



# UIA third Call for Proposals: Policy trends from the proposals under the topic of housing



**Author: Dr. Orna Rosenfeld**

October 2018

# Introduction

Access to decent affordable housing is a critical matter. The global financial crisis changed the way that housing systems operate and brought into stark relief the challenges related to accessing affordable housing.<sup>1</sup> In 2016, the first signs of a broad and stable global economic recovery were reported by global financial institutions.<sup>2</sup> However, recent evidence suggests that the recovery of commodity prices in general, and housing in particular, are not widely shared.<sup>3</sup> Depending on the exact definition used, housing is usually the largest item of household expenditure. According to Eurostat, over 80 million people in the EU are housing cost-overburdened,<sup>4</sup> homelessness has increased significantly, while the social housing waiting lists are recording historical highs. In order to help address these challenges, the 3<sup>rd</sup> call for proposals by Urban Innovative Actions, an initiative of the European Commission under Article 8 of the European Fund for Regional Development, included the topic of Housing.

The call for the housing topic had a broad remit, inviting both growing and shrinking cities, and urban authorities in Europe to put forward innovative housing actions. The prompts for urban authorities covered a rich variety of potential issues and themes in three sub-groups. Economic prompts included a general call to increase housing affordability as well as more specific targeted prompts to increase energy efficiency, to promote efficient and sustainable use of land, local jobs and innovative financing schemes. The second set of prompts focused on limiting waste through efficient use of resources, recyclability of housing, brownfield redevelopment and housing refurbishment. The concluding set of prompts aimed to attract people-based solutions, such as better access to affordable, quality housing in general terms, housing solutions corresponding to different life courses, consideration of demographic trends, desegregation, prevention of gentrification and consideration of the needs of vulnerable groups, among others.

A total of 39 cities and urban authorities from 11 European member states submitted applications in the domain of housing that were eligible for funding. The proposals submitted were in line with the general objectives of the call and prompts of the housing theme. This paper presents key challenges and trends identified across the proposals submitted under the UIA Housing topic and highlights a number of key strengths and weaknesses, before offering concluding remarks.

## Key challenges and trends

Sustained access to affordable housing presents a complex undertaking that is often of a multi-disciplinary and integrative nature. The projects submitted under the housing theme of the UIA's 3<sup>rd</sup> call broadly follow this characterisation. The common *threads* running *through* all the applications are complexity and an ambition to address multiple issues – economic, environmental and social – in an integrated fashion. Clearly, some of the projects are more successful than others in putting this multi-

---

<sup>1</sup> UNECE. 2015. [Social Housing in the UNECE region: models, trends and challenges](#). Geneva, United Nations Economic Commission for Europe.

<sup>2</sup> See, for example: World Bank. 2017. *Global Economic Prospects: A Fragile Recovery*. Washington DC, The World Bank and IMF.

<sup>3</sup> Rosenfeld, O. 2017. [Decent, affordable and healthy housing for all](#). An introduction to the Ministerial segment of the 78<sup>th</sup> Session of the Committee of Housing and Land Management. Geneva, United Nations Economic Commission for Europe.

<sup>4</sup> Eurostat. 2017. [Housing costs - an excessive burden for 11 % of Europeans](#). Eurostat [Online].

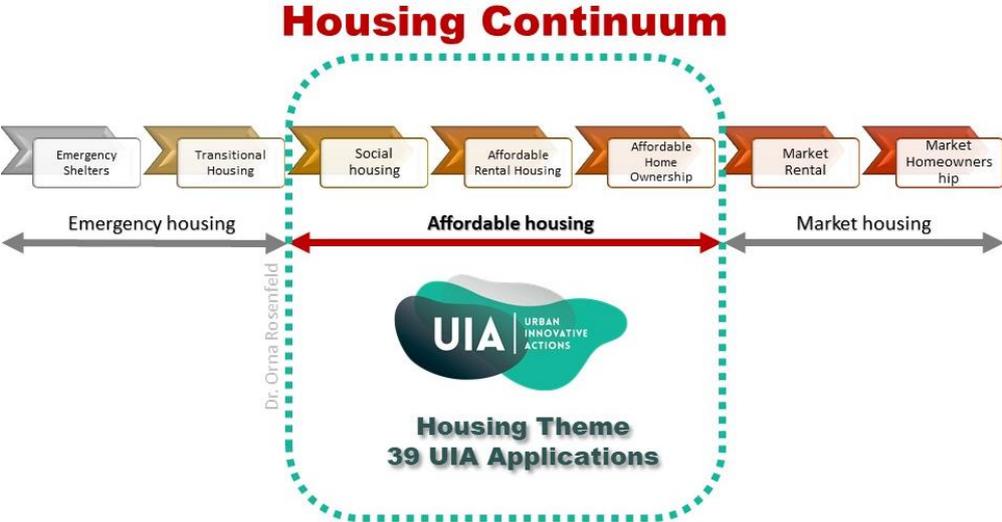
dimensional approach into action and delivering a prizeworthy application. Nonetheless, the overall direction of the proposed projects is to address a number of housing challenges with a combination of different solutions, where each solution has a specific weight, depending on the application. To help the reader navigate through the complexity of the applications submitted under the Housing theme, this section focuses on key challenges and trends identified in most of the applications through qualitative analysis.<sup>5</sup> However, it should be noted that the majority of applications cover several categories.

The individual challenges and trends are organised in the following manner: affordable housing tenures, types of housing supply, use of land, energy efficiency, financial mechanisms, social services, training and jobs and smart technologies. Each section begins by outlining the challenges addressed by the projects. This is followed by trends in the solutions proposed.

**Access to affordable housing through a continuum of affordable housing tenures**

Lack of housing affordability is the key challenge running through all applications submitted under the 3<sup>rd</sup> UIA call. Housing prices in many European cities are increasing faster than local earnings. The nature of this challenge is different depending on the local housing market, but mainly relates to a lack of affordable housing options for certain group or groups of population in a specific locality.

In this paper, the term ‘affordable housing’ is used broadly to cover various types and tenures of sub-market housing. In line with this understanding, the applications proposed solutions related to the supply of a variety of housing tenures, including: social housing (including housing cooperatives), affordable rental housing and affordable homeownership (including an emerging tenure, such as a community land trust (CLT) (see **Figure 1**). An emerging trend that was identified in nearly 25% of the submitted applications was co-housing or co-habitation, both single and multi-generational.



<sup>5</sup> Given the nature of the applications, it should be noted that it was not possible to map the challenges and trends running through 39 projects in a simple linear manner. The identification of the individual challenges and trends required qualitative analysis of the applications, consisting of the coding of individual applications and a later axial analysis of all applications. To help the reader navigate through the challenges and trends mapped, this section presents individual challenges and trends identified through the above-noted analysis.

### **Efficient supply of affordable housing**

Access to affordable housing in quantitative terms presents a challenge in both the shrinking and growing cities that submitted an application under the UIA Housing theme. This sub-section explores challenges and solutions related to direct physical intervention in the urban environment for the purpose of an efficient affordable housing supply.<sup>6</sup> Overall, there are two types of solutions proposed to address the lack of affordable housing units: the first is the new housing supply and the second is the reuse of existing empty housing and the regeneration of dilapidated housing. The most innovative applications combined methods of efficient housing supply with various social services, training and jobs for the population groups that the projects aimed to serve, as presented in the remaining sections of this paper.

### **New housing supply**

A lack of a housing overall, but social and affordable housing in particular, are some of the key challenges facing EU cities. Structural housing shortages present a serious challenge in growing areas. Approximately 50% of the applications proposed a new housing supply, solely or in combination with other urban renovation initiatives (see below). Most projects under this category propose the use of industrialised or semi-industrialised construction solutions including: prefabrication (and off-site production) and the construction of modular and mobile housing units. These solutions allow for faster and often less costly housing provision than traditional building techniques. The projects proposing new housing supply aimed to do so primarily within the existing urban fabric, often putting to use unused available land and individual parcels in the built urban environment.

### **Reuse of existing housing stock**

Many European cities face a twofold challenge – a lack of access to affordable housing on the one hand and empty or decaying housing stock on the other. Over 50% of the applications aimed to reuse existing, often empty, housing to provide affordable housing to its vulnerable or less advantaged citizens. The majority of applications in this category proposed to revitalise and re-populate their decaying city centres, through the renovation of empty privately owned housing and its conversion through purchase, rent or lease into social or other forms of affordable housing (e.g. cooperatives). The number of applications focusing specifically on low-income or less advantaged homeowners proposed to help transform the low housing demand areas. The applications aiming to reuse existing stock (regardless of tenure) proposed general renovation and seismic retrofit, but primarily energy efficiency measures. The most innovative ones also offered a rich array of social services, training and jobs to the beneficiary population.

### **Sustainable use of land and prevention of urban sprawl**

Access to land in general, and affordable land in growing cities and other areas, presents a particular challenge. In shrinking areas, the challenges noted include the sustainable use of built but underused land. A very small number of applications submitted to this call address the issue of land directly; these rare examples include activities tackling urban sprawl. The majority of projects address this issue indirectly. For example, around 50% of applications suggest the reuse of empty properties and the regeneration of depopulated city centres. These proposals, if successful, have the capacity to reduce potential urban sprawl by focusing on responsible use and reuse of the built environment.

### **Energy efficiency and climate adaptation**

The property sector accounts for almost 40% of carbon dioxide emissions globally. Energy efficiency in buildings can significantly reduce CO<sup>2</sup> emissions, help mitigate climate change and promote housing affordability by reducing the cost of heating and/or cooling homes. Over 80% of the applications

---

<sup>6</sup> While the term 'housing supply' relates primarily to new construction and therefore new housing provision, in this paper the term 'effective housing supply' relates to both new housing supply in the traditional sense, putting the existing (often dilapidated, empty or abandoned) housing into use and therefore back into the overall housing supply of both new and 'second hand' housing units.

submitted under the UIA Housing theme presented solutions for increasing energy efficiency in housing. These solutions can be loosely categorised under: direct physical intervention, including renewal of the existing housing and construction of new housing; and financial mechanisms to enable housing refurbishment and social services aimed at increasing awareness about energy efficiency. In general terms, the projects proposed one or a combination of the above solutions. The increase in energy efficiency was equal for the housing tenures proposed.

### **Financial mechanisms**

Access to finance presents one of the key challenges to affordable housing provision in cities. A number of long-established, tried-and-tested financing methods exist for local governments to fund the necessary public infrastructure. Although these methods are still the first port of call for local governments, they have come under great pressure in the wake of the recent financial crisis. Cities need new financial mechanisms that are better adapted to current housing needs. Around 30% of the applications propose financial mechanisms which, depending on the project, would provide: support for energy efficiency refurbishment in existing housing (across tenures); and revolving funds which, if successful would support a further supply of social, cooperative housing or the establishment of community land trusts and, in some cases, tax reductions. A number of these options are proposed through public private partnerships.

### **Social services**

Affordable housing provision is not only about providing a roof over one's head – the sustainability of communities is of vital importance to ensure sustained access to housing for vulnerable groups, social mobility for the disadvantaged and overall social cohesion. Therefore, an important element of affordable housing projects lies in addressing social issues.

### **Types of population targeted**

In general terms, the applications aimed to target so-called vulnerable and less advantaged groups of their local population. However, the detailed analysis showed that this overall categorisation included a rich variety of population groups, including: young adolescents (uneducated/unemployed), women, the elderly, disabled, victims of violence, single parents, young families with children, homeless people and migrants (including dependent minors), as well as university students (and recent graduates), entrepreneurs (starting up), and medium- to low-income homeowners. Depending on the project, one to five of these were the proposed target groups.

The social services proposed by the applicants were planned in addition to a physical intervention aimed at increasing housing supply, or financial mechanisms aiming to achieve the same. Here, we highlight several social services that are most often proposed across the 39 applications.

There were a number of mixed social services for a number of population groups, using various means such as community activities and cultural events. The projects in this category offer a set of comprehensive measures that focus on tackling social exclusion in vulnerable populations, along with a poor sense of belonging and community. Indeed, several projects aim to increase the representation of community members and their participation in decision-making related to the project. For example, in some modular construction projects, inhabitants can decide on the appearance of their home. Selected proposed projects also focus on increasing energy efficiency awareness that will, above all, help to reduce the cost of living for low-income populations.

Approximately 15% of the projects focus their social measures on preventing the social exclusion of ageing populations. These demographical challenges were primarily addressed through the provision of social services and initiatives encouraging other community members to take care of the elderly. The more innovative of the solutions proposed deepening the ties between the elderly and the younger population through shared spaces and co-living.

The projects aimed to introduce the social services in different ways, for instance by creating social service offices or community centres within targeted neighbourhoods. Other projects planned to provide on-site social services (social workers) to aid the most vulnerable members of the community, while the last category proposed the presence of disparate community organisations.

### Training and jobs

The ability to access and sustain access to affordable housing is closely related to the residents' ability to secure an income. One challenge that a number of projects aim to address is the shortage of job opportunities for the unemployed population who lack skills. At least six projects propose training and jobs for the project beneficiary groups. There are two types of projects in this sense: the first group aims to provide training and jobs to the general local population seeking employment; and the second is the one providing training and job opportunities to the population destined to inhabit the housing units provided/renovated within the project framework. Three projects among those submitted also suggest entrepreneurial and business training with a more specific professional approach. Successful training can provide more than skills, and skills can be helpful in creating community links.

### Smart technologies

While the use of smart technologies has been on the rise recently, especially through smart city initiatives, only 25% of projects submitted propose using some sort of smart technology. The proposals belonging to this category propose hardware and software solutions. Hardware solutions are mainly related to the provision of special equipment for elderly and disabled individuals served by the projects. Proposed software platforms allow the facilitation of matching housing supply and demand, tracking consumer behaviour and the analysis of housing data.

## Conclusion

The strategic assessment of the proposals submitted under the Housing topic of the Urban Innovative Actions revealed considerable efforts among European cities to develop and implement affordable housing solutions. This concluding section highlights the key strengths and weaknesses of the proposals received and provides some concluding remarks.

### Strengths

Affordable housing is an integrative discipline. The most successful projects submitted to the 3rd UIA call under the theme of Housing focus on securing an effective and affordable housing supply, while integrating social, economic and environmental interventions and providing a clear plan for their implementation.

Generally, the top-scoring projects cover a number of the categories presented in this paper. What makes them stand out from other projects is not the innovation of the methods or actions proposed, but their combination.

Moreover, the shortlisted projects are coherent, have a clear focus on resolving a particular challenge, assign proportional weight to the key intervention while creating a coherent package of supporting actions, have an appropriate partnership structure and working plans for implementation. The implementation of these projects is also well planned, as exemplified through their partnership structure and working plans.

The most successful applications within this group propose a project of generous scale, in terms of housing units provided (or renovated) and beneficiaries served. They envisage a responsible use of the built environment and responsible use of UIA resources.

Similarly, with regard to the overall trends of the Housing applications, the top-scoring projects propose an efficient supply of affordable housing either through new, innovative housing construction or the renewal of existing housing. It is also worth highlighting the effort invested in designing the proposals to include energy efficiency and climate adaptation elements. This relates to all innovative physical interventions, such as new construction or renewal, and financial mechanisms, as well as social initiatives aimed at awareness-raising.

Some of the most successful projects aim to introduce new financial mechanisms to address the challenges identified, while ensuring the availability of social services, training and jobs for the local population. They also plan for the UIA funding to provide more affordable housing and to serve the local population beyond the UIA mandate.

The creation of intergenerational communities, while providing different affordable housing options, is also ranked highly in the strategic assessment. Generally, these projects propose various social service methods, training and jobs. Significantly, the top projects give their community not only social services but also an opportunity to serve (training/jobs).

The best schemes also succeed in ensuring the measurability and transferability of the solutions proposed, despite their perceived complexity. The most successful projects have clear plans to scale up and/or ensure that the UIA funds go beyond serving a limited number of beneficiaries for the duration of the UIA.

## Weaknesses

The strategic assessment of the 39 projects submitted revealed a number of weaknesses that were likely to undermine projects' innovation, implementation or claims of influence over policy or the local housing market.

There are two key weaknesses that run through a large number of applications. First is the small scale of the projects and second the limited planning to make the proposed multi-dimensional approach feasible or implementable within the UIA framework.

Over 50% of the applications propose the provision or renewal of 50 housing units on average, with the smallest projects proposing the renewal of no more than a dozen housing units. Around 25% of projects do not clearly state the number of housing units and/or number of beneficiaries the project aims to serve.

While an integrative approach is important in housing, many projects attempt to address multiple issues at the same time without a clear focus or solid plans for implementation. The weakest projects fail to plan sufficient time, human and financial resources to implement these within the UIA framework of three years. The lack of clarity related to the integration of the proposed actions as well as the small scale of the proposed projects raises serious questions about the claims related to the impact of the proposed project on policy or the housing market. Smart technologies, in terms of both software and hardware, are some of the weakest points of the applications overall, with the weakest projects not being able to show that the project could continue functioning without additional external financial support after the UIA mandate is over (three years).

## Concluding remarks

The applications submitted for the Housing theme of the 3rd UIA call focused on tackling challenges related to access to affordable housing across housing tenures, while addressing challenges of disparate groups of populations with housing need in both shrinking and growing areas. The clear majority of the proposals build their case around an effective, affordable housing supply, either through revitalisation of the existing housing stock or through the supply of new affordable housing. In addition, various financial mechanisms, energy efficiency measures and smart technologies were often coupled with social services, training and jobs. Around 25% of all applications were shortlisted for the UIA final. Even though only a handful of the submitted proposals could be put forward for UIA funding, the solutions and partnerships proposed by others are valuable and should be encouraged to be further developed and implemented. Access to affordable housing remains as a key challenge for cities, given the level of complexity and housing need, and the work on this issue among EU organisations and bodies, national and city governments should be further supported and developed.