

Working on social inclusion with the help of EFSI

Experience from the housing sector's perspective

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Agenda

- ▶ About Housing Europe
- ▶ Social Housing sector's experience with EFSI
- ▶ Is there a need for Investment?
- ▶ What should be improved to facilitate investment into social housing?

About Housing Europe

European Federation of Public, Cooperative and Social Housing

- ▶ Established in 1988
- ▶ Network of 43 national and regional federations in 23 countries.
- ▶ Managing over 26 million homes, about 11% of existing dwellings in the EU.



Vision

Access to decent and affordable housing for all in communities which are **socially, economically and environmentally sustainable** and where all are enabled to reach their **full potential**.

European Fund for Strategic Investment



- ▶ An opportunity to **finance quick and cost-effective construction** of new dwellings
- ▶ Long-term investment schemes (as loan)
- ▶ EIB cooperates with national public banks/other agencies

Social housing fits in the criteria

1. economically viable
2. reflects EU priorities
3. has a high risk profile with high socio-economic returns

Investing in fuel poverty and social housing is worth it!



- ✓ In line with the **EU priorities**
- ✓ Increases **employment**
- ✓ Contributes to **low-carbon economy** and **energy independence**
- ✓ **Tackles** public **budget imbalances** and
- ✓ **Reduces inequalities** and social exclusion.

EIB definition of social infrastructure:

Building infrastructure to support the transition to community-based services

Our sector's experience



The EIB is scaling up its support for housing

- ▶ €120 million to the **Federal State of Brandenburg** to deal with housing implications of the refugee influx
- ▶ € 1 billion for the construction of new social housing in **Britain**
- ▶ €400 million for Energy efficiency refurbishment in private residential buildings in **France**
- ▶ €180 million to the municipality of **Sweden** for investment including housing investment

EIB loan to tackle migration crisis

Germany (2015-2018)

- ▶ € 120 million loan for the **refurbishment/construction** of refugee accommodation in different parts of the country
- ▶ For 46,000 refugees
- ▶ 100 schemes are being implemented (by local authorities, social housing companies).



Expected impact:
improved **integration of refugees**;
facilities created such as **student** accommodation, homes for the **elderly** or educational centres

1 billion GBP loan for UK social housing

- ▶ EIB provides a **30-year loan** to Housing Finance Corporation
 - ▶ + 1 billion government guarantee
- ▶ Affordable Housing Finance Programme will help accelerate the construction of new built social housing by housing associations

20000 new homes will be built in at least 5 areas (Glasgow, Wigan, Bradford, Cambridge and Scarborough)

70 associations have applied for financing



France (2015-2019)



- ▶ Energy efficiency **refurbishment in residential buildings**
- ▶ Beneficiary: Legal entities and local authorities
- ▶ Total Budget: €800 million (€400 million EIB loan ensured by local intermediaries such as public and public-private entities and commercial banks)
- ▶ Activities: **increasing energy efficiency** of 40,000 flats and houses by improving their insulation, renovating the heating and ventilation systems.

- Home-owners access: long-term loans and technical assistance +technical/administrative support
- 6000 job creation during the construction phase, and in the long term energy consumption saving (10,000 households)

Project in the Netherlands (2016-2020)



- ▶ Beneficiary: Portaal Housing Corporation
- ▶ Total Budget: €200 million of EIB loan
- ▶ **First time that the EIB has entered into an agreement with a housing corporation.**
- ▶ Activities: energy efficient refurbishment and build new energy-neutral homes.
- ▶ The programme consists of more than 40 **small-scale sustainability projects** in the regions where Portaal operates
- ▶ involves nearly 5 000 homes.

New project in the pipeline

Wales-Housing Finance Grant (HFG2)

- ▶ A Welsh Government commitment of **£9,000,000 revenue over 30 years** to Registered Social Landlords and Local Housing Authorities **to deliver up to 2,000 new affordable homes**
 - ▶ HFG2 is designed to help building additional affordable homes.
 - ▶ Start date: April 2017
 - ▶ Estimated project cost: EUR 300 million
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- ▶ Grant scheme: the organisations borrows 100% of the capital cost of funding housebuilding projects; HFG reimburses them with 58% of the borrowing costs over 30 years.

However, some issues slow down the procedure

- ▶ The lack of clarity of deficit rules
- ▶ Some countries are more successful than others
- ▶ The lack of housing projects funded through EFSI despite the EIB encouraging proposals from the sector



Big structural problems

- ▶ High **social needs** in Europe
 - ▶ 22 million European households are cost overburden;
 - ▶ number of people on the waiting lists; the gap between demand and supply; increasing homelessness

We need

- ▶ Stable and regulated governance
- ▶ Investments should **target local projects of the civil shere**
- ▶ **Flexible** and **faster** funding procedure (low-cost capital funding)
- ▶ Deliver significant added value to the sector so it can generate the multiple **socio-economic benefits**
- ▶ Prioritize result-oriented approach



Thank you for your attention!



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