



FEANTSA Response to UNPI Complaint Re. State Aid to Social Housing in France

UNPI, the French lobby of private landlords, has submitted to the European Commission a complaint against the French social housing sector claiming that it is receiving unlawful state aid. This is a new case in a series of cases aimed at social housing operators in countries such as Ireland, the Netherlands and Sweden. These cases use state aid legislation to argue that social housing policies and operators should target the poorest parts of the population in order to qualify as services of general interest. If they do not do this, they should operate under the same market conditions as private for profit housing actors.

FEANTSA, the European federation of services for homeless people, is worried that the superficial quality of the debate on the role of social rental housing impacts negatively on the public policies to house the most vulnerable people.

Whilst FEANTSA obviously supports the view that social rental housing should be made available for the most vulnerable, its purpose should not be reduced to this alone. Such an approach risks jeopardising the liveability of already fragile social housing neighbourhoods.

FEANTSA also supports the claim that people who have sufficient means should find a proper housing solution in the private market if possible. Most people on middle incomes should indeed be able to afford a dwelling on the private market. But during the last decade, rapid housing price inflation has led to an explosive situation in many European countries. A worrying number of private owners are no longer able to pay off their mortgages in countries like Spain and Italy. Countries such as the UK and Ireland have witnessed such strong volatility in house prices that it caused social, urban and economic havoc - both in times of housing boom and bust. In many EU member states house prices - both for sale as for rent - are at record levels compared to wages, so that the middle classes face increasing housing problems.

Investment in housing is important for employment, sustainable urban development, social cohesion, social inclusion, and the stability of the financial system. Every single EU Member State has developed a range of intervention strategies to ensure the positive impact of its housing policy which usually includes a combination of taxation, urban planning, social housing subsidies, housing allowances etc. Isolating just one element of these intervention strategies can never lead to a sustainable solution in the longer run.

Feantsa has submitted a complaint against France to the Council of Europe in 2007 for violation of the right to housing (art.31 of the Revised Social Charter). We won the case and France was condemned by the Council of Europe for not making sufficient social housing units available, for concentrating social housing too much in unattractive areas, for the increase in forced eviction which is mainly related to the general lack of affordable housing and which provokes price increases in private housing which would normally be available and affordable for the middle classes. This unfavourable housing market context has led to middle class tenants being stuck in social housing without any opportunity to move out to private rental housing or home-ownership. It has furthermore led to poor people being stuck in homeless shelters and very inadequate private housing without any real opportunity to move onto social housing, and, most worryingly, emergency homeless shelters not being able to provide beds for all the people in need.

There is no such thing as an ideal share of the housing market for social housing in all EU member states. It depends entirely on the policy context, the historical development and the nature of the housing stock. It is equally foolish to try to define the target group of social housing for all EU member states. In some countries promoting homeownership can be an answer to housing exclusion, in other countries the solution for excluded people can be found in the private rental market, in other countries



social rental housing is the right answer. In most countries it would be a carefully designed combination of all these solutions.

It is definitively certain that one single country should not be condemned at EU-level for doing something as well as for doing the opposite. Since France was considered by the Council of Europe to be in violation of art.31 because of having too little social housing, it can not be condemned again for investing too much in social housing - especially because of growing housing exclusion since 2007.

FEANTSA considers the complaint of UNPI counterproductive. If UNPI is really concerned about housing exclusion, it should not attack the social housing sector and it should consider serious proposals to develop the role of private landlords to contribute to housing solutions for the less well-off. It is clear that the social rental housing sector in France, as in many other European countries, can play an even more important role in addressing homelessness and other forms of serious housing exclusion, but it is not by challenging public investment in social housing that a solution for these problems will be found. UNPI should, together with the homeless and the social housing sectors, call upon the EU to use its financial and political resources to support member states to develop effective strategies to address homelessness and housing exclusion in which both the private and the social rental housing sectors can play a role.

FEANTSA is the European Federation of National Organisations working with the Homeless. It is an umbrella of not-for-profit organisations which participate in or contribute to the fight against homelessness in Europe. Established in 1989, FEANTSA represents today more than 150 organisations working with people experiencing homelessness in about 30 European countries which provide a wide range of services to people experiencing homelessness, including housing, health, employment support, social protection, rights and participation. It is the only major European network that focuses exclusively on homelessness at the European level. More information is available at: www.feantsa.org

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