

Major European cities pledge for affordable housing in Europe

On 21 February, Filiep Loosveldt represented UEPC at the Eurocities event “How to implement the European Pillar of Social Rights (EPSR) at local level” in the European Parliament. The EPSR sets out 20 key principles and rights to support fair and well-functioning labour markets and welfare systems. Specifically, principle 19 relates to ‘housing and assistance for the homeless’ ([here](#)). The Eurocities’ initiative ‘Inclusive cities for all: Social Rights in my city’ aims to build political momentum to encourage mayors to implement the principles at local level. Already 21 city pledges are available [here](#). After the presentation of different city pledges, a high-level panel debate took place on how to support access to affordable housing at local level to ensure social inclusion and cohesion in our communities.



UEPC encourages its members to work together with the cities and other authorities on all levels to ensure long-term private investment in affordable housing. Filiep Loosveldt raised the point of first-time buyers and tenants paying the price for badly conceived inclusionary housing schemes that obliges private developers to put a percentage of houses on the market far below the market price without any compensation. Such schemes shift the burden towards first-time buyers on the primary housing market. This leads to higher prices on the primary housing market, makes the overall housing market less affordable and has a negative impact upon the supply of extra housing in cities. He called for efficient gap funding instruments in order to relieve the burden of the first-time buyers and tenants. It is obvious that local, regional and national authorities need to respect the EU state aid rules.

What role for the private market in fostering affordable housing?

On 19 February, Fabian Willermain attended the debate “What role for the private market in fostering affordable housing?” at the European Parliament. The debate provided an

opportunity to exchange best practices and look at some of the tools available to contribute to the protection of the right to housing. The event was hosted by MEP Jan Olbrycht, who opened the debate saying that, in his view, housing policy, and particularly affordable housing, is a European issue and should be tackled at EU level. During the discussion, Fabian Willermain asked why, in some Member States, social housing is reserved to public operators. Bjorn Mallants, Board Member of Housing Europe, replied that, in his view, private developers are not able to deliver social housing at the same price as the public sector.



Marc Pigeon attends International Housing Association conference

On 17-19 February, Marc Pigeon attended the 2019 IHA Annual Meeting in Las Vegas, USA. An increasing number of IHA members are experiencing a growing housing deficit, but the causes are varied: limited access to land, shortage of labour available, the fact that existing stock is not meeting consumer needs, immigration policy and out-of-date stock, among others. Dr. Prakash Loungani, Chief of the Development Macroeconomics Division at the IMF, and Mr. Hites Ahir, Senior Research Officer at the IMF, were present at the meeting. This allowed IHA members to provide information on housing deficit to the IMF and to explain why some presumptions about housing choices are not correct. There was also a discussion on how the government can assist the industry in addressing a potential downturn. The IHA Working Groups also met during the conference, with presentations from the members: Building Information Modelling (BIM), Building Codes: Addressing Climate Resiliency, Counterfeit and Non-Conforming Building Products, Energy Efficiency, Housing Affordability (Indicators for Market-Rate Homeownership), Social Housing, Skilled Trader Workers. Marc Pigeon gave a presentation on housing affordability in Europe. All the presentations are available [here](#).

Emerging trends in real estate: Europe 2019

On 19 February, PWC and ULI presented their recent study “[Emerging trends in Real Estate: Europe 2019](#).” The study ranks the real estate markets in major European cities according to their overall investment and development prospects: German cities still dominate the top spots for 2019, but Lisbon rose ten places to number one. One of the key findings of the study is that the industry is concerned by housing affordability and ranks it as the most significant social issue in 2019. Despite Brexit, the study notes that the Eurozone is seen as a safer and more fruitful investment destination than the UK in 2019.

IMF Newsletter – February 2019

This month's [newsletter](#) includes the latest housing market assessments in Poland, Croatia, Cyprus, Finland and Italy. It also includes an interview with Gabriel Inchauste, Lead Economist in the Poverty and Equity Global Practice of the World Bank, who talks about “Living and Leaving: Housing, Mobility and Welfare in the European Union.”

FISCAL & FINANCIAL NEWS

ECFIN Newsletter

The top story in this month's [newsletter](#) is about the Commission's Winter 2019 Economic Forecast. The Commission expects the European economy to grow for the seventh year in a row, although the overall pace is projected to be moderate compared to previous years. The outlook is subject to a large degree of uncertainty, including trade tensions, a potentially slowing Chinese economy as well as the Brexit process. The newsletter also includes, among others, specifics of EMU deepening, the latest news about the Investment Plan, and details on the EU-Japan trade agreement.

EMF-ECBC – February 2019

This month's [newsletter](#) includes the latest market insights and regulatory updates on key issues affecting European mortgage credit and covered bond markets. The Covered Bond Label Foundation announced that Landesbank Baden-Württemberg is the latest German issuer to join the Label.

TECHNICAL NEWS

European Commission launches feasibility study on building renovation passport

The European Commission launched a feasibility study, clarifying the possibilities and timeline to introduce the inspection of stand-alone ventilation systems and an optional building renovation passport (complementary to energy performance certificates). The technical study will be performed over 2019 by a consortium led by INIVE and BPIE. Throughout this study, the consortium will seek to engage with stakeholders to collect their input and viewpoints. The first stakeholder meeting will take place on 24 June 2019 in Brussels, during which interim results of the study will be presented and discussed. If you are interested in participating in the meeting, please inform the Secretariat. More information is available [here](#).

MEPs urge the EU to lead the way to net-zero emissions by 2050

On 20 February, the ENVI Committee MEPs said that only two of the eight scenarios proposed by the European Commission in its [communication](#) would enable the EU to reach net-zero greenhouse gas emissions by 2050, the commitment made by the EU under the Paris climate agreement. They support the Commission in pushing for these two scenarios. It notes however that those pathways rely to a large extent on carbon removal technologies, that yet have to prove their feasibility, and thus believes that further action by 2030 is needed. The resolution also highlights the cost efficiency of circular economy measures. The resolution is available [here](#). UEPC also reacted to the Commission's communication. The press release is available [here](#).

100 Positive Energy Districts for sustainable urbanisation by 2025?

On 12 February, Filiep Loosveldt represented UEPC at the JPI Urban Europe Policy Conference in Brussels. JPI Urban Europe was created in 2010 to address the global urban challenges of today with the ambition to develop a European research and innovation hub on urban matters. Filiep Loosveldt participated in the break-out session that presented the “Positive Energy Neighbourhoods and Districts” (PEN/PED Programme) initiative that is to be launched in Spring 2019 through joint efforts between JPI Urban Europe and the SET-Plan Action 3.2 Smart Cities and Communities (more information [here](#) and [here](#)). This Implementation Plan on Action 3.2 ‘Smart Cities and Communities’ aims to support the planning, deployment and replication of 100 ‘Positive Energy Districts’ for sustainable urbanisation by 2025. Some projects were highlighted, such as +CityxChange (Positive City ExChange), a smart city project ([here](#)), and the city of Groningen, which is seeking to be fully sustainable and energy independent by 2035 ([here](#)). The press release of the event is available [here](#).

Committee of the Regions adopted the next Environment Action Programme

On 7 February, the Committee of the Regions (CoR) adopted its opinion on the [8th Environment Action Programme](#) (EAP), the European Union’s upcoming framework outlining environmental policy priorities and objectives. It is a set of recommendations to improve integration and implementation of environmental legislation and policy in Europe. Since they are largely responsible for the implementation of environmental directives in Europe, cities and regions have taken the lead in adopting concrete recommendations for the upcoming framework of the EU’s environmental policy. The CoR supports incentives for those local and regional governments over-performing in implementing environmental policy and legislation and calls for more synergies between funding sources and public and private financing programmes. The decision to present the 8th EAP will be in the hands of the next European Commission to take office following the European Parliament elections. UEPC has a file on the topic, available [here](#).

NEWS FROM OUR MEMBERS

FPI: Lack of housing supply in France

According to figures released by the French government, the number of projects started fell by 7% in 2018. For the President of FPI, Ms. Alexandra François-Cuxac, “this lack of supply will inevitably have an effect on prices and will further distance households from affordable housing.” With the approach of the local elections in 2020, professionals also fear that some mayors may adopt a wait-and-see attitude, leading to a decline in the number of building permits granted. Commenting on the yellow vest crisis, Ms. François-Cuxac said: “We will not reduce the fractures of our country without responding to housing problems and giving everyone the opportunity to live according to their choices. Financial aid to households contributes to this, but we must not neglect the other side – that of supply and the production of cheaper housing in cities where the middle classes want to live.”

NHBC reveals 2018 registration figures

Developers registered 159,617 new homes with NHBC during 2018, a 0.5% decrease compared with the 160,396 in 2017. For the year as a whole, eight of the 12 months

showed an increase in registrations as compared to the same period a year ago. This includes seven straight months of growth following the slow start to the year caused by the freezing weather conditions and is despite uncertainty in the industry around Brexit. Commenting on the new home registrations statistics for 2018, NHBC chief executive Steve Wood said: “The full year figures of nearly 160,000 new home registrations demonstrate the resilience of the UK housebuilding industry. 2018 has been a demanding year, with the extreme weather conditions in the early part and the continuing political and economic uncertainties, which are extending into 2019. Whatever the environment, NHBC will continue to support housebuilders to deliver the high-quality, new homes that the country needs.”

BFW: The Government stops halfway on the housing benefit reform

“It is a real and important step for the *GroKo* (grand coalition) to increase housing subsidies and relieve people with low incomes. Unfortunately, the federal government is staying halfway through the reform. We need an automatic and annual adjustment of the housing allowance” warns BFW President Andreas Ibel. He is referring to the draft “Act to Strengthen the Housing Benefit” and the provision “to adjust the amount of housing subsidies as needed in a timely manner.” Mr. Ibel added: “This is too vague, too arbitrary and not legally secure.”

UPSI-BVS: Real estate prices continue to rise, as do uncertainties

A panel of experts, including Olivier Carrette, CEO of UPSI-BVS, expects a further rise in property prices on the Belgian property market in 2019, combined with low interest rates but also increasing uncertainty. 2018 was a great year for the housing market with a record turnover and a record number of transactions. Commenting on the necessity and urgency to achieve greater sustainability for homes, Mr. Carrette said: “If you want to achieve results, you will also have to impose more mandatory energy standards for the existing stock, which represents 98 percent of the Belgian property portfolio. It is important that the policy provides clarity, legal certainty, long-term vision and coherence.”

UEPC activities

- 6 March: Filiep Loosveldt meets with the new Managing Director of FIEC, Domenico Campogrande
- 13 March: UEPC attends “One-Stop Shops in the EU: current and future role in building energy renovation” conference
- 14 March: UEPC Monitoring Committee
- 26 March: UEPC attends the first stakeholder meeting on the Smart Readiness Indicator
- 24 April: European Construction Forum
- 22 – 24 May: UEPC Congress in Bucharest (Romania)
- 24 June: UEPC attends the first stakeholder meeting on the feasibility study on Article 19a of EPBD

