JANUARY 2021

REPORT

INVESTMENT IN AFFORDABLE & SOCIAL HOUSING SOLUTIONS:

Reaching the "Locked Out" in Europe

FEANTSA

European Federation of National Organisations Working with the Homeless

With the support of:

King Baudouin Foundation

Working together for a better society

Contents

Introduction

ABOUT THIS REPORT

This report outlines the urgent need for investment in solutions for people who are "locked out" of decent, affordable housing in the European Union. It brings a specific angle to broader debates about housing affordability by focusing on the solutions needed for those most marginalised in today's housing markets and systems in Europe. It argues that the EU's investment agenda 2021 – 2027 could boost investment in solving homelessness and housing exclusion and makes recommendations about how to achieve this. It shows that channelling investment into tackling homelessness and housing exclusion could maximise the social impact and help reach the additionality objectives of the EU's investment agenda.

The following introduction presents the current context for boosting investment in solutions to homelessness and housing exclusion.

The rest of the report is structured as follows:

- Chapter 1 introduces the policy context.
- Chapter 2 answers the question "who's locked out?". It provides a brief overview of homelessness and housing exclusion in the EU. Detailed country profiles for 12 Member States (hereafter MS) are presented.
- Chapter 3 focuses on investment in housing solutions. It explores the types of solutions needed to address homelessness and housing exclusion in Europe. It then shows how such solutions could be financed. It focuses on how European investment – and particularly the InvestEU programme – could leverage more investment into solving homelessness and housing exclusion.
- Chapter 4 presents a series of inspiring investment case studies from around Europe.
- Chapter 5 presents conclusions and policy recommendations.

ACKNOWLEDGEMENTS

The report was produced by FEANTSA with support from the King Baudouin Foundation. The author of the report is Ruth Owen, Deputy Director at FEANTSA. It was produced in the context of the EPC Task Force on Affordable and Decent Housing Solutions. The work of the Task Force and the expert contributions provided have shaped the report, although it represents the views of FEANTSA only. Many of the case studies were presented at meetings of the Task Force. Special thanks go to the following experts for their input into the report:

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Policy context

EUROPE'S HOUSING CRISIS

Europe faces a well-documented housing crisis, with a growing proportion of its population unable to access or maintain decent, affordable housing. Housing costs increasingly outstrip incomes, impacting the lowest income groups most.

According to EU-SILC, 10% of EU households spent over 40% of their income on housing costs in 2018. This level of spending constitutes "housing cost overburden" and compromises overall well-being and capacity to cover other living costs. 15.5% lived in overcrowded conditions, 13.9% in damp housing, and 4% in severe housing deprivation.

The poor are disproportionately hit by the housing crisis, with a growing gap between housing haves and have-nots. 30% of poor households (those with less than 60% of the median income) spend more than 40% of their income on housing. 26% of poor households in the EU live in overcrowded conditions, 21% in damp housing, and 13% experienced severe housing deprivation.

Homelessness is on the rise in Europe. FEANTSA estimates that 700,000 people experience homelessness on any given night in the EU, up 70% in the last decade. A recent European Commission study found that 24 out of 28 MS reported rising homelessness based on national statistics.[1] Finland is the only MS where homelessness has decreased in recent decades.

HOUSING & COVID19

COVID19 is demonstrating beyond any doubt how critical access to decent and affordable housing is to human health and wellbeing. For those living in inadequate or insecure housing, "stay home" can be a dangerous injunction. For the hundreds of thousands of homeless people in Europe, it is simply not an option. Homelessness makes people both medically and socially vulnerable to the virus. The pandemic has shown that a poorly housed society is a low-resilience society. Poor living conditions contribute to infection risk. A recent study in France found that more than 50% of people using soup kitchens, homeless shelters, and migrant workers' hostels tested positive for the virus.[2] Prevalence was highest in settings with least privacy and shared spaces for sleeping, cooking, eating, as well as bathrooms and toilets. Homeless people who spent time in temporary winter shelters set up in gymnasiums, for example, were three times more likely to have contracted the virus than others.

COVID19 provides opportunities to better address homelessness and housing exclusion. The pandemic has seen some public authorities take urgent action to protect homeless people. The first round of lockdown saw unprecedented efforts on the part of some cities, regions and MS to temporarily accommodate homeless people safely. Hotels, tourist flats, social housing, student housing and other sources were quickly mobilised to provide safe alternatives to the streets or to unsuitable shelters. Many governments also brought in moratoria on evictions. As second-wave lockdown measures are ramped up across the EU, it is uncertain how far efforts to protect homeless and vulnerably housed people will be maintained or reintroduced. FEANTSA's monitoring indicates a rollback of protective measures in many countries.

Recovery from the COVID19 crisis provides clear scope to "build back better" by investing to solve the housing crisis. Housing affordability is expected to decline despite falling prices, with

1 Baptista, I & Marlier, E (2019) *Fighting Homelessness & Housing Exclusion in Europe, A Study of National Policies*, European Social Policy Network, European Commission, available at: https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8243&furtherPubs=yes

2 Roederer et al (2020) *High seroprevalence of SARS-CoV-2 antibodies among people living in precarious situations in Ile de France*, available at: https://www.msf.org/high-coronavirus-covid-19-rates-found-amongst-people-living-hardship-paris

demand for social housing and rental market regulation increasing[3]. New opportunities to build, capture or renovate housing to provide solutions to homelessness and housing exclusion are on the horizon. There is nothing inevitable about a rising tide of homelessness and housing exclusion in Europe. Finland, the only country in the EU where homelessness is declining, shows what can be achieved when policy and investment are geared towards housing homeless people. A change of course on homelessness and housing exclusion in Europe requires ambitious policies and significant investments.

EU POLICY

Homelessness and Housing Exclusion as a Social Policy Priority

Homelessness and housing exclusion have become increasingly central social policy concerns at the EU level in recent years. Whilst housing is not a core competence of the EU, several provisions create scope for action:

(i) Treaty provisions on human values, social exclusion and antidiscrimination (articles 21 and 3(3)2 of the Treaty on European Union (TEU));

(ii) Article 34(3)3 of the EU Charter of Fundamental Rights, about the right to social and housing assistance;

(iii) The European Pillar of Social Rights, Principle 19 on housing and assistance for the most vulnerable; and

(iv) The United Nations' Sustainable Development Agenda, particularly Goal 1 on poverty and Goal 11 on housing.

In the context of the forthcoming action plan to deliver on the European Pillar of Social Rights, Commissioner for Jobs and Social Rights Nicolas Schmit has announced his intention to launch a **European Collaboration Platform on Homelessness.** This is expected to establish a common European goal of ending homelessness and making substantial progress by 2030. It will set up new cooperation mechanisms to support MS making progress in the fight against homelessness.

The European Parliament has been a strong voice calling for more EU action on homelessness in recent years. During 2020, the European Parliament consistently raised homelessness as an urgent social policy priority and called for enhanced cooperation at EU level to address it. In a resolution adopted on 24 November, MEPs call on the EU and its member Schmitt States to end homelessness by 2030 (2020/2802(RSP)). They advocate an EU framework for national strategies. The Resolution was adopted by a 95% majority.

Homelessness & Housing Exclusion in other EU Policies

Investment in innovative housing solutions to address homelessness and housing exclusion contributes to many of the EU's current policy priorities, notably:

- The Green Deal aims at providing a socially just transition. It focuses heavily on building renovation and the Commission has recently published its plans for a Renovation Wave (COM 2020 662 final), including a Recommendation on Tackling Energy Poverty (EU)2020/1563. This creates massive opportunities to channel finance and funding into tackling poor housing conditions to address energy poverty.
- The recently announced EU Action Plan on Integration & Inclusion of Third Country Nationals includes a strong focus on tackling housing exclusion. One of the goals is ensuring that "innovative housing solutions that foster inclusion and fight segregation are widely used across the EU" (COM(2020) 758 final).

3 Moody's Investor Service 23 November 2020, *Housing – Europe COVID-19 accelerates housing market trends, exacerbating wealth inequalities,* available at: https://www.moodys.com/research/Moodys-COVID-19-driven-housing-trends-will-exacerbate-wealth-inequalities--PBS_1253921

- The new EU Roma strategic framework for equality, inclusion and participation includes the goal of increasing effective equal access to adequate desegregated housing and essential services.
- The EU's first-ever EU Strategy for lesbian, gay, bisexual, trans, non-binary, intersex and queer (LGBTIQ) equality includes high rates of homelessness amongst young LGBTI people as a priority.
- Other policy initiatives such as the disability strategy, the proposed child guarantee, the gender equality strategy.

2014 – 2020 Investment Plan for Europe

The European Union has taken on an increasingly ambitious role in investment in recent years. It has developed an investment agenda which encompasses both instruments and policy goals. In 2014, it launched the Investment Plan for Europe, also known as the "Junker Plan", which sought to relaunch investment in the EU economy after the 2008 financial crisis through three pillars:

1. The European Fund for Strategic Investments (EFSI) backed by an EU budget guarantee; implemented by the European Investment Bank (EIB) Group.
2. The European Investment Advisory Hub and the European Investment Project Portal, which provided technical assistance and visibility to link promoters and investors; a joint venture with the EIB Group.
3. Improving the business environment by removing regulatory barriers to investment both nationally and at EU level.

After two years, the Commission proposed to extend the EFSI duration and increase its financial capacity to EUR 500 billion by 2020.

2021 – 2027 Invest EU

In 2018, the Commission published proposals for InvestEU, the Juncker Plan's more ambitious successor. The proposal reflected the same basic architecture: a dedicated InvestEU fund to mobilise a EUR 38 billion guarantee from the EU budget to leverage additional public and private investment between 2021 and 2027. Like the EFSI, the InvestEU Fund would be accompanied by an Advisory Hub and Portal.

As with the Juncker Plan, InvestEU is designed to be demand-led. However, it is also more explicitly aligned with EU policy priorities. This is reflected in its four investment windows: 1) sustainable infrastructure; 2) research, innovation and digitisation; 3) SMEs; 4) Social investment and skills.

Whilst the social investment and skills window is by far the smallest (EUR 2.8 billion), its inclusion places a new emphasis on social impact.

The EIB Group will continue to play a major role in implementation. However, InvestEU will also open this up to other implementing partners. The EIB will deploy 75% of the InvestEU guarantee. The remaining 25%is open to others, such as national promotional banks and other international financial institutions like the Council of Europe Development Bank and the European Bank for Reconstruction and Development. The EIB will be allocated 75% of the Advisory Hub envelope. The remaining 25% will be available to other implementing partners, as well as external service providers contracted by the European Commission.

A political agreement was reached between the European Parliament and EU Member States in the Council on the InvestEU Regulation on 8 December 2020. Final approval of the legal texts by the European Parliament Plenary and the Council is still pending at the time of writing.

As well as building on its successes, InvestEU will seek to address some of the shortcomings of the Juncker Plan. A European Court of Auditors evaluation of EFSI concluded that the latter had indeed helped the EIB to provide more higher-risk finance for investments, financed many projects that could not otherwise have taken place, attracted additional public and private investment, and supported investments in many policy sectors across the EU[4]. However, the evaluation also raised important questions about additionality. It found that EFSI sometimes replaced other EIB and EU financing; and that projects were financed that could have used other sources of public or private finance. Furthermore, the estimates of additional investment attracted by EFSI were sometimes overstated and most investments went to a few larger EU 15 Member States with well-established national promotional banks. The EU's added value when it comes to investment is about targeting market failures or investment gaps. InvestEU aims to support projects where financing could not otherwise be obtained, or not at the required terms. It also aims to target higher risk projects in specific areas.

Next Generation EU

InvestEU should be understood in the context of the overall EU budget, which is still being negotiated. This EUR 1,824.3 billion includes both the new Multiannual Financial Framework and the new Recovery and Resilience Facility. The latter proposes to provide MS with EUR 672.5 billion in new money for the recovery: EUR 360 billion in loans and EUR 312.5 billion in grants. Given the activation of the general escape clause of the Stability & Growth Pact, it is clear that the EU is on the point of taking an unprecedented "investment turn", which presents huge opportunities.

AN UNPRECEDENTED OPPORTUNITY TO INVEST IN SOLUTIONS TO HOMELESSNESS & HOUSING EXCLUSION

The context outlined above provides an unprecedented opportunity to invest in addressing homelessness and housing exclusion in the European Union. We hope that this report will help convince policymakers, investors, project promoters and other stakeholders to seize that opportunity, and will provide them with practical ideas on how to do so.

4 European Court of Auditors (2019) *Special report no 03/2019: European Fund for Strategic Investments: Action needed to make EFSI a full success*, available at: https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=49051

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Who's locked out? Homelessness and housing exclusion

ABOUT THIS CHAPTER

This chapter is composed of two parts:

1. A description of the homelessness and housing exclusion situation in the EU.
2. A series of country profiles, which provide a snapshot of homelessness and housing exclusion in 12 MS: Austria, Ireland, Spain, France, Finland, Czechia, Poland, Lithuania, Greece, Belgium, Italy, and Slovakia.

Further reading: For a detailed EU-wide mapping of homelessness and housing exclusion, see FEANTSA-Foundation Abbé Pierre Fifth Overview of Housing Exclusion in Europe 2020.

Definitions and Methodology

This report brings a specific and complementary angle to broader debates about the housing crisis by focusing on people who are manifestly "locked out" of housing, by which we mean those experiencing or at risk of homelessness or housing exclusion.

The ETHOS typology categorises the living situations that constitute homelessness (such as sleeping rough, staying in accommodation for the homeless) and housing exclusion (such as housing that is insecure because there of a lack of tenancy agreement or threat of eviction; or housing that is physically inadequate or overcrowded).

FEANTSA attempts to capture housing exclusion at a European level by focusing on the following indicators available in EU-SILC:

- housing cost overburden
- total housing costs
- mortgage/rent arrears
- overcrowding
- severe housing deprivation
- difficulty in maintaining an adequate household temperature

The rationale is that they together capture a wide spectrum of inadequate and insecure living situations, using comparable indicators available at EU level through EU-SILC. Non-comparable data on homelessness, based on the latest and most reliable national sources are used to assess the homelessness situation. There is a lack of comparable data on homelessness available at EU level because, as a household survey, EU-SILC is not suitable for measuring current levels of homelessness.

This methodology has been developed by FEANTSA and the Foundation Abbé Pierre in the context of our annual Overview of Homelessness and Housing Exclusion report, cited above, which has become a reference publication in the field. By combining a range of housing exclusion indicators with available national data on homelessness, it provides a holistic view of the most urgent housing needs. Our aim is not to focus on a rigidly defined target group but to place attention squarely on those who are worst served by housing markets and systems in Europe currently.

The 12 national profiles in this chapter provide deeper insights into the nature and extent of homelessness and housing exclusion challenges faced by a selection of different European countries. Of course, national snapshots provide a partial view and do not account for regional and local differences, or rural-urban dynamics, which are very important when it comes to housing. The 12 countries were chosen to reflect the diversity of situations across Europe (geographical spread, different types of housing policy and welfare context, size, etc.): Austria, Ireland, Spain, France, Finland, Czechia, Poland, Lithuania, Greece, Belgium, Italy, and Slovakia.

Homelessness

All the available evidence indicates that homelessness is on the rise in Europe. FEANTSA estimates that at least 700,000 people experience homelessness on any given night in the EU, up 70% in the last decade. A recent European Commission study found that 24 out of 28 MS reported rising homelessness based on national statistics[5]. Finland is the only MS where homelessness has decreased in recent decades.

The profile of people affected by homelessness is broadening in the EU. Migrants, young people, women, and children are increasingly represented amongst the homeless in different countries.

As noted above, EU-SILC does not collect regular or comprehensive data on homelessness. However, in 2018, Eurostat tested a first voluntary ad-hoc module on housing difficulties which gathered information on lifetime experience on homelessness[6]. Data was collected for 12 countries (Albania, Belgium, Bulgaria, Switzerland, Germany, Denmark, Greece, Spain, Hungary, Ireland, Malta, Portugal, Romania, Slovakia, & the UK), indicating that 4% of the population had experienced homelessness in their lifetime[7]. There was significant variation between the MS, with lifetime prevalence reaching up to 10% in the UK and Denmark. This challenges the frequently held view that homelessness is a "marginal" social problem.

Housing Costs

Housing costs for poor tenants increased between 2008 and 2018 in almost all EU countries. In the same period, costs for non-poor homeowners decreased. Poor households are eight times more likely to be overburdened by housing costs than non-poor households[8].

The graph below shows evolution in housing costs (Euros per month) by poverty and tenure status in the EU.

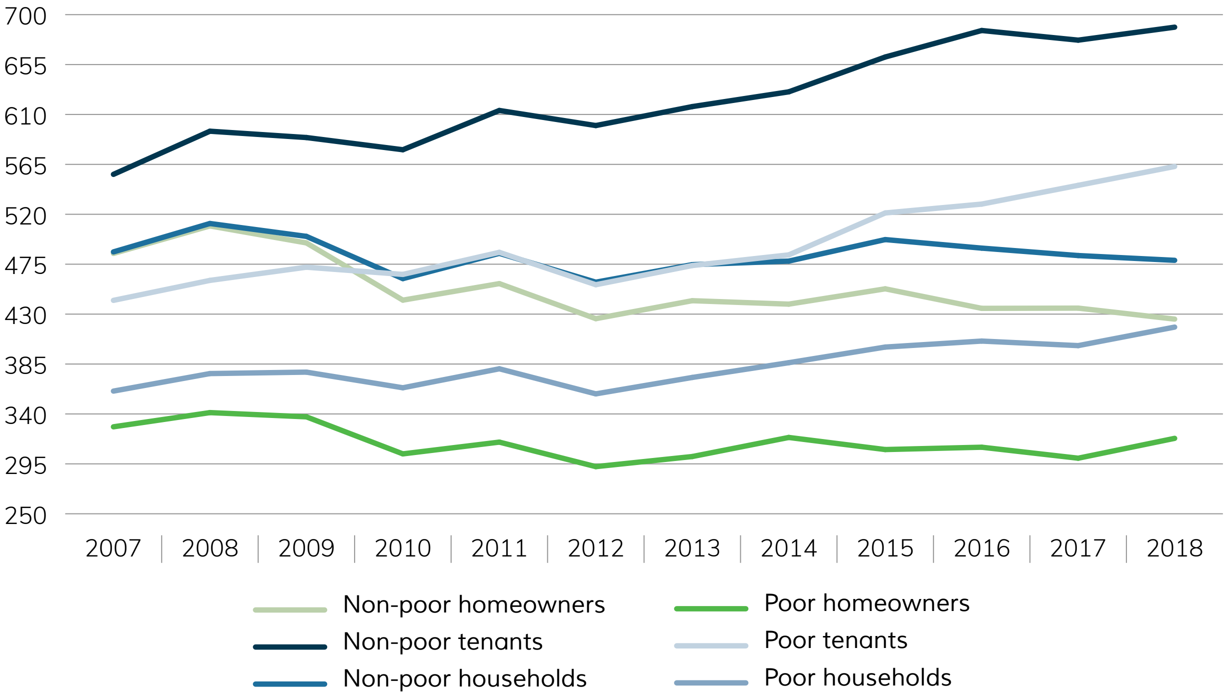
5 Baptista, I and Marlier, E (2019) *Fighting homelessness and housing exclusion in Europe: A Study of National Policies*, European Social Policy Network, European Commission, available at: https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8243&furtherPubs=yes

6 See https://ec.europa.eu/eurostat/documents/1012329/8706724/2018+EU-SILC+module_assessment.pdf

7 Defined as rough sleeping, shelter, forced to stay with family and friends, or in a place not intended for accommodation.

8 FEANTSA – FAP (2020) *Fifth Overview of Housing Exclusion in Europe*, available at: https://www.feantsa.org/public/user/Resources/resources/Rapport_Europe_2020_GB.pdf

GRAPH 1: Evolution of housing costs in the EU by poverty & tenure status



Source: FEANTSA – FAP (2020)

Amongst the 12 MS featured in the country profiles, Greece (90.7%) and Czechia (41.9%) have higher than EU-average rates of housing cost overburden amongst the poor. An increase in the housing cost overburden rate of the poor occurred between 2008 and 2018 in half the featured countries: Greece (38.3%) France (30.1%), Italy (20.1%), Ireland (19.7%), Lithuania (10.9%) and Spain (2.5%). On the other hand, Austria, Finland, Czechia, Poland, Belgium and Slovakia saw the housing cost overburden rate amongst the poor decline in this period.

In 2018, 3.3% of Europe's population and 8.3% of poor households were in rent or mortgage arrears. Poor households were 3.8 times more likely to be in housing arrears than non-poor households. EU-wide, housing arrears fell in the period 2008 – 2018, by 11.3% amongst poor households and 19.5% for the total population[9].

Amongst the 12 MS profiled, particularly high rates of mortgage arrears in poor households are to be found in Greece (19.7%), France (17.9%), Ireland (13.1%) and Austria (12.3%). Austria, Ireland, Spain, France, Finland, Greece and Slovakia have higher than the EU average rate of housing arrears for both the poor and the total population, whereas Belgium only has higher than average rates for the poor. The rate of housing arrears amongst the poor increased between 2008 and 2018 in 8 of the 12 featured MS: Austria, Ireland, Spain, France, Lithuania, Greece, Belgium, Slovakia. It fell in Finland, Czechia and Italy. In the same period, housing arrears fell amongst the total population in Austria, Ireland, Spain, France, Czechia, Belgium, Italy and Slovakia.

9 FEANTSA – FAP (2020) *op cit.*

Housing quality

In 2018, 15.5% of Europe's population and 26.3% of poor households were living in overcrowded conditions. Between 2008 and 2018, most EU countries saw the proportion of poor households living in overcrowded housing decline[10].

> Of the 12 MS profiled, 5 had higher than the EU average rate of overcrowding for both the total and the poor population: Czechia, Poland, Greece, Italy and Slovakia. Austria had higher than the EU average rate of overcrowding only amongst the poor population. Austria, Ireland, France, Czechia, Poland, Lithuania and Slovakia saw the overcrowding rate fall between 2008 and 2018. Overcrowding increased in this period in Finland, Greece, Belgium and Italy. Spain saw a decrease in the overcrowding rate for the total population (-16.1%) but a slight increase amongst the poor (+0.9%). Belgium (61.2%), Greece (25.6%) and Finland (21.4%) saw above EU-average increases in overcrowding amongst the poor.

In 2018, 4% of Europe's population and 9.6% of poor households were facing severe housing deprivation. The highest rates were in Eastern Europe.

> Of the 12 MS, Poland, Lithuania, Greece, Italy and Slovakia had higher than EU-average rates of severe housing deprivation amongst the total population. Austria had a higher rate only for poor households (10.6%). Severe housing deprivation rates declined in most EU countries between 2008 and 2018. However, there were some alarming increases, notably amongst poor households. In the 12 MS profiled, this was the case in Belgium (+44.1%), Spain (+44.1%), Finland (+43.8%) and Slovakia (+20.2%).

Difficulty in maintaining adequate household temperature is an indicator of energy poverty, caused by high energy costs, low incomes and energy inefficient housing. In 2018, 7.3% of Europe's population and 17.9% of poor households were in this position. For the EU as a whole, this indicator has declined in recent years. Nonetheless, 16 out of the EU28 saw a rise amongst poor households between 2008 and 2018.

> Of the 12 MS profiled here, 8 face a particular energy poverty challenge: Greece (with 41.2% of poor households affected, +37.8% in ten years), Lithuania (35.5% of poor households affected, +13.9% in ten years), Italy (30% of poor households, + 14.9% in ten years), Spain (20.8% of poor households affected, +58.8% in ten years), Belgium (18.5% of poor households, +8.8% in ten years), France (15.6% of poor households affected; + 35.7% in ten years), Ireland (11.6% of poor households affected, +52.6% in ten years) and Slovakia (15.8% of poor households affected, +14.5% in ten years).

Vulnerable groups

Some groups within the population are particularly disadvantaged when it comes to housing. Migrants, families with dependent children, people with a physical disability or activity limitation are in many contexts at particular risk of housing exclusion. Roma communities in Europe face particularly high levels of housing exclusion and homelessness. Young people also face growing challenges in accessing decent, affordable housing in much of Europe. Young LBTQI people face high levels of homelessness. There is also a particular relationship between homelessness and domestic violence, with this being the main driver of homelessness amongst women.

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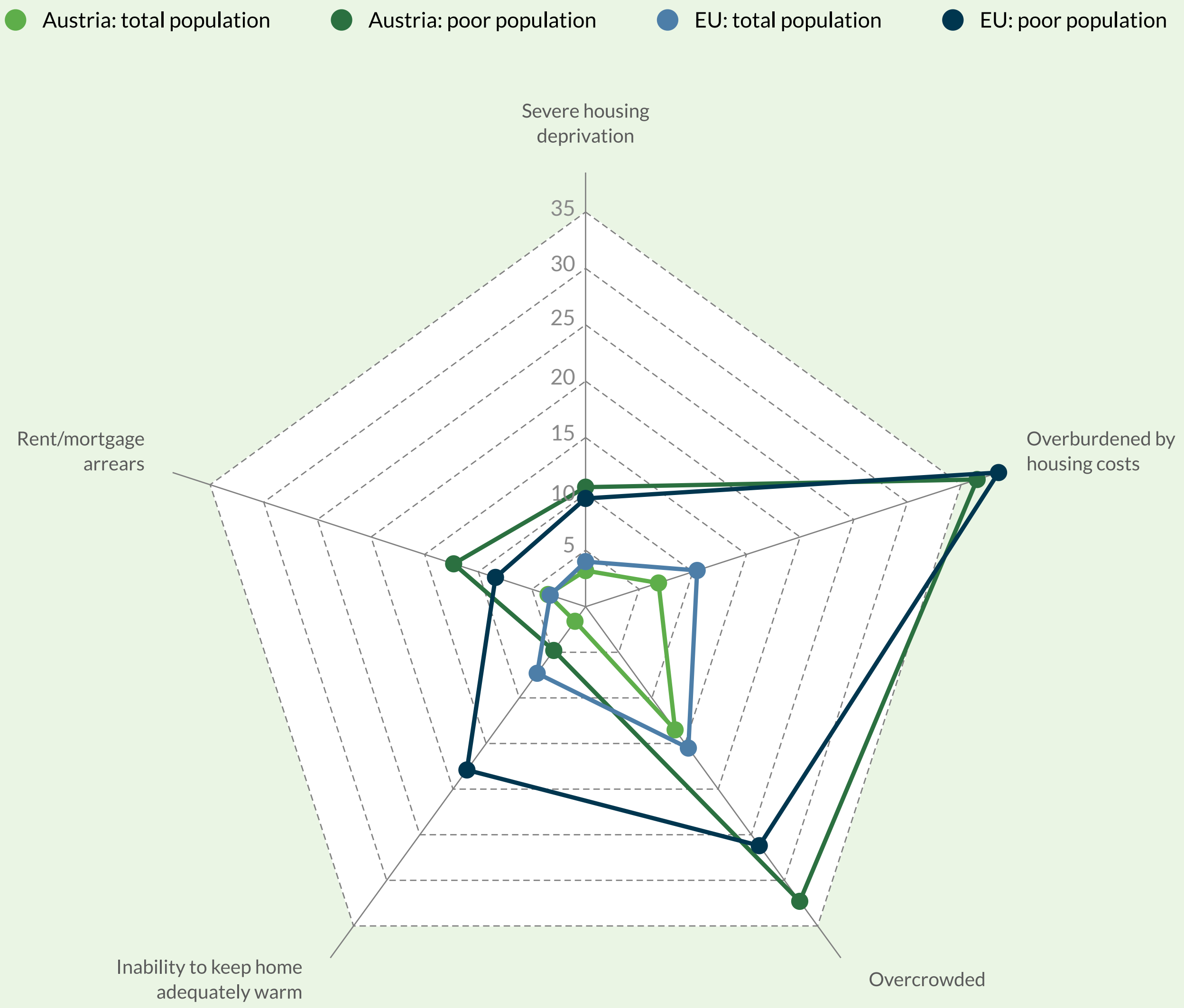
COUNTRY PROFILES

AUSTRIA

HOUSING EXCLUSION INDICATORS – 2018 (%)



AUSTRIA Key figures for housing exclusion trends between 2008 and 2018[11]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 6.8% Poor: 36.5%	Total: -20% Poor: -4.2%	Total: -5.6% Poor: -6.6%
Total housing costs (EUR PPP/month)	Total: EUR 524.2 Poor: EUR 515.9	Total: +14.8% Poor: +22.6%	Total: +3.4% Poor: +3.4%
Mortgage/rent arrears	Total: 3.5% Poor: 12.3%	Total: -10.3% Poor: +30.9%	Total: -12.5% Poor: +10.8%
Overcrowding	Total: 13.5% Poor: 32.3%	Total: -8.8% Poor: -3.9%	Total: -8.2% Poor: +3.2%
Severe housing deprivation	Total: 3.2% Poor: 10.6%	Total: -30.4% Poor: -10.2%	Total: -17.9% Poor: -3.6%
Experiencing difficulty in maintaining adequate household temperature	Total: 1.6% Poor: 4.8%	Total: -59% Poor: -52%	Total: -40.7% Poor: -42.2%

Alarming trends (above EU averages)

AUSTRIA Homelessness Snapshot

Statistik Austria (the Austrian statistical office) uses an indicator called "registered homelessness" to count the number of people officially registered as homeless. The indicator only captures part of the homeless population, but it is a useful source for analysing trends. According to Statistik Austria, 22,741 people were registered homeless in Austria in 2018 (+5.4% in one year)[12]. Homelessness is highly concentrated in Vienna with 66.3% of all homeless people living there[13]. The number of people using homelessness services in Vienna has consistently increased in recent years: from 8,180 in 2010 to 12,590 in 2019.

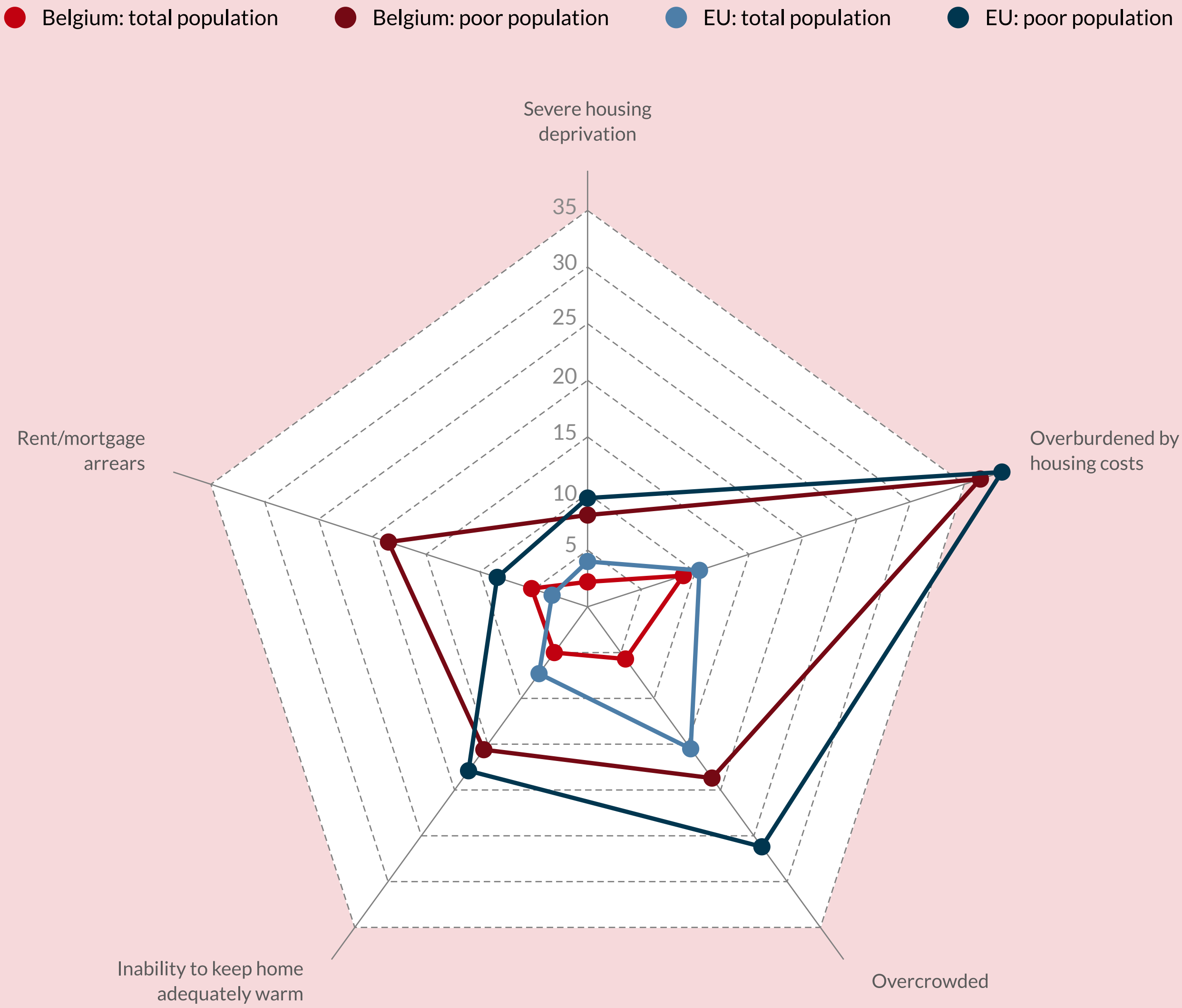
11 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions.

12 Eingliederungsindikatoren (2018) *Kennzahlen für soziale Inklusion in Österreich*, available [in German] at https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_PDF_FILE&RevisionSelectionMethod=LatestReleased&dDocName=122862

13 FSW (2020) *Geschäftsbericht 2019*, available [in German] at: https://2019.fsw.at/

BELGIUM

HOUSING EXCLUSION INDICATORS - 2018 (%)



BELGIUM Key figures for housing exclusion trends between 2008 and 2018[14]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 8.9% Poor: 36.5%	Total: -28.8% Poor: -17%	Total: -7.3% Poor: -6.4%
Total housing costs (EUR PPP/month)	Total: EUR 494.7 Poor: EUR 496.1	Total: -7.4% Poor: -1%	Total: -6.4% Poor: +4.1%
Mortgage/rent arrears	Total: 3.1% Poor: 10.1%	Total: -6.1% Poor: +5.2%	Total: +3.3% Poor: +32.9%
Overcrowding	Total: 5.7% Poor: 18.7%	Total: +39% Poor: +61.2%	Total: +185% Poor: +122.6%
Severe housing deprivation	Total: 2.2% Poor: 8.1%	Total: +100% Poor: +62%	Total: +144.4% Poor: +72.3%
Experiencing difficulty in maintaining adequate household temperature	Total: 5.2% Poor: 18.5%	Total: -18.8% Poor: +8.8%	Total: -10.3% Poor: +0.5%

Alarming trends (above EU averages)

BELGIUM Homelessness Snapshot

There are no national level statistics on homelessness in Belgium. However, data gathered by various organisations in different parts of Belgium show that homelessness and housing exclusion is on the rise. A one-night survey is carried out regularly by Bruss Help (formerly la Strada). The November 2018 count found 4,186 homeless individuals (including children) in the Brussels Region: more than double the number in 2008 (1,771)[15]. A survey for the Flemish region in 2014 found 3,019 adults and 1,675 children using accommodation for services for the homeless over one month[16].

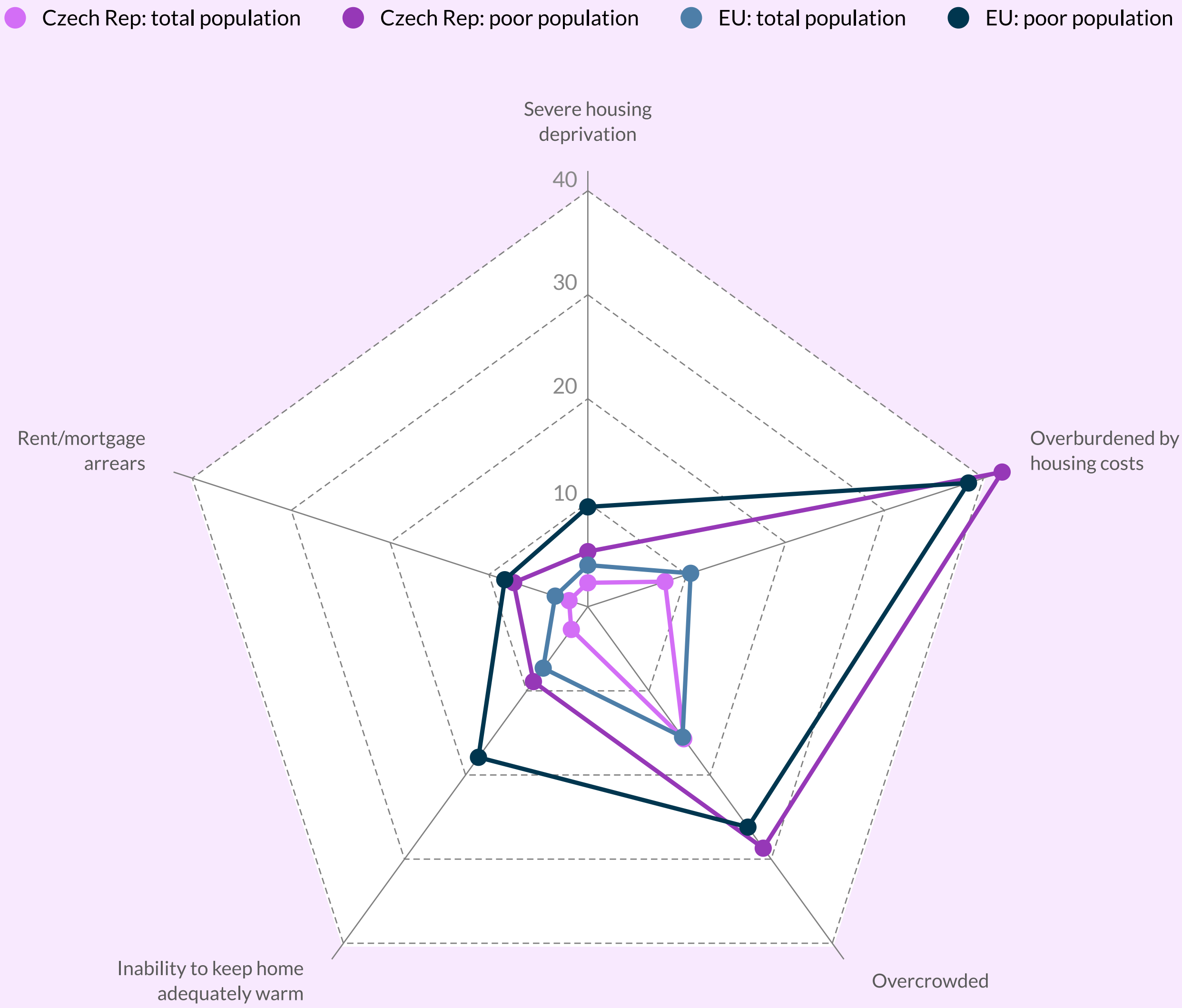
14 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

15 See [in French] http://www.brusshelp.org/images/LAS3220_Denombrement2018_FR_5_BD.pdf

16 See https://ec.europa.eu/social/BlobServlet?docId=21593&langId=en

CZECHIA

HOUSING EXCLUSION INDICATORS - 2018 (%)



CZECHIA Key figures for housing exclusion trends between 2008 and 2018[17]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 7.8% Poor: 41.9%	Total: -39.1% Poor: -11.8%	Total: -33.3% Poor: -18.8%
Total housing costs (EUR PPP/month)	Total: EUR 386.2 Poor: EUR 352.3	Total: -1.6% Poor: +13.3%	Total: -1.4% Poor: +1.4%
Mortgage/rent arrears	Total: 1.9% Poor: 7.5%	Total: -17.4% Poor: -19.4%	Total: -40.6% Poor: -46.8%
Overcrowding	Total: 15.7% Poor: 28.7 %	Total: -47.3% Poor: -43.1%	Total: -25.2% Poor: -32.8%
Severe housing deprivation	Total: 2.3% Poor: 5.3%	Total: -64.6% Poor: -71.2%	Total: -42.5% Poor: -59.8%
Experiencing difficulty in maintaining adequate household temperature	Total: 2.7% Poor: 8.9%	Total: -55% Poor: -47%	Total: -56.5% Poor: -39%

Alarming trends (above EU averages)

CZECHIA Homelessness Snapshot

There is no national/regional homeless data-collection strategy. Several cities and regions carry out surveys. The Institute for Social and Labour Research estimates that 21,230 people experience homelessness each week[18]. In 2018, the national register of social services recorded 217 long-term homeless shelters with the total capacity of 7,265 beds, in addition to 78 short-term shelters[19].

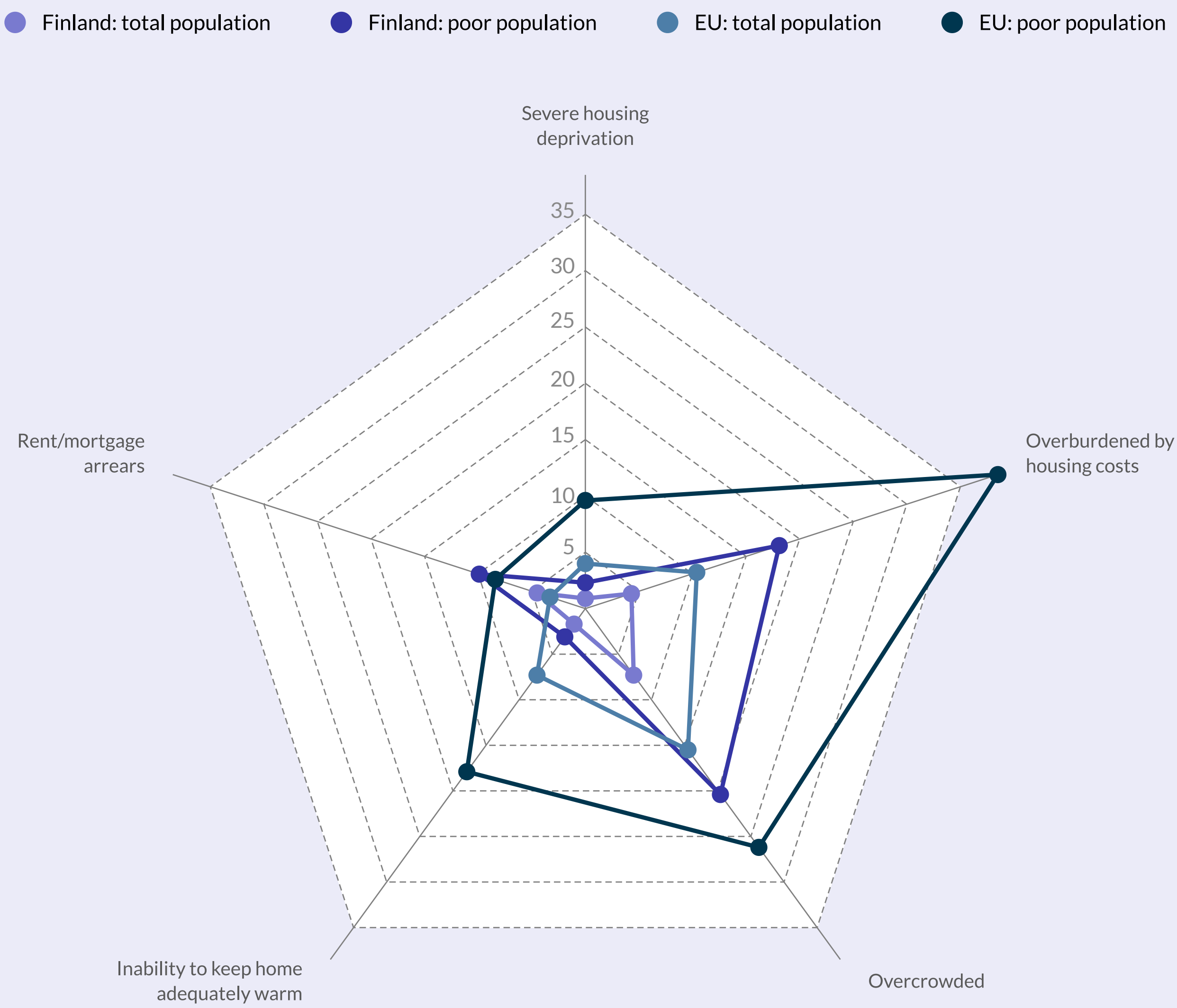
17 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

18 Institute for Social and Labour Research, cited in FEANTSA country profile – Czech Republic (2019), available at: https://www.feantsa.org/en/country-profile/2020/11/25/czech-republic?bcParent=27

19 National register of social services, cited in FEANTSA country profile – Czech Republic (2019) op cit.

FINLAND

HOUSING EXCLUSION INDICATORS - 2018 (%)



FINLAND Key figures for housing exclusion trends between 2008 and 2018

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 4.3% Poor: 18.1%	Total: -8.5% Poor: -3.7%	Total: -12.2% Poor: -11.3%
Total housing costs (EUR PPP/month)	Total: EUR 427.5 Poor: EUR 394.2	Total: +10.6% Poor: +18.4	Total: -4.3% Poor: +6.8
Mortgage/rent arrears	Total: 4.5% Poor: 9.9%	Total: +2.3% Poor: -5.7%	Total: -11.8% Poor: -15.4%
Overcrowding	Total: 7.3% Poor: 20.4 %	Total: +25.9% Poor: +21.4%	Total: +5.8% Poor: -10.5%
Severe housing deprivation	Total: 0.9% Poor: 2.3%	Total: +28.6% Poor: +43.8%	Total: +28.6% Poor: -14.8%
Experiencing difficulty in maintaining adequate household temperature	Total: 1.7% Poor: 3.1%	Total: -10.5% Poor: -27.9%	Total: +41.7% Poor: +10.7%

Alarming trends (above EU averages)

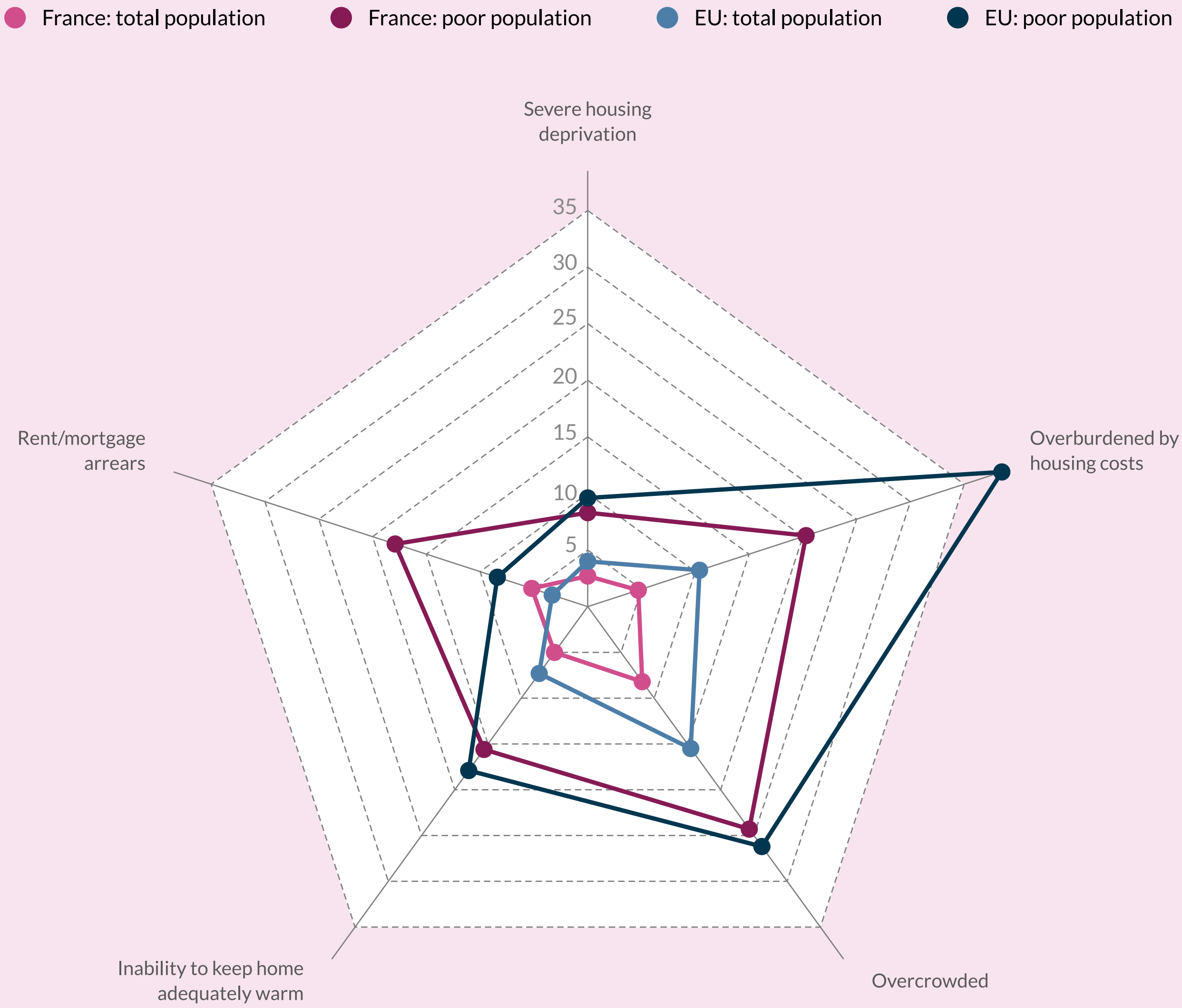
FINLAND Homelessness Snapshot

Finland is the only EU MS that has consistently reduced the number of homeless people over recent decades. The Housing Finance and Development Centre of Finland (ARA) conducts an annual national survey on homelessness. The 2019 survey found that homelessness had decreased for the seventh consecutive year. On 15 November 2019, there were 4,600 single homeless people and 264 homeless families and couples[20]. Homeless people living temporarily with relatives or friends are the largest group of homeless people in Finland. In 2019, 68% of single homeless people belonged to this group. 23% of single homeless people have an immigrant background and 39% of homeless families were immigrant families. The number of long-term homeless was 961. Long-term homelessness decreased for the 11th year in a row. In 2019, 15% (687) of single homeless were young people. 26% (1190) of single homeless people were women.

20 ARA (2020) *Homelessness in Finland 2019*, available at: https://www.ara.fi/en-US/Materials/Homelessness_reports/Homelessness_in_Finland_2019(55546)

FRANCE

HOUSING EXCLUSION INDICATORS - 2018 (%)



FRANCE Key figures for housing exclusion trends between 2008 and 2018[21]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 4.7% Poor: 20.3%	Total: +11.9% Poor: +30.1%	Total: -9.6% Poor: -12.1%
Total housing costs (EUR PPP/month)	Total: EUR 455.8 Poor: EUR 501.1	Total: +7.1% Poor: +32.5%	Total: -1.4% Poor: +10.5%
Mortgage/rent arrears	Total: 5.2% Poor: 17.9%	Total: -10.3% Poor: +9.8%	Total: -3.7% Poor: +8.5%
Overcrowding	Total: 8.2% Poor: 24.3 %	Total: -15.5% Poor: -8%	Total: +10.8% Poor: +16.3%
Severe housing deprivation	Total: 2.7% Poor: 8.3%	Total: -20.6% Poor: -17%	Total: +28.6% Poor: +3.8%
Experiencing difficulty in maintaining adequate household temperature	Total: 5% Poor: 15.6%	Total: -5.7% Poor: +35.7%	Total: -24.2% Poor: -11.9%

Alarming trends (above EU averages)

FRANCE Homelessness Snapshot

Homelessness levels reached a 20-year high in France in 2020. The Foundation Abbé Pierre estimates that 300,000 people are homeless, three times more than in 2012[22]. The estimate is based on the last official census of homeless people carried out by the national statistics institute, INSEE, which reported 143,000 homeless people in 2012. Approximately 49,733 homeless people, mostly families, were provided emergency shelter in hotels in France in 2018 (+7 % since 2018)[23]. A growing proportion of the demand for shelter goes unmet because the system has reached capacity.

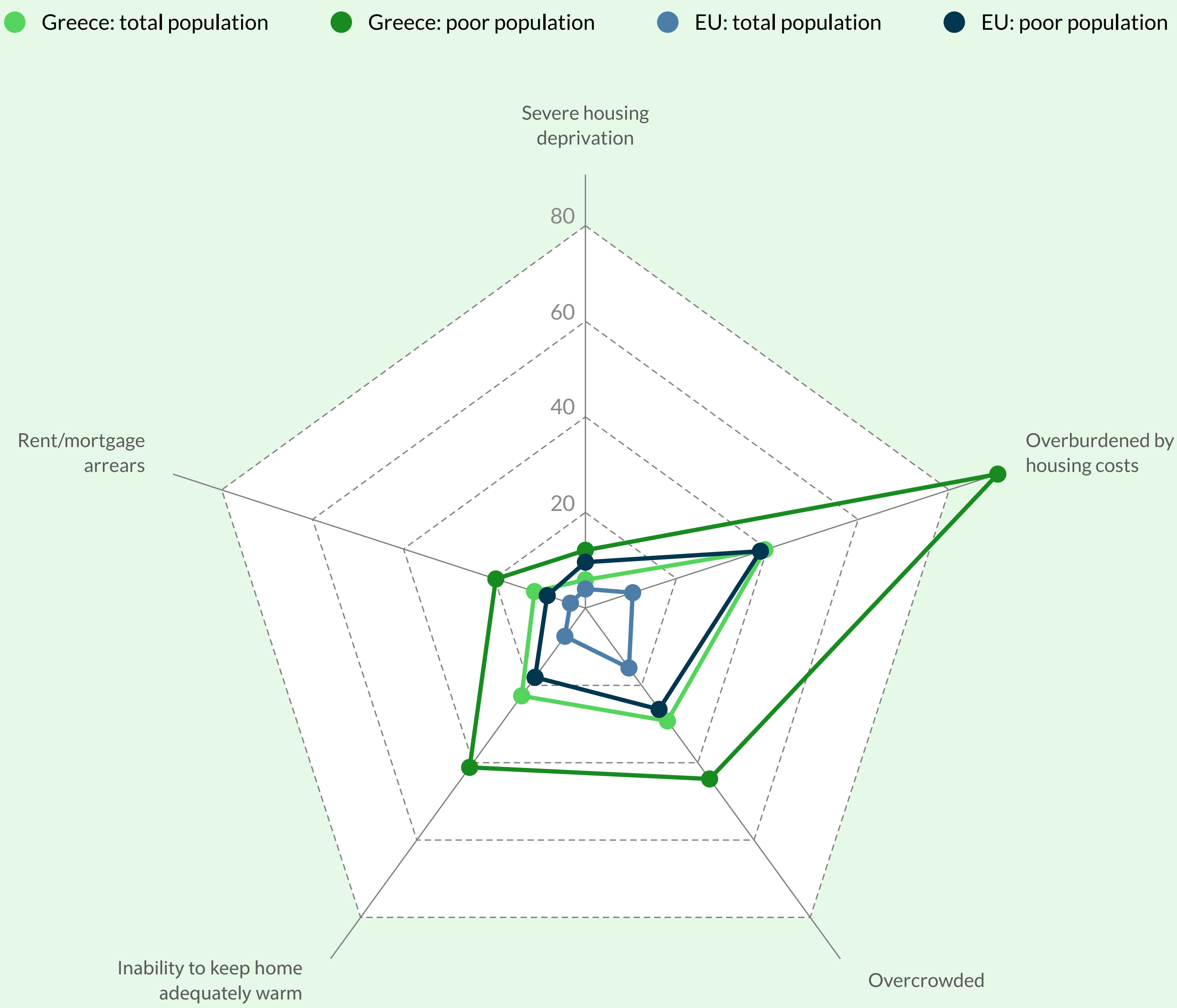
21 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

22 Foundation Abbé Pierre (November 2020) *Près de 300 000 personnes sans domicile en France* - Press Release, available [in French] at : https://www.fondation-abbe-pierre.fr/actualites/pres-de-300-000-personnes-sans-domicile-en-france

23 Foundation Abbé Pierre (2020) *25e rapport sur l'état du mal-logement en France 2020*, available [in French] at: https://www.fondation-abbe-pierre.fr/actualites/25e-rapport-sur-letat-du-mal-logement-en-france-2020#telechargement%2025e%20rapport%202020

GREECE

HOUSING EXCLUSION INDICATORS - 2018 (%)



GREECE Key figures for housing exclusion trends between 2008 and 2018[24]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 39.5% Poor: 90.7%	Total: +77.9% Poor: +38.3%	Total: +7% Poor: -2.6%
Total housing costs (EUR PPP/month)	Total: EUR 560.8 Poor: EUR 503.9	Total: +3% Poor: +9.7%	Total: +12.8% Poor: +14.1%
Mortgage/rent arrears	Total: 11.2% Poor: 19.7%	Total: +103.6% Poor: +56.3%	Total: -24.8% Poor: -21.5%
Overcrowding	Total: 29.2% Poor: 44.2%	Total: +9.4% Poor: +25.6%	Total: +7% Poor: +5.2%
Severe housing deprivation	Total: 5.9% Poor: 12.1%	Total: -27.2% Poor: -11%	Total: -15.7% Poor: +2.5%
Experiencing difficulty in maintaining adequate household temperature	Total: 22.7% Poor: 41.2%	Total: +47.4% Poor: +37.8%	Total: -23.1% Poor: -14.9%

Alarming trends (above EU averages)

GREECE Homelessness Snapshot

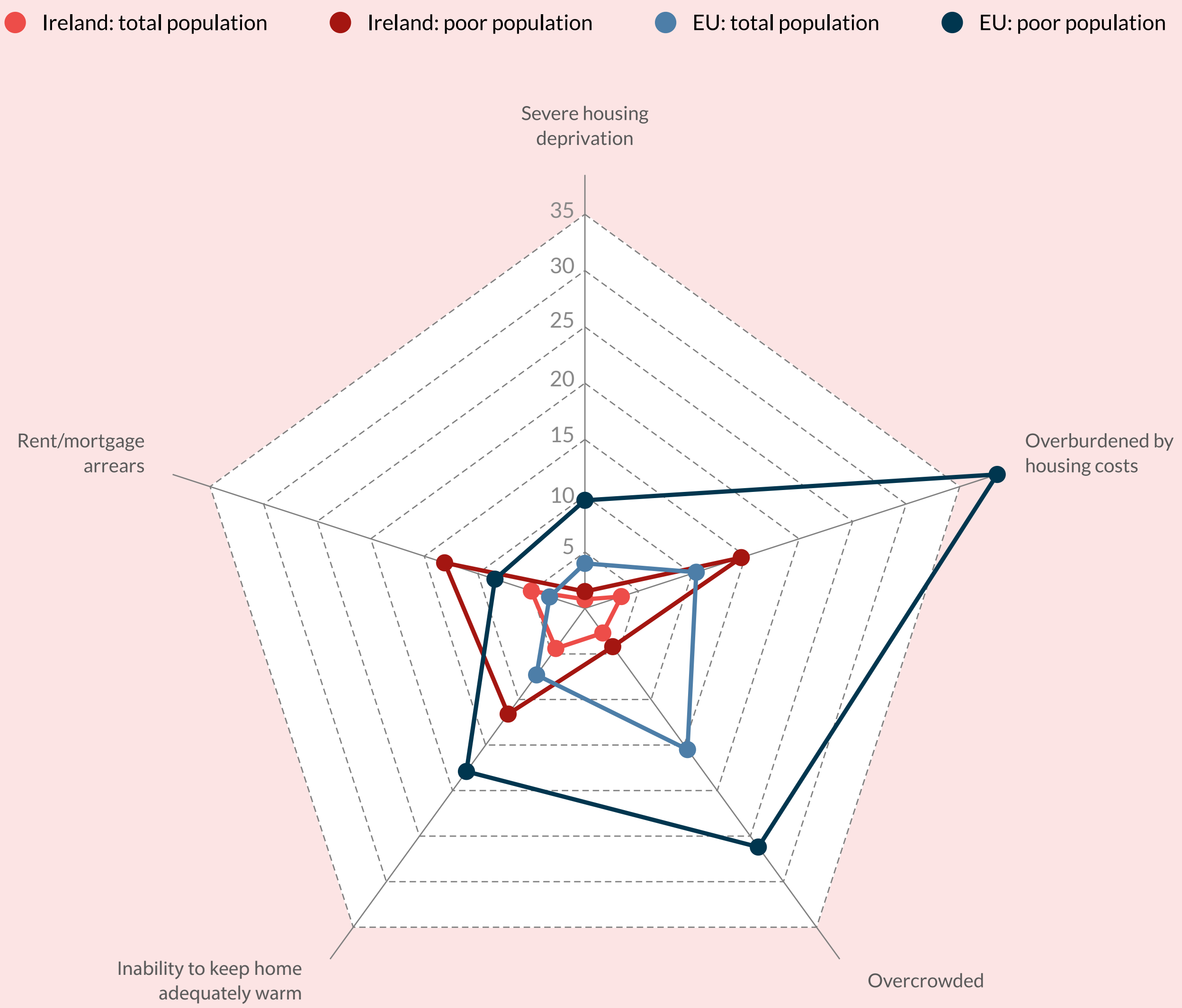
There is no national-level data available on homelessness in Greece. A pilot one-night survey in May 2018 conducted by the Greek Ministry of Labour, and Social Affairs (in partnership with Panteion University) counted 1,645 homeless people in seven Greek municipalities (Athens, Piraeus, Thessaloniki, Nea Ionia, Heraklion, Trikala and Ioannina). A survey conducted between March 2015 and March 2016 by the City of Athens Homeless Shelter (KYADA) found that 47% of the 451 homeless people interviewed cited the loss of their job as the main cause of their circumstances, with 71% having become homeless during the five years preceding the survey due to the consequences of the financial crisis. Another study published in 2015 estimated that there were 17,720 people sleeping rough and another 500,000 homeless people (defined as such under ETHOS typology) in the Attica region[25]. Organisations working with homeless people report a rapid increase in homelessness since the 2008 financial crisis.

24 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

25 All statistics from FEANTSA – FAP (2020) op cit, p 115.

IRELAND

HOUSING EXCLUSION INDICATORS - 2018 (%)



IRELAND Key figures for housing exclusion trends between 2008 and 2018[26]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 3.4% Poor: 14.6%	Total: +3% Poor: +19.7%	Total: -26.1% Poor: -30.5%
Total housing costs (EUR PPP/month)	Total: EUR 431.7 Poor: EUR 361.7	Total: +3.4% Poor: +10.7%	Total: +27.5% Poor: +7.2%
Mortgage/rent arrears	Total: 5% Poor: 13.1%	Total: -10.7% Poor: +42.4%	Total: -58.3% Poor: -34.2%
Overcrowding	Total: 2.7% Poor: 4.2 %	Total: -42.6% Poor: -38.2%	Total: -3.6% Poor: -4.5%
Severe housing deprivation	Total: 0.8% Poor: 1.5%	Total: +0% Poor: -37.5%	Total: -42.9% Poor: -11.8%
Experiencing difficulty in maintaining adequate household temperature	Total: 4.4% Poor: 11.6%	Total: +18.9% Poor: +52.6%	Total: -56% Poor: -40.5%

Alarming trends (above EU averages)

IRELAND Homelessness Snapshot

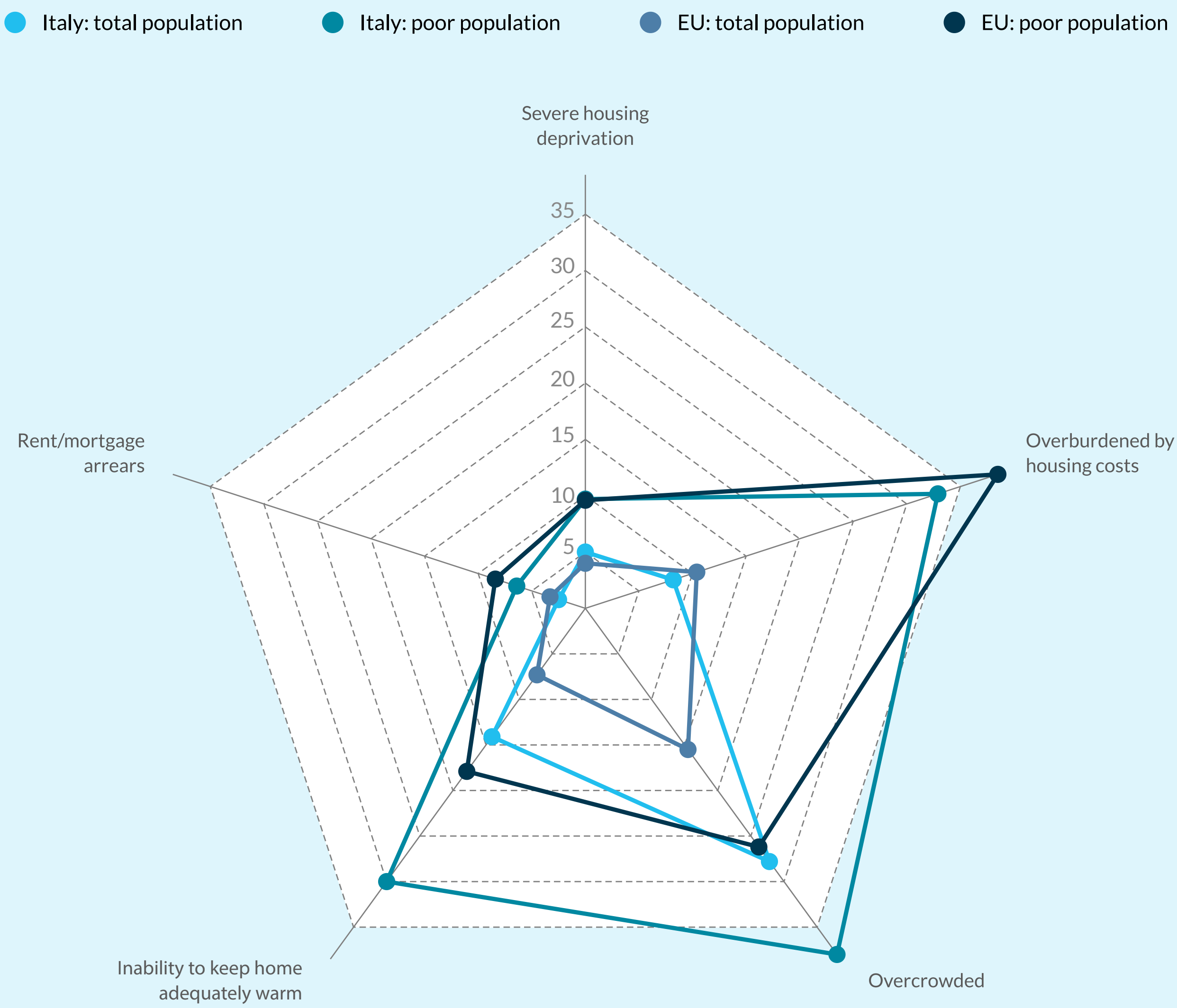
There were 8,656 people homeless in the week of the 21st – 27th of September 2020 across Ireland[27]. This figure includes adults and children. The number of homeless families has increased by 232% since July 2014 when the monthly figures started being published. Almost one third of people in emergency accommodation are children. The official figures cover households accessing local authority managed emergency accommodation.

26 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

27 See https://www.housing.gov.ie/housing/homelessness/homelessness-report-september-2020

ITALY

HOUSING EXCLUSION INDICATORS - 2018 (%)



ITALY Key figures for housing exclusion trends between 2008 and 2018[28]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 8.2% Poor: 32.9%	Total: -1.2% Poor: +20.1%	Total: -7.9% Poor: +2.2%
Total housing costs (EUR PPP/month)	Total: EUR 316.7 Poor: EUR 300.6	Total: -12.7% Poor: +6.7%	Total: -6.4% Poor: +6.3%
Mortgage/rent arrears	Total: 2.5% Poor: 6.4%	Total: -41.9% Poor: -22%	Total: -47.9% Poor: -45.8%
Overcrowding	Total: 27.8% Poor: 38%	Total: +14.4% Poor: +8.6%	Total: +2.6% Poor: -8.9%
Severe housing deprivation	Total: 5% Poor: 9.7%	Total: -31.5% Poor: -27.6%	Total: -43.2% Poor: -42.3%
Experiencing difficulty in maintaining adequate household temperature	Total: 14.1% Poor: 30%	Total: +23.7% Poor: +14.9%	Total: -25% Poor: -25.7%

Alarming trends (above EU averages)

ITALY Homelessness Snapshot

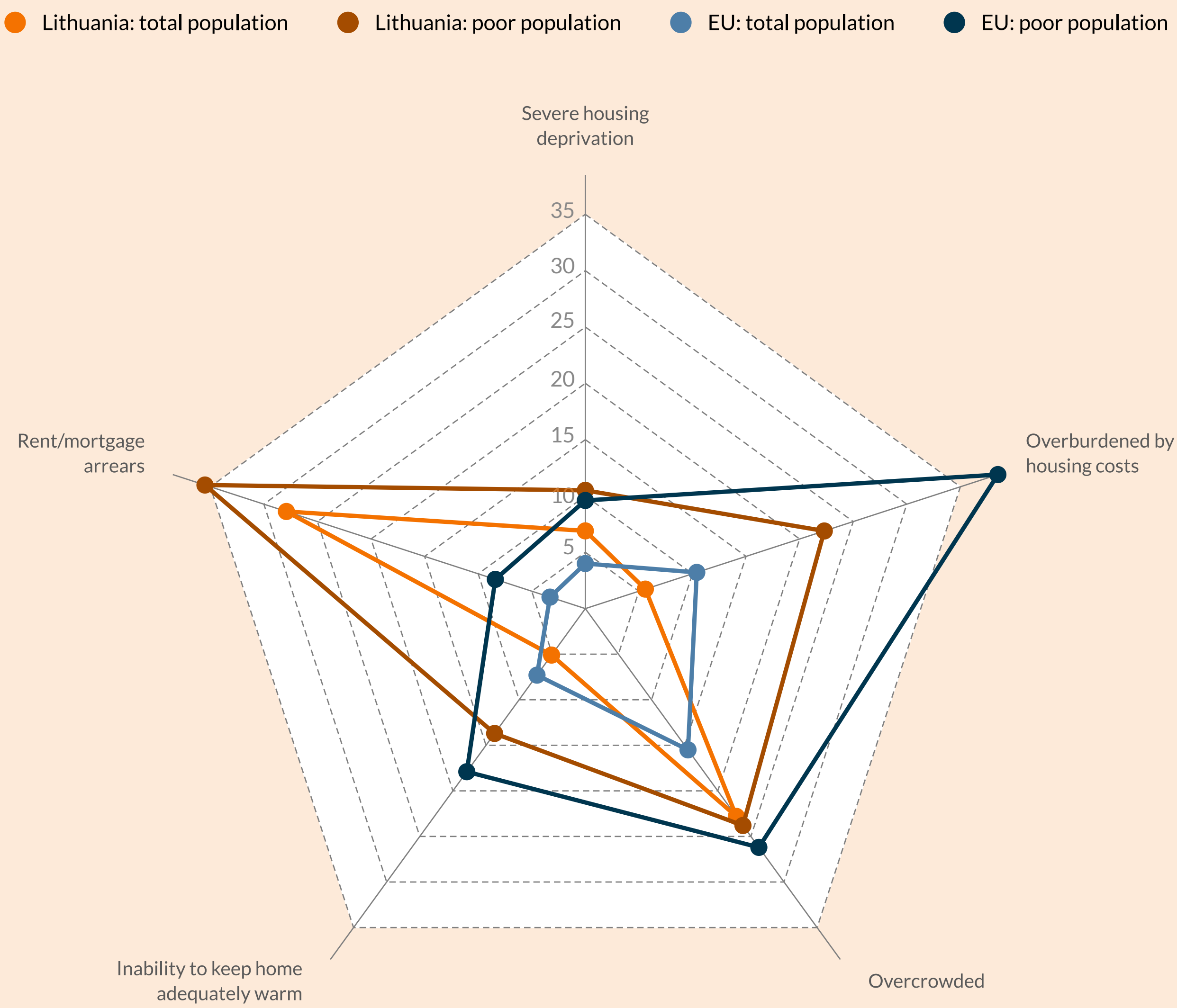
According to the latest ISTAT survey conducted in 2014, there were 50,724 homeless people in 158 large Italian cities and towns. They are mainly men (86%), living alone (77%), foreigners (58%), aged 35-54 (50%) and jobless (72%)[29].

28 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

29 Jessoula, M. et al (2019) *EPN Thematic Report on National strategies to fight homelessness and housing exclusion - Italy 2019*, available at: https://www.researchgate.net/publication/336346092_ITALY__National_strategies_to_fight_homelessness_and_housing_exclusion_-_EUROPEAN_SOCIAL_POLICY_NETWORK_ESPN

LITHUANIA

HOUSING EXCLUSION INDICATORS - 2018 (%)



LITHUANIA Key figures for housing exclusion trends between 2008 and 2018[30]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 5.6% Poor: 22.3%	Total: +12% Poor: +10.9%	Total: -31.7% Poor: -22.6%
Total housing costs (EUR PPP/month)	Total: EUR 185.7 Poor: EUR 142.6	Total: +25.7% Poor: +25.6%	Total: -4.3% Poor: -1%
Mortgage/rent arrears	Total: 1.2% Poor: 2.2%	Total: +200% Poor: +83.3%	Total: +33.3% Poor: +29.4%
Overcrowding	Total: 22.8% Poor: 23.8 %	Total: -52.9% Poor: -54.2	Total: -18.6% Poor: -32.8%
Severe housing deprivation	Total: 6.9% Poor: 10.5%	Total: -63.3% Poor: -67.2%	Total: -24.2% Poor: -43.2%
Experiencing difficulty in maintaining adequate household temperature	Total: 27.9% Poor: 35.5%	Total: +23.5% Poor: +14.9%	Total: -4.5% Poor: +4.4%

Alarming trends (above EU averages)

LITHUANIA Homelessness Snapshot

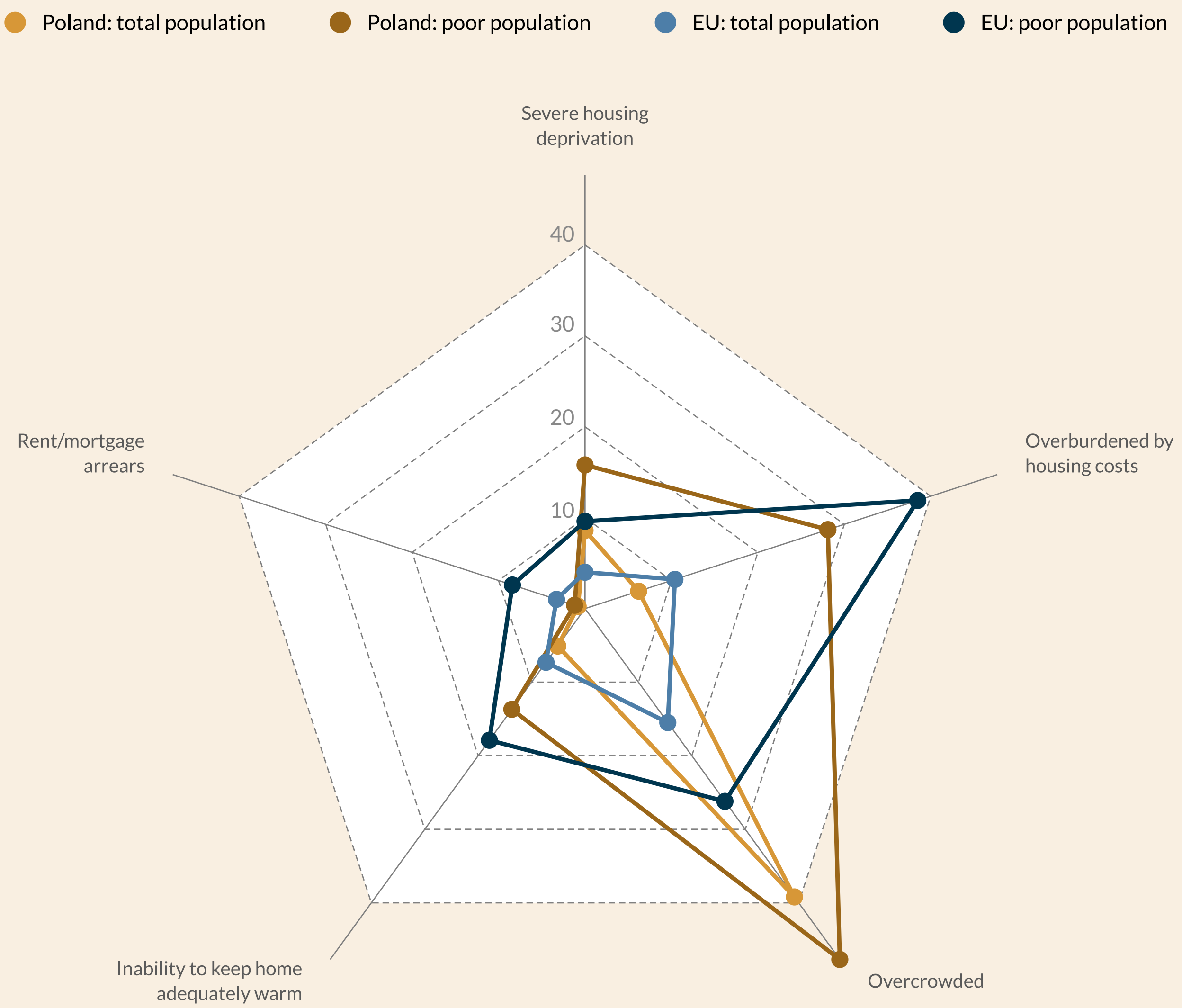
Statistics Lithuania recorded about 4,015 homeless people in Lithuania over 2019[31]. Urban areas have the highest rate of homelessness; the largest number (478) of homeless people living in night shelters in 2019 was in the Vilnius district. In the Kaunas district, the second biggest city, there were 426 people in night shelters and 757 people in crisis centres and shelters for mother and children; this was the largest figure of all the districts.

30 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

31 See http://osp.stat.gov.lt, cited in FEANTSA Country Profile Lithuania, available at: https://www.feantsa.org/en/country-profile/2020/11/25/country-profile-lithuania

POLAND

HOUSING EXCLUSION INDICATORS - 2018 (%)



POLAND Key figures for housing exclusion trends between 2008 and 2018[32]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 6.2% Poor: 28.1%	Total: -36.1% Poor: -12.5%	Total: -39.8% Poor: -16.1%
Total housing costs (EUR PPP/month)	Total: EUR 319 Poor: EUR 254.8	Total: +32.4% Poor: +31.8%	Total: -4% Poor: -5.2%
Mortgage/rent arrears	Total: 0.8% Poor: 1.2%	Total: +33.3% Poor: +0%	Total: -46.7% Poor: -53.8%
Overcrowding	Total: 39.2% Poor: 47.7 %	Total: -22.8% Poor: -29%	Total: -12.5% Poor: -22.9%
Severe housing deprivation	Total: 8.6% Poor: 15.8%	Total: -52.5% Poor: -52.8%	Total: -14.9% Poor: -24%
Experiencing difficulty in maintaining adequate household temperature	Total: 5.1% Poor: 13.7%	Total: -74.6% Poor: -60.2%	Total: -55.3% Poor: -42.4%

Alarming trends (above EU averages)

POLAND Homelessness Snapshot

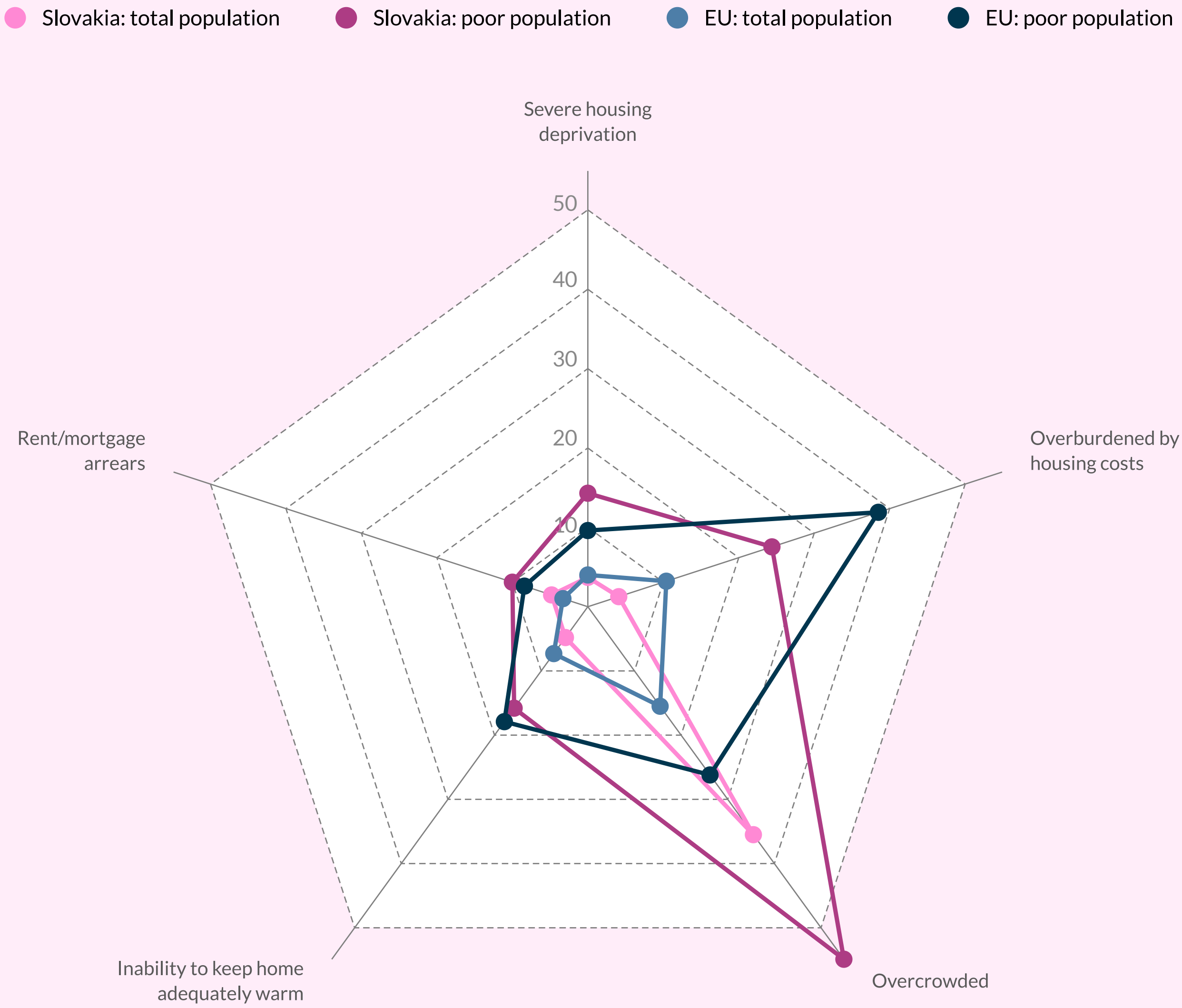
There were 30,300 homeless people in Poland in February 2019[33]. This had declined from 33,410 in 2017 (-9%) and from 36,160 in 2015 (-16%). The vast majority of homeless people were males (84% of all homeless in 2019). Most of the homeless reported that they had been homeless for less than 10 years; however more than a quarter had been homeless for 11 years or more, of whom 6% for more than 20 years.

32 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

33 Polish Ministry of Family, Labour and Social Policy (Ministerstwo Rodziny, Pracy i Polityki Społecznej) cited in Szarfenberg, R (2019) *National strategies to fight homelessness and housing exclusion: Poland* ESPN – European Commission DG Employment, available at: https://ec.europa.eu/social/main.jsp?pager.offset=25&advSearchKey=ESPN_hhe2019&mode=advancedSubmit&catId=22&doc_submit=&policyArea=0&policyAreaSub=0&country=0&year=0

SLOVAKIA

HOUSING EXCLUSION INDICATORS - 2018 (%)



SLOVAKIA Key figures for housing exclusion trends between 2008 and 2018[34]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 4.1% Poor: 24.4%	Total: -26.8% Poor: -7.2%	Total: -50.6% Poor: -32.6%
Total housing costs (EUR PPP/month)	Total: EUR 260.2 Poor: EUR 224.5	Total: +34.5% Poor: +32.4%	Total: -18.7% Poor: -14%
Mortgage/rent arrears	Total: 4.8% Poor: 10%	Total: +60% Poor: +11.1%	Total: +17.1% Poor: -25.4%
Overcrowding	Total: 35.5% Poor: 54.9%	Total: -17.2% Poor: -1.1%	Total: -10.8% Poor: -1.4%
Severe housing deprivation	Total: 3.7% Poor: 14.3%	Total: -32.7% Poor: +20.2%	Total: -17.8% Poor: -12.3%
Experiencing difficulty in maintaining adequate household temperature	Total: 4.8% Poor: 15.8%	Total: -20% Poor: +14.5%	Total: -11.1% Poor: -1.9%

Alarming trends (above EU averages)

SLOVAKIA Homelessness Snapshot

In 2018, an estimated 4,029 homeless people were counted in a survey of social services in Slovakia. This represents an increase of +67.3% from 2013 to 2018.[35] A census of homeless people in Bratislava, carried out in 2016, found 2,064 homeless persons in the capital city. Men (65%), persons aged 25-49 (36%) and persons living alone (33%) were over-represented. There were also 284 children among homeless people[36].

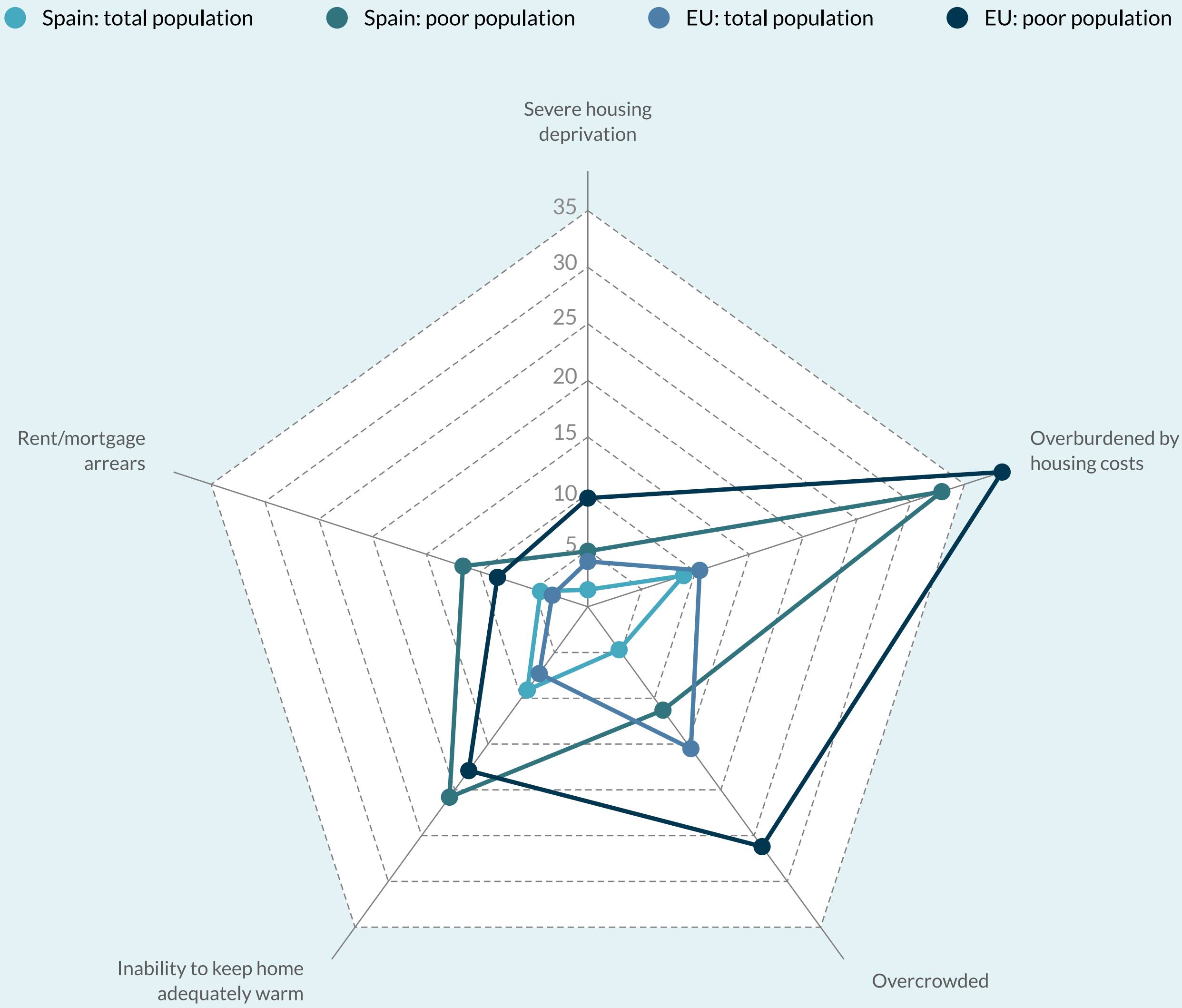
34 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

35 Social Protection Institute of the Republic of Slovenia (2019) *Spremljanje socialnovarstvenih programov: poročilo o izvajanju programov v letu 2018*, available at: https://www.irssv.si/upload2/SVP_koncno_V2_30.5.2019.pdf

36 ESPN (2019) Thematic Report on National strategies to fight homelessness and housing exclusion – Slovakia, available at: https://ec.europa.eu/social/BlobServlet?docId=21626&langId=en

SPAIN

HOUSING EXCLUSION INDICATORS – 2018 (%)



SPAIN Key figures for housing exclusion trends between 2008 and 2018[37]

INDICATOR	2018	2008-2018 CHANGE	2013-2018 CHANGE
Housing cost overburden rate	Total: 8.9% Poor: 32.9%	Total: -5.3% Poor: +2.5%	Total: -13.6% Poor: -14.1%
Total housing costs (EUR PPP/month)	Total: EUR 348 Poor: EUR 341.1	Total: -0.5% Poor: +0%	Total: -3.7% Poor: +2.4%
Mortgage/rent arrears	Total: 4.4% Poor: 11.6%	Total: -2.2% Poor: +41.5%	Total: -31.3% Poor: -22.1%
Overcrowding	Total: 4.7% Poor: 11.3 %	Total: -16.1% Poor: +0.9%	Total: -9.6% Poor: +2.7%
Severe housing deprivation	Total: 1.5% Poor: 4.9%	Total: -6.3% Poor: +44.1%	Total: -16.7% Poor: +11.4%
Experiencing difficulty in maintaining adequate household temperature	Total: 9.1% Poor: 20.8%	Total: +54.2% Poor: +58.8%	Total: +13.8% Poor: +33.3%

Alarming trends (above EU averages)

SPAIN Homelessness snapshot

The latest national-level data available on homeless persons come from the 2012 Homeless Persons Survey conducted by the National Statistics Institute (Instituto Nacional de Estadística – INE)[38]. A total of 22,938 homeless persons received support in care centres, representing an increase of 4.7% over the previous survey, carried out in 2005. The Comprehensive National Strategy for Tackling Homelessness 2015 – 2020 used this survey plus extrapolation of results of local street counts to estimate that a total of 33,000 people experienced homelessness in 2014.

37 Indicators in yellow show a worse situation than EU average for 2018 data and a worsening of the situation for data on evolutions

38 Instituto Nacional de Estadística (2012) cited in Arriba, A et al (2019) *National strategies to fight homelessness and housing exclusion: Spain*, ESPN – European Commission DG Employment, available at: https://ec.europa.eu/social/BlobServlet?docId=21628&langId=enhttps://ec.europa.eu/social/BlobServlet?docId=21628&langId=en

3

Investment in housing solutions for the locked out

This chapter addresses both ***what*** type of housing solutions are needed to better address homelessness and housing exclusion in Europe, and ***how*** this can be achieved. It addresses investment gaps, the role of public and private investment, and the needs of project promoters in this field. The chapter then zooms in on the role of the EU investment agenda.

INVESTMENT GAPS

In 2018, the High-Level Task Force on Investing in Social Infrastructure in Europe published a report on boosting investment in social infrastructure. In the area of affordable and social housing, the Task Force identified a gap of **EUR 57 billion per annum** (EUR 7 billion for affordable housing and EUR 50 billion for energy efficiency). This estimate was based on increasing current annual investment as a percentage of GDP by 25%. It identified 3 priorities for investment in affordable and social housing:

1. supply
2. renovation & refurbishment
3. integration of housing and support.

This agenda broadly matches what is required to tackle homelessness and housing exclusion. However, it will not deliver for those furthest from adequate housing unless specific actions under each of these three priorities are developed. Below, each area for action is elaborated upon from the perspective of what is required to address homelessness and housing exclusion. Illustrative examples of models that deliver on each priority are presented.

Supply

Within the very diverse field of social and affordable housing, there is a need for targeted investment in supply that provides a direct response to (risk of) homelessness and housing exclusion. Such housing needs to be affordable, accessible, and adapted to the needs of low-income and highly vulnerable groups who experience or are at risk of these situations.

Housing for homeless people in Finland

Finland is the only EU MS where homelessness has consistently decreased in recent years (see graph below). This has been achieved through ambitious public policy centred on the Housing First approach. Rapid access to permanent housing, with support as needed, is now the main response to homelessness in Finland. This is a marked contrast to most countries, where temporary shelter remains the predominant response.

Delivering Housing First at scale has necessitated the production of social housing specifically to house homeless people. Finland has had several rounds of programmatic investment in stock to meet the goal of ending homelessness. In the period 2008 – 2020, three strategic programmes have been implemented:

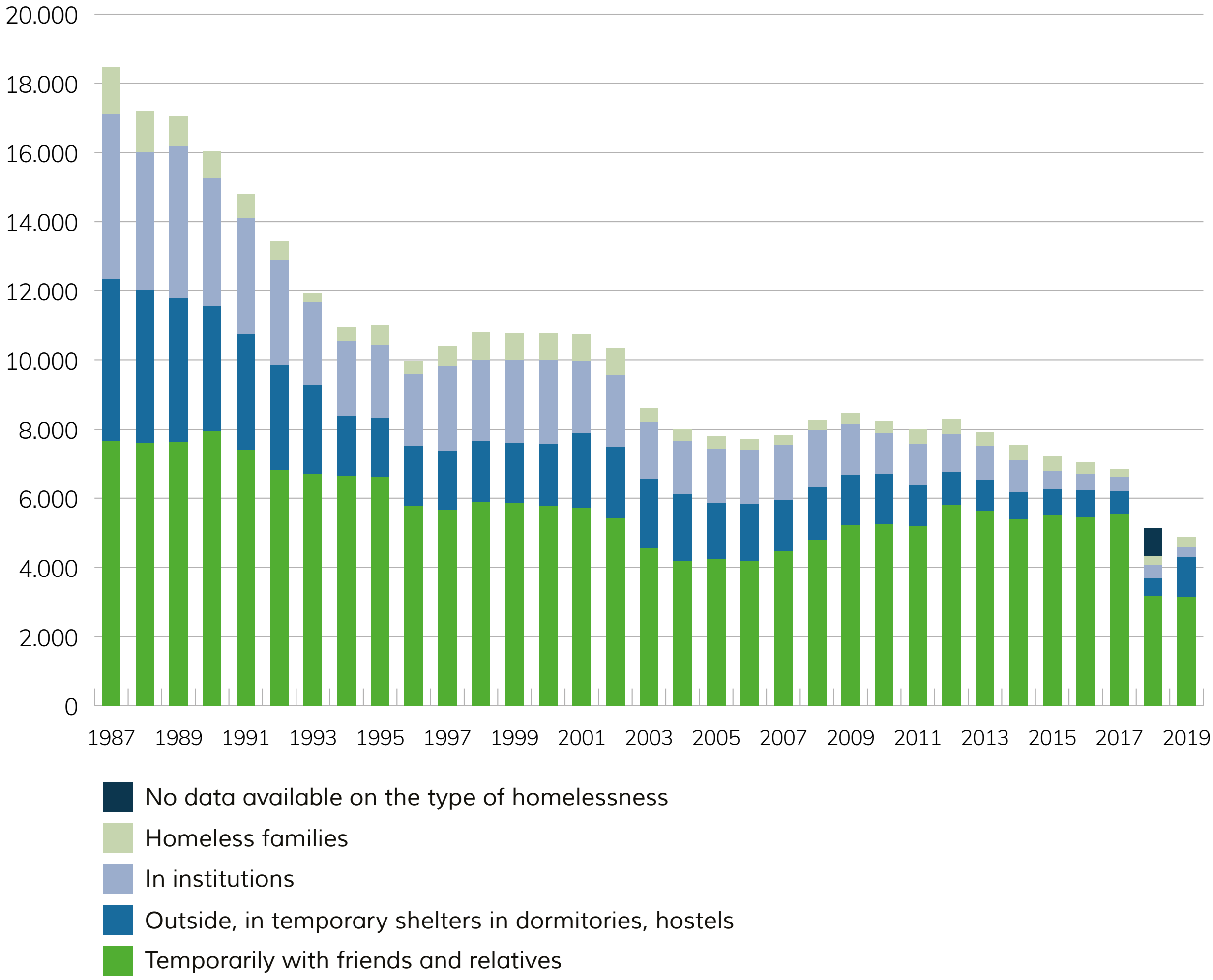
PAAVO 1 – Phase 1 Strategy for the eradication of long-term homelessness 2008 – 2011

PAAVO 2 – Phase 2 Strategy for the eradication of long-term homelessness 2012 – 2015

AUNE - Plan for Preventing Homelessness in Finland 2016–2019

Each of these programmes has involved investing in social housing specifically to respond to the unmet needs of homeless people. Production and conversion have been financed by State-backed investment loans with a subsidy component. See investment case study in chapter 4 for more information.

GRAPH 2: Homelessness in Finland, 1987 to 2019



Source: ARA, 2019

Very Social Housing in France

In France, there is a specific category of social housing called "very social" housing, which targets people on the lowest incomes. Construction, acquisition, and renovation of this category of social housing is financed by a specific loan (PLAI), to which various conditions are attached. The income ceiling for a single-person household in "very social housing" is EUR 13,207 in Paris; EUR 11,480 in Lyon. Annual production targets are set per region. In 2019, approximately 34,000 units of very social housing were produced in France, falling short of a target of 40,000 per year set at State-level in the context of the national plan to scale up Housing First.

Nowhere in Europe is the existing social housing sector in a position to solve homelessness and housing exclusion alone. Other segments of the housing market need to be mobilised to deliver housing solutions for the "locked out".

Social Rental Agencies in Belgium

In Belgium, private rental housing is used to house people facing homelessness and housing exclusion through the Social Rental Agency (SRA) model. Social Rental Agencies are a kind of non-profit estate agent that mediates between tenants and landlords. They incentivise private landlords to accept vulnerable households at below-market rents. They offer a long lease with guaranteed rents, provide rental management services, and mobilise fiscal incentives and renovation subsidies. They developed as an innovative grassroots tool in a context where small landlords dominate (70%) and where social housing waiting lists are overstretched. They have made a substantial contribution to boosting the supply of housing to households who would otherwise be unable to access it. In Brussels there are currently 23 SRAs managing 5,500 houses or flats with an annual growth of 10%. Their allocations criteria prioritise the urgency of housing need. SRA running costs are subsidised by government.

Recent years have seen an influx of investors and a huge growth in build-to-let operations in the SRA market. This produces new housing for social purposes. However, it also raises various challenges including the fact that the social function of the housing is only guaranteed for 15 years, generating concerns about the value for money of the public subsidy component of the model.

Similar models exist in France, Germany, the UK and other countries. The Social Rental Agency model has more recently been piloted in Central and Eastern European countries.

Innovations in areas such as construction techniques; mobilisation of vacant stock and land; community and cooperative housing; conversion of existing buildings (e.g. homeless shelters, offices, obsolete churches, high street units, tourism real estate, etc.) also have an important role in providing housing solutions for the "locked out".

Further reading: "50 Out of the Box Housing Solutions to Homelessness and Housing Exclusion" for a compendium of some of the most innovative and daring examples of housing solutions for the locked out in Europe.

Renovation, Refurbishment & Energy Efficiency

Renovation and refurbishment projects can tackle energy poverty and poor housing conditions together. The EU's Green Deal and Renovation Wave Strategy are set to boost investment in this area from a wide range of instruments, including InvestEU. Targeted renovation and refurbishment schemes are required to ensure that those who are most marginalised on the housing market benefit. This represents an area of genuine market failure. Barriers to implementing these kinds of projects include smaller scale and more diffuse renovation needs, necessity for blending of subsidy and finance, and lack of energy savings perspectives when refurbishing inadequate housing yet the potential for social and health impact is huge with and the incentive split between landlords and tenants. The Commission and the EIB have already recognised the vital role that social housing renovation projects can play in this agenda. However, more diverse projects are also needed to ensure that low-income and poorly housed people in the owner-occupied and private rental sector are also reached; not to mention those excluded from housing all together. The latter could be addressed, for example, by the energy-efficient conversion of homeless shelters or other existing infrastructure into supported housing.

Renovation of Multi-Owner Blocks in Candidate and Potential Candidate Countries

The REELIH project in Armenia, Bosnia and Herzegovina, and Northern Macedonia is a capacity-building project run by Habitat for Humanity and USAID. It intervenes upstream in the renovation process by providing technical assistance and capacity building to enable financing of improvements in apartments in multi-owner blocks. It addresses the precarious housing conditions created by large-scale privatisation in the early 1990s of high-density housing that was historically built, managed and maintained by State authorities. The buildings face enormous management and maintenance challenges. They are generally energy inefficient and expensive to heat, as well as in need of repairs and maintenance. This is a reality in many candidate and potential candidate countries, as well as in Member States in Central and Eastern Europe. The project supports individual homeowners in apartment blocks to mobilise to collectively manage and improve their buildings. A key focus is forming homeowner associations as legal entities to enable them to access finance and make improvements. The project has worked with local governments to provide subsidies for energy improvements and helped to establish homeowner associations to facilitate practical implementation of the work, and to enable them to act together to obtain finance. Habitat for Humanity is also working on homeowner legislation in the three countries. Results reported are that more than 3,800 individuals have improved living conditions, and energy bills are reduced by up to 50%[39].

For more information see: www.getwarmhomes.org

Intergrating Housing and Support

The integration of housing with support services is necessary to prevent and address homelessness and housing exclusion. This requires investment in ‘soft’ social infrastructure as well as housing. Many housing projects targeting vulnerable people must combine multiple funding and finance streams and this can be very challenging.

There is ample evidence that rapid access to housing, plus support as required, is the most effective way to tackle homelessness. There is a need to shift from systems primarily geared towards reactive management of homelessness (predominantly with emergency and temporary accommodation) to proactive prevention and rehousing, accompanied by support as needed. This would engender better outcomes and represent better value for money. Investment is needed to support this shift, to develop innovative services and to take “what works” to scale.

39 Maby (2020) *The Energy Renovation Wave: Waving and swimming, but not drowning,* FEANTSA, forthcoming

Housing First

Housing First (mentioned above in relation to Finland) is one of the most important innovations in tackling homelessness in recent decades. Put simply, it is a model that rehouses homeless people as quickly as possible, whilst providing them with a flexible package of support based on their individual social, health and other needs. It is a radical departure from the predominant response to tackling homelessness in most countries, which consists of providing temporary shelter and phased social integration. Housing First makes living in one's own home a starting point for integration, rather than an end goal. It is an evidence-based practice that has been robustly evaluated. It is increasingly being taken up across Europe and internationally, although most programmes remain small scale currently. Housing First is the only approach proven to consistently achieve a 70-90% tenancy sustainment rate amongst formerly homeless people in countries around the world. There is considerable evidence that Housing First is more cost-effective than traditional responses to homelessness. Shifting from the latter to the former is often difficult because of a gap in upfront investment, even if better outcomes and some cost savings are highly likely in the longer term.

Further reading: Introduction to Housing First by the Housing First Hub

Pension de Famille

The French system's "Pension de Famille" are a form of "very affordable housing" for people facing poverty and social exclusion. They are an important tool for delivering on the national plan for scaling up Housing First. They provide individual dwellings in a community setting. Each person has their own home, a written contract, and can stay as long as they like. Adapted rents (mostly covered through housing benefit), adapted housing management, and the availability of social support where needed are hallmarks of the model. Pensions de Famille are small structures, grouping together on average 25 dwellings. Each is run by a "host" who provides support and coordinates community life with residents. In 2019, the French government set an objective of creating 10,000 new places in "pensions de famille", which would add to the more than 15,000 places already open at the end of 2016[40]. Pensions de famille belong to a broader group of alternative forms of housing called "residences sociales". They are amongst the interventions eligible for an adapted version of the PLAI loan mentioned above, which includes a subsidy element. One of the big challenges for these projects is funding a sufficient support element.

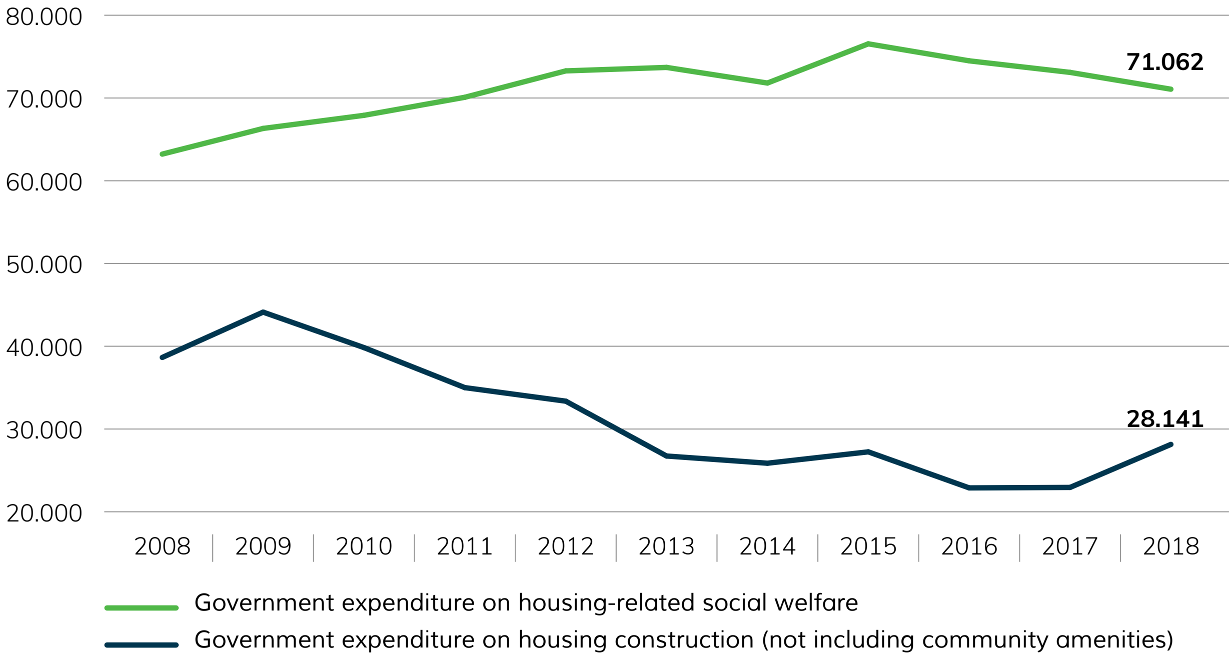
40 Ministry for Territorial Cohesion and Relations with Local Government (2019) *Le Guide De La Pension De Famille Vient De Sortir* [The Guide to Pension de Famille has just been launched] – Press release, available [in French] at: https://www.cohesion-territoires.gouv.fr/le-guide-de-la-pension-de-famille-vient-de-sortir.

PUBLIC INVESTMENT

Public investment undoubtedly has a primary role to play in providing housing solutions for the most vulnerable. Such investment is more than justified by the social and health benefits of solving homelessness and housing exclusion.

Unfortunately, public investment, especially in supply-side housing policy is inadequate compared to demand and is falling in most of the EU. According to Eurostat, European governments' expenditure on housing construction and housing-related social benefits represents only 1.3% of total expenditure. Public investment in housing solutions for the locked out should be safeguarded and boosted. It should be channelled into tangible social impact, in line with clearly defined policy objectives.

GRAPH 3: Change in Total Public Expenditure on Housing Construction and Housing Subsidies in the EU 28, 2008 – 2018. (in millions of EUR)



Source: FEANTSA – FAP 2020

PRIVATE INVESTMENT

In addition to public investment, there is both scope and need for private investment in housing solutions for the "locked out". This needs to be of the right type, provided under the right conditions, by the right kind of investors.

Social and affordable housing, including for the most vulnerable, can represent an attractive asset class, offering a path for diversification, steady returns, and social impact. Depending on the project, risk exposure can be minimal. Private investors in this field include institutional investors, private individuals, philanthropic and social impact investors, banks, etc.

Whilst recognising the need to mobilise private investment for housing solutions, FEANTSA is highly sensitive to the risks presented by for-profit private investment in housing solutions for the most vulnerable. These risks mainly relate to value-for-public-money and quality of outcomes and services. For example, in England, the highly profitable for-profit provision of temporary accommodation to homeless people, backed by private investment and paid for by local authorities in the context of their statutory duties to house homeless households, has been criticised for cases of poor quality and expensive provision, with the regulatory framework exposing very vulnerable tenants to inadequate housing and accommodation[41]. These concerns are urgent given the rapid growth in private investment in this field, evidenced for example in the growth of new debt investment and Real Estate Investment Trusts in social, supported and temporary housing[42]. Vigilance therefore is required to ensure that EU efforts to leverage social investment are directed towards high-quality projects that ensure quality of services and outcomes, respect for the rights and dignity of beneficiaries and good value for public money which often underpins the income streams. A long-term perspective on social impact is required. The private investment case studies featured in this report are considered "promising practices" in this respect.

The question is not public or private investment but what is the role of each, under what conditions, and how to best combine them to leverage progress in the fight against homelessness and housing exclusion.

NEEDS OF HOUSING SOLUTIONS PROJECT PROMOTERS

Housing solutions projects require different investment products: debt; equity; social impact bonds; microfinance, etc., depending on the precise project and the promoter's needs. There will always be an important role for grant funding when it comes to meeting the housing needs of the poorest and most vulnerable in society. However, there is scope to make grants go further by mobilising investment, blending and financial instruments.

Many housing solutions projects require capital investment in the form of infrastructure loans, which can be repaid at low, steady rates over the long term using rental income. In countries with adequate welfare policies, including housing benefits, rent from eligible tenants is a particularly reliable income stream. Other types of project require different products like social impact investment to frontload investment in service innovation.

Many projects in this field must combine a plethora of different financing and funding streams to achieve their objectives. A common challenge for many projects is to combine low rents with the provision of accompanying support services, which are essential but for which funding is often scarce.

This can be a major barrier to innovation and growth. Dedicated investment platforms, funds and similar structures that bring together different streams of funding and finance in a cohesive way can be extremely helpful.

New actors often emerge to address unmet needs. For example, the Y Foundation in Finland is now one of the most established players in homelessness and housing policy. However, when it was created in the 1980s, it was a radical innovation: a social housing foundation dedicated entirely to acquiring, building and managing social housing for homeless people. It emerged to fill a gap because the existing system did not provide a solution for homeless people. Today's housing crisis is generating the emergence of innovative new actors of this type. They come with specific financing needs. For example, they may require relatively low levels of early-phase investment, funding, capacity building, technical assistance etc. to get off the ground.

Housing solutions project promoters are extremely diverse – from huge social housing companies and public authorities to small non-profits, social enterprises, and cooperatives. The smaller and more specialised players frequently require technical assistance and capacity-building to be better able to define their investment needs, and to attract and manage investment. On the other hand, they are often high impact and address the most vulnerable with tailor-made solutions. Connecting them to

41 The Observer (13 October 2019) *Special Report: Private profit, public squalor: Britain's housing scandal,* available at: https://www.theguardian.com/world/2019/oct/13/profits-from-poverty-britains-housing-scandal-providers-make-millions

42 Grant Thornton (2018) *REITs as a Force for Good,* available at: https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/documents/reits-as-a-force-for-good-june-2018.pdf

investment opportunities requires the bundling of small projects. The role of intermediaries here can be critical. European investment will deliver more social impact if it can reach these types of projects.

Well-established and high-performance systems for financing social and affordable housing exist in many MS, especially in the EU15. However, even in these contexts, there are "niche" needs that are unmet and where there is significant scope for innovation. Furthermore, these systems are often under pressure and public investment is declining. In many Members States, there is a lack of social housing and extensive unmet needs.

Overall, it seems clear that new investment models and partnerships are needed to reply to the diverse investment needs of entities providing housing solutions for the locked out.

THE ROLE OF THE EU

The EU's Investment Turn & Housing

As explained in the introduction, EU policymaking has taken a dramatic investment-turn in recent years. This encompasses but also goes beyond Juncker's investment plan and the plans for its successor InvestEU. There has been a clear shift towards investment in affordable and social housing within this process.

This shift can be seen in the European Semester, the EU's main economic and social policy coordination process, which has been to some degree "socialised" over the past ten years. Promoting investment has become an increasingly central concern, most obviously with the general escape clause of the Stability and Growth pact. Housing, as a social prerogative, in addition to being a driver of growth and a macro-economic stability issue, has gradually emerged as a priority in the Country Specific Recommendations (CSRs). In 2020, the Commission asked Bulgaria, Czechia, Denmark, Ireland, Italy, Germany, Greece, Luxembourg, Lithuania, Latvia, Malta, the Netherlands, Romania, Sweden and the UK to take action on housing, mostly focusing on the need to invest in affordable and social housing. Homelessness was flagged as a priority in the CSRs for Ireland and Bulgaria.

COVID19 has further boosted the investment-turn of the EU, with the introduction of the Recovery and Resilience Facility. Countries can build investment into housing solutions for the "locked out" into their programming plans for cohesion policy, and into their Recovery and Resilience plans. Portugal is one of the first countries to have done so.

EFSI: a Track Record of Investment in Social and Affordable Housing

During the past decade, social housing has become a fast-growing sector for the EIB. 5% of EFSI investment was in social infrastructure[43]. Social and affordable housing was one of the main activities in this field. EFSI has invested in a range of construction, renovation, and energy efficiency projects in countries such as Poland, Portugal, Ireland, Spain, France, and Sweden. In total, it has invested in 531,000 units of social or affordable housing[44]. The EIB's record in investment in this sector also goes beyond EFSI. It lends to a range of promoters: housing companies, banks, cities, and specialist agencies like housing finance institutions and agencies. It offers different types of finance. The main products are direct loans, framework loans to public authorities and framework loans via intermediaries. The EIB also offers advisory and technical assistance services in this field and is beginning to move into products like Social Investment Bonds for addressing homelessness.

43 EIB (2020) *EFSI The Legacy*, available at: https://www.eib.org/attachments/thematic/efsi_the_legacy_en.pdf

44 EIB Figures as of 17/09/2020 cited in presentation *EIB Funding and Advisory Programmes for Social and Affordable Housing* by Brendan McDonagh, Third Meeting of Task Force on Affordable and Decent Housing Solutions, 19 November 2020.

Advisory Services: Homelessness Social Impact Bond, Madrid

Part of the EFSI Advisory Hub, the Advisory Platform for Social Outcomes Contracting, recently launched a project with the Municipality of Madrid on assessing the feasibility of social impact bonds to finance measures aimed at reducing homelessness[45]. This is a promising new development and paves the way for more social investment in homelessness under InvestEU. The project is about assessing the feasibility of social impact bonds to finance measures aimed at reducing homelessness. It shows the potential added value of technical assistance in this field. The Hub will advise the Municipality of Madrid on the implementation of innovative financing and procurement methodologies aimed at improving the effectiveness of services for homeless people residing in shelters. It is very early days for this project, but it is a promising development.

INVESTEU: Scope to Channel More Investment into Housing Solutions for The Locked Out

Looking forward to 2021 - 2027, social housing is an explicit priority under the social infrastructure window in the InvestEU Regulation. Furthermore, the need for investment to improve the situation with regards to homelessness is highlighted in the preamble. Social investment guidelines being developed by the Commission are expected to further elaborate the case for investment in social housing for those who struggle on the housing market. The sustainable infrastructure window offers great potential to address energy poverty and poor housing conditions through renovation and energy efficiency projects.

EFSI and the future InvestEU fund are market-driven instruments. They are not designed to prioritise projects based on particular social needs. Nonetheless, the question of additionality should push the Commission, implementing partners, governments, project promoters and stakeholders to consider how to boost investment in higher risk and/or higher social impact projects that address genuine and urgent market failures and investment gaps. Projects that directly address homelessness and housing exclusion can help achieve this. Arguments for boosting EU investment in such projects include:

- Addressing homelessness and housing exclusion is a social policy priority of the European Union;
- Persistent and rising homelessness and housing exclusion are clear manifestations of market failure and indicate investment gaps even if, as the EIB points out "market failure in housing extends well beyond what have traditionally been called marginalised or disadvantaged citizens"[46];
- Investment in projects targeting the most excluded on the housing market may be riskier, involving lower-rated and less mainstream project promoters;
- Social impact is an explicit priority of InvestEU;
- Significant investment needs and viable potential projects exist, although active outreach and market development are probably required to activate demand;
- Poorly housed societies are low resilience societies and recovery from the COVID19 crisis requires investment in resilience.

The EIB and the Commission are rightly proud of what has been achieved in financing affordable and social housing projects under the EFSI. However, the impact of these projects on addressing home-

45 EIB (July 2020) *Spain: EIB and Municipality of Madrid promote the city's first social impact bond, putting Madrid at the forefront of social policy* – Press release, available at: https://www.eib.org/en/press/all/2020-209-eib-and-municipality-of-madrid-promote-the-city-s-first-social-impact-bond-putting-madrid-at-the-forefront-of-social-policy

46 EIB (2019) *Social and Affordable Housing with the EIB*, available at: https://www.eib.org/attachments/thematic/social_and_affordable_housing_en.pdf

lessness and housing exclusion is not always direct, nor guaranteed. Investment in production of new social rental housing is of course highly relevant to addressing homelessness and housing exclusion. However, given the diversity of social housing systems and the multitude of objectives of social housing policies across the EU, this link is rather indirect. "Affordable housing" projects like "intermediary housing in French cities and regions" or "affordable housing in Poznan" do not target or reach the most excluded on the housing market. They serve other legitimate public policy goals which fall under the policy rationale of EIB activity in this field. The rents in these types of housing projects are not affordable to people on the lowest incomes.

Renovation and energy efficiency in social housing is another area where EFSI has delivered a lot. As well as serving climate goals, renovation and energy efficiency projects in the housing sector are much needed to improve housing and living conditions and ensure the sustainability of stock. One of the major challenges of the future Renovation Wave will be to ensure that the most vulnerable housing consumers, those who are currently "outsiders" in the housing system, also benefit. Reaching the most vulnerable will require work outside of the social housing sector: poor tenants and homeowners living in inadequate housing and facing energy poverty are an obvious priority.

The EIB only invests in local and national contexts where there is strong policy and a regulatory framework for housing. It is confronted with a tension between wanting to address unmet needs and to invest in viable projects on a demand-led basis, in line with a clear policy rationale. Its investment in housing has been strongest in the EU15 and in MS that have a strong institutional and policy framework for affordable and social housing. Beyond these contexts there are very significant unmet needs. The EIB has taken action to foster new social and affordable housing approaches in transition countries where social housing is limited, and regulatory frameworks are rather weak. Poland is a case-in-point. Further progress on this front is undoubtedly possible.

The large ticket-size of EIB loans (usually more than EUR 50 million project costs in the case of direct loans) can be a barrier to financing smaller innovative projects that focus on housing the most vulnerable. However, the EIB does lend to smaller projects through intermediaries such as specialised housing agencies, national promotional banks or funds. It also supports investment platforms. Such approaches allow for capacity building and bundling of smaller projects. The Housing Finance Agency in Ireland is a good example (see case study chapter 4).

The EIB has developed advice and support services on social and affordable housing topics in the context of the Advisory Hub. URBIS (Urban Investment Support) is a dedicated urban platform that provides support to urban authorities to facilitate, accelerate and unlock urban investment projects, programmes and platforms. As described above, the Advisory Platform for Social Outcomes Contracting has now developed a first project on social impact bonds to address homelessness in Madrid. In the future, boosting investment in housing solutions for the "locked out" probably requires going beyond a strongly demand-led logic to advisory services. It requires targeted outreach, market development strategies, and cooperation with relevant stakeholders to support the development of a project pipeline in this field.

InvestEU offers great opportunities to build on a track record of EU investment in social housing, partly by focusing more on housing solutions for the "locked out". The opening up of the guarantee to other actors such as the Council of Europe Development Bank (CEB) and the national promotional banks is an opportunity in this respect. CEB loans in social housing generally finance housing for vulnerable populations. CEB target countries often have relatively weak regulatory and institutional capacity for the provision of affordable housing. Their loans are also smaller and there is considerable scope for technical assistance. The proximity of national promotional banks to on-the-ground needs is of great added value. These players could boost investment in projects targeting the most excluded.

4
Investment case studies

This chapter presents a range of interesting case-studies of investment into social and affordable housing with a focus on low-income and vulnerable populations, i.e. the most marginalised in Europe's housing systems. It covers public and private investment, a range of instruments, and initiatives at different scales and in different stages of development. The lens is one of "promising practice" to inspire the EU's investment agenda.

CASE STUDY 1: Ireland's Housing Finance Agency

The Housing Finance Agency is a state-owned body under the aegis of the Minister for Housing, Planning and Local Government of Ireland. Its shares are owned by the Minister for Public Expenditure and Reform of Ireland. It provides loan finance to local authorities, Approved Housing Bodies and Higher Education Institutions for social housing. It offers 25-to-30-year fixed rate finance at low interest rates.

Approved Housing Bodies (AHBs), also known as housing associations, are independent, not-for-profit organisations. They provide affordable rented housing for people who cannot afford housing on the private market; and for groups with special needs, such as older people or homeless people. They are important players in the development of solutions for the most vulnerable on the housing market. Cooperative housing societies are also AHBs.

There are approximately 520 Approved Housing Bodies in Ireland with a stock size of over 30,000 homes in Ireland. Individual AHBs are too small to access European finance directly. The HFA acts as an intermediary to enable them to do so. HFA lending to AHBs is undergoing rapid growth. In 2019, the HFA provided EUR 643 million of finance for the acquisition and new build of social housing by AHBs. It worked with 25 AHBs.

The HFA works with both the EIB and the CEB to channel European finance into social housing. Since 2008 it has made loan agreements with the CEB totalling EUR 425 million; and since 2014, agreements totalling EUR 550 million with the EIB[47]. The most recently agreed loan facilities were signed in 2019: one of EUR 200 million with the EIB and one of EUR 150 million with the CEB[48]. European finance has been a significant driver of increased building of social housing in Ireland in recent years. This is more than necessary in the context of a social and affordable housing shortage and rapidly rising homelessness. The European Commission has consistently called on Ireland to boost investment in affordable housing, and has raised concern about rising homelessness, in the context of the European Semester for economic and social policy coordination.

47 EIB (2019) *Social and Affordable Housing with the EIB*, available at: https://www.eib.org/attachments/thematic/social_and_affordable_housing_en.pdf

48 Housing Finance Agency (2019) *Building Social Housing, Annual Report 2019*, available at: https://hfa.ie/hfa/Live/Release/WebSite/HomePage/documents/HFA%20AR%202019%20English.pdf

Project in Focus: John's Lane West, Dublin 8 by Focus Ireland[49]

One example of a small, high social impact project financed by the Housing Finance Agency is the award-winning John's Lane West in the heart of Dublin. The development provides 31 homes for people who were previously homeless. It was completed in 2019. The original apartment building was purchased by Focus Ireland over 20 years ago. It was used to provide emergency hostel beds for homeless people. It has now been transformed to provide permanent homes for people experiencing, or at risk of, homelessness. It offers a mixture of different sized apartments. This is a good example of the type of housing solution that needs to be invested in to deliver sustainable reductions in homelessness. It implies a shift from "managing" homelessness through shelter provision to "ending" homelessness by providing permanent homes.

Focus Ireland is a leading not-for-profit that works to prevent people becoming homeless, remaining homeless, or returning to homelessness. Focus provides both housing and support services. The Focus Housing Association is an Approved Housing Body. It owns, leases, and manages properties for people who have been, or who are at risk of becoming, homeless.

HFA financed part of the John's Lane West project. Other funding came from the Department of Housing, Dublin City Council and public donations to Focus Ireland. Many supported housing projects for vulnerable groups require this type of blending of finance and funding.

One important dimension of the HFA's added value is its proximity to its customers, which allows for support and capacity building amongst AHBs. The voluntary housing sector in Ireland has been undergoing significant transformation in recent years, with reduced dependence on grant funding and an urgent need to access and manage finance to develop and maintain social housing stock.

49 Council of Europe Development Bank INFO MAGAZINE (#4 2020), *Social Housing in Ireland: A Place to Call Home*, available at: https://coebank.org/media/documents/CEB_Info_4_2020_Web_EN.pdf

CASE STUDY 2: Investing to End Homelessness in Finland[50]

Finland is the only country in the EU where homelessness has consistently decreased in recent decades. Cornerstones of Finland's unique success in reducing homelessness include strong political will, targeted measures, long-term (mainly public) funding institutions and financial instruments.

Finnish social housing construction and housing services for the homeless are based on non-profit principles and practices. The Finnish system has been notified to the EU Commission as an SGEI (Service of General Economic Interest). SGEI services are public service activities for which financial support is compatible with EU state aid and competition regulations. The Housing Finance and Development Centre of Finland (ARA) is a key part of the institutional framework for housing policy, including tackling homelessness. It is a public agency that provides subsidies, grants and guarantees for housing and construction. It controls and supervises the use of the ARA housing stock.

The content of the Finnish housing system is defined by law. Municipalities and non-profits as designated by ARA can receive a state interest subsidy loan. Specific target groups must be able to access rental apartments on social grounds and at a reasonable cost. In Helsinki, the average rent for state-subsidised ARA rental apartments in 2019 was EUR 13/m2/month and the average rent for private rental apartments was EUR 20.30/m2/month. Available apartments must be announced publicly for applications. The maximum return on own assets is defined by law and must be reasonable. Community shares may not be publicly traded.

A Strong Role for Public Investment

Finland's homelessness reduction and prevention programmes (2008–2020) have made extensive use of public funding instruments. Plans and financing were agreed in letters of intent between central government and municipalities. The construction of new rental apartments (3,000 apartments) was financed by a state interest subsidy loan and investment grants targeted at groups with special needs. The latter cover 30–50% of the approved construction costs.

Organisations that have participated in the homelessness programmes have acquired rental apartments for the homeless from housing companies (more than 600 apartments) using Slot Machine Association[51] funding and state-subsidised loans. In addition, homeless people were allocated apartments for supported and independent housing (1,300 apartments) from municipal housing companies. About 300 new social workers and housing counsellors have been recruited for homelessness work with a grant from the Ministry of Social Affairs and Health and the cities' own funding.

In total, the public sector (state, municipalities, the Slot Machine Association until 2016, Veikkaus Oy from 2016 onwards, the Funding Centre for Social Welfare and Health Organisations STEA) has invested about EUR 310 million in solving homelessness between 2008 and 2020. The shift from "managing" homelessness reactively to "ending" it through Housing First and other evidence-based, proactive and preventative measures has resulted in significant savings that have, depending on the cost, been able to pay back investments in 3 to 5 years.

50 Input provided by Peter Fredriksson, Senior Expert on Homelessness and Mika Pyykkö, Director for the Centre of Expertise for Impact Investing.

51 Finland's Slot Machine Association was a government-supervised and owned non-profit gambling association. Previously known as RAY, it was a gambling monopoly whose proceeds went to domestic charity. On 1 January 2017, RAY merged with the government-supervised and owned non-profit betting agency and is now called "Veikkaus Oy".

Finland's experience shows that financial instruments must be subject to conditions that ensure that the rental housing portfolio built or acquired continues to be used to house homeless people for a sufficiently long period (20-40 years). Financial support must reach the homeless and not be channelled to excessive administrative costs or private pockets. On the other hand, it is essential that the housing and services are flexible and can be modified according to the individual needs and wishes of service users.

Towards Housing First Impact Invesment

Prime Minister Sanna Marin's government programme has set the goal of halving homelessness by 2023 and eliminating it by 2027. To achieve this, a new cooperation programme has been launched between the state, key cities, service providers and organisations. Preparatory work has begun with five cities, the Y-Foundation[52] and the Ministry of Employment and the Economy, with the aim of launching a large-scale, multi-year Housing First impact investment scheme for the successful housing of homeless in scattered housing, mainly in new ARA rental apartments.

The latest reports show that the coronavirus epidemic has, in addition to economic damage, negatively impacted the wellbeing and health of different population groups. It has exacerbated existing exclusion. In this context, there is a need to introduce new practices and find ways to pool tax revenue and private capital in more impactful ways. This is where impact investing and outcomes contracting come in.

Impact investing refers to private capital invested with the intention of generating positive, measurable social and/or environmental impact alongside a financial return. Impact investment seeks to generate, alongside financial returns, a pre-defined and measurable social benefit. In the outcomes contracting system, the public sector determines the desired outcomes, not the method of service provision. Private investors bear the risks associated with producing the desired outcomes, at the minimum. The public sector will repay the capital invested in the activities as well as a separately agreed return, but only for verifiably produced outcomes. This method helps, for example, to identify new effective practices. Key players are the public sector, outcomes-oriented service providers and private investors. Social Impact Bonds (SIBs) are a practical method for outcomes contracting. In November 2020, two Finnish SIBs have been completed and two are ongoing. A range of others are in the pipeline or at the preparation stage.

In Finland, outcomes contracting is based on the modelling of societal benefits, which, in turn, is based on an analysis of the root causes and opportunities behind the desired changes and of the qualitative and economic impacts that could be generated. The resulting model shows what kind of benefits could be achieved by redirecting actions and activities. The organisation responsible for overseeing the use of tax revenue can use this model to determine the reward payable for achieving outcomes. The Centre of Expertise for Impact Investing started in November 2020, in collaboration with the biggest cities and other stakeholders, to model societal benefits in terms of preventing and decreasing homelessness in Finland. This is the beginning of a process of developing Social Outcomes Contracting as a financing tool in the continued fight to end homelessness in Finland.

52 See https://ysaatio.fi/en/home/

CASE STUDY 3: European Alliance for Sustainable and Inclusive Social Housing in France

Created in 1816, the Caisse des Dépôts group (CDC) is a public sector financial institution. It is controlled by Parliament and exists to serve the public interest. The Banque des Territories is one of the group's subsidiaries, focused specifically on investment in local and regional territories, including in social housing.

The CDC plays a unique role in financing social housing. One of its specificities is that it mobilises private savings held in regulated passbook savings accounts like the "Livret A" to finance social housing. These accounts benefit from tax-free interest, have a regulated yield, and are guaranteed by the State. Savings deposits, alongside other funding sources, are mobilised by the CDC to finance social housing through long-term affordable loans. The CDC is an intermediary for European finance and works in partnership with both the EIB and the CEB. The CDC has played an important role in EFSI implementation.

In autumn 2020, the Union Sociale pour l'Habitat (USH), which is the representative organisation of the French social housing sector, the CDC (via the Banque des Territoires), the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) signed a partnership agreement to facilitate access to European funding for social housing projects in France.

The ***European Alliance for Sustainable and Inclusive Social Housing in France*** aims to ensure, via the Banque des Territoires, straightforward and transparent access to CEB and EIB financing for social housing project promoters, regardless of their size or location in the country, from 2021. The aim is to leverage finance into social inclusion, housing for vulnerable groups and the fight against climate change[53].

In practice, the CDC will sign framework loans with both the CEB (EUR 300 million) and the EIB (EUR 550 million) from 2021[54]. Combined with CDC regulated loans, they will provide long-term finance to social housing projects, in some cases using financial instruments to blend with cohesion policy. The alliance provides a mechanism for efficient articulation of loans with other instruments, notably the European Regional Development Fund and the European Social Fund. The idea is a "one-stop shop" to leverage European investment into accessible products. The CEB framework loans will focus on housing solutions for the most vulnerable: sheltered housing, housing for homeless people, energy poverty and housing for immigrants and refugees. The EIB framework loans will focus on construction of new social housing and renovating existing stock. Another aim of the initiative is to promote and communicate European investment in social housing vis à vis citizens.

This new partnership builds on an Investment Pact that was signed on 25 April 2019 in Paris by all of the French players in the field of social housing, as well as on the strong track record of investment in affordable and social housing under EFSI. More broadly, it builds on the strong system for state-supported finance of social housing in France. It is worth highlighting that this system is currently under pressure from a policy of budget cuts, namely through reduction of housing allowances.

53 Caisse des Dépôts Group (2020) *A European Alliance for Sustainable and Inclusive Social Housing* – Press release, available at: https://www.caissedesdepots.fr/en/news/european-alliance-sustainable-and-inclusive-social-housing

54 Source presentation *European Alliance for Sustainable and Inclusive Social Housing in France* by Laurent Ghekiere, Third Meeting of Task Force on Affordable and Decent Housing Solutions, 19 November 2020.

CASE STUDY 4: Resonance Homelessness Property Funds, UK

Resonance is a social impact investment company. It creates and manages impact investment funds. In recent years, it has launched three impact property funds to invest in good quality housing for people facing/at risk of homelessness. These funds target a gap in "move on" accommodation for people stuck in temporary accommodation.

> Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under the Housing Act 1996. In the process of discharging this duty, they frequently make use of temporary accommodation. This is supposed to be short term, but people often end up stuck because of a lack of alternative housing. At the end of June 2020, there were 98,300 households in temporary accommodation in England. Both the Public Accounts Committee and the Court of Auditors have found that temporary accommodation offers both poor standards and poor value for money. London Councils in particular face a lack of alternatives to expensive, inadequate temporary accommodation, often in the form of private sector housing leased on a nightly basis or Bed and Breakfasts[55].

Resonance's first homelessness property fund was the **Real Lettings Property Fund**, focused on London, which launched in 2013. The UK's largest impact investment fund, it closed in 2020 at nearly GBP 57 million. It provided the investment model for two subsequent funds.

The Real Lettings Property Fund was developed in partnership with St Mungo's, a leading homelessness charity. It secured investment to acquire and refurbish a portfolio of over 250 one- and two-bedroom properties in the Greater London area. These properties are leased to St Mungo's Real Lettings on a five-year fully repairing and insuring term, with an option to extend. As a social lettings agency, St Mungo's Real Lettings guarantees rents, provides property management, and supports tenants. The flats are of a good standard and rents are at the Local Housing Allowance rate (the amount of benefit available to cover rent, depending on location and household size). Tenants do not have to pay upfront deposits.

The Real Lettings Fund was followed by a National Homelessness Property Fund, launched in 2015. This focused on Bristol, Milton Keynes and London. A second version of the London-based fund was then launched in 2017. Together, these funds have invested more than GBP 200 million in over 800 properties for more than 2,000 people[56].

Resonance reports four main areas of social impact for the funds[57]:

1. Improving housing options

100% of the people housed sustain their tenancy for at least six months, a critical period in which to stablise their situation. People are generally paying their bills and, in some cases, saving money. Almost 25% of tenants are now saving for a deposit, a sustained rise over the last three years.

2. Progressing towards work

Having a stable place to live can help people make steps towards work, including training, education and putting childcare in place. Employment has increased in the last three years to just over 45%, a good number given that most tenants also have caring responsibilities. In 2019, the percentage of tenants in work outnumbered those who are unemployed for the first time.

55 UK Parliament (2020) *Households in temporary accommodation (England)*, available at: https://commonslibrary.parliament.uk/research-briefings/sn02110/#:~:text=Numbers%20in%20temporary%20accommodation%20are%20increasing&text=By%20the%20end%20of%20June,19%20'Everyone%20in'%20scheme

56 Social Housing UK (2020) *Resonance poised to grow homelessness fund to £1bn*, available at: https://www.socialhousing.co.uk/news/news/resonance-poised-to-grow-homelessness-fund-to-1bn-64969

57 https://resonance.ltd.uk/images/uploads/media/Property_Funds_SIR_-_lo-res_19.11.06.pdf

3. Improving resilience against homelessness

78% of all tenants say their support network and relationships have been positively affected by living in a Real Lettings home.

4. Stable housing for children

Real Lettings now houses more children than adults. Children in particular benefit from good quality, stable housing, in terms of their emotional, physical and social development, supported by access to public services such as health and education.

The first investors in the fund were primarily endowed foundations, who were highly motivated by social impact, as well as return. Local authorities have also invested in Resonance's property funds, driven by their need for good quality, move-on housing as an alternative to temporary accommodation. The Mayor of London has invested GBP 15 million in Real Lettings. Croydon, Lambeth and Westminster councils have joined Resonance as limited partners and committed a total of GBP 45 million to "purchase, refurbish, let and manage around 330 affordable homes[58]". Returns for investors come from both rental yields and capital appreciation of properties.

Resonance is now looking to scale the funds, initially to between half a billion and a billion pounds. It estimates that GBP 20 billion of property is needed to respond to house households currently in temporary accommodation in England. It is looking to attract institutional investors, especially pension funds, offering them scale, risk-adjusted return and risk-mitigating factors. It aims to scale the fund up across the UK. The preferred option for scaling up is to create a follow-on fund that will buy the existing portfolio of properties and allow continuation of tenancies where needed.

One of the challenges going forward will be to address a tension in the model between providing tenants with stability and encouraging them to move on. Impact analysis shows that many Real Lettings tenants would prefer to stay in their tenancy if they could. Some report that they have concerns around the time-limited tenancies and leaving. This is especially true in London's very stressed housing market. Resonance and St Mungo's are looking at potentially longer-term investment vehicles that could provide a greater range of tenancy lengths to meet different needs[59].

Resonance has recently launched two new property funds that provide housing solutions for very vulnerable people: one focusing on supported housing for homeless women who have been victims of domestic violence, and another on people with learning difficulties.

58 London Assembly Housing Committee (May 2019) *Living in Limbo: London's Temporary Accommodation Crisis*, p30, available at https://www.london.gov.uk/sites/default/files/temporary_accommodation_report_-_living_in_limbo_-_final.pdf

59 Resonance (2019) *Solutions to Homelessness through Social Impact Investing*, available at: https://resonance.ltd.uk/images/uploads/media/Property_Funds_SIR_-_lo-res_19.11.06.pdf

CASE STUDY 5: A First Social Impact Loan for Social Housing, Caisse d'Epargne, France

The Caisse d'Epargne has recently launched Social and Environmental Impact Loans for clients in the real estate and social housing sectors. Interest rates are indexed to a non-financial social or environmental performance objective, and the bonus can be donated to an association.

The first Social Impact Loan was issued in October by Caisse d'Epargne Ile-de-France to the Régie Immobilière de la Ville de Paris (RIVP), the second biggest social landlord in Paris with a stock of 60,700 housing units. The EUR 25 million loan will finance the RIVP's investment plans. The loan duration is 25 years. RIVP will benefit from an interest rate subsidy (0.15%) if it meets the agreed social performance objective, which is that at least 20% of housing units per year are allocated to people who are eligible for prioritised access to social housing under the law on the Right to Enforceable Housing (DALO)[60].

> The DALO law gives people in situations of urgent need (e.g. living in homelessness, inadequate housing, threatened by eviction, or stuck on a social housing waiting list) the opportunity to have their case examined by a mediation committee. If the committee finds that they are in a priority situation, the local government has to offer a suitable solution within a limited time frame.

The Caisse d'Epargne Ile-de-France and the RIVP have agreed to donate 50% of the bonus to the Abbé Pierre Foundation annually. The Abbé Pierre Foundation is one of the main actors in the fight against housing exclusion in France. It funds NGOs that provide very social housing, tackle inadequate housing, provide support, shelter, advice and other services to people experiencing homelessness and housing exclusion. It also carries out awareness raising and advocacy work. If the RIVP reaches the social objective each year of the 25 year loan period, it will benefit from a bonus of EUR 675,000. Half of this will be transferred to the Abbé Pierre Foundation, representing EUR 13,500 per year over 25 years.

This is a new loan product from a private bank. It is too early to judge the level of social impact it will generate. The current level of allocations by RIVP to priority households under the DALO law is not available, so it is difficult to judge how ambitious the target set is. It is less ambitious than the 25% objective for local authorities enshrined in the law. It is also unclear how much additional revenue this type of loan will generate for entities like the Abbé Pierre Foundation, as it depends both on take up of the product and the option to share the bonus with a good cause. Nonetheless, it is the sort of innovation that can provide inspiration for setting impact targets in housing infrastructure loans, including in the framework of InvestEU.

60 BCPE Group (October 2020) *Lancement du Prêt à Impact Social & Environnemental Caisse d'Epargne* [Launch of the Social Impact and Enviromental Loan] – press release, available at: https://newsroom.groupebpce.fr/actualites/lancement-du-pret-a-impact-social-environnemental-caisse-depargne-6d64-7b707.html

CASE STUDY 6: Towards a Transnational Financing Facility for CLTs in Europe

Community Land Trusts (CLTs) are an innovative form of community housing. They provide genuinely and permanently affordable homes. They are non-profit, democratic, community-led organisations. CLTs develop and manage homes that are affordable to low- and median-income households, as well as other community assets. They act as long-term stewards, ensuring that the assets remain permanently affordable. This is achieved through mechanisms that ensure that any added value generated is retained within the CLT. Crucially, CLTs separate land ownership from building ownership and/or occupation rights. Land is held in trust in perpetuity. It is managed for the long-term interest of the community. Resale prices of assets are limited, ensuring permanent affordability of homes. Eligibility clauses are used to ensure that the housing developed by CLTs remains accessible to its target population.

CLTs are extremely diverse[61], reflecting the communities that make them and the context in which they operate. As of November 2019, there were 170 CLTs established or being created in cities across Europe. They include different forms of tenure – home ownership, rental, shared ownership. Some address specific vulnerable groups – homeless people, migrants, the elderly, people with mental health issues. CLTs offer very affordable homes: on average between 20 to 50% of the free market price (depending on the model adopted and local context)[62].

Sustainable Housing for Inclusive and Cohesive Cities (SHICC) is an Interreg project that aims to support the establishment of successful Community Land Trusts (CLTs) in cities across the North-West European (NWE) region[63]. An initial three-year project (Sept 2017 - Sept 2020) focused on four CLTs in Brussels, Ghent, Lille and London. The second phase of the project is ongoing (Sept 2020 - Sept 2021). It focuses on further strengthening the four initial projects, scaling up the model through the structuring of an EU CLT Network, and creating a supportive funding environment via the implementation of shared financing mechanisms. The programme gained the recognition of the European Commission through the RegioStars Award in October 2020 in the "Citizens' engagement for cohesive cities" category.

The project partners have developed an Action Plan for a financing strategy for CLT in Europe. A Pre-feasibility Study (March-June 2020) looked at how to best channel funding for CLTs at EU level. It involved a financial needs assessment of 20 pilot organisations across Europe, case studies on existing investment vehicles (e.g. financial intermediaries and aggregating platforms supporting CLTs) and identification of different financial instruments (grants, revolving loans, equity, guarantees). This work established the common financing challenges faced by CLTs across Europe, especially in relation to project development and scaling. It highlighted the potential added value of a transnational mechanism at EU level to respond to these needs. An in-depth feasibility study is now ongoing, (2020-2021) focusing on the legal and operational structure that such a mechanism could take, and will benefit from technical assistance of the EIB Advisory Hub.

61 See https://www.nweurope.eu/media/11838/shicc_eu-clt-guide_2020_en.pdf

62 See https://www.nweurope.eu/media/12148/shicc_eu-policy-conference_policy-paper.pdf

63 See https://www.nweurope.eu/projects/project-search/shicc-sustainable-housing-for-inclusive-and-cohesive-cities/

SHICC's work so far shows that CLTs are a niche but growing and promising market. Most project promoters are new (established between 2005-2015) and have so far developed fewer than 100 units across their initial projects. They typically develop bespoke small- and middle-size projects focused on a very qualitative approach. Consequently, the average project size is 10-20 units. However, most CLTs are planning growth. 76% of CLT promoters surveyed have new projects in the pipeline over the next five years. They collectively have 1,300-1,500 units in the pipeline within five years, representing an estimated potential market of EUR 300 million. Over five to ten years, this rises to 7,000 units and a potential market of EUR 1.4 billion, for 21,000 people housed.

CLTs follow a specific development process of five overlapping steps: 1) Group – creation of the organisation and mobilisation of the membership; 2) Site – access to land; 3) Plan – planning the development; 4) Build – building the housing and assets; 5) Live - long-term operation and management. This process takes about five years on average.

Throughout this process, SHICC partners have identified common financing needs and challenges of CLTs. One major barrier is access to finance at the outset of the planning phase of projects (3: early-stage project preparation). At this point, the CLT is established, a potential site has been identified, a project is in preparation, but a building permit is yet to be obtained. This is a very risky phase when many projects fail.

A complex pre-development process (i.e. lack of in-house skills, complex negotiations with authorities, etc.), and the resulting high level of uncertainty, can make it very costly for CLTs to complete successfully. It is also challenging for investors, who often lack knowledge about the models' functioning and specificities. At this stage, common needs emerge for:

- **Last mile project preparation** to structure the investment;
- **Equity** to provide an initial external capital injection and reduce the risks borne by the CLT during a phase in which the project has not yet materialised;
- **Investment loans** to help leverage and secure additional financing for development;
- And further **risk-mitigation mechanisms** such as guarantees on these loans.

Access to such stable sources of financing would enable CLTs to systematise and scale their planning and development processes. Going beyond a case-by-case basis, they would be able to build extensive portfolios of projects and achieve systemic impact.

The model has proven its viability in hundreds of pilot projects across Europe. CLTs have shown that they can generate clear social, economic and environmental impact in housing affordability, social cohesion and fair urban renewal processes, for which there is massive demand. As of today, scaling up the CLT model requires bundling small-scale projects, and related financing needs, to achieve economies of scale and increase the borrowing and financing capacities of CLTs.

SHICC's work so far indicates that a European-level mechanism like an Investment Platform is required to enable aggregation. It would act as a financial intermediary, attracting and structuring public and private funding to increase investment in CLTs. SHICC's work is ongoing and it will present its full findings and recommendations in 2021.

CASE STUDY 7: Schneider Electric Energy Access Fund, France

The Schneider Electric Energy Access (SEEA) fund is an investment fund that mobilises the savings of the group's employees. It is "ESUS approved", meaning that it is recognised under the French law on the social and solidarity economy. The group savings plan invests employee savings in a fund of EUR 70 million. Of this, 90–95% is invested as socially responsible investment in bonds and monetary assets. The remaining 5-10% (approx. EUR 7 million) is invested in equity through the SEEA fund[64]. The SEEA is an independent fund that was created in 2009.

The SEEA invests in Europe and in developing countries. In Europe, it focuses on tackling energy poverty and promoting the circular economy. In France, the SEEA makes equity investments into social enterprises which tackle energy poverty, often alongside addressing other social issues like poor housing conditions, social exclusion and/or unemployment.

Energy poverty is caused by rising energy prices, low incomes and poor quality, energy inefficient housing. The production and renovation of housing for social purposes is thus an important way to tackle energy poverty. Many of the social enterprises that the SEEA invests in are providing housing solutions for vulnerable and poorly housed households facing energy poverty.

The SEEA typically invests between EUR 100,000 and 500,000. It invests mainly in early stage companies for a holding period of 7 to 10 years. It is usually a minority shareholder and seeks to invest alongside co-investors. It plays a role in governance of the social enterprises it invests in (with at least observer status on the Board). The SEEA has a tailor-made approach, aiming to preserve and promote the specificities of each social enterprise. Social impact indicators are thus designed specifically for each project.

Project Examples in The Field of Housing:

1. Soliha BLI

SOLIHA BLI is a social real estate company in the Pays de Loire region. It was created in partnership with the SOLIHA association. It produces and manages affordable, high-quality, energy-efficient housing for people facing poverty and social exclusion. It also helps in the renewal of rural towns in decline. SOLIHA BLI renovates inadequate housing to a high energy efficiency standard. The housing is then leased at social rents to people experiencing poverty and social exclusion. Social support is provided to tenants by both volunteers and professionals.

SOLIHA BLI launched in 2018 with plans to refurbish ten housing units. By the end of that year, it had rehoused 10 households in energy-efficient housing with low rents and provided them with social support. The SEEA invested EUR 250,000 in 2018 and holds >10% shares.

64 See [in French] https://www.se.com/ww/fr/assets/342/document/124836/annual-report-2019-fr.pdf

2. Foncière Chênelet

Foncière Chênelet combines three objectives: Tackling energy poverty, providing access to affordable, high-quality, ecological housing for people in need, and (re)integration into the labour market. It develops, builds and manages ecological, high-quality and energy-efficient social housing dedicated to the lowest-income households. It specialises in small-scale social housing projects that respond to unmet needs in a given territory. It works closely with local authorities to identify these needs. All the houses it produces are fully accessible. The construction and renovation work is carried out by people in back-to-work jobs (*emploi d'insertion*) who receive training in ecological construction methods.

Tenants benefit from very low energy bills, which helps them to break out of energy poverty.

Foncière Chênelet was launched in 2009. In 2018 it was building 30 to 40 housing units per year. The SEEA invested EUR 500,000 in 2010 and holds 5-10% shares.

3. Reseau Eco-Habitat

Reseau Eco-Habitat (REH) began in 2014 in the form of an association. It supports very low-income homeowners in renovating unfit housing in the Hauts-de-France region. Volunteers from the Secours Catholique offer comprehensive and sustainable support for the renovation process. They help households to put together a holistic project, which encompasses the technical and financial plans, applying for finance and relevant subsidies, reliable local building companies, etc.

In July 2019, a simplified joint-stock company was created to support this mission. The company is recognised as a "social utility solidarity company". A Social Impact Contract was signed in 2020 between REH, L'agence nationale de l'habitat (the National Housing Agency, which implements national policy to improve the existing private housing stock, including renovation subsidies for owner-occupiers) and Secours Catholique[65]. This provided financing to meet the objective of renovation for 200 very precarious households over five years.

The SEEA invested EUR 100,000 in 2020.

65 A social impact contract is a French Social Outcomes Contracting mechanism, similar to a Social Impact Bond. For more [in French], see https://www.secours-catholique.org/sites/scinternet/files/publications/2020-eco_habitat-rapport_institut_godin-bd.pdf

CASE STUDY 8: Fondazione Housing Sociale, Italy

Fondazione Cariplo is the largest foundation of banking origin in Italy, and one of the largest foundations in Europe. In 2004, it launched Fondazione Housing Sociale to develop a highly innovative and successful social housing programme.

FHS has helped develop an integrated system of local and national funds. These mobilise key institutional investors (main Italian foundations, insurance, banks, pension funds, etc.), local investors (small local foundations, local public bodies, private real estate investors, cooperatives, etc.) and management companies strictly regulated by the Italian Central Bank. In this context, FHS carries out the following activities:

- the promotion of ethical financing initiatives, in particular real estate funds for social housing;
- testing innovative non-profit management models;
- developing project designs for sharing and potential replication;
- creating public-private partnerships to develop initiatives in co-ordination with existing public housing policies[66].

During the 1990s, rising housing prices generated new demand for affordable rental housing in Italy. At the same time demographic change was creating new housing needs, for example amongst migrants, students, single person households, single parent families and temporary workers. Italy's public social housing system is small and focused on the most excluded (incomes below EUR 12,000). In this context, there was a new demand for affordable rented housing amongst people who did not qualify for public social housing but who could not afford market-level rents. At that time, Cariplo was active in the housing field but only through grant-giving. In 2002, Cariplo commissioned Milan Polytechnic University to prepare a feasibility study on providing social housing based on a sustainable investment model that did not require grants or public subsidy. In 2003, the feasibility study was delivered.

In 2004, Cariplo established FHS, in partnership with Regione Lombardia and ANCI Lombardia (the regional association of municipalities), to develop and structure a new social housing programme. FHS developed an integrated approach to deliver social housing projects. This covers urban, architectural, social and financial dimensions. FHS has a particular vision of social housing. It promotes high-quality, attractive, efficient buildings that enable people to build strong relationships and communities. It targets households unable to meet their housing needs in the market, but whose incomes are too high to qualify for public housing.

66 Leat, D (2014) Fondazione Cariplo and Social Housing (Italy) in *The Inventive Foundation: creating new ventures in Europe*, pp 43 – 51.

FHS created the first real estate ethical fund for social housing in Italy in 2007, Fondo Federale Immobiliare di Lombardia - FIL, formerly the "Fondo Abitare Sociale 1". It attracted nine high-profile public and private organisations and closed at EUR 85 million. It offered investors stable returns over a twenty-year period. FHS invested in a first wave of FHS social housing projects.

In 2009, FHS coordinated the establishment of a national Integrated Funds System (SIF). This consists of a national fund of funds (FIA), managed by an investment agency. The FIA invests in local real estate funds to build social housing units at affordable prices. Currently the SIF has EUR 3 billion equity available for social housing investments raised from more than 160 investors[67]. The main investor is Cassa Depositi e Prestiti, the major Italian promotional bank. The SIF is one of the biggest impact investing projects in the world.

FHS aims to develop over 250 projects by 2021. This includes 20,000 social dwellings, 8,500 beds in student and temporary houses and a range of community services. It has been scaled up to most Italian regions.

One of the key learning points from this case study is the transformative role that philanthropy can play in leveraging investment into social housing in the EU. It also shows the important role of national and promotional banks in this field. It shows that ethical real estate funds are an effective instrument and that a "fund of funds" model can generate real scale by mobilising different sources of investment at different levels. The model is remarkably successful in supporting the development of well-planned and viable projects that generate social impact and connecting them to investment at scale.

Given the scope of this report, it is worth highlighting that the FHS model does not target the most excluded on the housing market. It addresses other unmet needs on the housing market, in line with public policy objectives. However, given the shortage of public social housing in relation to demand in Italy, a future area for development might be in responding to the needs of low-income and vulnerable groups, for example scaling up Housing First in Italy.

67 Source: Presentation by Marco Gerevini *Social Housing: The Italian model*, FHS, EPC Task Force on Affordable and Decent Housing, 15 June 2020

CASE STUDY 9: Erste Group Social Housing Initiatives

Erste Group Bank AG (Erste Group) is one of the largest financial services providers in Central and Eastern Europe. It operates in Austria, Czechia, Slovakia, Romania, Hungary, Croatia and Serbia. It was founded as the first Austrian savings bank in 1819 with a mission of "providing access to financial services for everybody and by this ensuring prosperity for all". Erste Group is engaged in a wide variety of social banking activities in Austria and in Central and Eastern Europe through its subsidiaries.

The Erste Group is active in social housing initiatives in different Central and Eastern European countries. The solutions range from financing individual households to improve their housing situation to investing in social housing programmes. They concern different tenures: individual home ownership, cooperative housing, and social rental housing.

Housing Microloans, Slovakia

Erste's subsidiary Slovenská sporiteľňa has developed a housing microloan project called DOM.ov that targets excluded Roma communities in the eastern part of Slovakia. It seeks to address the situation of people living in segregated areas, in slum-like illegal settlements. People in these communities are affected by extreme poverty, poor health, unemployment and low levels of education. Levels of discrimination are very high, compounding poor access to land, finance, and employment. The project takes a holistic approach to these problems. It combines social work, financial literacy, regular savings, housing microloans and construction supervision. The families start with financial education and one year's worth of regular savings to prove their repayment capacity and accumulate the funds needed for plot purchase. After purchasing a plot from the municipality and obtaining a building permit, they apply for a housing microloan which covers the cost of construction materials. With the support of experts, the families build the houses themselves. Upon moving into the legally built housing and registering their permanent residency there, they become eligible for a housing subsidy that provides additional funds for the loan repayment

In all, 22 municipalities took part in a pilot phase of the DOM.ov project and 170 Roma families received financial education and started saving. Some 60 families managed 12 months of regular saving, 38 were granted housing microloans (the rest decided to invest the savings in improving their current housing) and built decent low-cost houses. Work is now underway to scale up the programme in partnership with municipalities. One of the challenges is to secure grant funding for the support services. In the pilot phase this was provided by the Erste foundation. The project has also provided inspiration for a European Pilot Project that will test the use of social impact approaches in social housing and empowerment of Roma.

Rental Microcredit, Austria

In Austria, Die Zweite Spaarkasse savings bank is developing rental microcredit for people on low incomes and/or in receipt of social transfers. The aim is to enable them to cover rent deposits and kitchen appliances when moving into an apartment. Most banks do not provide this type of loan to people without attachable income linked to employment. To address this gap, the Zweite Sparkasse offers finance for deposits and redemptions of up to max. EUR 5,000 based on assessment of the person's capacity to pay, even if no attachable income exists.

The project is developed in cooperation with multiple non-profit partners which refer clients known from their own social activities. Loans of up to max EUR 5,000 are provided for up to five years, the interest rate is a fixed 3.25%. No cash payment is made to the borrower. The loan is organised through an internal process similar to consumer credit. The programme avoids attorney and or enforcement costs for non-performing loans by using "reminders" by personal advisers.

Cooperative Apartment Down Payment Loans, Vienna

Vienna has about 220,000 municipal council flats and more than 200,000 socially subsidised housing units, providing for around 60% of the city's tenants. Rent in cooperative apartments is very affordable. However, the barriers to entry for low-income and socially vulnerable groups are high. Long waiting lists, strict residency criteria and down payments to help cover construction costs (up to 10% of the total costs) take this type of social housing beyond the reach of the most vulnerable.

Erste Bank, in cooperation with cooperatives and NGO partner neunerimmo has developed a project to enable the most vulnerable to access social housing. The project launched in 2019 with the goal of mobilising 200 flats by 2021. Erste Bank provides an interest-free loan to finance the down payment for households in financial difficulties. neunerimmo (a subsidiary of Neunerhaus, an NGO supporting homeless people) coordinates the project and mediates between the social housing cooperative and the tenant. The tenant receives an indefinite rental contract. If they move on, the flat is leased again through the scheme. Ongoing social care to tenants is provided by NGO partners Neunerhaus, Volkshilfe, Caritas and Diakonie.

One of the long-term aims of the project is to build trust and a sustainable cooperation network for further progress in the future.

EIB-ERSTE Framework Financing of Social housing

In August 2020, the European Investment Bank (EIB) and Erste signed an agreement on framework loans for social housing. The EIB will provide Erste with EUR 150 million in loans to support affordable housing in Austria. Erste will add a further EUR 150 million, making a total of EUR 300 million available for the construction of social housing over the next three years. Financing, with interest fixed for up to 28 years, will be provided for new subsidised or non-profit rental units in high demand cities. This is the second agreement since 2019. The first covered EUR 200 million.

Social Housing Investment Company

Erste's subsidiary in Slovakia founded together with Slovak Investment Holding (investment arm of Slovak Guarantee and Development Bank) an investment company for providing social housing in line with a Housing First approach. The company invests in buying a diversified portfolio of scattered apartments, mostly suitable for single households but also for families. The flats are leased to NGOs that select homeless people, provide social support, and mediate with the investment company and neighbours. So far, the company has purchased around 20 apartments and plans to build a pilot portfolio of around 50 flats to test the model and its financial viability. Once this is confirmed the company can open up to other impact and philanthropic investors that can support further scale-up of the project.

This case study shows that a market-driven stock-listed bank has developed a range of investment products in the area of affordable housing solutions, including for the most vulnerable.

CASE STUDY 10: King Baudouin Foundation Impact Investment in Housing, Belgium

With a budget of EUR 97 million in 2020, the King Baudouin Foundation (KBF) is the largest public benefit foundation in Belgium. KBF's current areas of activity are social justice & poverty, health, heritage and culture, social engagement, Africa, Latin America, Asia, education and development of talents, Europe, climate, the environment, and biodiversity. KBF's budget funds come from four sources: Income on own endowment (EUR 15.5 million); income on endowment of donor-advised funds that it manages (EUR 39 million); philanthropic initiatives (EUR 32.5 million) and an annual grant from the National Lottery (EUR 10 million).

In order to increase the amount of quality affordable housing for the homeless and poorly housed in Belgium, the King Baudouin Foundation (KBF) recently launched a new philanthropic tool: investments with social impact in the field of housing. This instrument mobilises the Celina Ramos Fund, income on endowment from the Van Oldeneel tot Oldenzeel Fund and income on the foundation's own endowment. The project is currently small-scale and experimental in nature. However, KBF sees this approach as a potential way of boosting its impact in the housing field in the future. Two investment projects have been launched, including the Habitat and Humanism one described below.

Habitat et Humanisme (H&H) has been active in Belgium since 2004, inspired by the eponymous French organisation. It aims to house a maximum number of precarious families in high-quality, affordable, energy-efficient housing. To achieve this, it acquires, manages, builds, leases, renovates, and converts real estate for social purposes. At the same time, H&H supports the families it houses. Its network of volunteers help to foster human ties and social networks. Since it was established, H&H has built around 100 housing units in Brussels and Wallonia, with 34 more currently in the pipeline.

KBF invests in H&H in two ways: financing capacity building for organisational development in the form of coaching and consultancy; and a credit line of EUR 600,000.

H&H is currently participating, along with other associations, in a campaign to develop 400 additional housing units for homeless people in the City of Brussels. This requires them to boost their production. The credit line from KBF provides cash flow to develop housing projects. H&H sells the housing off-plan to Social Rental Agencies. The investors commit to the social purpose of the project for twenty years. H&H can then reimburse KBF and move on to financing the next project. H&H has also recently developed its own investment fund, which will allow it to maintain ownership of one third of the housing it produces. This allows it to better ensure the sustainability of the social housing stock.

CASE STUDY 11: Mobilising the European Structural Funds & European Finance to Tackle Homelessness in Czechia

Since 2015, policymakers and stakeholders have successfully worked on mobilising the structural funds, particularly the European Social Fund, to support the scale-up of Housing First in Czechia. An NGO called the Platform for Social Housing has played a particularly important role in advocating for and facilitating this.

In 2015, an ESF-funded pilot of Housing First for homeless families was launched in Brno. It was an experimental programme, financed under the social innovation investment priority. It tested the Housing First model as a solution to family homelessness in a Randomised Control Trial. The ESF was used to fund both the support services and the experimentation methodology. The housing was provided in the municipal housing stock. The project achieved impressive results.

Key outcomes of Brno Housing First Pilot at 12 months[68]:

Keeping families together:

- Children had a 2.7 times lower risk of living in institutional or foster care over 12 months

Improved health:

- 2 times fewer emergency room visits
- 4.5 times fewer ambulance rides
- 3 times fewer hospital stays
- 4.5 times lower risk of severe mental illness among parents
- 2 times fewer respiratory diseases among children
- 2 times fewer children at risk of hunger

Public expenditure savings:

- For each family, an avg. CZK 31,477 was saved from public budgets, which amounts to CZK 1,573,850 of public savings in 12 months.

This pilot was followed by a series of similar pilot projects in different cities that focused on different target groups. The results of the Brno project helped to convince the European Commission and the ESF Managing Authority of the value of further programming in this field. This led to a nationwide ESF-funded call on scaling up Housing First. EUR 6 million was allocated to the call. Since 2019, 14 projects have been supported by this call. The City of Prague has made Housing First the main form of service provision for supported housing services in the municipal housing stock. A network of cities are using Housing First to make progress in tackling homelessness. Work has also been undertaken to mobilise the ERDF to build social housing to respond to homelessness and housing exclusion.

In the 2021 – 2027 period, there are plans to build on what has been achieved with Housing First. The aim is to use the ESF to incubate Housing First projects and once they are established, to fund them through the regular funding mechanisms for social services provided by regional governments.

COVID19 is providing an opportunity for the City of Prague to invest in new forms of supported housing for homeless people. During the pandemic, the City has leased hotels to provide safe temporary accommodation to homeless people. Hotels have been closed to tourists during lockdown, so this represents an alternative income source for them. The hotels manage the accommodation and NGOs provide social support. 330 people have been

68 Source: Presentation *Czech experience with the use of ESIF funds for ending homelessness* by Št pán Ripka, Ph. D. Platform for Social Housing/ Prague City Hall, presented at 'The contribution of EU Funds 2021-2027 to the eradication of homelessness: inspiring experiences; Webinar', 29 October 2020

accommodated in 6 hotels and the leases will last until at least the spring. This temporary measure has highlighted for the City the need to invest in supported housing for the long term. The context of the pandemic provides an opportunity for such investment. The City plans to invest EUR 40 million in buying up 500 housing units to convert into permanent supported housing. It plans to finance EUR 15 million from own resources and secure a loan for EUR 25 million. It is currently in initial dialogue with the CEB regarding a loan and technical assistance package to deliver this project[69].

69 Source: Presentation *Experience with COVID Hotels and the Way Forward*, by Št pán Ripka, Third Meeting of Task Force on Affordable and Decent Housing Solutions, 19 November 2020

CASE STUDY 12: Solifap, France

Solifap is a solidarity-based investment company established by the Abbé Pierre Foundation in 2014. As mentioned elsewhere in this report, the Abbé Pierre Foundation is one of the most important actors in the fight against housing exclusion in France.

Solifap mobilises citizens' savings to invest in organisations fighting against housing exclusion. It complements the work of the Abbé Pierre Foundation by acting as an accelerator. It aims to help organisations develop and innovate, so that they can produce housing for the most disadvantaged and support social integration.

Investors in Solifap include ethical banks and foundations, associations, institutions that manage solidarity-based employee savings schemes, and individual shareholders who invest their savings. Individual shareholders can benefit from a substantial tax deduction for their investment. The Solifap model for return is based on share value rather than dividends.

Solifap's four main types of intervention are:

- purchase of real estate for the provision of very social housing;
- finance in the form of participatory loans;
- guarantees, which allow access to bank credit;
- advisory services, via an Advisory Intervention Fund, to support structuring and development of organisations and projects.

Solifap mainly supports the production of "very social housing". It also invests in the fight against unfit housing, in renovation by poor owner-occupiers, in solutions for people living in slums, in access to rights, and in the transition from shelter to housing in line with Housing First, etc. Solifap's strategy is to intervene where organisations face barriers in developing and implementing their housing solutions projects. For example:

- by buying housing to be used to provide very social housing, even in areas where property prices are very high;
- by supporting small associations which operate very locally and which have very little equity to acquire real estate;
- by intervening in the early development stage, with financial support but also with technical and strategic assistance;
- by pre-financing renovation for poor home-owners pending public subsidies;
- by acting as an intermediary between organisations and banks to secure access to loans and guarantees.

Solifap holds the Finansol label. Finansol is an independent association established in 1995 to promote solidarity-based savings to the general public, public institutions and private companies. The label guarantees the transparency and solidarity-based nature of financial products. Solifap is "ESUS approved", meaning that it is recognised under the French law on the social and solidarity economy.

In 2019, Solifap had raised EUR 38.1 million from shareholders and had invested EUR 24.8 million. It had 229 individual shareholders. This had enabled it to acquire 179 houses and support 130 projects and 54 organisations[70]. By 2022, Solifap aims to have 1,000 individual shareholders, to have contributed to the production of 300 houses, and to have supported 75 associations[71].

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71 Solifap (2019) *Rapport d'activité* [Activity Report], available [in French] at : https://www.fondation-abbe-pierre.fr/documents/pdf/rapport_solifap_2019.pdf

5
Conclusions & recommendations

CONCLUSIONS

This report has shown that homelessness and housing exclusion are urgent social problems in the EU. Homelessness is increasing in most MS. A significant part of the EU population struggles to access decent and affordable housing, but the problem is particularly acute for those affected by poverty and social exclusion. The COVID19 crisis is likely to deepen these problems but also presents opportunities to address them.

There is nothing inevitable about homelessness and housing exclusion. Workable solutions exist. Housing First is an excellent example. It has demonstrated its effectiveness in many contexts around the world and should be scaled up across Europe.

There are three major priorities for tackling homelessness and housing exclusion in the EU: supply of housing that is sufficiently affordable and accessible to the most vulnerable on the housing market; renovation and refurbishment of existing housing, especially to address inadequate conditions and energy poverty; integration of housing and support services to better prevent and respond to homelessness.

This report concentrates mostly on the challenge of raising capital to provide housing for people experiencing homelessness and housing exclusion. However, it is important to emphasise that such capital needs to be repaid. Low-income and socially excluded people often face difficulty covering rent, including cost rents charged in social housing and/or raising security deposits. Systems therefore need to be put in place to address this via housing allowances, adequate welfare payments, etc. to ensure housing projects for this target group can be financially viable.

The EU has a good track record in investment in affordable and social housing. The InvestEU programme and the EU's investment agenda more broadly could make a significant contribution to the fight against homelessness and housing exclusion in the 2021 – 2027 period. However, this will require pro-active efforts on the part of policymakers, project promoters, the banks that act as implementing partners, intermediaries, investors and other stakeholders. Without such efforts, people facing homelessness and housing exclusion are likely to be "left behind". This would be a missed opportunity for the EU to demonstrate policy-relevant social added value.

Many viable projects that provide housing solutions to people affected by homelessness and housing exclusion already exist. They are extremely diverse, as are their investment needs. They often need access to affordable, long term finance for infrastructure and renovation. Many also need social investment in different forms to help innovate, especially to integrate housing and support, as well as to scale innovation.

This report has brought together a diverse selection of case studies showing how investment can be leveraged into solutions to homelessness and housing exclusion. The featured investment schemes focus on supply, renovation and integration of housing and support. They involve a range of institutions and instruments, and both public and private investment. They are at very different stages of development and scale. Some of the key points to emerge from the case studies are listed below.

1. The key role of intermediaries in the successful deployment of European investment. This allows a bundling of smaller projects and allows for aggregation.
2. The important role of national promotional banks in financing housing solutions.
3. The potential for partnerships involving financial institutions, strategic investors and project promoters. Such partnerships can develop and implement investment platforms, funds of funds and other forms of cooperation at EU and national level to channel investment into housing solutions for the locked out.
4. Many of the case studies demonstrate the potential role of foundations as private sector impact investors in the field of homelessness and housing exclusion, at least in the first instance.
5. More broadly, the case studies indicate considerable interest from investors in affordable and social housing, and homelessness and housing exclusion specifically.

6. Several case studies involve social impact investment instruments, including Social Outcomes Contracting or Social Impact Bonds, as a useful way to finance innovative solutions to homelessness. There is a need to better understand the strengths and weaknesses of different models in this area and to develop more pilot projects and share the learning from them.
7. The demand for equity investment (often relatively small sums) at the start-up phase of housing solutions initiatives, and the emergence of specialised investment funds to address this is clear.
8. The case studies highlight the development of ethical real estate funds to deliver affordable housing solutions in several contexts. One potential issue here is around guaranteeing the length of the social function of housing.
9. The continued importance of public investment and the importance of an appropriate regulatory regime underpinning State-backed finance for social and affordable housing in many contexts.
10. Some reasons to be cautious regarding for-profit private investment in this sector and the need for careful regulation and properly designed social conditionality, especially where public money comes into play e.g. sufficient guarantees about the period of social function of housing invested in.
11. The broad range of potential beneficiaries of finance in the field of housing solutions - individual households, cooperatives, social enterprises, public and private social housing companies, NGOs, new actors.
12. The necessity of blending multiple funding and finance streams in many housing solutions initiatives, indicating the high potential for use of financial instruments involving cohesion policy.

RECOMMENDATIONS

On the basis of this report, FEANTSA shares 12 policy recommendations that would enable InvestEU implementation to make a significant contribution to the fight against homelessness and housing exclusion:

1. Investors, project promoters and relevant intermediaries, with support from implementing bodies, should explore opportunities for the development of thematic investment platforms at EU and/or (sub) national level to channel investment into tackling homelessness and housing exclusion. There is existing experience to draw on, as illustrated by some of the case studies in this report and other platforms established under EFSI like the Polish Social and Affordable Housing programme set up by the EIB and the Bank Gospodarstwa Krajowego. This could catalyse public and private investment into a portfolio of projects in this field. It would enable aggregation of finance to support groups of investment projects, achieve economies of scale, and share risk between various investors. National promotional banks could play a critical role here. Such Platforms would enable the mixing of grants, subsidies, financial instruments, guarantees in order to leverage private investment. FEANTSA and our members (NGOs, national/regional public authorities, cities, foundations, think tanks, social housing companies, etc.) are available to support the development of such platforms.
2. Implementing partners and intermediaries should work directly with organisations like FEANTSA to further develop their understanding of investment needs and good practices in relation to projects tackling homelessness and housing exclusion. FEANTSA can provide technical expertise to help develop pilot projects and build up a pipeline of viable project proposals. Such partnerships could be developed in the context of the InvestEU Advisory Hub. FEANTSA will continue to collect and promote good practice, including the development of flagship/pilot projects.

3. The Advisory Hub should continue to support the development of expertise and capacity for social outcomes contracting and other social impact investment mechanisms to address homelessness. It should facilitate mutual learning and transnational exchange around approaches that are currently being piloted. There is a great need for better understanding across the EU about these mechanisms and how to best mobilise them. In the longer term, work towards standard setting for impact investment in this field.
4. The development and role of specialised intermediary agencies like the Housing Finance Agency in Ireland should be promoted in other MS to channel EU finance into affordable and social housing projects, including those that directly address homelessness and housing exclusion.
5. The planned European Collaboration Platform on homelessness, to be launched in 2021 by Commissioner Nicholas Schmit (Jobs and Social Rights), should focus on mobilising the EU budget to finance and fund measures to tackle homelessness and housing exclusion.
6. Further development of performance indicators and impact assessments relating to homelessness and housing exclusion would be extremely valuable. This would allow more fine grain understanding of social impact in the affordable and social housing field. FEANTSA is available to contribute to this.
7. Member States should include investment in solutions to homelessness and housing exclusion in their programming plans for cohesion policy 2021 – 2027; and in their Recovery and Resilience Plans.
8. Public authorities and other project promoters should seize the opportunity to "build back better" and develop ambitious projects to address homelessness and housing exclusion in the context of the COVID pandemic. Whilst housing affordability is set to worsen, house prices may fall and there are new opportunities to build, acquire and renovate housing for social purposes e.g. transformation of tourist infrastructure into affordable housing, transformation of hotels into supported housing, new land use opportunities in city centres, etc. Investors should seize the chance to invest in such projects that offer social impact, low risk and reasonable returns.
9. The European Commission and the implementing partners should investigate the feasibility of establishing an EU-wide public-private investment fund dedicated to the fight against homelessness and housing exclusion.
10. The European Commission and the implementing partners should boost the availability of technical assistance (TA) at local, national and EU level on the issue of homelessness and housing exclusion. This should focus on the capacity of local authorities and project promoters.
11. It would be useful to systematically analyse the impact on homelessness and housing exclusion of EU investment in affordable and social housing projects. Of course, not all projects have to address this target group and there are other valid public policy objectives in this field. However, it would be useful to get insight into the development and implementation stage as to the extent of the contribution towards this objective.
12. FEANTSA encourages the Advisory Hub to further develop its work on thematic priority areas in the social area like homelessness. Partnership with non-typical partners like FEANTSA would be useful to achieve this. There is a need to focus on the solutions (what to finance) in relation to particular investment gaps as well as on the instruments that could address these gaps.

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