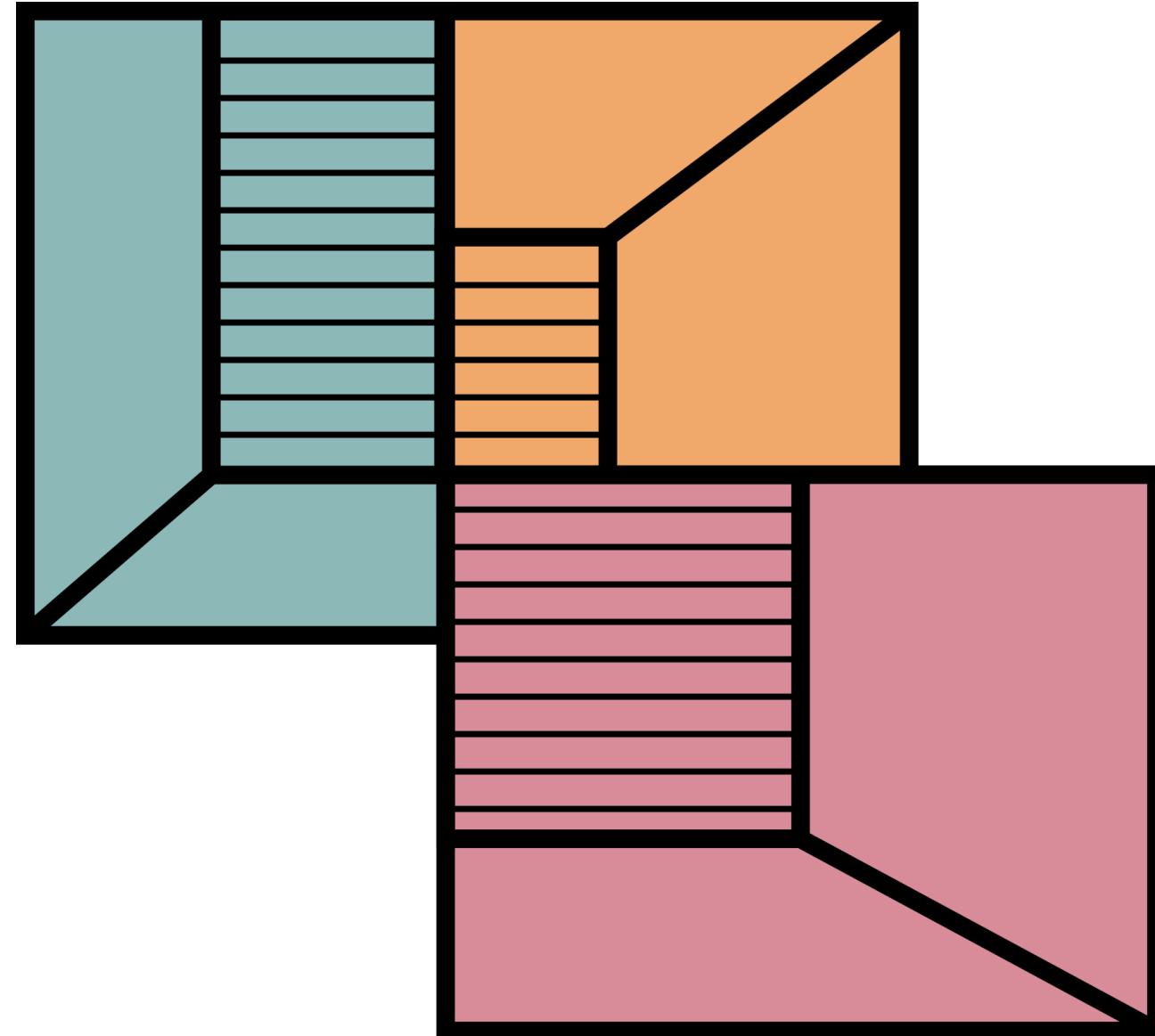


Lisbon, 10/11/2022



# affordable housing

**“Providing new homes under the Recovering Plans in the Mediterranean area: the case of Greece”**



# The Greek Context

## Short history of housing model

- The housing model of Greece is marked by a familistic system.
- The social housing stock is 0%
- There is an institutional amnesia in relation to affordable housing regulation
- Tenants' rights are undermined.
- Absence of direct housing policy; “land-for-flat” system (antiparohi)
- The plethora of residential buildings constructed during that period, shaped and defined the built environment until now, are marked by lack of insulation and have high energy and thermal requirements (and costs)
  - ❖ In the metropolitan area of Thessaloniki out of the approximately 203,000 dwellings, 130,000 are constructed between 1961-1980.
- By the start of the 1990s a new phase was entered with accelerating pro-market reforms, and the fast expansion of mortgage and consumer credit.

## 2008 up to now

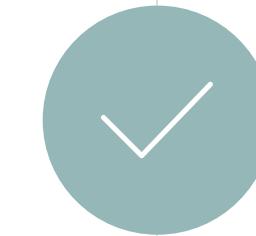
### Financial crisis

- The fiscal crisis of 2010 led to a downscaling GDP by about 30%.
- Between 2010-2016, unemployment rates fell by 37.6%.
- In 2019 persons at risk of **poverty** or social exclusion represented 30% of the total Greek population.
- In 2020 the corresponding rates for the poorest households were 39.1% .
- In 2020 a staggering 79.2% of tenants in Greece spent more than 40% of their income on housing.

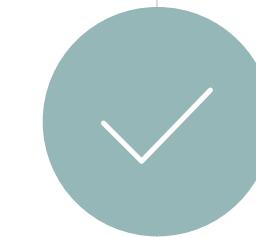
### Subsidies



**2012: heating allowance**



**2015: housing allowance**

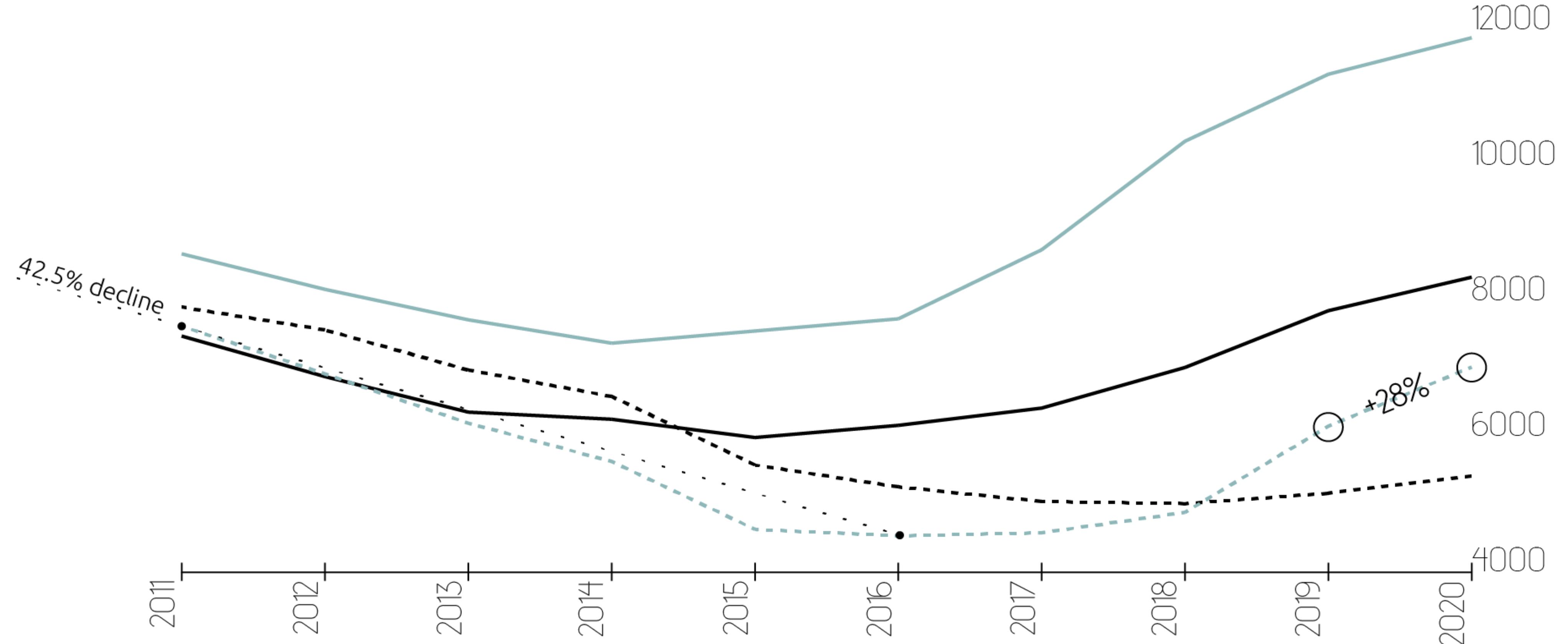


**Minimum Guaranteed Income**



# The case of Thessaloniki

In Thessaloniki rental prices have exceeded pre-crisis levels by 38%. In addition, the available choices for households to rent at affordable prices is extremely limited.



Evolution of the housing for rent/sale price indices,  
Municipality of Thessaloniki & Regional Municipalities

----- Housing sale price index, Municipality of Thessaloniki

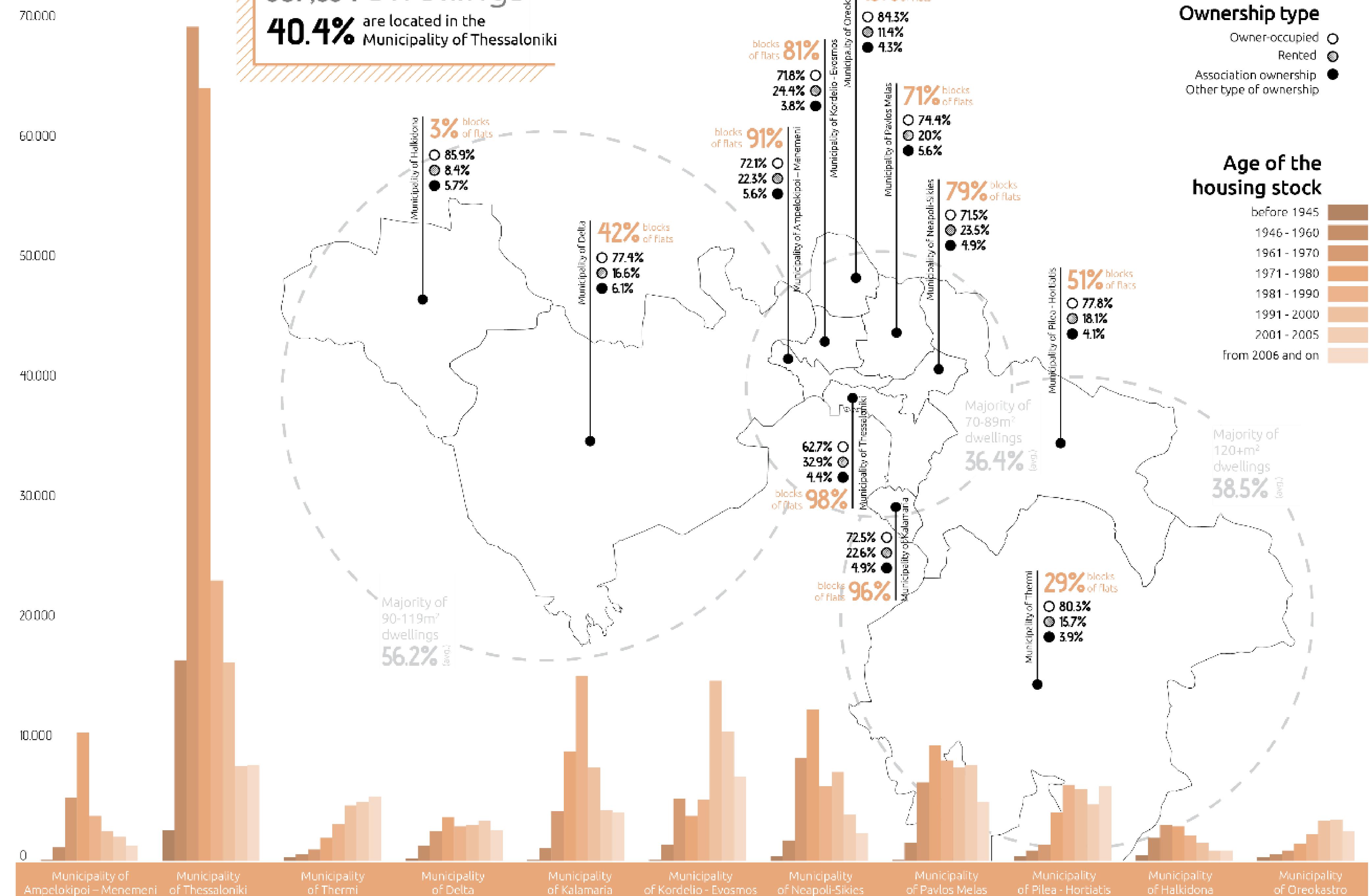
----- Housing sale price index, Regional Municipalities

——— Housing rent price index, Municipality of Thessaloniki

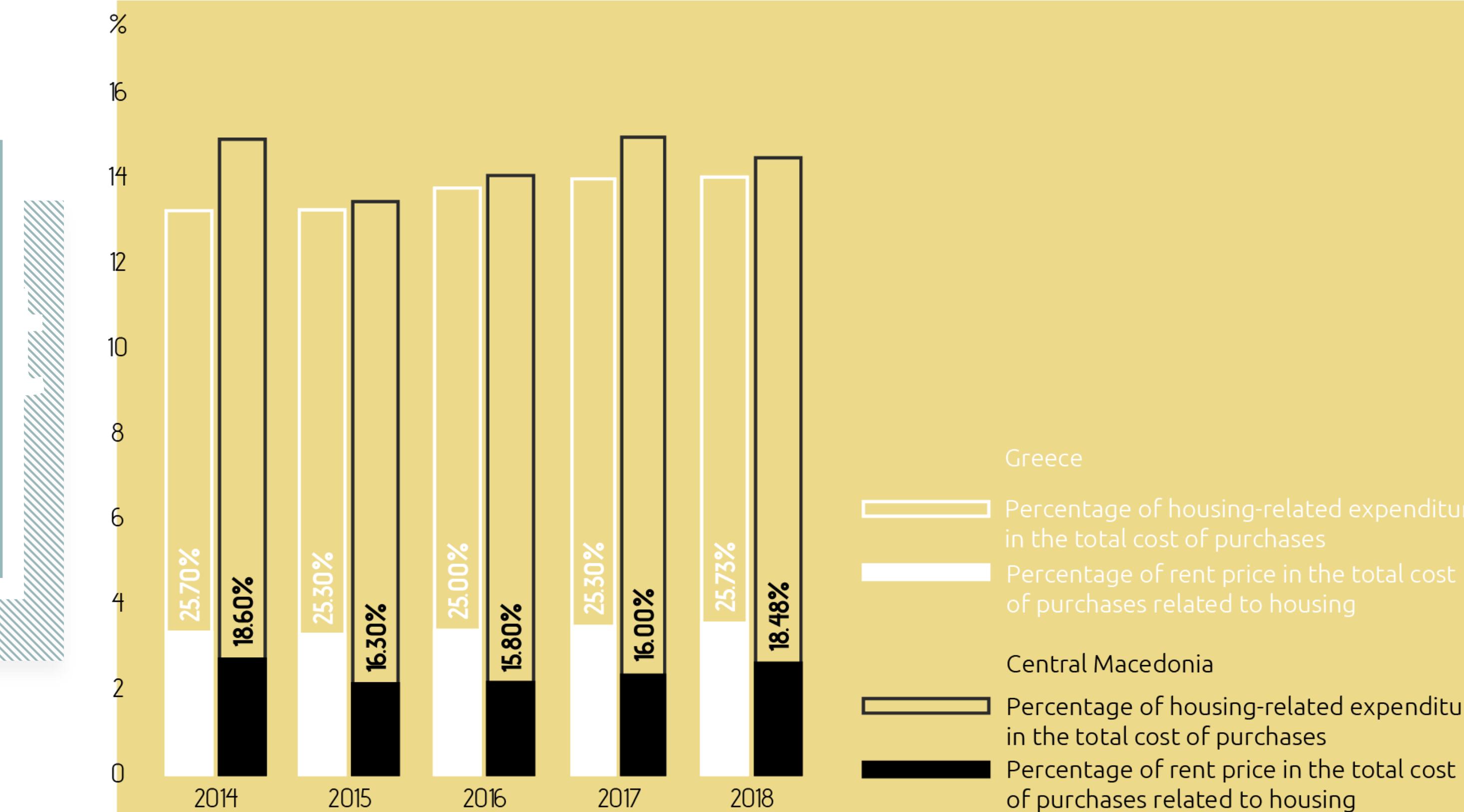
——— Housing rent price index, Regional Municipalities



The analogy of tenants compared to the total population, amounts to the considerable percentage of 32.9%.



## The utility costs (electricity and heating) make up to 50% of household expenditure



Average monthly household expenditure & housing costs,  
in Greece & in the region of Central Macedonia, 2014-2018

Breakdown of household housing expenditure  
in Greece & in the region of Central Macedonia, 2018

**50%** Electricity  
and heating  
costs



# RRF in Greece

## RRF in Greece

- Greece will receive through the Recovery and Resilience Facility (RRF) the largest funding in proportion to the size of its economy, almost €30 billion, that is almost 17% of its GDP
- The key national strategy for the renovation of the built environment is the Greek National Energy and Climate Plan (2019).

## Framework: the Plan

provides the strategic background which frames the green transition interventions under the RRF.

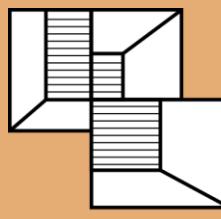
- sets out a **specific central quantitative objective of 60.000 buildings or building units upgraded per year.**
- sets out the quantitative objective to reduce by at least 50% the relevant energy poverty footprint by 2025, and by 75% as of 2030.

## Funding instruments

- The main facility adopted to counter the challenges of energy poverty and the goals of reducing energy consumption is the '[Energy upgrade of buildings](#)' programme (currently **Exoikonomo**).
- It is the continuation of the 'Energy Savings at Home' another programme focused on energy poor households, dated in 2011.
- The new phase of the *Exoikonomo* (Save) Programme is continued through funds from the Recovery and Resilience Fund aiming at the reduction of primary energy costs by 30% per household and their energy upscaling by 3 grades.
- The programme aims to cover the renovation and upscaling of 105,000 households by 2025.
- By 2025 it is expected that the Green Transition pillar of the RRF is to provide investments of up to 3.1 billion EUR for the energy upscaling of residential buildings in Greece with 1,6 billion EUR share to be provided through subsidies.
- The programme provides a fluctuating subsidy level depending on the level of income ranging from 75% for low-income households to 40% for high income households.



# SRA and Pilot Programme for Social & Affordable Housing in Greece



affordable  
housing

# social rental agency



# thessaloniki

## The Pilot Programme of providing social and affordable housing

The Ministry of Employment and Social Affairs launches a new Pilot Programme funded by the RRF to promote in the cities of Athens and of Thessaloniki Social and Affordable housing for the most vulnerable groups.

The purpose of the Pilot is to renovate primarily empty housing stock and provide it to vulnerable households.

The Pilot will be implemented in the cities of Athens with 70 houses and of Thessaloniki with 30 houses.

The total amount provided is 1.6 million...

## The Pilot Programme of providing social and affordable housing

- The Pilot in the city of Thessaloniki will be implemented by MDAT S.A. in collaboration with the City of Thessaloniki.
- MDAT has introduced within its operations the Social Rental Agency, with the purpose of becoming the main local vehicle for promoting and implementing social and affordable housing policies and actions in the city of Thessaloniki starting from the Pilot Programme through RRF.

## The Pilot Programme of providing social and affordable housing

The model chosen is the one of social rental services in which SRA would subcontract from the owner **mainly empty housing stock** in order to renovate it and upgrade it and then it will be provided with affordable rent to the vulnerable household with a long-term lease.

## The Pilot Programme of providing social and affordable housing

Social Rental Agency of Thessaloniki (MDAT) aims at providing to the beneficiaries of the Programme and to other tenants that face difficulties and vulnerabilities, supportive services legal and management of household utilities towards energy and cost effectiveness.

Additionally, other forms of housing initiatives will be searched for the city and mainly the creation of local cooperatives in housing and energy.

## The Pilot Programme of providing social and affordable housing

- ❖ The direction of the Pilot Programme changed by the Ministry by removing the possibility of guarantees for the rentals by the SRA jeopardizing its operation and thus focuses mainly on the renovation part and forcing the Pilot to turn to local government and public-benefit foundations to provide for free without rent their old/empty property to renovate and then to be provided by them to beneficiaries.

## The Pilot Programme of providing social and affordable housing

- The overall aim of MDAT's SRA is to promote Housing policies in the city of Thessaloniki and act as a Housing Observatory that will monitor the housing market and the needs in the city and in wider areas and will conduct studies, evaluations and monitoring in collaboration with its scientific partners.
- Within the above context MDAT and our Programme Manager, Meric Ozgunes participated in the study commissioned by FEANTSA about the Renovation Wave in Greece under the RRF and which will be published in the next months.
- This study revealed a series of challenges and mainly the pathogenies of the Greek housing and energy interventions.

# RRF and Renovation Wave

## Considerations

- Tenants not included as a distinct target group with tailored measures in renovation programmes.
- Tenants not protected by the programme measures after the completion of the renovation.
- Instruments do not reach the most vulnerable homeowners.
- No strategic framework tackling housing exclusion and ensuring access to housing.
- The tendency to “renovate to sell” with support from renovation investment may have an indirect negative impact on the rental market through proxy shrinkage of the housing stock available for rent,

## Challenges

- Creation of a **social housing stock**.
- Strategy to convert long-term **unused and vacant housing stock** for use by social housing providers
- Specific measures for **tenants** with embedded protections and 100% financing for low-income households.
- Creation of a regulatory framework including **housing cooperatives** and alternative housing providers as eligible for grants.



# Thank you!