

Final Communiqué of the 18th Informal Meeting of Housing Ministers of the European Union.

Toledo, Spain, 21 June 2010

The 18th Informal Meeting of Housing Ministers of Member Countries of the European Union (EU) was held on 21 June 2010, in Toledo (Spain), within the framework of a Meeting of Housing and Urban Development Ministers (June 21- 22).

The core theme of the meeting of Housing Ministers was: “The renovation of the existing housing stock”, which was analysed and discussed from multiple perspectives.

The Housing Ministers express their satisfaction with this approach that highlights the importance of housing in urban, as well as rural, development policies, with which housing policy is tightly connected.

Representatives of the three candidate countries to the European Union (Croatia, Former Yugoslav Republic of Macedonia and Turkey) also attended the meeting, as well as representatives from Norway and Switzerland.

The Ministers express their satisfaction with the participation of representatives from EU Institutions.

Representatives of some European housing organizations were also invited and attended the meeting.

The Ministers thank Spain for the organisation of this meeting during the term of its rotating Presidency. And particularly for the preparation of a report on the core theme of the meeting—the renovation of the existing stock—on the basis of the answers provided by the Member States of the EU and other guest countries.

They also thank Spain for the organisation of a preparatory meeting of Housing Directors General, held in Madrid on 27 April 2010.

The Ministers thank also the Czech Republic for the organisation in 2009 of two working meetings of the Housing Focal Points, in Prague: the meeting held on March 20 on “Social Aspects of Housing and Social Cohesion”, and the meeting of June 24 on “European Aspects of Housing Policies”.

This recognition is also extended to Belgium, which on 23 April 2009 organised, in Brussels, a meeting of the Working Group on housing legislation and policies of the Housing Focal Points, and which together with Hungary, both as members of the Trio, have worked in collaboration with Spain in the preparation of this Ministerial meeting.

Finally, the Ministers thank Sweden for the workshop on 20 October 2009 on consumer oriented housing policies and subsequent report.

A. The Ministers have referred to the following documents:

- The International Covenant on Economic, Social and Cultural Rights, of 16 December 1966, and in particular article 11.
- The European Social Charter of 18 October 1961, as well as the revised European Social Charter of 3 May 1996, when ratified by Member State, and in particular article 31.
- The Istanbul Declaration on Human Settlements, issued on occasion of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996, as well as its annex "Habitat Agenda", and in particular paragraphs 39 to 41.
- The Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU) (versions merged after the Lisbon Treaty, in force since 1 December 2009), and in particular articles 14 and 106 of the TFEU, and the Protocol on Services of General Economic Interest.
- The Charter of Fundamental Rights of the European Union signed on 7 December 2007 and in particular article 34.
- The Leipzig Charter on Sustainable European Cities, of 24 May 2007.
- The Communication from the Commission of 19 October 2006, entitled "Action Plan for Energy Efficiency: Realising the Potential."
- The Communication from the Commission of 13 November 2008: "Energy Efficiency: Delivering the 20% Target."
- Previous communications of the informal meetings of housing ministers of the EU, and in particular the commitments adopted under the Czech presidency at the meeting held on 14-15 March 2005, in Prague, as well as those adopted under the French presidency at the meeting held on 24 November 2008, in Marseille.
- Council conclusions on architecture: culture's contribution to sustainable development (2008/C 319/05), 2008/12/13.

B. The Ministers have considered that:

1. Although housing policy is not within the remit of the EU, but rather falls under the sole responsibility of the Member States, some aspects of the European legislation and programmes do significantly affect the housing sector.

2. In 2000, the Lisbon Agenda established the priority goals in the field of social inclusion; effective access to quality social services, including housing is, for people at

greatest risk of exclusion from the labour market, one of the pillars of the social inclusion strategy. A shortage of decent housing at affordable prices, or the financial inability to afford the costs of maintenance, renovation or reconstruction/upgrading of a dwelling so that it can meet minimum standards, can contribute to exclusion and it must be taken fully into account when elaborating social inclusion policies. Therefore, national housing policies could represent an important field of cooperation with EU policies aimed at promoting social inclusion and sustainable economic development.

3. One of the targets of the new EU 2020 *strategy* is *“a new sustainable social market economy, a smarter, greener economy, where our prosperity will come from innovation and from using resources better, and where the key input will be knowledge.”* Proposals of the European Commission, as far as they could include housing as an instrument, must be based on the fact that housing policy falls within national competence.

4. The maintenance, renovation and reconstruction/upgrading of the housing stock is a task required both for environmental reasons and from an economic and social point of view, if the EU is to reach its political targets on climate change, economic recovery and social cohesion.

5. In addition, housing is an area which is affected by the implementation of the energy policy, in which respect the EU and the Member States have shared competence.

6. In relation to this:

- The residential sector accounts for 40% of energy consumption of the EU, offering a great potential for energy efficiency and reduction of greenhouse gas emissions. As a result of the rise in energy prices, heating and hot water costs have also increased. Therefore, in many EU Member States “energy poverty” has become a phenomenon on the rise. Indeed, in 2007, 10% of the EU population could not afford to maintain an appropriate level of heating at home¹. On the other hand high energy prices function as a universal new strong incentive for energy saving investments, which backed by low European interest rates have become economically more remunerative than ever for the citizens.
- The European Parliament and Council Directive 2010/31/EU of 19 May 2010, on the energy performance of buildings, sets ambitious targets and proposes a methodology for the energy performance of new and existing buildings.
- According to regulation No. 1080/2006 as amended by regulation 397/2009, of 6 May 2009, *“in each Member State, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing shall be eligible up to an amount of 4% of the total ERDF allocation.”*

7. The report submitted by Spain to this Meeting, based on the answers given by the member countries of the EU, candidates and guests, to a previously distributed questionnaire on this matter, highlights the following aspects of the renovation of the existing housing stock:

¹ See the European Quality of Life Survey 2004:
<http://www.eurofound.europa.eu/pubdocs/2004/105/en/1/ef04105en.pdf>, p. 11.

- There is a broad consensus on the aspects included in the concept of rehabilitation of houses, buildings and urban areas.
- In particular, between 60% and 87% of the Countries include similar contents in their regulations on rehabilitation, especially relating to energy aspects as well as to adaptation to the needs of people with disabilities.
- In most countries,
 - There is a lack of information relating to rehabilitation, with scarce and heterogeneous data.
 - Competences in rehabilitation are shared by more than one Administration level, especially on the Local and Central ones.
 - Aid for houses and buildings may coexist with aid for improving the surrounding urban area (public spaces equipment...).
 - Costs of rehabilitation or upgrading may be passed on to tenants.
 - There are aids for the adaptation of houses for people with disabilities, and to a lesser extent for the elderly.
 - There is the awareness that rehabilitation generates employment and it has been promoted to tackle the crisis.
 - Available professionals and specialised labour are considered to cover existing needs in the rehabilitation sector, and they have some kind of specific training in place.
- Although six types of public aids have been identified among countries, non-repayable subsidies are the most common form of aid used in housing and building rehabilitation.
- Hitherto, most of the EU12 countries have used ERDF funds for rehabilitation, although for the moment there is no consensus between the Member States on such use in the future.
- The promotion of quality architecture is regarded as beneficial to society, due to the subsequent cultural enrichment, environment preservation and improvements in mobility and welfare of the population. In fact, most countries promote quality architecture and have organisations in charge of spreading the architectural culture or agencies/associations focused on elaborating, standardizing and issuing specific rules concerning technical and functional aspects.

8. EU rules on services of general interest deal with social housing and its services as follows:

- The European Commission decision of 28 November 2005 details the criteria according to which public service compensations, including those in social housing field, are compatible with the common market and exempted from the requirement of notification.

- The protocol on services of general interest stress the essential role and the wide discretion of Member States and their national, regional or local authorities, to define, organize and finance services of general economic interest, and, as a consequence, social housing, taking into account needs, which can vary from one country to another or from one region to another, depending on the different geographic, social and cultural situations.

Article 14 of the Treaty on the Functioning of the European Union allows the European Parliament and the Council to enact by means of regulations, in accordance with the ordinary legislative procedure, in order to set the principles and conditions, especially economic and financial, applicable to services of general economic interest so that they can achieve their tasks, without prejudice to Member States competence, in compliance with the Treaty, to provide, entrust and finance those services.

- In consequence, in this new context Ministers will follow with a special interest the European Commission works and more especially the evaluation of the package concerning services of general economic interest, undertaken by the Commission on the basis of the reports of the Member States on the implementation of the aforementioned decision.
- The European Parliament and Council Directive of 12 December 2006 on services in the internal market exempts from its scope, under certain conditions, social services relative to social housing. Ministers are interested in following this exemption once made the directive's transposition.
- The European Commission communication of 20 November 2007 on "services of general interest, including social services of general interest: a new European commitment", reminds that it is the responsibility of national or regional public authorities, at the relevant level, to decide on the nature and scope of a service of general interest, including social housing.

9. The EU society, having the most aged population in the world, will evolve in the next and medium terms towards a lower number of young persons and a higher number of older workers and pensioners, which will exert significant impacts on the need of and demand for different kinds of dwellings, and particularly with regard to improved physical accessibility, which is also crucial to the promotion of autonomy and participation in society by people with disabilities. As a consequence, the needs of renovation and reconstruction/upgrading of the existing housing stock will be very much affected.

10. When it comes to studying housing-related issues, the work of the European Parliament Resolutions on housing matters should be taken into account, in particular the European Parliament Resolutions in relation to the social aspects of housing of 29 May 1997; the Social Policy Agenda 2006-2010 of 26 May 2005; the Housing and Regional

Policy of 10 May 2007; and the written declaration of the European Parliament of 10 April 2008 on ending street homelessness.²

11. It should be stressed that the responsibility for the maintenance of housing stock mainly resides with the property owners, especially if legally regulated. Public authorities should foster citizen awareness in this field. Nevertheless, public authorities may, if deemed necessary and with special regard to low-income property owners unable to cope with the expenses linked to those operations, involve themselves in this field, especially relating to renovation and reconstruction/upgrading, so as for to reach their own national targets, including those relating to energy efficiency, social cohesion etc. It also should be stressed that public authorities should encourage residents to actively participate in the improvement of the liveability and public spaces of their neighbourhoods.

C. The Ministers note the following developments since the 17th informal meeting of Housing Ministers:

1. The adoption in 2009 by the Indicators Subgroup of the Social Protection Committee of new housing indicators used by EUROSTAT, to monitor housing affordability and deprivation.

2. The Ministers thank the Netherlands for their presentation of a new edition of the *Report on Housing Statistics*.

3. The adoption by the European Parliament and Council of Regulation 397/2009, amending Regulation (EC) No 1080/2006, on the ERDF, so that energy efficiency and renewable energy investments in existing housing are considered eligible for funding.

4. The adoption by the European Parliament and Council of Regulation 437/2010 amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of housing interventions in favour of marginalised communities.

5. The adoption by the European Parliament and Council of Directive 2010/31/EU of 19 May 2010, on energy performance of buildings, which is set to become a fundamental pillar for residential building sustainability.

6. The emerging importance of the JESSICA instrument as a tool and conduit to promote improvements in the energy efficiency of the housing stock and, in particular, in the renovation of panel block housing in the New Member States.

D. The Ministers would appreciate if Member States, in the framework of their own situation and needs relating to housing:

- (a) When national programmes for maintenance, renovation and/or reconstruction/upgrading of the existing housing stock (including conversion into dwellings, when necessary) are pursued, the following characteristics should be taken into account:

² Written declaration on ending Street homelessness: 111/2007 has been signed by 438 MEPs (in 2008) and was supported by Mary Lou MacDonald (GUE/NGL, Ireland) Claude Moraes (PES, United Kingdom), Jacek Protasiewicz (EPP-ED, Poland), Gérard Onesta (Greens/EFA, France) and Jean-Marie Beaupuy (ALDE, France).

- Special focus on improvement of energy efficiency, use of renewable energies, improvement of the adaptive capacity to the effects of the climate change, giving information on energy efficiency, load-bearing capacity of structural system, improved physical accessibility to buildings and houses and, taken as a whole, promoting a sustainable development. This is particularly important on public buildings as they should act as positive examples.
- Seek to design and apply the said programmes in such a way that they are likely to sustain social cohesion, and to such end take into account, as far as possible, the individuals' needs and specificities, paying special attention to the most vulnerable groups.
- As far as possible, try to apply an integrated approach, so that the refurbishing, renovation and reconstruction/upgrading of the existing housing stock is not only developed under an individualist approach (dwelling by dwelling, or building by building) but framed under a comprehensive urban strategy; with an integrated urban regeneration approach as described in the "Toledo Declaration" and particularly coordinating different sector (economic, social and environmental) actions and implementing multilevel governance and public participation, taking note of the "Toledo Reference Document on integrated urban regeneration and its strategic potential for a smarter, more sustainable and socially inclusive urban development in Europe".
- Pay a special attention to the morphologic, spatial and functional quality of both houses and buildings, using the structure of the architecture itself to ensure a greater rationalization leading to saving and improving, in general, the quality of life of residents. On the other hand, to observe the constructive and architectural quality of housing buildings, belonging to different past periods, to take maximum advantage of their characteristics and to manage them in a profitable way.
- Local governments could face special difficulties to put in practice all these characteristics regardless they could apply different possible tools. It could be convenient to create a working group to analyze how to help local governance in this field.

(b) Seek that such national renovation programmes form part of integrated strategies at the appropriate level, including the framework of integrated urban development policies, using a multi-dimension approach, and taking into account the requirements and consequences of social policy.

(c) Address the homogenisation of statistical criteria pertaining to refurbishing.

(d) Take heed of the situation of those who cannot have access to housing and endure the worst accommodation conditions, including communities excluded because of any kind of discrimination. Urgent national action is needed to put an end to extreme forms of exclusion. The improvement of housing conditions, through a holistic and integrated approach (also encompassing education, financial inclusion and employment), is a

significant national task, without prejudice of the support that Member Countries could obtain from the EU cohesion policy.

(e) Take into account the process of population ageing. In this respect, national policies promoting the renovation of the existing stock can contribute to facilitating physical accessibility to buildings and houses, especially for the elderly and people with disabilities. Member States should exchange information on these topics. Also take into account sufficient provisions like shops, post offices, schools, etc., in those areas that lack a sufficient population because of a graying and/or leaving population.

(f) Take into account the possibilities of providing forms of alternative ways of housing within normal standards (temporary housing units, etc.), to satisfy the needs of migrant workers who temporarily reside in other countries. Flexible housing can prevent migrant workers to reside in undesirable living conditions.

E. The Ministers ask and encourage the European Commission that:

1. In the context of the new EU 2020 Strategy where the fight against poverty and social exclusion has been identified by the Commission, and agreed by Head of States as one of the 5 main objectives of the strategy, the Commission shall propose an EU flagship initiative, called so far the EU platform against poverty. In addition, the Structural Funds eligibility criteria will be enlarged in 2010 to housing measures for marginalised Communities. The European Commission should therefore pay a particular attention to the fight against social exclusion and in these activities national housing policies could represent a field of co-operation, keeping in mind that housing policy is not EU competency.

In addition, in the field of social inclusion where the open method of coordination has been used to facilitate exchange and coordinate efforts between, the Ministers have examined the results of the Joint Report on social protection and social inclusion released in march 2010 with a chapter describing the housing situation of poor households and main policies to tackle the issue. They are very pleased of the adoption of common EU housing indicators to measure housing affordability and decency which makes possible to compare data and to measure progress.

2. Without prejudice to the future financial framework, it should take into account, when the next legislation proposals of the European Commission, relative to the future cohesion policy of the EU, will be debated, the fact that there are different views among the Member States concerning the desirability or not to finance with European Funds investments in new social housing, refurbishment of existing housing, new generation, innovative energy renovations and its supporting R & D on existing housing, energy efficiency and renewable energy.

3. It should outline how to achieve the EU targets in terms of energy efficiency in the Second Energy Efficiency Action Plan, to be proposed by the European Commission. Housing can be a contribution to the global energy efficiency of the EU, e.g. within the framework of the European Initiative on Buildings.

4. It should advance the implementation of the political targets of the climate change package. The Ministers underline the importance of investment (including the use of

innovative financial instruments to finance housing renovation), fiscal policies and an efficient and transparent energy market, where the major obligations of public service are maintained, as well as an accurate, reliable and impartial public information service for citizens regarding various energy saving measures and their profitability. When considering these aspects, the different approaches of national policies should be taken into account and respected.

5. It should take into account the process of population ageing, so that all its policies are adapted to that. Likewise, it should inform Member Countries about how this adaptation could help them in adapting their national housing policies to this new challenge.

6. It urgently conducts an analysis of the potential obstacles to the renovation of the housing stock associated with the European control procedures over public aid.

7. It should take into account:

- That homelessness and housing exclusion should be fully taken into account within the European Year 2010 for Combating Poverty and Social Exclusion.
- That the results of the forthcoming Consensus Conference on Homelessness (December 2010) should be integrated within the European Union social inclusion strategy.

F. The Ministers ask and encourage the European Investment Bank (EIB) to:

Promote the renovation, reconstruction/upgrading and energy efficiency of the housing stock in Member States of the EU, and to inculcate more considered maintenance strategies, by suggesting new formulas and financial instruments, including financial engineering, to improve the opportunities to channel funding to the main agents in the field.

G. The Ministers accept and thank:

1. The offer by Belgium to organize in November, in Brussels, in the frame of its Presidency, an international conference focused on the answer to climatic and environmental challenges as support of cohesion in the public housing policies.
2. The offer by Belgium to create a working group to analyze how to help local governance in the field of questions developed in section D, a), of this Final Communiqué.

Toledo, Spain, 21st June 2010.