



European Affordable Housing Consortium: Sustainable Housing for Social Impact

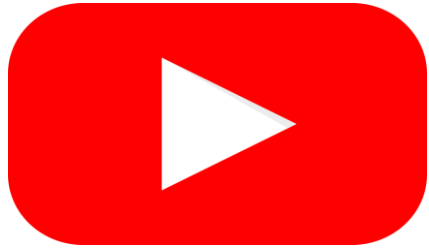
Training day #5

How to overcome regulatory barriers for district level social and affordable housing renovations?



The SHAPE-EU project has received funding from the European Union's Single Market Programme under Grant Agreement no. 101069909

Before we start...



The webinar will be recorded, the replay will be available on SHAPE-EU YouTube Channel



Please remain mute during the presentations. For communication, use the **chat**.



There will be a specific Q&A moment



Training day #5– Wednesday 15th November 2023



- What is SHAPE-EU?
- Regulatory barriers for district level social and affordable housing renovations / *Thibault Perrailon & Nicolas Mansart, GreenFlex*
- Panel discussion on regulatory challenges with the SHAPE-EU blueprint authors / *Paula Ferrando Julia, GNE Finance; Henk Visscher, TU Delft; Nerea Gomez, ECTP*
- The Aalborg Model – transforming a vulnerable housing area into a mixed community / *Sven Buch, Himmerland Boligforening*
- Q&A
- What's next in SHAPE-EU



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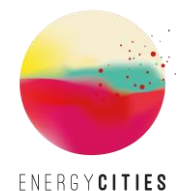
What is SHAPE-EU?

What is SHAPE-EU?



The European Affordable Housing Consortium:

- 10 dedicated partners
- Coordinated by Housing Europe and co-funded by the European Union's Single Market Programme



Objectives:

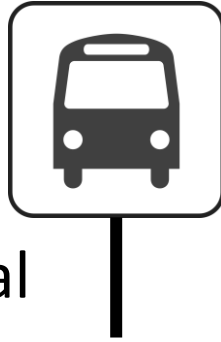
- to ensure **the Renovation Wave** and **the New European Bauhaus** are socially inclusive and affordable and the renovation of existing buildings does not come at the expense of the vulnerable members of the society
- to support affordable and social housing providers, public authorities, and SMEs to deliver lighthouse renovation districts that include innovative features



Co-funded by
the European Union

What is SHAPE-EU? – *Until February 2024*

- a one-stop-shop for local leaders



- guidelines, or “blueprints”, on already tried and tested approaches on how to plan and implement innovative renovations.



- a peer-to-peer mentorship programme.



- Policy recommendations



- a series of online and real-life events.



Image by [OpenClipart-Vectors](#) from [Pixabay](#)



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Regulatory barriers for district level social and affordable housing renovations

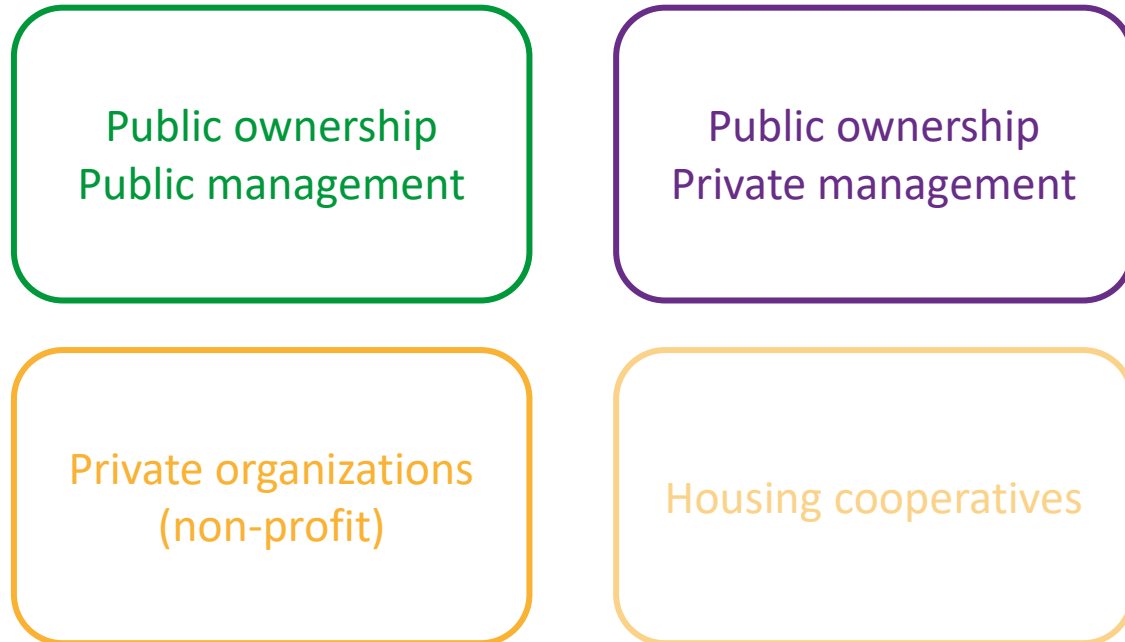
Thibault Perrailon & Nicolas Mansart, GreenFlex

Agenda

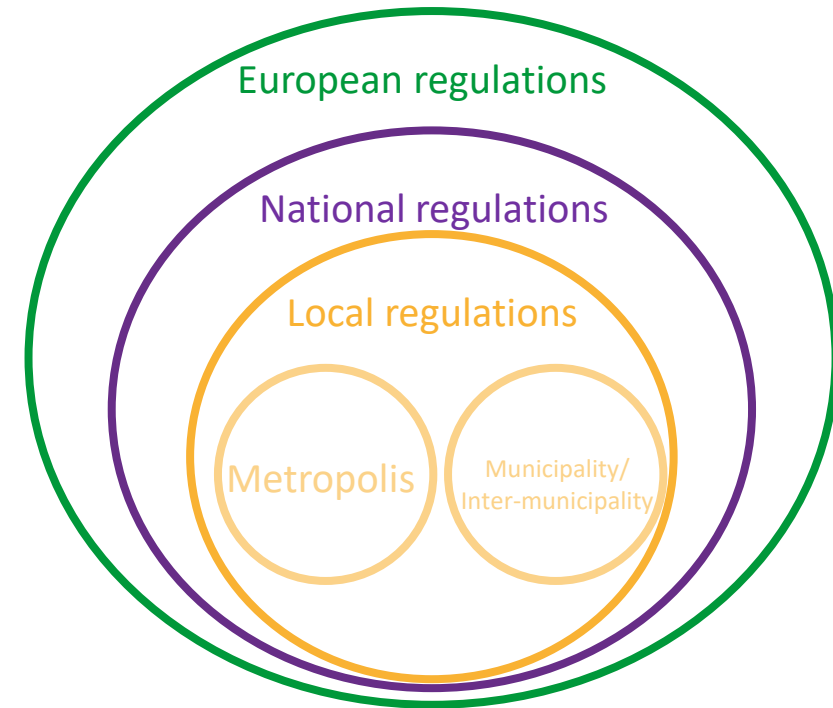
- I. Introduction: renovating a district in the context of a multi-layered regulatory framework
- II. Regulations to consider at building level
- III. Regulations to consider at district level
- IV. Public and private procurement
- V. Regulations to involve tenants in financing the renovation

Introduction: renovating a district in the context of a multi-layered regulatory framework

Different types of social and affordable housing...



...in a multi-layered regulatory framework



Regulations to consider at building level

What is the decision making process?

What is the urban planning policy around the building (heritage protection, flora&fauna protection, etc.)?

What are the regulations regarding the building and its renovation?

Which procurement is the most suitable for the project?

Who is responsible for giving the renovation's authorization?

Is there a possibility of rent increase and/or recover charges?

Regulations to consider at district level

Urban planning requires multiple competencies, although it is up to local authorities to play a leading role, as planning is primarily a public service.

What are the permitted development?

What are the development standards (population density, number of floors permitted, public services required, etc.)?

What are the planning obligations (share of social and affordable housing, etc.)?

Who is in charge of new development's public infrastructures?

What are the building and renovation standards?

Public or private procurement?

The regulatory framework for public procurement follows a set of European directives. Each country can have its own specificities in how these directives are defined into laws: each project should follow its country's framework.

The contracting entity must ensure the procurement procedure will follow the national and local rules concerning:

- Advertising requirements
- Technical specifications which must enable equal access to candidates
- Contract award procedures ; here are some examples of procedures:
 - Open procedure
 - Restricted procedure
 - Competitive negotiated procedure
 - Competitive dialogue
 - Innovation partnership
 - Design contest
 - Green Public Procurement
 - Socially Responsible Public Procurement
- Selection and tender stage
- Noticing and standstill

Public or private procurement?

Private owners are not required to follow public procurement rules. However, if their renovation project is funded by the EU or by public authorities, they might have to follow some or all rules of public procurement.

In addition to considerations of cost optimization and quality, a private social and sustainable private procurement for a district renovation should include specifications on:

- Energy efficiency and green materials
- Waste management and recycling
- Low carbon footprint
- Local businesses and SMEs engagement

Regulations to involve tenants in financing the renovation

- Rent rising
- Recovering maintenance and operation costs
- Recovering part of tenants' energy savings
- Selling energy to tenants



Panel discussion on regulatory challenges with the SHAPE-EU blueprint authors

Paula Ferrando Julia, GNE Finance

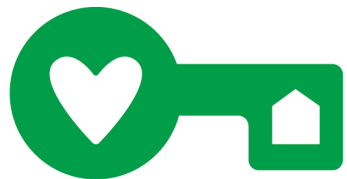
Henk Visscher, TU Delft

Nerea Gomez, ECTP



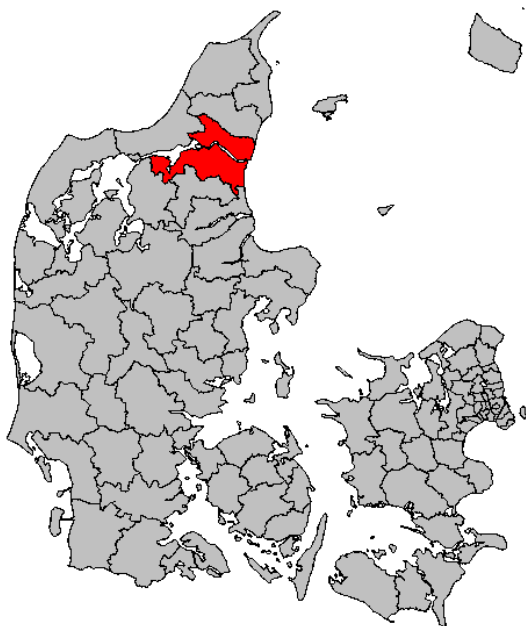
The Aalborg Model – transforming a vulnerable housing area into a mixed community

Sven Buch, Himmerland Boligforening



HIMMERLAND

BOLIGFORENING



Sven Buch

Development Manager – since 2009

Previously – since 1988:

Municipal town planning and urban renewal

Privately employed urban planning and client consultant

Mail: sbu@abhim.dk

Aalborg



Aalborg East





**Many types of investments
– over 15 years**



Investment and implementation

New district centre

New private and social housing

The focus is on anchoring and continued value creation for all parties involved

Focus on knowledge sharing and active partnerships





Total figures (investments)

d.kr.

Euro

Renovation – social housing

2.300 mio.

300 mio.

New build - social housing

500 mio.

70 mio.

New build – private housing

500 mio.

70 mio.

Shopping

50 mio.

7 mio.

Infrastructure

50 mio.

7 mio.

Total

3.400 mio.

454 mio.

Aalborg East



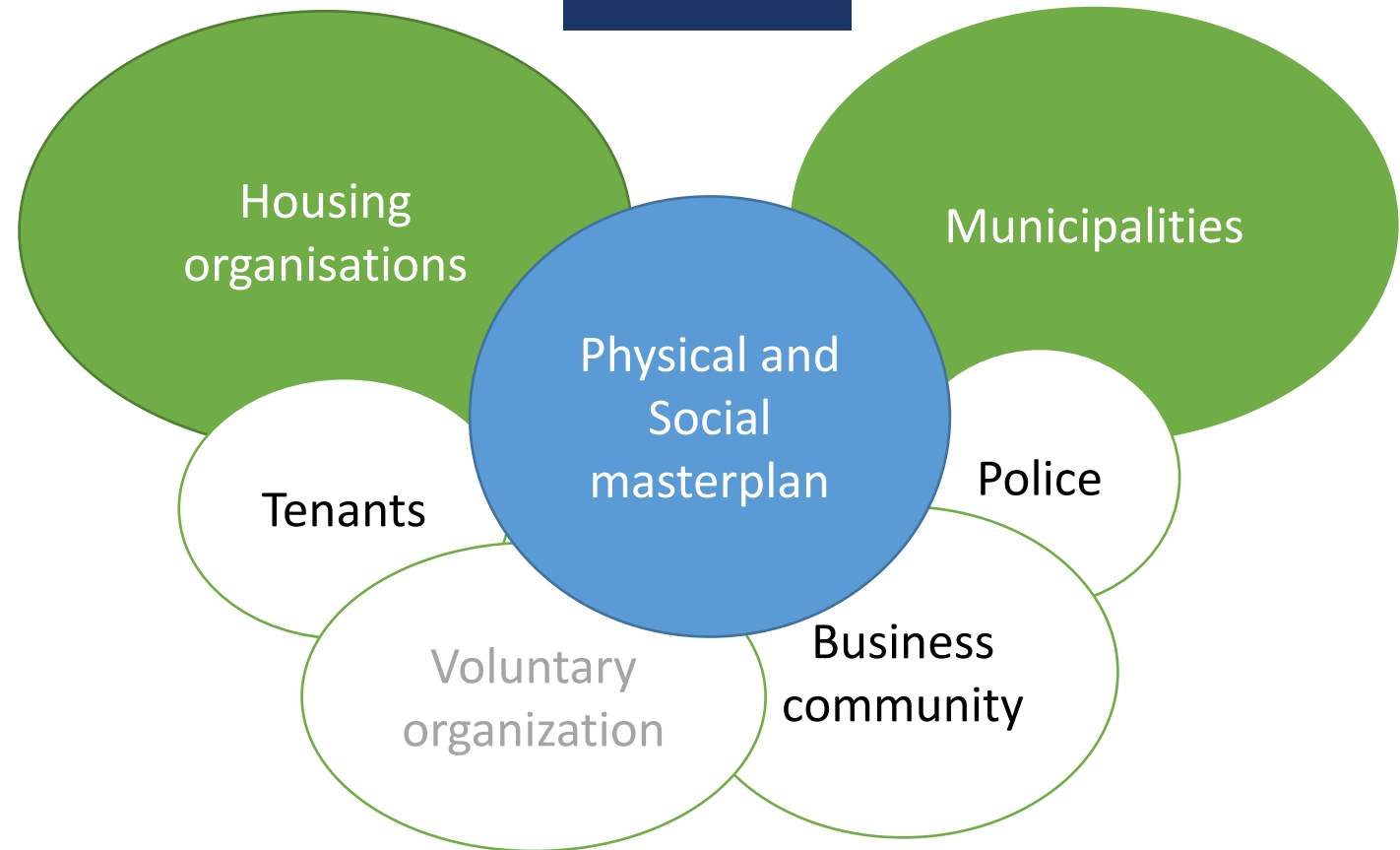
Før reoveringen



Nye boliger på Fyrkildevej



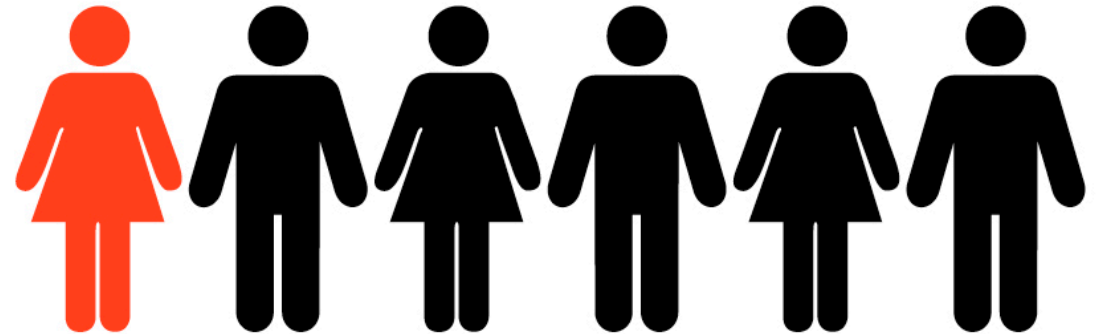
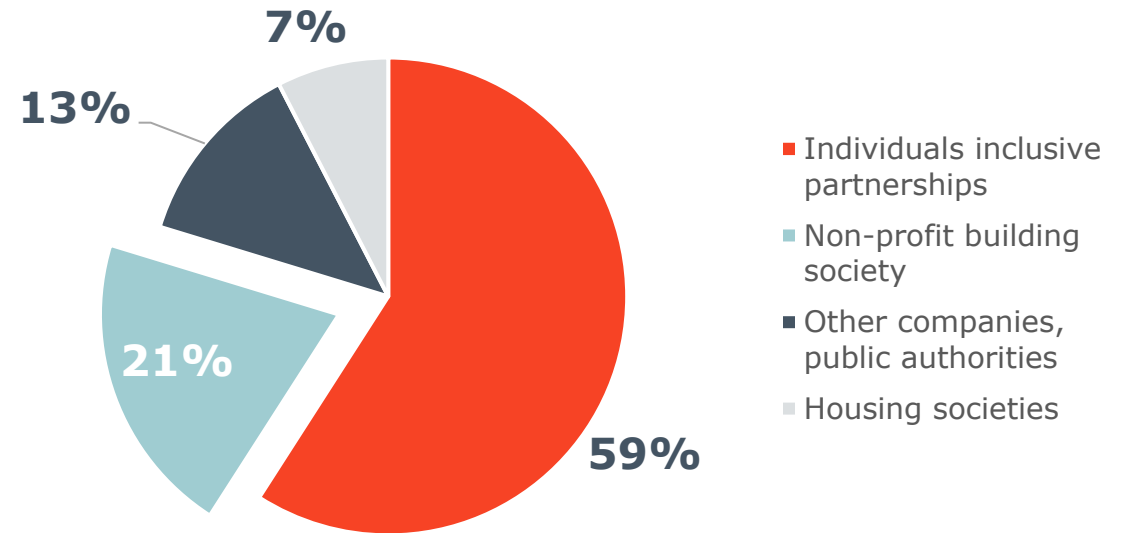
1. Focus on building a socially cohesive and safe society
2. A local community development program
3. Area based activities through partnerships



The danish framework



The Danish Housing Market 2018



→ 3 MAIN PILLARS OF THE DANISH SOCIAL HOUSING MODEL

Non-profit



- Rents equal operating, maintenance and capital costs. The sector is regulated and there is no room for speculation.
- No one can earn money from the rent in social housing.

Tenant democracy



- All housing organizations are managed by tenant democracy, where each individual housing estate elects its own tenant board at a yearly tenant meeting.
- At the tenant meeting they also make decisions on whether to approve or alter the budget.

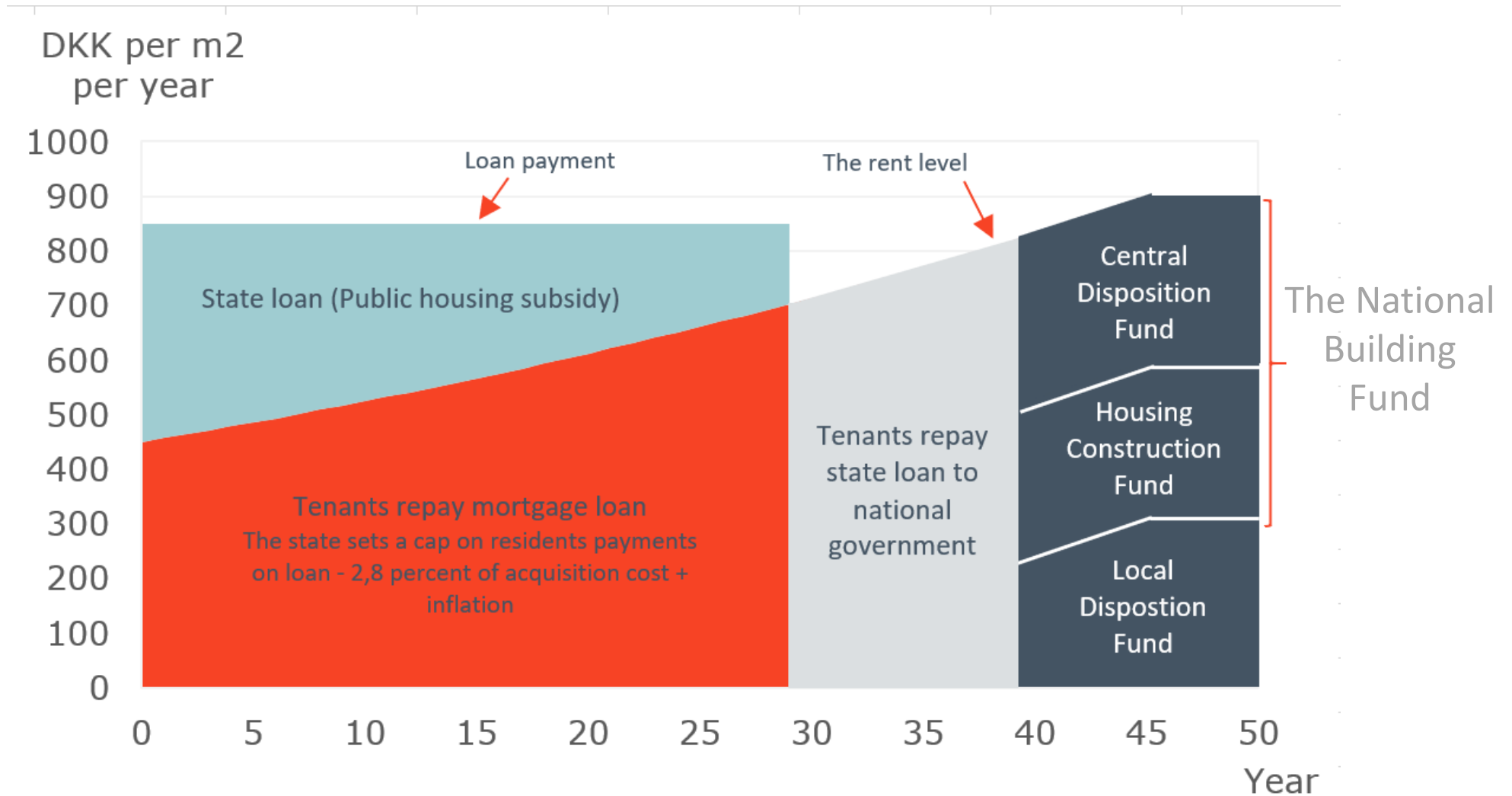
Stable financial model



- It is essential that rents are kept low, stable and predictable.
- Social housing estates are built via public funding.
- The state guarantees loans and contributes to the payment of mortgage and provide housing benefit for tenants in low-income groups.

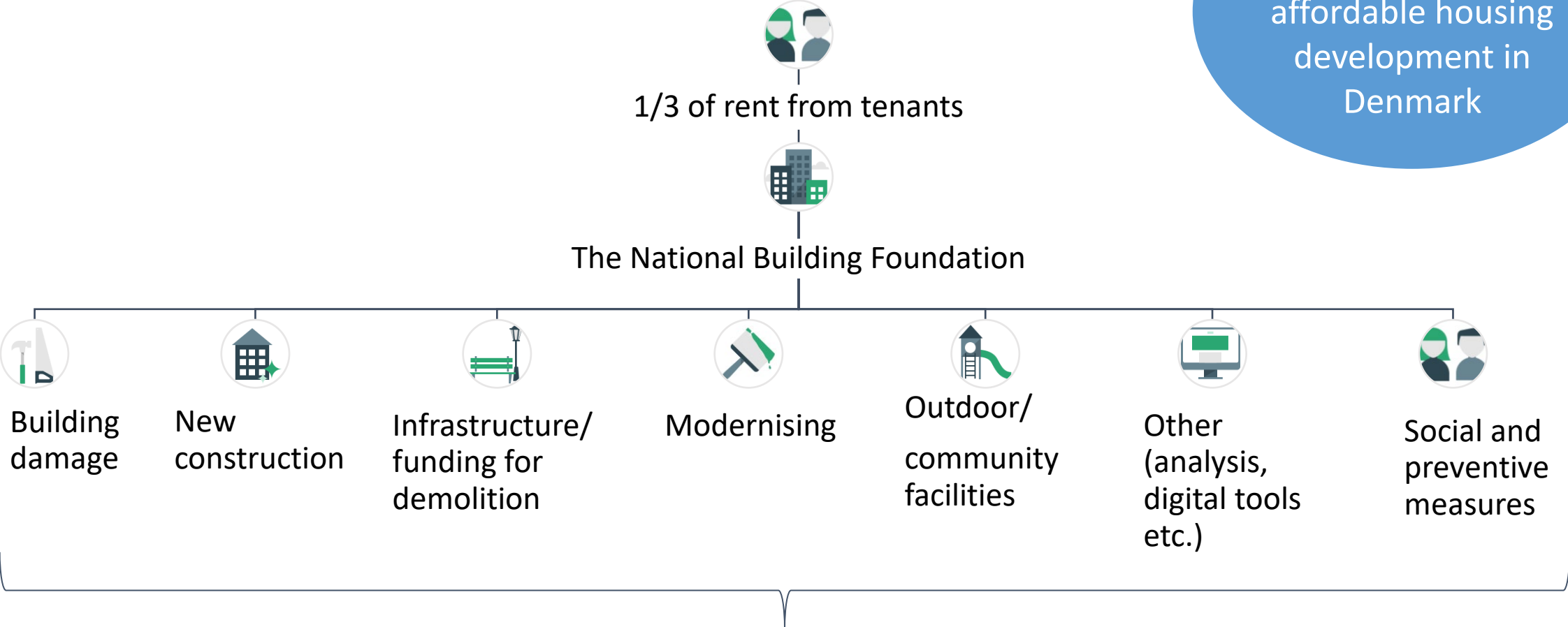
→ THE FINANCING MODEL – IN THE LONG RUN

Illustration of the flow of funding over 50+ years



Note: In periods of high interest rate.

The use of funds



Conclusion:

The Danish social housing sector is publicly regulated through rules and subsidies

Question:

How can the housing association establish partnerships with private players without overstepping boundaries in relation to unfair competition??



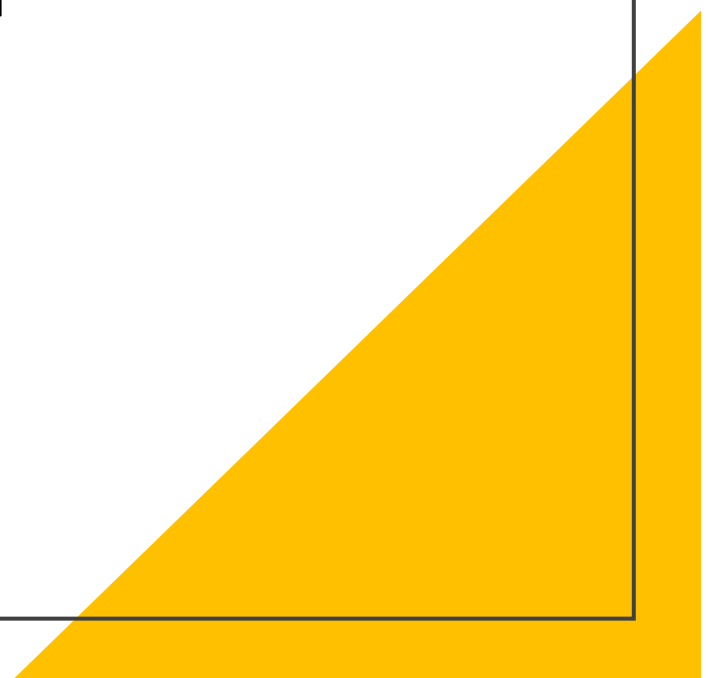


History/background of the legislation:

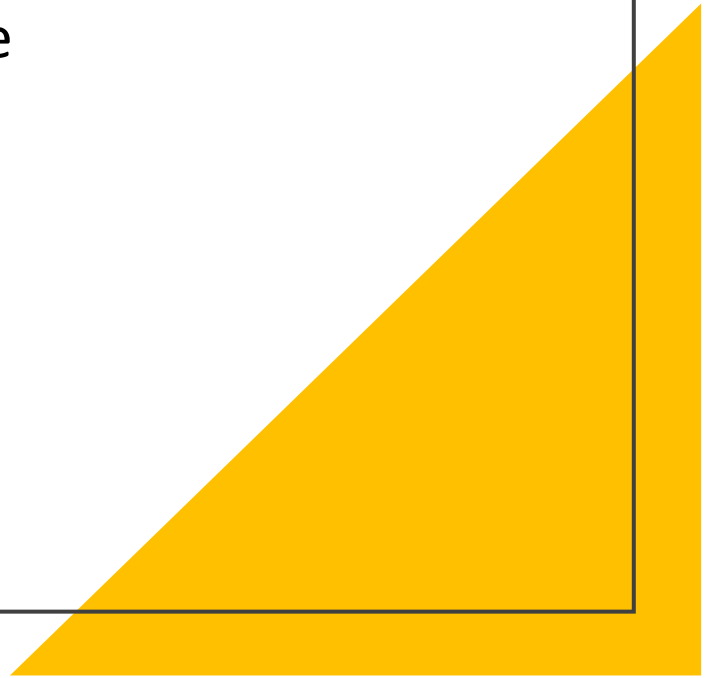
Back in the 1970s, social housing associations were hit with large bankruptcies as a result of investment in larger shopping centres.

According to the legislation, a side activity company can engage in commercial activity if:

- 1) It takes place as part of the development of socially disadvantaged housing
- 2) the housing organization does not take unnecessary financial risks;
- 3) renting is based on market rents in the area



To carry out commercial side activities, a side activity company "Himmerland Erhverv" has been formed, which, unlike the main organisation, pays tax and VAT.



New build private housing

- The six private point houses represent an investment of approx. DKK 250 million.
- 174 new homes contribute with densification, views and further variation in the area's homes
- The rental of private homes is going well and they have been well received in the market
- A private home is approx. Euro 40 more expensive to let per m²







Apoteket Fyrkilden
Center for Almen Medicin
Center for Samskabelse
FOKUS Fitness
Fysioterapien Aalborg Øst
Hjemmesygeplejen
Hudlægecenter Nord
Jordmodercenter
Kaffé Fair
Klinisk tandtekniker Kim Nørgaard
Kørselskontoret
Lasercenter Nord
Lægerne Sløjfen
Navisupport ApS
Neurolog - Clinida
Nord-KAP
Reumatologisk Klinik Aalborg
Scanningsklinikken i Aalborg
Socialrådgiver.nu
Sundhedsplejen
Sundhedsværkstedet
AaB af 1885
Aalborg Psykolog
Aalborg Stressklinik

The starting project: Health and Neighborhood House

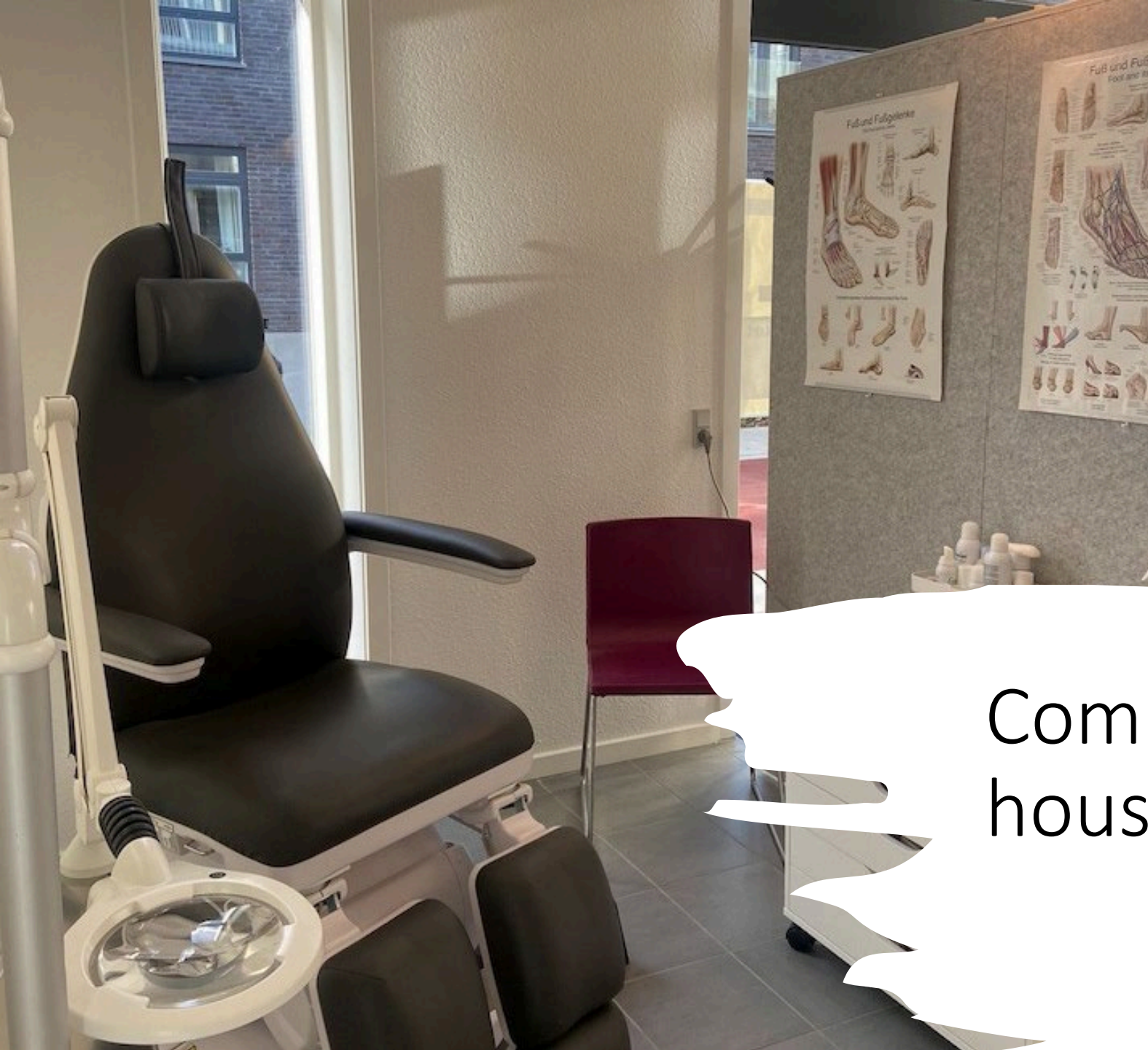
There's more than 200 Workplaces

There is daily more over 1,000 visitors

Private, public and non-profit



Non profit café



Commercial housing –
housing for start ups







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Book tel: 90 58 02 04

Torsdag og fredag
MOBILFRISØR

35

35

Results of THE AALBORG MODEL



More young people are getting higher levels of education. The share of 20-24-year-olds who have completed primary school as their highest level of education and are not in education has fallen from 25.2 per cent to 18.4 per cent in the period 2013-2017.

+19%



The average household income has increased by 19 percent in the period 2011-2017. In Aalborg Municipality, the increase has been 10.4 percent.



The level of education is also generally increasing in the area. The share of 15+ year-olds with primary education as the highest educational attainment and who are not in education has decreased by 22.89 percent from 2011-2018.

-53%



For every 1,000 residents, the number of criminal court decisions in selected categories has decreased by 53.22 percent over the same period.

703 → 683

The number of immigrants and descendants from non-Western countries has fallen from 703 in 2012 to 683 in 2018. In the same period, the proportion of immigrants in Aalborg has increased by almost 40 percent.

4,1 → 6,5

The grade point average has increased in Danish and mathematics for 9th grade students. The jump has been from 4.1 to 6.5 in the period 2013-2017.



Employment has also increased. Whereas in 2011 42.5 percent were in employment, the figure for 2017 is 45 percent. In the same period, there has been a very slight decline in employment in the entire municipality of Aalborg.



• Conclusion:

- Investment in social housing can attract private investment
- Private investment in new housing and services secures investment in social housing.
- It is essential that the legal tools are in place.

- 
- Thank you for giving me the floor !



What's next?

- **District Renovation Policy Crafting – Online Feedback Session**
Tuesday 5th December, 14:00-15:30
➤ [Register!](#)
- **Affordable Housing Initiative Final Conference**
Wednesday 21st February, Brussels
- **Affordable Housing Initiative Study Visit in Brussels**
Thursday 22nd February, Brussels
➤ [Apply!](#) (By 20th December)



Thank you for your attention!

More information and
registration to the events:

<https://shape-affordablehousing.eu/event/>



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