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Abstract

Social housing has been an important part in Europe's housing provision for many decades both in terms of investment in new build and regeneration but also in providing adequate affordable housing for a wide range of European citizens. This role has been seen to be under threat especially since the 1980s as public expenditure pressures have grown, liberalisation and privatisation have become more important and alternative tenures have become more readily available.¹ This paper draws out some of the most important trends in the scale of social housing in countries across Europe; clarifies who lives in the sector and under what terms and conditions, and then discusses some of the drivers behind these trends and implications for the future provision of social housing.² In particular it addresses the extent to which social housing contributes to ensuring that households can access adequate standard accommodation at a price they can afford in different contexts within the European Union. It also looks to the challenges faced by the sector and its role in the future.

1 Introduction

The European Union has no direct competence in the field of housing policy, at least as it is conventionally defined. However housing issues have become increasingly important across the Union, especially since the global financial crisis. Even before the crisis affordability issues were worsening in many European countries and greater pressures were being put on the rental sectors and on the public budgets that support housing investment. The Commission had also begun to concern itself with the role of social housing in the context of competition policy (Ghekiere, 2007; Boccadoro, 2008). Since 2008 the role that the EU is looking to play in housing has increased, both at the macro level because housing has been seen to be an important driver of the banking crisis (Lunde and Whitehead, 2014) but also as

a sector than has been most affected by the consequent recession (Priemus and Whitehead, 2014). As a result EU policy has impinged more heavily on the operation of both private and social housing systems (Czischke, 2014).

Social housing has been an important part in Europe's housing provision for many decades both in terms of investment in new build and regeneration but also in providing adequate affordable housing for a wide range of European citizens. This role has been seen to be under threat especially since the 1980s as public expenditure pressures have increased, liberalisation and privatisation have become increasingly important and alternative tenures have become more readily available (see e.g. Whitehead and Scanlon, 2007, Scanlon and Whitehead, 2008). The authors have

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¹ See e.g. Whitehead and Scanlon, 2007 and Scanlon and Whitehead, 2008.

² This paper is based on the new book *Social Housing in Europe*, edited by Kathleen Scanlon, Melissa Fernández and Christine Whitehead and published 2014 by Wiley Blackwell, Oxford. The text includes chapters by twelve country experts from across Europe, together with a number of cross-cutting chapters looking at issues such as regeneration, social housing finance and privatisation of the social housing stock in a European context. Electronic versions of each chapter may be purchased separately from the publishers.

updated and extended their earlier analyses in a new book *Social Housing in Europe*, published last year. This paper draws out some of the most important trends in the scale of social housing in countries across Europe; clarifies who lives in the sector and under what terms and conditions, and then discusses some of the drivers behind these trends and implications for the future provision of social housing. In particular it addresses the extent to which social housing contributes to ensuring that households can access adequate standard accommodation at a price they can afford in different contexts within the European Union. It also looks to the challenges faced by the sector and its role in the future.

2 Some history

Historically the social sector was very large in Northern Europe and in most socialist states. It was strongest in the immediate post-war period, when the state held the commanding heights of many economies and directed the allocation of the majority of resources. In Western Europe, housing was seen as part of the social contract between government and citizens which made up the welfare state. In Central and Eastern Europe, a more corporatist approach was normal with housing more tied to the organisation of production and therefore accommodated workers and their dependants where required. The provision and allocation of housing varied between countries and over time in response to national political imperatives.

Looking further back over the centuries, what we would now call social housing was provided by religious orders, charities or employers for particular groups. From the nineteenth century onwards, however, increasingly important strategic roles were played by central government and municipalities: the former in subsidising housing usually for working households, the latter in developing local infrastructure and services.

Underlying the role of the state at national and local level were several objectives. These included effective urban planning in rapidly growing urban areas; direct support for the residential development industry; provision of affordable housing for the workforce; and the maintenance of political power. Social housing's role in accommodating lower-income and vulnerable households tended to be relatively low down the list of priorities, at least until national numerical housing shortages were overcome in the 1970s and 1980s.

In the early post-war period the model of social housing was broadly similar across Northern and Eastern Europe: there was a heavy emphasis on state-supported housing

construction to overcome the effects of destruction and lack of investment during the war, to accommodate rapidly growing populations, to help bring economies back to some sort of normality and to ensure employment.

The mechanisms for achieving this large expansion in housing investment differed across Europe. In most countries local authorities were heavily involved, either building municipal housing themselves or creating the conditions for independent social landlords to do so. In socialist economies the link to employers was much stronger. However the forms of central-government subsidy and intervention were specific to each country, and helped to mould longer-term approaches to ensuring what became the near-universal core objective of 'a decent home for every household at a price they could afford' (Department of Environment, 1971).

The extent to which housing was seen as part of the welfare state and thus part of the contract between citizens and government – also varied. In Eastern Europe social housing was very much based on state provision of the social wage, and therefore was supplied to households at very low or zero direct price; in most of Northern Europe housing was seen as an important part of the welfare-state contract enabling households to afford adequate housing rented from a non-profit (or sometimes a regulated private sector) organisation with their welfare at heart; while in most of Southern Europe the policy emphasis was far more on supporting family provision – and thus often on owner-occupation.

Among what might be called the welfare-state economies, the most important distinction was between countries that saw housing as a mechanism for providing for *all* types of household (an approach usually called universalist), and those that emphasised provision for *lower-income* households (denoted as dualist). The first group included the Netherlands, France and Sweden even though Sweden did not identify the housing as social but rather simply as one mechanism for increasing total supply. The second included the UK, Ireland, Norway and West Germany. As numerical housing shortages began to be overcome this distinction became more embedded, and was further strengthened by the increasing emphasis on private finance during the 1980s and 1990s.

From the 1970s other housing options, particularly owner-occupation, became accessible to mainstream households and income-related subsidies towards housing costs became more prevalent particularly for renters whether social or private. The 1970s and 1980s were also the time when

finance started to be liberalised and governments began to reduce direct assistance to housing supply in the face of the need to control public expenditure (Turner and Whitehead, 1993). The scale of change was greatest in post-1989 Eastern Europe, where it was often overlaid with other policies, notably restitution. However the pressures to redirect resources were found even in those countries with a tradition of social rented housing. In many places this led to large-scale shifts away from public ownership and finance as well as to greater targeting of both people and areas. The next decade was therefore a period of rapid change in the organisation of social housing, the demographics of its residents and indeed in the scale of provision.

By the new century there was a clear distinction between European countries whose governments wanted to withdraw

from housing provision (as opposed to support) and those that continued to see a clear mainstream role for social housing, particularly in urban renewal. Eastern European countries were in the forefront of withdrawal—and often did so without putting in place other mechanisms for supporting lower-income and vulnerable households. At the other extreme was the Netherlands, where social housing providers became increasingly strong in financial terms and took on more and more urban investment opportunities.

3 Variations in the size of the sector across Europe

What is clear from the numbers above there are many ways of thinking about social housing, both over time and even sometimes within the same country. It is therefore impossible to provide entirely consistent comparative

TABLE 1 HOUSING TENURE OF DWELLING STOCK: HIGHEST TO LOWEST BY % OF SOCIAL RENTED HOUSING (MOST RECENT YEAR)

		Social rented housing						
Size group	Country	Year	Number of dwellings (000s)	% of stock	Change in preceding decade (%)	Private rental (% of stock)	Owner-occupation (% of stock)	Other (% of stock)
High	Netherlands	2010	2,300	32	-4	9	59	
	Scotland	2011	595	24	-6	12	64	
	Austria	2012	880	24	+1	16	50	10
Medium	Denmark	2011	541	19	+1	17	49	18 ⁴
	Sweden (“allmännyttan”)	2008	795	18 ³	-3	19	41	22
	England	2011	4,045	18	-2	18	64	
	France	2011	4,472	16	-1	21	58	5
	Ireland	2011	144	9	+1	19	70	3
Low	Czech Republic	2011 ⁵	312 ⁶	8 ⁶	-9	10 ⁶	65	18
	Germany	2010	1,054 de jure 1,000 de facto	5	-3	49 ⁷	46	
	Hungary	2011	117	3	-1	4-8	88-92	1
	Spain	2011	307	2	+1	11	85	2

Figures based on national definitions of ‘housing stock’, which are not consistent. See Dol and Haffner 2010 (Housing Statistics in the European Union 2010), Table 3.1.

Sources: Austria: Statistik Austria. Czech Republic: Census data. Czech tenure split, Sweden: CECODHAS Housing Europe 2012. Denmark tenure split, Spain: Realdania 2012. Denmark social stock: Author’s calculations based on Danmarks Statistik data. England: DCLG Tables 100 and 104 (December 2012). France: France: 2011 from USH Données Statistiques 2012 and INSEE Enquêtes Logement; and 2001 figures from INSEE Enquêtes Logement 996 and 2002. Germany tenure split: Dol & Haffner 2010, Tables 3.5 and 3.6.

³ Owned by municipal housing companies; not formally defined as social housing

⁴ Co-operative housing

⁵ Preliminary results from Census 2011, Czech Statistical Office

⁶ Rough estimates. Total rental housing = 17.6%; breakdown between social rental and PRS is not known. About 8% is public housing, which is not synonymous with social

⁷ Legally all rentals are private rental. This includes social rental by municipal or other companies.

figures for the stock of social housing, both because different countries define the tenure in different ways and because of data availability. Conceptually the central distinction is that market housing is allocated according to effective demand, while social housing is allocated according to need, and usually has sub-market rents (Haffner et al 2009). Most social housing statistics are, however, based on ownership of the dwelling rather than allocation mechanisms.

We can classify the twelve countries included in the text into three groups according to the size of the sector based on this ownership definition. In three countries social housing makes up over 20% of the overall housing stock. The Netherlands, with nearly one third of dwellings in social rental, tops the list, and Austria and Scotland also fall into this category. There is a cluster of four countries which, based on ownership, are seen to have social sectors of – just under 20% of the stock – Denmark, Sweden, England and France. All of these countries have had a long term commitment to ensuring all household groups are properly housed but through different approaches. Finally, five have less than 10% of housing in this tenure: Ireland, the Czech Republic, Germany, Spain and Hungary. Most of the dozen or so post-socialist countries would also fall into this category. Spain and Hungary, with only 2% and 4% respectively of the housing stock in social rental, are the other outliers – Spain because historically social housing has been provided in the form of owner-occupation rather than rental, and Hungary because of the mass privatisation of state-owned housing after the fall of communism. Germany's figure of 5% also requires some qualification, as this represents only that part of the stock still under legal restrictions with regard to rent and access. A further 5% or so is owned by (mostly public) landlords who operate it as if it were social housing.

It should be noted that Sweden and the Netherlands are different in kind from other European countries in that they treat their rented sectors whoever owns them and whatever they call them in a similar fashion. In the Netherlands, all social housing is provided by housing associations but rent regulation applies to all properties, private or social, such that all rents are centrally regulated on properties that are determined to have quality points that equate to a rent of 700 euros or below. In Sweden all rental properties are regulated and rents are set by negotiation between landlords and the federation of tenants. Indeed Swedish commentators argue that there is no such thing as 'social housing' particularly as the municipally owned companies ("allmännyttan") are profit driven (Lind, 2014). Both have been under pressure from the European Union to move

away from this strongly universalist approach because it is seen to distort competition in the labour market (Lind, 2014; Czischke, 2014)

In general, countries with a medium or high level of social housing belong to the set of relatively wealthy European welfare states. Those in the 'low' group have traditionally placed far stronger emphasis on owner-occupation (Spain, Ireland) or are former communist countries that have privatised or restituted state-owned or social housing after the fall of communism (Hungary, Czech Republic). This is a pattern that has been replicated across most transition economies (Hegadus et al, 2014). Germany is the exception in this group – in most other contexts it is seen as one of Northern Europe's welfare states, but its approach to social housing differs radically from that of its neighbours, as it is provided through time-limited subsidies mainly to private landlords (Droste and Knorr-Siedow, 2014). Actual provision of low-cost rented housing in Germany is probably at least twice as high as the figures in table 1 suggest.

4 Ownership

In the main there are two types of owners of social rented housing: companies in municipal ownership or municipalities themselves (in the UK the term 'council housing' was long synonymous with social housing), and non-profit organisations usually known as housing associations. In some countries, such as Denmark, all the social stock is owned by housing associations; in others, such as Czech Republic, all social housing is municipal. Most countries have a mix, although the relative proportions in each type of ownership vary widely partly as a result of history. Germany and Spain are exceptions: Germany because much of its social housing is provided by private landlords with state subsidy, and Spain because the bulk of its social provision is in the form of subsidised owner-occupation rather than rented housing.

In recent years there has been a trend in many countries for social housing to move out of public ownership, often into the hands of not-for-profit housing associations with a social mission. This has been driven partly by a desire to reduce pressure on public budgets, and partly by a neo-liberal belief that private providers can be more efficient and responsive to residents.

5 Demographics of social tenants

While the scale and organisational structures differ widely across European countries the current demographics of social housing tenants are strikingly similar (Table 2). Broadly speaking, it is the old and the young who live

in social housing: pensioners and single-parent families are heavily overrepresented in almost all countries, while couples with children are underrepresented. In all countries social tenants have lower than average incomes – and often much lower. Nowhere does the income distribution in social housing reflect that of the population as a whole. Indeed the income divide between social housing and other tenures is generally increasingly sharp. Importantly this is true even in those countries with universalist housing traditions such as Sweden and the Netherlands.

Another important finding is that ethnic minorities and immigrants tend to be overrepresented in social housing. This might be expected given that on average their incomes are lower than those of indigenous populations and their initial housing conditions are often poor. However it is a phenomenon that has grown rapidly over the last few decades as the policy emphasis has moved away from accommodating lower-income employed households toward helping the more vulnerable and those without affordable access to market housing. Useful cross-national comparative

TABLE 2 DEMOGRAPHICS OF SOCIAL HOUSING

Country	Age/household type	Income levels	Proportion of social housing residents from a minority or immigrants
Austria	Young families (on new estates); older people/singles (on older estates).	Municipal housing: working class/low income. Housing associations: more middle income.	6% Significantly higher in Vienna. Only Austrian citizens had access until 2006.
Czech Republic	Pensioners and unemployed slightly overrepresented.	Lower than average.	n.a.
Denmark	57% of social tenant households are single persons (most often women), and 68% have only one adult. Children and young people.	Average household income 68% of national average.	About 25% (immigrants and their children).
England	Single parents; older and single households.	Low incomes – on average 50% of overall average household income.	16% (minorities).
France	Somewhat younger than households nationally, though not as young as in the PRS. Single people and single parents overrepresented.	Increasing concentration of low-income households in sector since 1984.	Twice the share in the population as a whole.
Germany	Single parents, single people, childless couples.	Increasing concentration of low-income households.	Particularly high in Berlin and Munich.
Hungary	Single-parent families are over-represented.	Low income and social status.	Share of Roma among social tenants around 25 – 30%; 20-25% in terms of units.
Ireland	Single-parent families and couples with children.	62% have incomes below 60% of median (vs 22% overall); dependent on state transfers.	n.a.
Netherlands	Households older and smaller than national average, more likely to be on benefit and to be non-Dutch.	Lower than average and falling, but there is still some 'skewness' – i.e., occupation by households not in target income groups. Some call this social mix.	31%.
Scotland	Strong pattern of 'hollowing out' leaving young and old; singles and single parents.	Low incomes – on average half the median household income for owner-occupier, 2011 data £22k to £13k	1.4%.
Spain	Low income households, first-time buyers, young or old people, female victims of domestic violence, victims of terrorism, large families, gypsies, one-parent families, and handicapped and dependent people.	Lower than average.	n.a.
Sweden ("allmännyttan")	Single parents; elderly single people.	Below average.	Over 30% in metropolitan areas; 15% elsewhere.

TABLE 3 VERY SOCIAL HOUSING: WHERE THE VULNERABLE LIVE

Country	Social sector in general	Concentrated in municipal	Concentrated in independent social landlords	Private rented sector
Austria	No (exceptions at regional level).	Partly (Vienna: emergency dwellings in municipal housing).	Partly (e.g. asylum seekers, homeless people housed by charities).	Yes (migrants).
Czech Republic	Partly (especially lone mothers, pensioners).	Partly (municipal housing is the only type of social housing).	There are none.	Yes (migrants, Roma, homeless, people in acute housing need).
Denmark	Municipality can use its 25% allocation for households in need according to local criteria.	By tradition this sector has had a high concentration of very vulnerable people.	Asylum seekers yes, but they are not recognised as residents. There are also institutions for temporarily housing the homeless.	Easy access means the PRS functions as acute housing provider more than social renting or owner occupation.
England	Yes – the local authority is responsible for housing homeless families and determining priorities.	Joint allocation processes between LAs and HAs. In those LAs that still have their own stock, vulnerable are concentrated in municipal housing.	Special needs housing and hostels concentrated in independent sector because of history of provision. Homeless and those in priority need allocated by LAs.	Yes – partly in partnership with housing associations and local government, partly just because the sector is easy to access and rent can be paid with housing benefit.
France	Yes, but only in low-demand areas. New housing types such as residences sociales receive public funding.	No, although departments are supposed to facilitate accommodation of excluded households. Provide temporary housing for homeless.	No. Asylum seekers are supposed to be housed in CADA but their numbers are highly limited. Temporary housing of homeless is increasingly provided by charitable associations.	Yes, but the sector has shrunk. Hotels and private furnished accommodation used.
Germany		Yes, where available.		Yes.
Hungary	Yes, the social rented sector provides more and more housing opportunity for vulnerable groups.	Almost entirely made up of very vulnerable, but very limited provision.	Very few independent social landlords (for example churches).	Yes, typically in the periphery of urban areas, poor standard housing where both the rent and the energy cost is affordable.
Ireland	Most of those housed.	All tenants have very low incomes but the sector also houses many older people, lone parents with low incomes and people with addictions.	All tenants have low incomes but the sector also accommodates large number of formerly homeless people and people with disabilities.	Yes with some LA involvement especially in determining individual based subsidies.
Netherlands	65% (housing associations own many dwellings which are managed by a special organisation for homeless, etc.).	None.	30% (with buildings of their own).	5%.
Scotland	Yes – the local authority is responsible for housing homeless families and determining priorities.	Joint allocation processes between LAs and HAs. In those LAs that still have their own stock, vulnerable are concentrated in municipal housing.	Special needs housing and hostels concentrated in independent sector because of history of provision. Homeless and those in priority need allocated by LA.	Yes – partly in partnership with housing associations and local government, partly just because the sector is easy to access and rent can be paid with housing benefit.
Spain	Yes.	Municipalities use part of their small stock to accommodate households in need.	Not available.	Not available.
Sweden		Poorest families tend to live in municipal housing (“allmännyttan”).		Younger single people.

data are hard to find, as each country collects statistics on a different basis, but the final column of table 2 presents some indicative figures. Rules governing access to social housing for recent immigrants, particularly from outside the EU, vary across countries: some allow access almost immediately upon arrival, while others require a minimum residence period or particular legal or employment status. In post-socialist countries Roma are often excluded (intentionally or not) from social housing.

Although social housing tends to accommodate households with lower-than-average incomes and government policies increasingly emphasise helping the vulnerable, social housing is not always the tenure where the most vulnerable live (Table 3). The table shows that in almost all countries, municipalities are responsible for accommodating households who are homeless, although who is included in that category varies enormously. In many countries these households will be placed in municipal housing, especially in lower-demand areas. In some countries housing associations and charities have a role in accommodating asylum-seekers, often in special hostels. But although social housing everywhere now tends to concentrate on lower-income households (even in countries that still technically have a universalist approach, like the Netherlands and France), the private rented sector remains the main source of accommodation for non-priority groups. The definitions of priority and non-priority vary by country, but single-person households, households without children and migrants are often low on the priority list for social housing. The private housing that they can access is usually of poor quality and often in inaccessible locations.

6 Terms and conditions in social housing

6.1 Rents

Rents in social housing are generally lower than rents in the private sector. Indeed in some countries the definition of social rented housing is that rents are set below market levels. In some countries rents are based on the financial costs incurred by the landlord – i.e., there is historic cost pricing (albeit often with some modifications). Other approaches include rent relativities based on a points system related to dwelling attributes (the Netherlands), to market value (England) and to individual incomes (Ireland).

In some countries the extent to which social rents are below market levels varies greatly between areas – with particularly low relative social rents in urban areas with high market rents, such as Paris and London, or in areas where there has been little investment over the last few decades as compared to areas of new building and regeneration where rents are

higher. In others (e.g. Hungary) rents may not even cover running costs. In some countries rent controls or regulations apply equally to the social and private sectors, and rents in the two sectors are similar (e.g. Austria, the Netherlands). In Sweden they are negotiated across the rental sector with the unions. In others such as Germany there are ‘mirror’ systems which link the rents of socially and privately owned properties.

Thus there is very little consistency across European countries about how social rents are set. However it is probably true to say that there has been upward pressure in most countries as governments look to the sector to become more self-sufficient and income-related subsidies to support poorer households have become more generally available (see below).

6.2 Security of tenure

There is much more consistency across countries with respect to the extent of security. Indeed, one of the features of social housing is that in most countries it offers a home for life – that is, once a household has secured a social tenancy that household can remain as long as the rent is paid and other tenancy conditions met, even if income increases over the eligibility ceiling or family size changes. Some countries have legal provisions for increasing rents when household income goes up but they are rarely applied because they are difficult to enforce and tend to push out stable, employed households, who are seen as vital anchors within social housing communities. England stands out in that the legislation allows for probationary tenancies during which continued occupancy depends upon meeting all terms and conditions. Recently it has also introduced limited-term tenancies for social housing tied to a new, higher ‘affordable rents’ regime. The coalition government has also made housing benefit changes that will force some tenants to move if they occupy homes that are ‘too big’ and cannot or do not wish to pay a rent supplement (DWP, 2014).

6.3 Access

Many European countries now impose formal income ceilings for access to social housing. Some of those countries that do not employ formal income ceilings, such as England and Scotland, use other criteria that in practice have the same effect. This reflects a general ideological shift away from the notion of state-subsidised accommodation available to all; pressure on public finances, particularly in the wake of the global financial crisis; and the EU rulings holding that state subsidies for housing for middle- and upper-income households conflict with EU competition law.

TABLE 4 INCOME-RELATED SUBSIDIES FOR HOUSEHOLDS

Available to					
Country	Social renters	Private renters	Owner-occupiers	Eligibility	Amount
Austria	•	•	•	Three types, related to income, housing size/household type/dwelling size, rent levels, or rent increases.	Varies across regions.
Czech Republic	•	•	•	Two benefits: 1. Housing benefit - all households that spend more than 30% of income (35% in Prague) on housing. Living space and housing costs ceilings apply. 2. Housing supplement for people in material need.	1. Housing benefit – costs above ceiling are covered. Living space and housing costs ceilings apply. 2. Can cover full housing costs with no ceiling applied, based on decision of particular social department of municipality.
Denmark	•	•	•*	Low-income households with children and pensioners.	For pensioners maximum €410/month; others €398.
England	•	•	•**	<i>Rent</i> : Based on rent of specific property, household income and characteristics. <i>Support for Mortgage Interest</i> : Covers interest payments on loans of up to £200,000 for maximum of two years.	<i>Rent</i> : Maximum 100% of rent and eligible service charges for appropriate sized unit – additional limits in the private rented sector <i>SMI</i> : Calculated on basis of Bank of England average mortgage rate.
France	•	•	•	Depends on income and household size, but all tenures eligible. Current recipients include 5m tenants and 500,000 owner-occupiers.	All households must pay a minimum of about €30/month. Above that a percentage of 'eligible rent' (which varies by area and is lower than actual rents) is covered. This percentage varies and is up to 100% for the very poor. Maximum APL is about 90% of maximum social rent. Average APL/AL in 2010 was €238/month.
Germany	•	•	•	1. Wohngeld: federal housing-payment subsidy related to income and (cold) rent or mortgage payment. For lower- to medium-income group. 2. Recipients of social benefits, subject to limits on floor space and rent level.	5. Complex formulae apply. 6. Rent is paid in full.
Hungary	•	•	•	There is a national housing-allowance scheme as well as rent subsidies managed by municipalities. Typically limited to the public sector, but there are some special programmes for private rentals.	Various rates, but generally too low to cover all housing expenses especially when energy use included.
Ireland	•	•	•	Private renting tenants in receipt of social security benefits, or participants on return-to-work or education schemes.	Tenants must pay a small flat contribution to their rent—currently €30 per week. The maximum rent subsidy available is subject to a ceiling which relates to household type and their location.
Netherlands	•	•	•	Households who meet income criteria, and rent below €681/month (in 2013).	Maximum €300/month.
Scotland	•	•	•**	Private renting tenants receive a rent allowance based on their property, household income and characteristics. Social renting tenants living in appropriately sized property get their rent covered depending on household income and characteristics.	Maximum 100% of rent and eligible service charges, but this rarely covers 100% of the actual as opposed to eligible rent within private sector where subsidy based on eligible rent for that area.
Spain	Regional			National <i>renta básica de emancipación</i> was removed in December 2011 although tenants already in receipt of the allowance can continue to receive it until the end of its four-year term.	
Sweden	•	•	•	The elderly and low-income households with children.	Maximum amount does not depend on housing cost, and may not cover rent on new apartments.

* Only pensioners.

** State covers interest element of mortgage payment for some borrowers who become unemployed for up to 2 years France; France: Union Sociale pour l'Habitat Données Statistiques 2012 CGEDD SOeS 2012; Ministry of Housing statistical department Comptes du logement Other countries: Country chapters in Social Housing in Europe.

Most countries now limit access to social housing to households at the lower end of the income distribution. However, the percentage of households legally eligible is normally far in excess of the proportion of social housing in the overall stock, even in countries with large social sectors. In Austria, for example, social housing makes up 23% of the housing stock, but 80-90% of the population is eligible. At the other end of the spectrum, in Hungary only 3% of the housing stock is social but 15-40% of households are eligible, depending on where they live.

Some of this mismatch is more apparent than real, as by no means all eligible households want to live in social housing. Owner-occupation has generally proved to be the option preferred by those who can afford to buy. However in almost all countries the demand for social housing exceeds the number of available units – in part because rents are held below market levels. This position has also worsened in most countries since the financial crisis as access to owner-occupation has become more difficult and risks associated with buying are perceived to be higher.

Various rationing methods are employed, including waiting lists, ranking of households (in England for example homeless persons, families with children and disabled people are given priority) or – even now in some countries – insider information, side payments etc. But even in the countries where housing pressure is highest there are areas with low demand, where social housing units are empty and difficult to let. These may be used as a sort of housing of last resort for households who cannot be accommodated elsewhere or, in some areas (Eastern Germany for example), may simply be demolished.

7 Housing allowances

Even though social rents in most countries are lower than private rents, that does not mean that all low-income households can afford to pay them (except perhaps in Ireland, where rents are set in relation to tenant incomes). As we have already noted, rent levels normally depend on the cost of provision of the housing or on the relative desirability of the unit – and there may be a large gap between the rents charged and the ability of poorer tenants to pay. Thus all countries covered here provide additional income-related subsidies for low-income households (Table 4). These subsidies, known as housing allowances or housing benefits, are usually provided by national governments but can also (or instead) be funded by regional or local authorities.

These housing-cost subsidies are normally available to both private and social tenants, and also often to at least

some categories of owner-occupier – in Denmark only homeowners who are pensioners are eligible; in England and Scotland mortgage borrowers who lose their jobs can have their mortgage interest (up to a ceiling) paid for a limited period. Spain is unusual in having abolished its rent-support programme as part of government expenditure cuts in the wake of the recent crisis.

Housing support is sometimes targeted at particular types of household – usually those with children and pensioners. There are often limits on eligible rents and/or the floor area of the dwelling, or number of bedrooms, in relation to household size to ensure that government subsidy does not support consumption of dwellings that are ‘too big’ for the household. The amount of subsidy generally depends on households’ assessed ability to pay: the Czech Republic, for example, expects households to spend 30-35% of their income on housing costs. Subsidy may cover the entire gap between the actual rent and assessed ability to pay, but more often there are cash ceilings or minimum payment requirements. These mean that the subsidy available can fall short of actual rents, especially in high-cost areas, leaving people with inadequate income to pay for other necessities.

8 Major trends

Although the proportion of social housing has been falling in most countries and new investment has become more difficult, social housing remains significant as a percentage of overall housing stock in seven of the ten countries outside the post-socialist group that are included in the text. The role of the sector also continues to be an important topic of social and political debate in these countries.

There are five countries where social housing is provided in traditional fashion: Austria, Denmark, France, Sweden (allmännyttan) and the Netherlands. In three of these countries (Austria, France and the Netherlands), changes are expected in the near future. Only in Denmark is the social sector expected to maintain its traditional role intact. Government subsidy to support investment in new housing and regeneration has generally been declining and is also becoming more targeted (e.g. at specific regeneration projects and improvement of the existing stock). This is in part because numerical shortages have themselves been reduced. It is also because of increasing pressures to reduce public expenditure – and in some countries because it has become easier to use existing capital values to fund new investment. Denmark and France stand out as having maintained investment through continued subsidy. At the other extreme, in both Sweden and the Netherlands housing associations and corporations make a net contribution to

the national coffers so new investment must be funded from providers' own equity. In the UK, capital subsidies have been much reduced and housing associations are expected to raise private finance based on rents up to 80% of market rents. In some, notably Eastern European, countries there is little or no supplier subsidy still available.

The availability of demand-side subsidies is fairly general across Western Europe, but further shifts in this direction depend mainly on changes in rents policies and the way that the existing social-housing stock is funded. In most countries social rents still relate closely to costs and are not affected by changes in subsidies to tenants. In England new rent policies push up rents and therefore housing allowances, while in the Netherlands social landlords' greater freedom to set rents above a relatively low minimum could result in larger bills for government. In some countries, notably in the post-socialist ones but also in Spain and (outside our remit) Italy, demand-side subsidies are generally provided at the regional or local level, and tend to be more restricted because of funding constraints.

Europe has faced a credit crunch followed by continuing financial constraints and increasing debt burdens, recession and austerity. The effects of these economic pressures have differed greatly between countries; some (notably Germany and Sweden) were hardly affected, at least in the early years, while others, especially those most exposed to international financial markets, suffered major declines in GDP and employment as well as massive cutbacks in public expenditure. Moreover across Europe there is less confidence in future growth.

The extent to which social housing has been affected by these pressures has also differed greatly. Some countries, such as Denmark and France, have invested in social housing as a stimulus to the economy. The use of housing investment as a stimulus also occurred in other countries, notably the UK, the Netherlands and in the mid-2000s in Spain, but in these cases the investment proved short-lived and austerity measures caused major cutbacks. Both the Netherlands and the UK have now significantly cut public expenditure and with it new social provision. Some countries have used these economic and financial pressures to introduce policies that had seemed politically unacceptable before the crisis – notably by limiting funding streams, while requiring social landlords to take on increasing responsibilities.

In all the countries studied there is increasing pressure of demand for social rented housing, which has resulted in longer waiting lists, at least in pressure areas. At the same time

in most countries the social rented sector is becoming more residualised, both as a result of shifts in the nature of demand (notably increased demand from migrants and ethnic-minority households) and of increasing concentrations of new entrants being placed in less desirable locations. On the other hand, there is also growing demand from many mainstream households who are finding it increasingly difficult to obtain affordable homes in the private sector. In some countries these lower-income employed households are now more likely to be accommodated in new tenures such as shared ownership and near-market-rent housing which involve either more limited (or even no) direct public subsidy. This is one area where there has been increasing diversity of provision.

Another area where there has been a considerable shift in policy across countries is the relationship between the private rented sector and social housing – especially as in many countries social housing is increasingly provided by private landlords. Germany is clearly in the lead in this context but other countries (notably England and Ireland) are also expanding the range of providers. This may work in both directions, with existing social landlords looking to provide market housing as well as private providers entering the social sector.

Of particular importance in this context is how and where the very vulnerable households continue to be accommodated – as this is often in the private rented sector. The use of this sector for the most vulnerable households, including those in acute housing need, appears generally to be increasing.

More positively in some countries social providers have been pioneers in a range of areas. They have taken the initiative in the development of mixed communities and mixed-tenure developments, which have helped offset some of the pressures towards residualisation and exclusion (notably in the Netherlands, France and Germany - see Droste et al, 2014 and in new mixed tenure new build, especially through s106 in England - see e.g. Crook and Monk, 2011) They, sometimes with ECB support, have also been leaders in improving standards in energy efficiency especially in Eastern Europe.

Finally, social-housing providers are under constant pressure to achieve greater efficiency. There is an increased need for financial and management skills as well as a shift towards a more business-oriented approach, even among charitable organisations. In most countries there is no longer a role for social providers who are not focused on reducing costs

and providing greater value for public money. The financial crisis has reinforced these trends as direct subsidies decline and many households accommodated in the sector need additional social and work-related support.

9 Conclusion – looking forward

The large growth in government-sponsored social housing in the EU was mainly a post-war phenomenon, rooted in the shortages that built up during the conflict. How each country organised and funded it depended on the local approach to resource allocation and the development of the welfare state. Here the split between universalist, corporatist and dualist approaches became apparent – although in many ways, especially in the early years, what happened on the ground differed rather less than the rhetoric did.

None of these different approaches inherently meant that priority was given to the poorest and most vulnerable households. In some there was no allocation specifically in relation to need. Indeed in most countries, employed households actively sought state-provided housing, which was seen as more desirable than private rented housing in terms of both quality and rents. It was only from the 1970s and 1980s that more vulnerable households began increasingly to be accommodated in mainstream social housing. Thereafter, both demand- and supply-side factors, changing government priorities and the aging of the post-war stock meant that social housing in many countries became residualised—at least in some parts of the sector. This has resulted in increasingly negative public attitudes to social housing. Government cutbacks and the EU competition rulings have also made it harder to achieve traditional goals. These have meant that governments (whether they wish to or not) must target subsidised housing towards more vulnerable households, making it increasingly difficult to provide social housing for households across the income scale.

What is clear is that while the vast majority of households across Europe are well housed there remain major issues in how to accommodate more vulnerable and excluded households in the mainstream housing sectors. Issues of increasing importance relate particularly to migrant and minority households but also to the quality and maintenance of the stock built after the second world war to address absolute shortages in supply. Particularly since the global financial crisis there is evidence that conditions

have worsened both in terms of levels of new housebuilding, regeneration and improvement but also often in terms of affordability. This is partly because of austerity measures but also because of economic conditions in the market.

It is often said that social housing is at a crossroads. In the sense that few expect established systems to survive into the longer term without change, this may well be true. Five of the countries examined (Austria, Denmark, France the Netherlands and in a rather different way Sweden) have maintained the traditional role of social and municipal housing in providing for a broad cross section of the population. But all but one of these countries have experienced large-scale change restricting capacity to provide in traditional ways, or are expecting such changes in the near future.

Most of the country specialists expect these trends to continue, even in countries with large social sectors and universalist traditions. The optimism they felt in 2007 (Whitehead and Scanlon, 2007) about a revival of investment disappeared during the financial crisis or in its aftermath, as austerity has become the norm. Compared to eight years ago, social housing providers now generally have fewer resources but far greater responsibilities, while the private rented sector is often the tenure of last resort.

Although there is evidence almost everywhere in the EU of some reduction in the total stock of social housing, decline has been slower than predicted in 2007 and much slower than during the period of mass privatisation in the 1980s and 1990s. There is generally less new investment than there was before, but also fewer losses of social sector stock – and in most countries commentators expect the role of social housing to remain significant. Its form and organisation will undoubtedly change, with respect to methods of financing and the range of providers (including e.g. co-operatives and other means of involving residents) as well as probably the types of housing provided and the terms and conditions of tenancies. It will have to become more efficient and consumer oriented. The tensions between the positive political rhetoric about the role social housing can play and the capacity to attract adequate resources will continue. Yet at a more fundamental level, European social housing has proved to be both flexible and robust in an increasingly diverse housing environment.

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