful cases like Vienna (5,000 social housing units built annually). The shift on the municipal government opens questions regarding the continuity of housing policies, including the support to cooperative housing under grant-of-use, and the predisposition of the local government to engage with local communities and self-organised groups. It is challenging to predict whether these policies will have continuity, since the new municipal government has already amended the regulation that required new real estate developments of more than 600 m^2 to allocate 30% of the housing to social housing arguing the measure was ultimately ineffective.

It is crucial to look specifically at the future of the cooperative housing under grant-of-use model, which, without supportive policies, risks remaining a niche form of tenure. The transfer and adaptation of the grant-of-use cooperative housing model in the Catalan context is the result of the agency of activists and associations. These social groups directly engaged in the search - and then the demand - for the right to adequate housing, through a non-speculative and secure tenure systems. Conversely, the municipal administration of “Barcelona en Comú” was able to recognise the potential of these initiatives, understanding citizenship as proactive — an essential shift away from conventional housing policies that regarded residents as passive entities merely on the receiving end of housing measures. This recognition led to a process of collaboration between the municipality and the cooperatives, working on a shared political agenda with the common goal of guaranteeing the right to housing. Supporting the implementation of cooperative housing under grant-of-use represented a low-cost option for the local administration, who, in exchange for the transfer of the surface right, could increase the number of social housing units in the city, both in the short term and in the long term (Martì-Costa & Ferreri, 2021). Nonetheless the absence of a long term structured policy, could prevent the replicability of the model. The few cases realized would linger as beautiful experiments, unable to achieve the critical mass necessary to scale up.

Cooperative housing models, like FUCVAM cooperatives in Uruguay, the “Andel” cooperative model in Denmark, and cities such as Zurich and Vienna, which serve as international benchmarks for cooperative housing under grant-of-use in Barcelona, have a long history of decades in embracing cooperativism and social housing policies. The Catalan new cooperative housing sector, of recent creation, needs funding and public support to make the model replicable and affordable, accumulating history and equity over time. Long-term political support, through a public-communitarian (non-profit) collaboration, is thus a key issue. What will happen when the political support fails, which will inevitably happen at some point? What would the model need to become self-sufficient and resist unfavourable political scenarios?

The legal framework analysed previously in this chapter has established several important measures enhancing cooperative housing in many ways, from its public interest in guaranteeing the right to housing, to architectural typological innovation, to mobility and economic issue. There is still the need to establish in the current legal framework, especially in the Cooperatives Act of Catalonia, a specific regulation of the grant-of-use housing cooperative system that recognizes its singularities and establishes the fundamental elements that guarantee its public interest.

Associations, foundations, and cooperatives belonging to the Solidarity Economy Network (XES) have been working for approximately a decade on defining the model, studying international references, proposing regulatory measures, and disseminating knowledge while providing training to interested individuals. Some of these entities, such as La Dinamo, have initiated projects on private land using their own funds, asserting the sector’s autonomy. However, the challenge lies in the financial capacity of private entities to replicate these processes while simultaneously maintaining a non-speculative and socially-oriented intent for their initiatives.

Until the grant-of-use housing cooperative sector has achieved a critical mass and sufficient capital to independently ensure the scalability of the model, the interplay of a public and communitarian collaboration is more necessary than ever. In fact, public support should be increased beyond what it has been so far, to direct the model more towards the low income populations, particularly by reducing the initial entry fees to the projects.

The establishment of specific legal frameworks and the inclusion of the model in public housing access policies are essential. This would help to ensure that various projects do not formalize in different ways, potentially leading to varying degrees of alignment with public interest and social objectives, depending on who promotes them. These components are crucial for upholding the five foundational principles of cooperative housing under grant-of-use: prioritizing housing usage, collective ownership, economic affordability and inclusivity, internal and neighbourhood solidarity, as well as the promotion of social and solidarity economy.

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CHAPTER 12

THE COMEBACK OF THE DUTCH LANDLORDS? HISTORY AND FUTURE PERSPECTIVES

Marko Horvat, Marietta E. A. Haffner, Gerard van Bortel

ABSTRACT

Throughout history, the role and target group of Dutch housing associations have changed with regard to the roles of the market and the state in the provision of social housing. Different periods have seen different housing challenges and government interventions that have given the housing associations different powers in terms of autonomy, funding and regulation. This paper explores how this role changed for Dutch housing associations in light of regulatory and macroeconomic changes in the past 150 years. This historical overview contextualises current and future challenges in the housing market. We analyse the potential of a comeback of the housing associations in meeting national housing policy targets. We argue that housing associations once again have a major role to provide housing for vulnerable and middle-income groups.
Keywords: affordable housing, social housing, housing associations, social rental, Pestoff

INTRODUCTION

The Dutch tenure structure is diversified, with homeownership, social renting and private renting market alternatives available on the housing market. Homeownership remains the predominant form of housing with a share of 57% (Vols, 2022; CBS, 2023). Even though the share of social renting in the national tenure composition has been following a negative trend, decreasing from 30.7% in 2012 to 28.7% in 2022, it still has the largest share in the rental segment with 67% of rental units owned by housing associations.

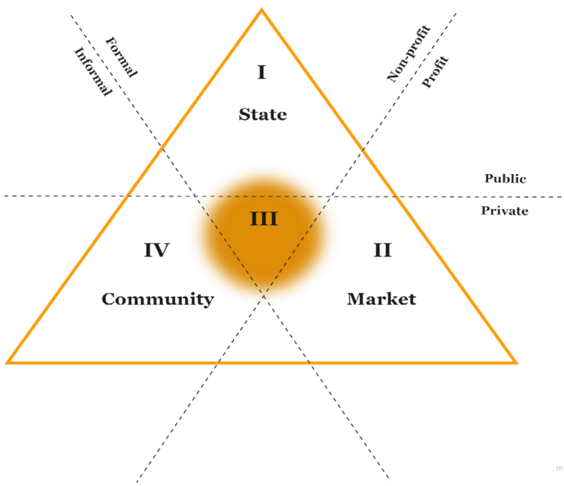
Although social renting is a large, but declining, tenure on the housing market, the Netherlands faces a housing crisis with long waiting lists for social renting and growing numbers of homeless (Feantsa, n.d.; Haffner, 2023). This paper explores the background of this problem, specifically focusing on the changing interplay between housing associations with the government, market actors and civil society. The research question guiding this paper is: Is a comeback of the housing associations in the make given the housing crisis and government responses? The paper focuses on factors impacting the role of the housing associations in providing social rental housing in the welfare mix, their target group, as well as their core business. Dutch housing associations are private, non-profit real-estate companies. Most are registered as foundations, some as associations with tenants as members. Currently, there are 279 active housing associations, managing around 2.3 million housing units and 4 million tenants (Inspectie Leefomgeving en Transport, 2023; AEDES, 2016). Their aim is to provide good quality rental housing at affordable prices to a wide target group to ensure an appropriate social mix and to contribute to the quality of neighbourhoods (Elsinga et al., 2020).

To analyse developments impacting Dutch social housing providers, this paper uses Pestoff's (1992) welfare triangle (Section 2). Our research approach is detailed in Section 3. The empirical data used in the analysis have been captured through a series of interviews with leading actors from social renting. This data mainly pertain to recent developments, and are contrasted against the historic development pathway of the Dutch social housing sector. For this historical perspective, various academic publications and policy reports have been studied (Section 4). We have structured this section using various historical milestones (or critical incidents). In the Discussion section (Section 5), we reflect on the implications of our findings in light of recent events and the possible change in the role of housing associations. In the Conclusions (Section 6) we answer our main research question.

CONCEPTUAL FRAMEWORK: THE HOUSING WELFARE TRIANGLE

From a welfare mix perspective, non-profit housing associations are hybrid entities that operate in the "third sector"[1] in the welfare mix, located between government, market and community (Van Bortel, 2016). This welfare triangle was originally designed by Pestoff (1992), and it schematically represents the "tripolar" welfare mix with housing associations centrally located providing a service of general interests (Evers & Laville, 2004), as shown in Figure 1.

Figure 1. Representation of the hybrid third sector in the welfare mix



Source: Pestoff, 1992; Brandsen et al, 2005. Adapted by authors.

1 The term »third sector« is not a widely used term in Dutch usage and the terms »societal midfield« ('maatschappelijk middenveld') and »civil society« are preferred.

Third-sector organisations often operate with a specific social aim. Housing associations in this regard provide adequate affordable housing for households that encounter difficulties in meeting their housing needs independently (Scanlon et al., 2015). Key criterion identifying housing associations as the third sector operator could then be the existence of a dwelling allocation system governed by public policy (Haffner et al., 2009).

This paper uses the Pestoff's welfare triangle to assess the position of housing associations and relationship with the state, market and community, and how they impacted affordable housing provision over the last 150 years. Moreover, the welfare triangle is used to assess their possible future role in light of new challenges in the housing market and in meeting national housing targets.

METHODOLOGY

This paper is informed by two sets of empirical evidence. This first set is a literature review analysing the historical role change of the housing associations, using the "Web of Science" search engine to find literature on the Dutch housing market, policies, and history. The specific timeframe of interest was since the period between 1990 and 2023. Based on this review we have identified four relevant periods in Table 1.

Table 1. Identified periods in the development of housing associations

Period 1	**1850-1990**	From amateur to professional
Period 2	**1990-2013**	Social entrepreneurship
Period 3	**2013-2021**	Return to the core business and target group
Period 4	**After 2021**	Regaining the key role and responsibility

In each identified period, market, state, community and third sector drivers influence the position of housing associations differently. Table 2 describes these changes in general terms. These drivers are discussed in more detail in the Results section. Each period in this section is concluded with a summary of the drivers affecting the position of housing associations. It should be noted that the assessment of the strength of these drivers is, to a certain extent, subjective and open to debate.

Finally, five semi-structured interviews with key experts who have insider knowledge of the current tensions (Table 3) reflect on the changing role of housing associations. They were conducted in 2022. Each interviewee was asked the same three main questions. The rest of the questions were tailor-made depending on the course of the interview. The three standardised questions pertained to topical issues such as the role of housing associations in housing moderate income households, taxation of housing associations by the government (i.e., the landlord levy) and general challenges in the housing market. Most interviews generated empirical material relevant to Period 4, with some interviewees reflecting on earlier periods (Table 2).

Table 2. Strength of internal and external drivers on the position of housing associations

Drivers	**Weak**	→	**Moderate**	→	**Strong**
	+		++		+++
Market	Strength of profit driven logics incorporated in the activities of housing associations and/or role of market actors in the delivery of social housing.				
Community	Influence of communities (e.g. cooperatives, tenant organisations) on the activities of housing associations, and/or the role of communities in delivery and management of social housing.				
State	Level of state regulation, subsidisation, taxation of housing associations, alignment of housing association activities with government policies, and/or the role of state actors in the delivery of social housing.				
Third sector	Organisational and financial strength and autonomy of housing associations, level of legitimacy received from the other actors. Role in the social housing delivery.				

Table 3. Interviewees

Organisation	**Function**
Aedes *(umbrella organisation housing associations)*	Regional Public Affairs Advocacy officer
Woonbond *(Tenants Union)*	General director
Housing association Vidomes, Delft	Strategy and Innovation manager
Housing Association Rochdale, Amsterdam	Portfolio Strategy advisor
Ministry of Internal Affairs and Kingdom Relations	Housing policy officer & Researcher

RESULTS: THE CHANGING ROLE OF DUTCH HOUSING ASSOCIATIONS IN HOUSING PROVISION

In this section the changes in the hybrid position of housing associations at the intersection of at least two of the three poles of the welfare triangle are analysed in time according to the periods identified in Table 2.

PERIOD 1: FROM AMATEUR TO PROFESSIONAL – UNTIL 1990

The history of Dutch housing associations dates to the 1850s when they were first established by philanthropic and wealthy citizens to rent flats to the working class. Their main motivation was to encourage their employees' loyalty and improve productivity, but also to prevent the spread of disease that plagued cities, resulting from poor housing quality and low hygiene standards. In this time both the state and the market failed to provide affordable and adequate housing, leading to slums, epidemics, and social unrest (Boelhouwer & Van der Heijden, 2002; Van Bortel, 2016). Housing associations built about 5,000 housing units by 1900, mostly targeting low-income working households (Haffner, 2002).

The major event that defined social housing associations in the period was the 1901 Housing Act (Woningwet in Dutch). The Housing Act was a state intervention into the housing market which provided the legal basis for the activities of the housing associations and provided them with access to government loans and subsidies for the building and management of dwellings. Municipalities were also supported in providing public housing (Elsinga & Wassenberg, 2014; Haffner, 2002).

In this pre-WW2 period, social and public housing construction was carried out on a large scale by housing associations and municipalities, respectively. During WW2, housing production slowed almost to a standstill. After the war, government control over housing production and management increased to address the great housing shortage caused by war destruction and low housing output (Ronald & Dol, 2011). Supported by national government subsidies, both local authorities and housing associations took on an important role in reconstruction and housing production between 1945 and 1990 (Elsinga & Wassenberg, 2014). A 1969 policy change strengthened the position of housing associations by allowing municipalities to build new housing only when housing associations were unable to do so.

A significant development at the end of Period 1 was the 1989 policy document, called the "white paper on housing" (In Dutch: Nota Heerma) (Ministerie van VROM, 1989). It contributed towards contraction of government involvement and spending on rental housing and gave more power and responsibilities to housing associations and local governments. Housing associations were trusted to correct the inequalities resulting from the housing market using their own management and investment capabilities. (Elsinga et al., 2020; Haffner, 2002).

Table 4. Summary of the strength of drivers on the position of housing associations in Period 1

	Drivers			
	Market	**Community**	**State**	**Third sector**
Period 1: From amateur to professional – until 1990	+	+++	++	+++

+++ = strong, ++ = moderate, + = weak

PERIOD 2: SOCIAL ENTREPRENEURSHIP (1990S – 2013 HOUSING LAW)

The 1989 "white paper on housing" laid the foundation for another important development which took place in 1995 when housing associations became independent from the government through more financial independence and more autonomy in management and policy decisions. The present value of their outstanding debt to the government and the value of their subsidy entitlements was grossed and the surplus was disbursed (Wigger, 2021; Elsinga et al. 2020; Schilder & Scherpenisse, 2018). In due course, many social housing associations transformed into corporations which allowed them more economic stability and more construction activity (Haffner, 2002). They were exempt from corporate income tax and enjoyed low-interest-rate bank loans.

With the increase of self-government, housing associations started to diversify their activities, e.g., through profit-making activities and market speculation such as investments in toxic sub-prime derivatives, moving away from their core activity of managing social housing. Interviewees agreed with that as a significant change in the role of housing associations. One interviewee stated that associations became "overly entrepreneurial" and that they invested in campuses in Maastricht and boats with residential units. At that time, there were some scandals involving the payment of very high salaries and bonuses to the managers of these social housing corporations, fraudulent property developments, etc. (Wigger, 2021).

Under the rule of liberal housing Minister Stef Blok (2012-2017), housing was increasingly left to the market (Hochstenbach & Ronald 2020). In line with his pro-market perspective, the revised 2015 Housing Act severely restricted the mandate of housing associations to primarily low-income households. More about this in the discussion of Period 3.

This change in operating model and target group was also the result of EU regulation. Private housing developers challenged the government support given to housing associations. As a result, in 2010 the European Commission ruled that state support in the form of favourable taxation for social housing companies violated EU free market competition rules (Elsinga & Lind, 2013).

Table 5. Summary of the strength of drivers on the position of housing associations Period 2

	Drivers			
	Market	**Community**	**State**	**Third sector**
Period 2: Social entrepreneurship (1990s – 2013 Housing Law)	+	+	+	+++

+++ = strong, ++ = moderate, + = weak

PERIOD 3: RETURN TO THE CORE BUSINESS AND TARGET GROUP (2013-2021)

A major policy intervention affecting housing associations took place in 2013, when the "landlord levy" was introduced. This was a new tax, particularly aimed at housing associations . The landlord levy has placed a heavy burden on housing associations' ability to invest. In 2017 alone, the levy paid by housing associations amounted to €1.7 billion (Schilder & Scherpenisse, 2018). The levy has been abolished since January 2023, but the damage caused by 10 years of taxation has its consequences, as confirmed by all the interviewees. One interviewee notes that "the levy was a way of robbing housing associations that provided below market rent housing and enabled people in need of housing to find one." Another interviewee stated that "for the amount of € 270 million in levy taxes we paid, we could have constructed approximately 1,000 housing units". One interviewee concluded that the levy was essentially "taking the money from the poor people and giving it to the government, who did not have a specific destination and use for it [in terms of housing]".

The introduction of the "Housing Law" of 2015 was another major state government intervention influencing housing associations' core business and target population. It forced housing associations to provide housing only to low-income households, assigning them to housing units with a governmentally determined appropriate rent level. Moreover, this law empowered local governments and tenants with stronger roles in ensuring housing affordability (Schilder & Scherpenisse, 2018).

The new allocation rules may positively affect the chance for low-income families to find affordable housing. However, they also created a gap in the housing available for many middle-income households. According to Boelhouwer (2019) "they simply earn too much to get into the social housing sector, they do not qualify for a mortgage, and private rental housing is often (too) expensive or not available at all". For example, young adults and workers on temporary contracts who are unable to obtain a loan to buy a home, are then left with fewer housing options, such as renting at an expensive rent, sharing homes, or staying with their parents (Vols, 2022; Hochstenbach & Ronald, 2020). Contrastingly, one interviewee disagrees with the distressful portrayal of middle-income groups in the public discourse, stating that "the low-income groups are in a much worse position than the middle-income [groups]. It is less of a problem to pay more for housing than not being able to pay for anything, and not having a roof over your head".

Another interviewee points out that he does not recognise the "middle-income" group problem, but rather a general housing market problem that creates two groups: outsiders that are not being served by the market due to affordability and availability issues, and another group, the insiders, that can afford housing and benefit from current housing market conditions. According to this interviewee, the current problem originates from the government not properly organising the housing market.

Table 6. Summary of the strength of drivers on the position of housing associations in Period 3

	Drivers			
	Market	Community	State	Third sector
Period 3: Return to the core business and target group (2013-2021)	++	+	+++	+

+++ = strong, ++ = moderate, + = weak

PERIOD 4: HOUSING ASSOCIATIONS AFTER 2021

The Netherlands is experiencing a severe housing crisis, mainly affecting low-income, young and middle-income people who are not eligible for social housing (Schilder & Scherpenisse, 2018). Interviewees confirm this statement and add that the current pressure on the housing associations is coming from low availability of housing stock for all priority groups.

Since the 2015 Housing Act, the social renting is under pressure as it shrinks and stricter allocation criteria are imposed. Waiting lists for social housing are extremely long, in metropolitan areas increasing to 10 years or more.
The housing deficit in 2021 was estimated at 279.000 dwellings and it caused rising house prices: between 2017 and 2018, they increased by 20% (Wigger, 2021), while between 2015 and 2021 prices rose by 75.8% (Oostveen, 2022). Boelhouwer (2019) argues that this fuels social inequality and increases political and economic instability.

As a response to the housing shortage, the government made plans to build 100,000 new dwellings in the next ten years annually to meet the increasing demand. In addition, there are options to better utilise the existing housing stock, as one interviewee stated: "building new housing is a must, but also some other ideas could be used to better utilise the existing housing stock, such as shared housing or dividing large units into smaller units". However, the idea of shared housing was criticised by another interviewee as a path towards a decline in housing quality.

With the housing crisis gradually moves up the political agenda in recent years, faith in the ability of market actors to provide sufficient affordable housing has faded. In response to the housing shortage, the government has claimed a bigger role for itself, affecting the position of the market actors and housing associations (Figure 2). Since January 2022, the Minister for Housing and Spatial Planning (in Dutch: Ministerie van Binnenlandse Zaken en Koninkrijksrelaties (BZK)) introduced many policies and proposals to increase housing production, facilitate housing and care solutions and support the liveability in challenged areas (BZK, 2022b). Consequently, the government's role in the housing domain has strengthened at the expense of market forces.

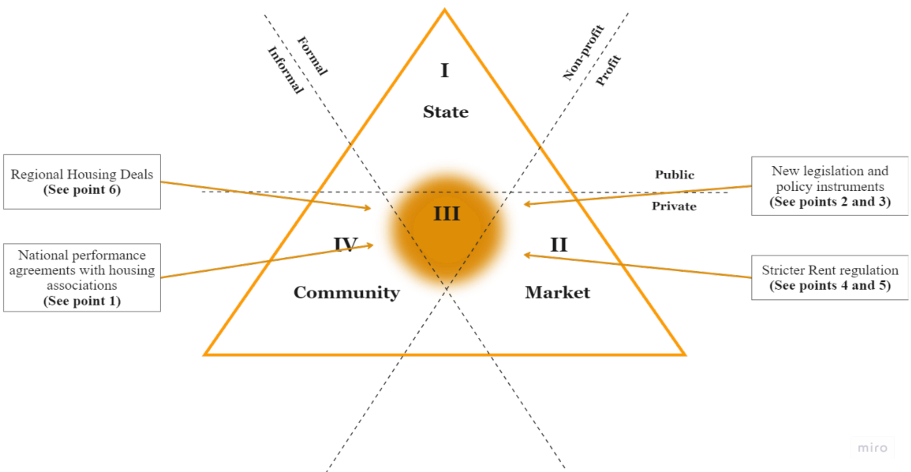
The National Agenda on Housing and Construction sets out a national target to build 900,000 homes by 2030, including 250,000 social housing (BZK, 2022b; Boelhouwer, 2022). This policy document is further developed in the National Performance Agreement (Nationale prestatieafspraken in Dutch) between Aedes, Woonbond, VNG and the Minister of Housing and Spatial Planning (BZK, 2022a) (see point 1 in Figure 2). Interviewees, commenting on reaching the construction target noted that finding the available construction sites and building companies is the main concern, although the investment resources are already available.

Another solution, to come into force in 2024, is to raise the regulated rent threshold from the 2023 cap of €808,06 to €1.100. This could, potentially, increase the supply of affordable homes for middle-income groups. Interviewees agree that this intervention could expand the role of housing associations in the middle-income housing segment. However, they carefully stated that the exact outcomes resulting from the landlord levy's abolition remain uncertain and require further observation.

Interviewees see as main challenges for housing associations in picking up construction of new housing and reaching the national targets, surprisingly the municipalities hampering the development with slow decision-making and project planning capacities. One interviewee stated that "sometimes it takes 10 years to find land, develop a concept to build and reach an agreement with neighbouring residents, while the construction work itself takes only a few months".

The role of housing associations in delivering new and refurbished homes to meet the 2030 housing targets is becoming more prominent. The new government agenda encourages housing associations to increase their housing production, while at the same time aiming to increase control over the housing market.

Figure 2. Recent housing policy changes in the Netherlands



Housing policy changes included in Figure 2:

1. The central government strengthened control of the actions of housing associations through the **National Public Housing Performance Agreements** (*'Nationale Prestatieafspraken Volkshuisvesting'*). It terminated the Landlord Levy in exchange for enforceable deliverables by housing associations in the field of housing construction, sustainable housing refurbishments and rent moderation.
2. In a series of **policy programmes**, the national government has set a clear substantive housing policy course for the coming years.
3. With the introduction of the **Bill on Strengthening Public Housing Control** (*'Wet Versterking Regie Volkshuisvesting'*), the minister (potentially) has an instrument to strengthen the influence of governments on the housing market (in particular, where to build and what to build). The bill also strengthens the national government's ability to influence the housing policies of lower government entities (i.e. provinces and municipalities).
4. Extending the **rent control** to the mid-rent housing segment.
5. Abolishing **temporary rental** contracts
6. **Regional Housing Deals** ('Woondeals'): In 2022 and 2023, 35 housing deals were concluded in the 12 provinces. These deals contain agreements on the amount of housing to be built, locations, the share of affordable housing, the share of social rent and focus groups.

Table 7. Summary of the strength of drivers on the position of housing associations in Period 4

	Drivers			
	Market	**Community**	**State**	**Third sector**
Period 4: Housing associations after 2021	+	++	+++	+++

+++ = strong, ++ = moderate, + = weak

DISCUSSION

Although the current position of housing associations as the main social housing provider is not contested, the forces impacting this position changed over time. Therefore, we have expanded Pestoff's framework with a matrix (Table 8) to specify the strengths of the subsequent market, state, community and third-sector drivers and the position of housing associations; "position" in this respect can be understood as the combination of internal (organisational mission and logics) and external drivers (e.g., regulation, stakeholder relations, power dynamics).

Table 8. Summary of the strength of drivers on the position of housing associations

	Drivers			
	Market	**Community**	**State**	**Third sector**
Period 1: From amateur to professional – until 1990	+	+++	++	+++
Period 2: Social entrepreneurship (1990s – 2013 Housing Law)	+	+	+	+++
Period 3: Return to the core business and target group (2013-2021)	++	+	+++	+
Period 4: Housing associations after 2021	+	++	+++	+++

+++ = strong, ++ = moderate, + = weak.

Role of the state: From totally absent in the beginning of Period 1, the role of the state gradually increased during the 20th century. The 1901 Housing Act was a clear starting point for this. Period 2 was a clear break away from government involvement, influenced by reducing the large body of outstanding loans to housing associations. Arguably, one can conclude that the state's role is characterized by periods of understeering (the beginning of Period 1, and Period 2) and oversteering (Period 3). Period 4 reflects a more balanced approach.

Role of the market: Market drivers have played a limited role in the position of housing associations. In Period 2, many housing associations adopted a quasi-market ethos by trying to generate profits through commercial activities and reinvesting these returns into social activities. These activities largely failed and led to very strict government regulation and a smaller mandate for housing associations, largely excluding commercial activities. This, however, did not lead to a stronger role of market actors in the provision of social housing.
Role of communities: After their inception (in Period 1), with a strong initial contribution of community actors, housing associations became strongly institutionalized. The influence of informal communities and grassroots civil society initiatives (e.g. housing cooperatives and community land trusts) has remained rather limited.

As shown in this paper, housing associations originally had a responsibility to provide housing to some of the most vulnerable groups. The target group shifted over time to include all income groups, only to contract back to predominately low-income groups, as is the case now. The interviewees argued that housing associations do have the capacity to remedy the housing deficit, when their rights in the housing provision are re-instated, both in relation to the government and the housing market. When their contribution is constrained, the housing provision on a national level seems to be worsened. This brings us closer to answering the research question. Housing associations, as shown, are set to increase their key role in affordable housing provision.

CONCLUSION

The historical development of housing associations in the Netherlands shows a changing landscape of housing provision and changing roles of different stakeholders. From their origins as philanthropic initiatives in the 19th century, housing associations gradually gained the recognition and support of the government and became major players in social housing provision.

Before WW2, housing associations played a mixed role alongside municipalities in providing housing for different income groups. Between 1945 and 1990, housing associations took on an important role in reconstruction and housing production, targeting both low- and middle-income households. They did so with strong government support and supervision.

The 1990s marked a transfer of responsibility for housing provision from local authorities to housing associations, including deregulation and a move towards a market-oriented approach. Housing associations gained autonomy and financial independence, but also faced new challenges, including criticism of state support and accusations of deviating from their core social housing mandate. The introduction of the landlord levy in 2013 strained the financial capacity of housing associations and hampered their ability to invest in new buildings.

The Housing Act of 2015 brought further changes that narrowed the focus of housing associations to providing affordable housing for low-income households. This led to a reduction in housing opportunities for middle-income groups. The housing crisis, exacerbated by limited housing supply and increasing demand, underscores the urgent need for affordable housing for all income groups.

With new regulation in place since 2023, housing associations seem to be on the comeback in the provision of social rental housing. With the landlord levy removed, experts and practitioners from the social housing field expect more funds to be available for the construction of social housing; however, there are certain bottlenecks such as the capacity of municipalities to meet the national target.

Using Pestoff's welfare triangle, this paper shows that the strong role of housing associations in the housing provision brought stability. If the national 2030 housing target is to be achieved, the government and housing associations must firmly establish their cooperation and address the current bottlenecks in managing the current stock and building more housing units.

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BIOGRAPHICAL NOTES

Chapter 1: Housing and Quality of Life

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Chapter 3: Differentiating tenure types in Italy. A legal perspective

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CHAPTER 4: THE "SPAIN 2050" LONG-TERM NATIONAL INITIATIVE: A STEP IN THE RIGHT DIRECTION TOWARDS A SUSTAINABLE AND AFFORDABLE ACCESS TO HOUSING?

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International Doctor in Laws (2020, cum laude and extraordinary doctorate award), MSc in Business and Contractual Law (2014, A with honors), and a Law Degree (2013), all by the University Rovira i Virgili (URV). Dr. Lambea is the Deputy Director of the UNESCO Housing Chair at the University Rovira i Virgili (Spain), and co-director of the Postgraduate course on Housing Policies (Foundation URV). Also a private law lecturer in the Master's Degree in Business and Contractual Law (URV), Postgraduate course on Real Estate Agents (FURV), and at the Law Degree (URV). Member of the research group of 13 national and international research projects, mainly on housing policies, affordable and social housing, housing management, housing tenures, collaborative housing, tourist dwellings, and homelessness. In her research, she has published 1 book, 20 research papers, and book chapters and has participated or been invited to more than 40 conferences and workshops in 13 different countries. She has undertaken three research stays at the TU Delft (the Netherlands, 2014), the University of Birmingham (United Kingdom, 2017), and the NUI Galway (Ireland, 2018). Trustee of the Foundation Habitatge Social and member of the Advisory Board on sustainability and social utility of the SAREB, she is also the representative of the UNESCO Chair in the Tarragona Network for the Homeless.

Chapter 5: The Pathway to the housing difficulty in Japan

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Chapter 6: Identity and Place-Attachment Issues for Rapidly Transforming Informal Settlements in Creating Quality Housing

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She graduated from ITU, Faculty of Architecture, and Department of Architecture in 1981. She has a master's degree from ITU, Institute of Social Sciences, Department of Architecture in 1984, and she completed her doctorate in 1991 at ITU Institute of Science, Department of Architecture. After his doctorate, she had been as a visiting professor at Newcastle Upon Tyne University in 1992. She has been working at ITU Faculty of Architecture since 1984 and continues her academic studies mainly on housing. In addition, she held administrative positions in various units of ITU and served on the Faculty Board and the Executive Board. She has also taught Architectural Project courses, graduation projects, and some courses at Gebze Institute of Technology, Istanbul Arel, and Medipol University. Between 2010 and 2014, she worked as the coordinator of the "Closed Housing Settlements" working group within the body of the European Network for Housing Research (ENHR). She has national/international research and publications on subjects like housing, quality, post-occupancy evaluation, satisfaction, memory, environment-behavior, sustainability, borders, and gender.

Chapter 7: Housing in European Union: a restatement of concepts and a compilation of acceptability effects

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Chapter 8: Inclusionary Zoning in California: Unlocking Private Land for Social Housing and Inclusion

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Luisa supports in Sacramento the California Coalition for Rural Housing (CCRH), USA, in mission and programming by producing innovative research projects. She also supports statewide technical assistance, advocacy, and policy development by carrying out related research work. Before joining CCRH, Luisa worked as a research assistant on a collaborative project among CCRH, Non-Profit Housing Association of Northern California (NPH), and Grounded Solutions Network that collected data through a statewide survey to update Grounded Solutions Network’s National Inclusionary Housing Database. Luisa also has varied experiences teaching in higher education and working with research for organizations in Brazil and in the U.S. Luisa holds a Master of Science in Community Development from UC Davis and a Master of Science and BA in International Relations from the Pontifical Catholic University of Rio de Janeiro.

Chapter 9: The past, present and future of social housing in Poland

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Chapter 10: Housing policy in Slovenia: What happened to social housing?

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Chapter 11: Cooperative Housing under Grant-of-Use in Barcelona: A Model for the Future of the Right to Housing?

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She is an architect from the History, Design, and Polytechnic University of Catalunya (UPC/ ETSAB). She graduated from the Polytechnic University of Turin with a master's degree in Architecture, Construction, and the City; during her university career, she also attended courses at Université Catholique de Louvain (UCL), Belgium, and Universidad de Los Andes, Bogotà, Colombia. She has been a teaching assistant in theory, representation, and architectural design courses at the Polytechnic University of Turin. As a professional architect, she has collaborated with F: L Architetti, Turin (2016), TeamMinus, Beijing (2016), and Miralles Tagliabue EMBT, Barcelona (2019/2020). Her research focuses on collaborative housing models and looks at the phenomenon in Southern Europe.

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Chapter 12: The Comeback of the Dutch Social Landlords? History and Future Perspectives

MARKO HORVAT

Marko Horvat is an early-stage researcher who is about to complete a PhD with a Marie Skłodowska-Curie project “RE-DWELL: Delivering affordable and sustainable housing in Europe”. Before this position, Marko worked as an urban governance expert with extensive experience in sustainable urban mobility planning. He is a part of the editorial team for the Journal for Social Policy in Zagreb, Croatia. His most recently published paper is Bežovan, G., Baturina, D. and Horvat, M. (2023). Evolution and evaluation of the state of social rights of the homeless in Croatia. Criminology & Social Integration, 31 (1), 55-77. https://doi.org/10.31299/ksi.31.1.3

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Marietta Haffner as an economist is experienced in conducting European comparative housing studies at TU Delft (Netherlands). She published widely on housing affordability and housing tenure policies. She co-authored the book Bridging the gap between social and market Market-Rented Housing in six European Countries? (2009). She fulfilled several editorial roles at main housing journals (e.g., Housing Studies (-2033); Journal of Housing and the Built Environment (-2006)) and is involved at the International Journal of Housing Policy (2024-), Critical Housing Analysis (2021-), while she was involved as an elected member of the European Network of Housing Research (ENHR) coordination committee (-2022).

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Gerard van Bortel is an assistant professor of Housing Management at Delft University of Technology, Faculty of Architecture, Department of Management in the Built Environment (MBE). Gerard has a background in organizational sciences, public administration, and affordable housing. He specializes in the organizational and governance aspects of not-for-profit housing providers, circularity, resident participation, and the role of not-for-profit landlords in vulnerable neighborhoods. Gerard has published widely on these topics. Gerard is active in various board, supervisory, and advisory roles in the social housing sector. He is a member of ENHR (European Network for Housing Research) and one of the coordinators of the Social Housing: Organisations, Institutions and Governance Working Group.

The primary challenge in crafting this book revolved around the intricate yet fundamental quest for housing dignity, particularly amidst the tumultuous and disorienting times experienced by citizens. Ensuring dignified and secure shelter stands as humanity's paramount defense. Conversely, a book serves as a testament, encapsulating the realities individuals face. While biographies narrate individual journeys, technical and scientific literature unveils the collective knowledge of its authors. This modest work aims to ignite the spark of creativity within you, offering motivational insights. The decision to materialize this endeavor into a tangible book stemmed from a desire to practically advance housing conditions in certain regions worldwide and foster critical discourse on housing beyond mere abstract concepts. Within this schoolwork, we aim to assess the trajectory of public housing policies as the main focus. This represents a critical juncture marked by the aftermath of EU integration, comprehensive global statistical data availability, and the accumulation of legislative measures and their tangible outcomes. Hence, it becomes imperative to gauge the efficacy of economic agents—both public and private—through innovative technical frameworks capable of dynamically capturing policy evolution and reflecting its practical outcomes. The resultant processes underscore the pressing need for effective policy execution regarding contracting and financing stakeholders involved in the sector's evolution.

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