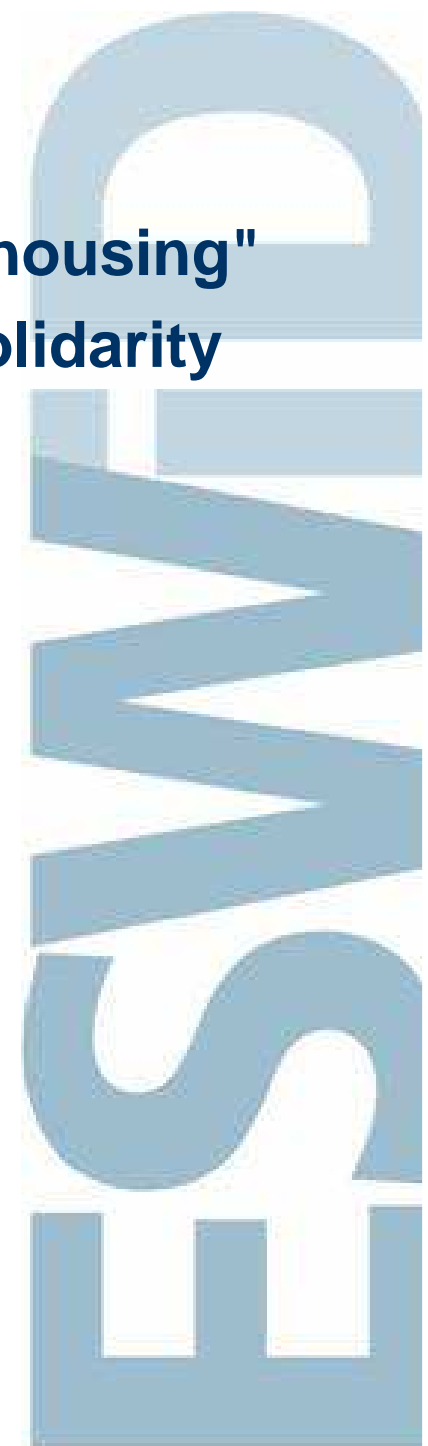


**CECODHAS Housing Europe Conference:
"Preparing the future: ageing and affordable housing"
2012 European Year On Active Ageing and Solidarity
between Generations**

What challenges are we talking about?

**Adaptation of housing to ageing:
the financial challenge**

Presentation by Dagmar Reiss-Fechter, GdW



Brief Presentation

- As the largest German umbrella organisation for the real estate industry, GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen (*Federal Association of German Housing and Real Estate Enterprises*) represents some 3,000 municipal, cooperative, Church, private sector and state and federally-owned real estate enterprises throughout Germany and at European level.
- It manages some 6 million apartments inhabited by more than 13 million people.
- GdW thus represents housing enterprises that manage almost 30 percent of all rental apartments in Germany.

Brief Presentation

- Dagmar Reiss-Fechter,
Lawyer and Managing Director of **ESWiD**
Bundesverband für Immobilienwesen in
Wissenschaft und Praxis (*Federal Association
for Real Estate in Science and Practice*)
GdW delegate at CECODHAS for the
Voluntary Section

Challenges for the European Union

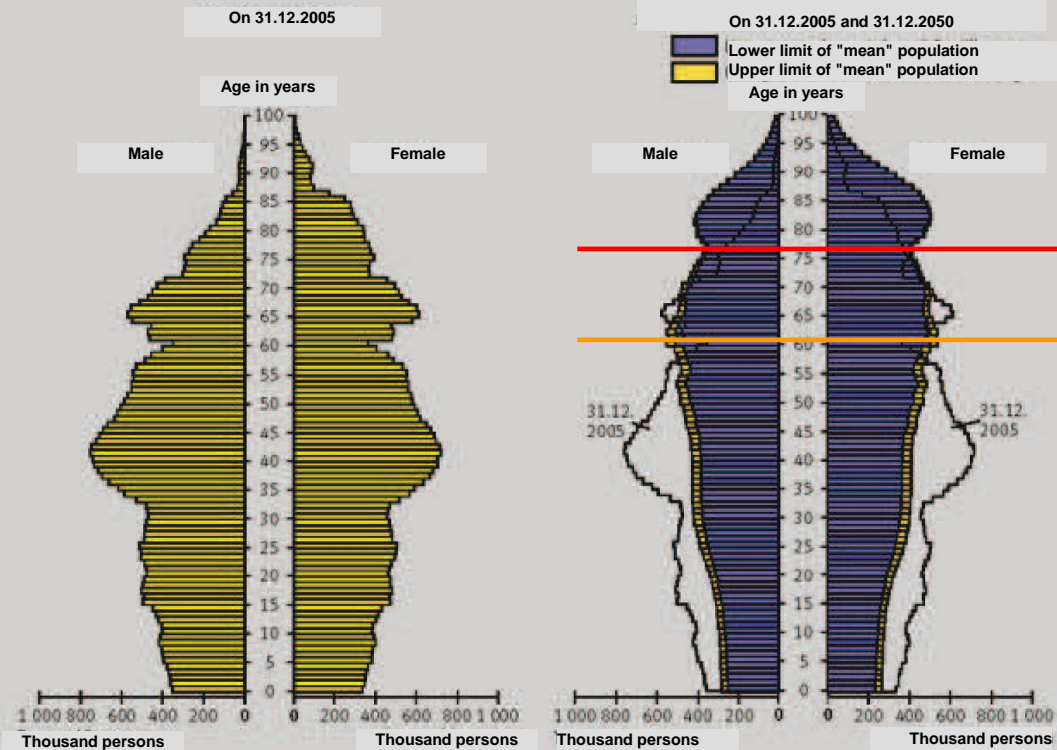
- The greatest social challenges that confront the European Union today are: globalisation, **demographic change**, damage to the environment, migration, climate change and energy usage, as well as the economic and social consequences of the crisis.
- These challenges differ in the various regions of the EU.

Three Demographic Megatrends

- A **diminishing** population and a declining number of young people, coupled with an **increase** in the average age.
- An ever-widening gap between the poor and the rich.
- An increase in the plurality of life concepts and lifestyles.

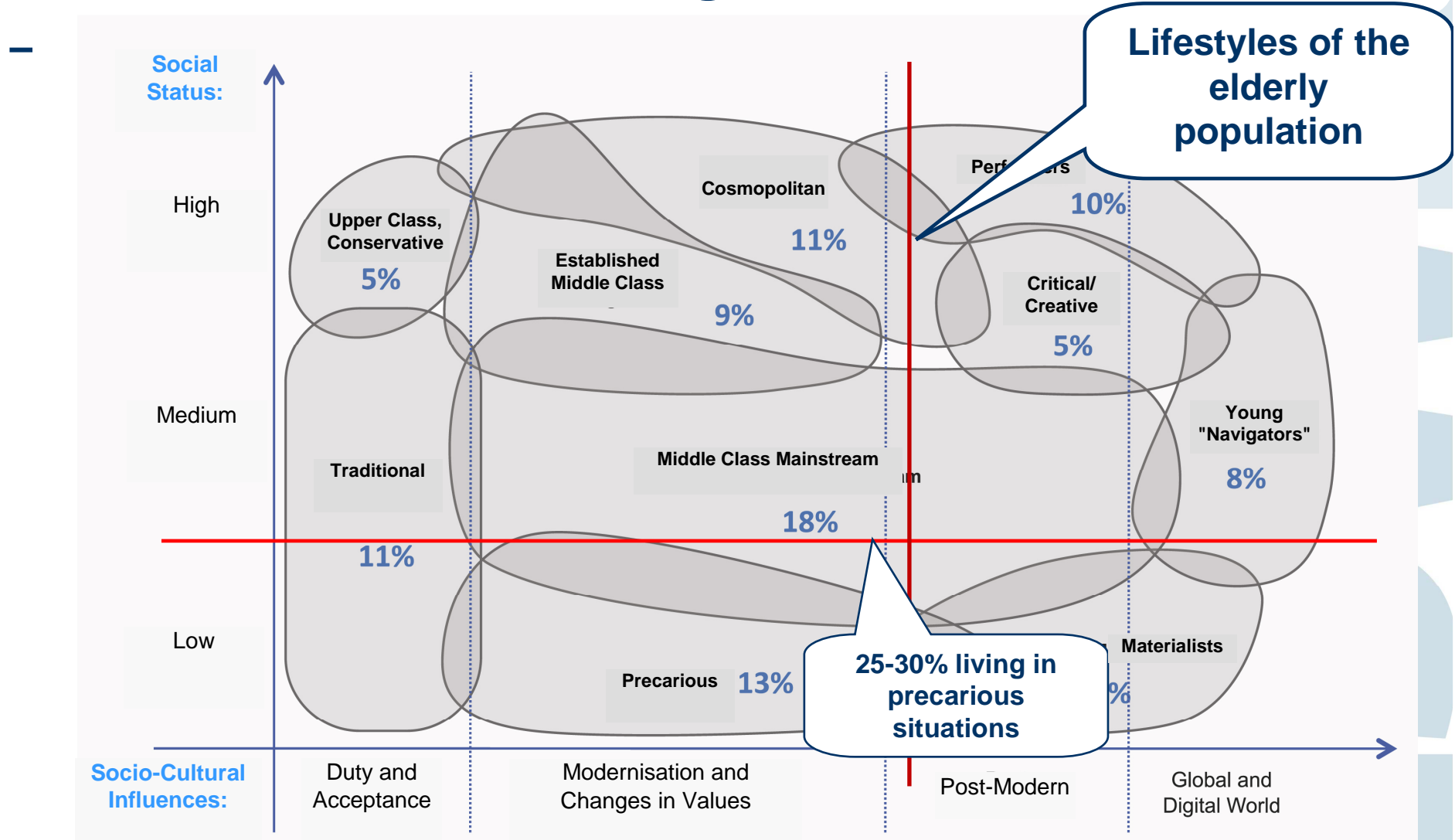
Demographic Development in Germany

Age Structure of the Population 2005 and 2050



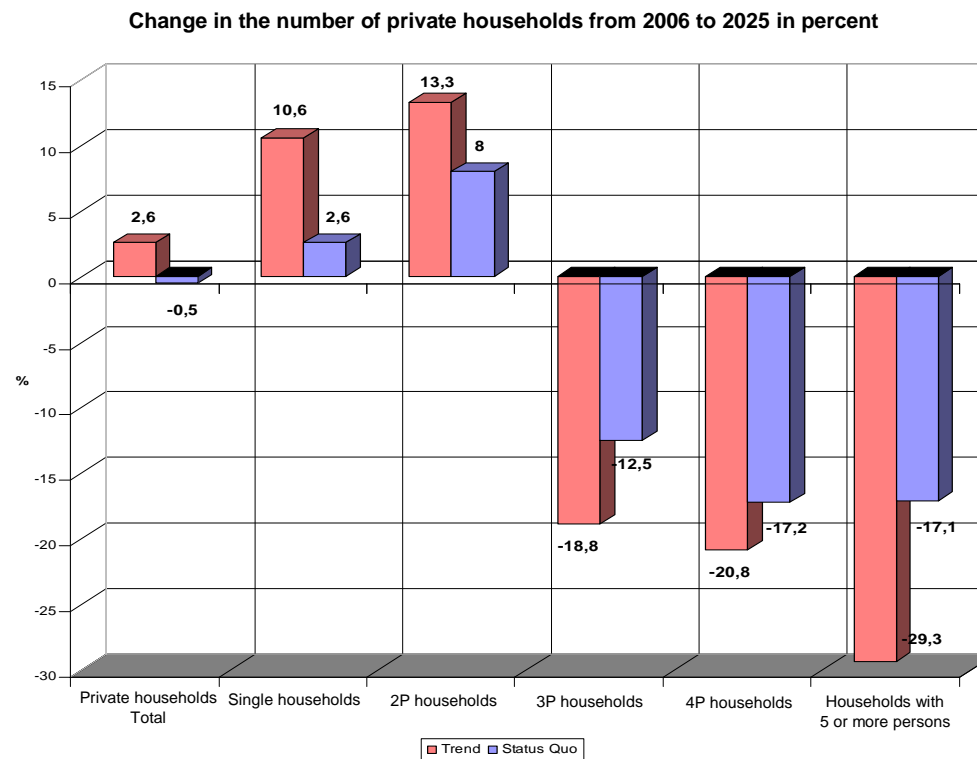
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Today, we have no social strata or classes. Instead, we have differing social environments



Impact of Demographic Development on Private Households

- Increase in single and two-person households
- Increase in one and two-room apartments



Demands of Elderly People

- Elderly people wish to remain in their apartments/ neighbourhoods.
- Clear increase in demand for
 - Assisted living
 - Age-appropriate living and
 - Integrated concepts, i.e. age-appropriate living with social, medical and nursing service offerings.

Demand and Costs for Barrier-Free Apartments

Taking Germany as an example

	Current offering of apartments		Demand 2020 in RU	Costs of new buildings in €	Conversion costs in €
	Residential Units (RU)	%			
Germany	600,000	1.5	Up to 3 million	Up to € 225 billion	Up to €30 billion
GdW enterprises	350,000	6			

The figures show that this task cannot be resolved
10 without support at national and European level.

Challenge for the EU

- Europe must return its economy to a sustainable growth path. This requires a combination of household consolidation, structural reforms and ecologically sustainable investments that promote growth.
- The European Fund for Regional Development (EFRE), the European Social Fund (ESF), the Cohesion Fund (KF) and the European Agricultural Fund for the Development of Rural Areas (ELER) all pursue complementary strategic goals.
- They represent the most important instruments at EU level for financing investments that support the Member States in re-establishing and strengthening growth and economic recovery with high levels of employment and simultaneously
- Ensure sustainable development in harmony with the goals of the Europe 2020 strategy.

Integrating Demographics in European Support Policy

- Initiative Report by MDEP Kerstin Westphal
- Adoption by the European Parliament in Strasbourg on 15 November 2011
- Support:
Integration of demographics as a "Megatrend of the 21st Century" in European regional support.
This also includes the instruments of cohesion policy

EFRE and ESF

It should be possible to utilise the **EFRE** (European Fund for Regional Development) and **ESF** (European Social Fund) funds to overcome the two problems:

- Increasing number of elderly people and
- Declining proportion of young people in the population

Horizontal Goal

The challenges of demographic change cover all areas of life and economic development and ultimately all regions. Therefore, the request of the European Parliament to the Commission is:

- Adoption of demographic change as a **horizontal goal** in the future support period from 2014 to 2020.

Demographic Change and the Commission

- The Commission already emphasised the importance of demographic change in the 5th Cohesion Report.
- In the current support period from 2007 to 2013, measures and programmes pertaining to this are already being co-financed to the tune of EUR 30 billion, which represents 8.5% of the available financial resources

Key Features of the EFRE 2014 - 2020

The most important features include

- **Concentration** of the available financial resources on a smaller number of **priorities** that are better integrated with the Europe 2020 strategy,
- A **result-oriented** approach,
- **Monitoring** of progress in achieving the agreed goals,
- Increased recourse to the principle of **conditionality** and
- **Simplification** of the procedures.

Operational Programme of EFRE

- Investment priorities have been defined for each of the six thematic goals.
- Measures pertaining to the housing sector have been taken into consideration in the field of promoting social integration and combating poverty.
- Consequently, as much as 20% of the financial resources of OP EFRE can be used for:
 - Investments in health and social infrastructure and
 - Supporting the rehabilitation and revitalisation of disadvantaged neighbourhoods and rural areas.

Allocation and Distribution of Structural Funding

The differing levels of regional development must be taken into account. Potential measures in the area of demographic change depend on the priorities of the Member States and may involve the following:

- Avoiding the social exclusion of elderly people
- Provisioning low-interest loans for expanding the portfolio of homes for the elderly
- Provisioning financial resources for assisted housing and multi-generational living

Ultimately, the decision as to those regions in which funding is made available depends on the interests of the Member States and the regions. In Germany, it would appear that the Federal Länder will not be providing any funding.

Thank you for your attention!

ESWiD

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