SOUTHERN EUROPEAN HOUSING POLICIES:
A Legislative Regulation Perspective

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1. Introduction and Aims

Introduction and Aims

▶ In an organized society nothing works without stringent juridical norms = social guidelines.

▶ Our collective task is to provide a level playing field and to avoid discriminatory measures within countries.

▶ Providing decent housing for all as the main objective for a more equitable society in each country.

▶ Explain the social risk zones with a focus on people (housing stock versus decent conditions of use).

▶ The dual affordability of housing and how to deal with owners and tenants.

▶ The achievement of housing in the long run = average prices/rents versus housing stock and time.

▶ Housing needs, individuals and technology.

2. An X-ray of trends in Southern European Countries (EU)

Countries	Rent	Social rent	Private rent	Other	Owner occupied	Total member of dwellings (thousands)	Number of dwellings per 1000 inhabitants	Total housing completions in 2013
Bulgaria	18,3%	-	-	-	81,7%	3.918,2	467	9.250
Croatia	-	1,8%	3%	5,8%	89,4%	2.246,9	524	-
Cyprus	-	-	18,8%	12,6%	68,6%	433,21	392	9.091[1]
France	-	17,4%[2]	21,9%	3%	57,7%	28.077	423	266.500[3]
Greece	-	-	21,7%	5,1%	73,2%	6.384	590	48.812[1]
Italy	-	5,5%	16,3%	11%	67,2%	28.863	485	963.000
Malta	19,8%	-	-	2,75%	76,45%	223,9	529	19.423[1]
Portugal	-	2%	18%	7%	73%	5.878,7	556	22.996[4]
Romania	-	1,5%	-	0,3%	98,2%	8.329	425	42.589[3]
Spain	-	2,4%[5]	13,5%	5,1%	78,9%	25.208	538	-

Source: Pittini et al. (2015). _Own elaboration._
Notes:
•In 2011.
•Public rent.
•In 2014.
•In 2012.
•Reduced rent free.

An X-ray of trends in Southern European Countries (EU)

- Permanent householders vary from 98,2% in Romania to 57,7% in France.

- Average of the ten selected Southern European Countries (EU) = 76,4%.

- In different proportions but with adjacent problems, the tenancy sector is substantial.

- Excess number of people living in the same dwelling (Bulgaria, Croatia, Greece and Italy).

- EU had no direct or harmonized policy on Housing.

An X-ray of trends in Southern European Countries (EU)

► Top obstacles detected by country:

► A) ADEQUACY OF HOUSE HEATING (Bulgaria);

► B) DETERIORATION OF BUILDINGS (Bulgaria and Romania);

► C) PROVISION OF NEW HOUSING (Bulgaria, Croatia and Romania);

► D) IMPACT OF THE FINANCIAL CRISIS ON PRICES (Italy and Malta);

► E) HOUSING SUBSIDIES (Greece);

► F) INVOLVEMENT OF MANY STAKEHOLDERS IN HOUSING POLICY (France);

► G) INSUFFICIENT PLANS FOR SOCIAL HOUSING (Cyprus, Greece, Italy and Portugal);

► H) VACANT DWELLINGS (Malta);

► I) TAX EVASION (Portugal);

► J) PROVISION OF HOUSING FOR YOUNG PEOPLE (France, Greece and Romania);

► K) MARGINAL VOLUME OF PUBLIC HOUSES TO RENT (Portugal and Spain);

► L) HOUSING PREDICATE DEFICIT (Cyprus, Italy and Portugal).
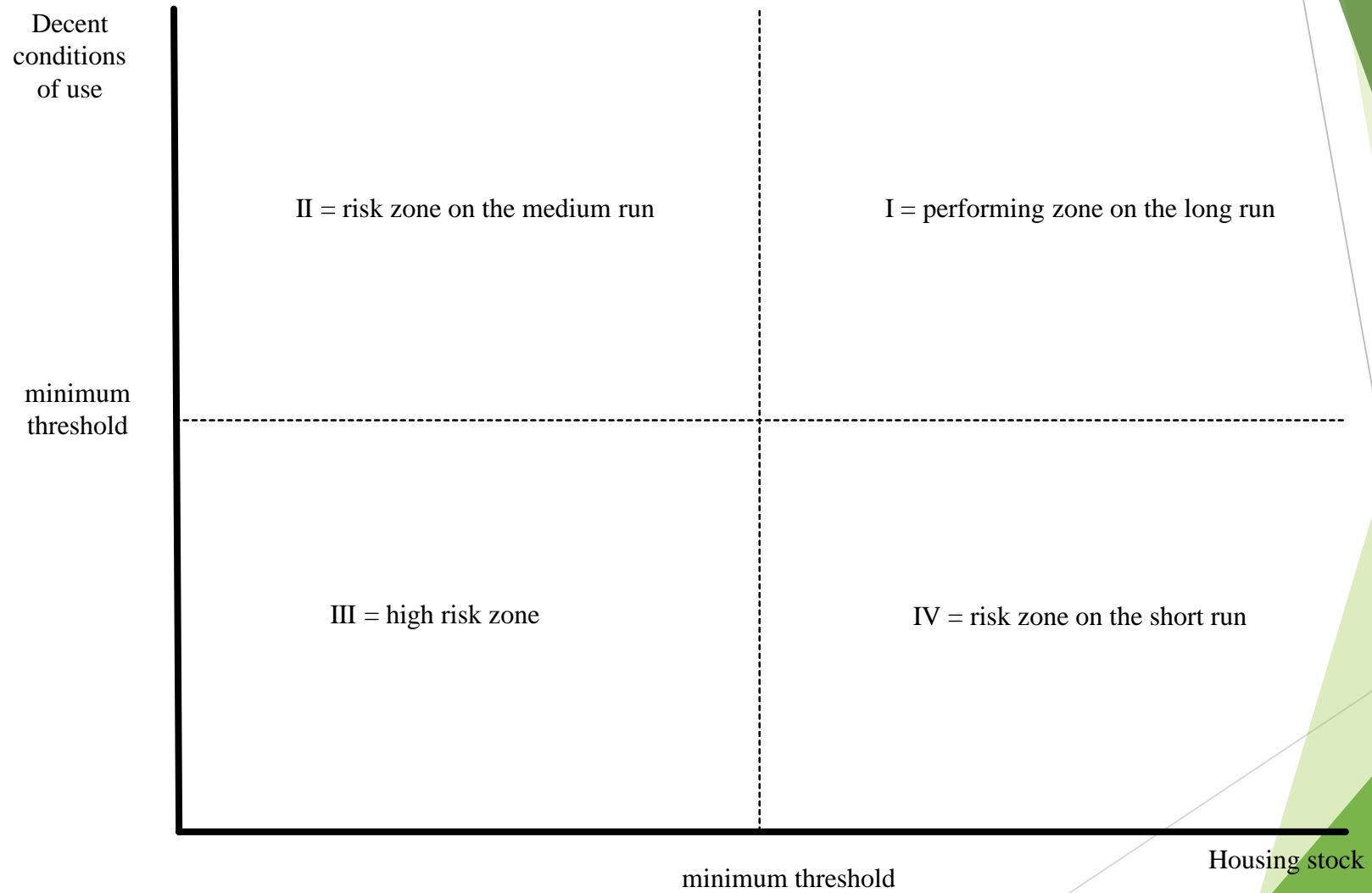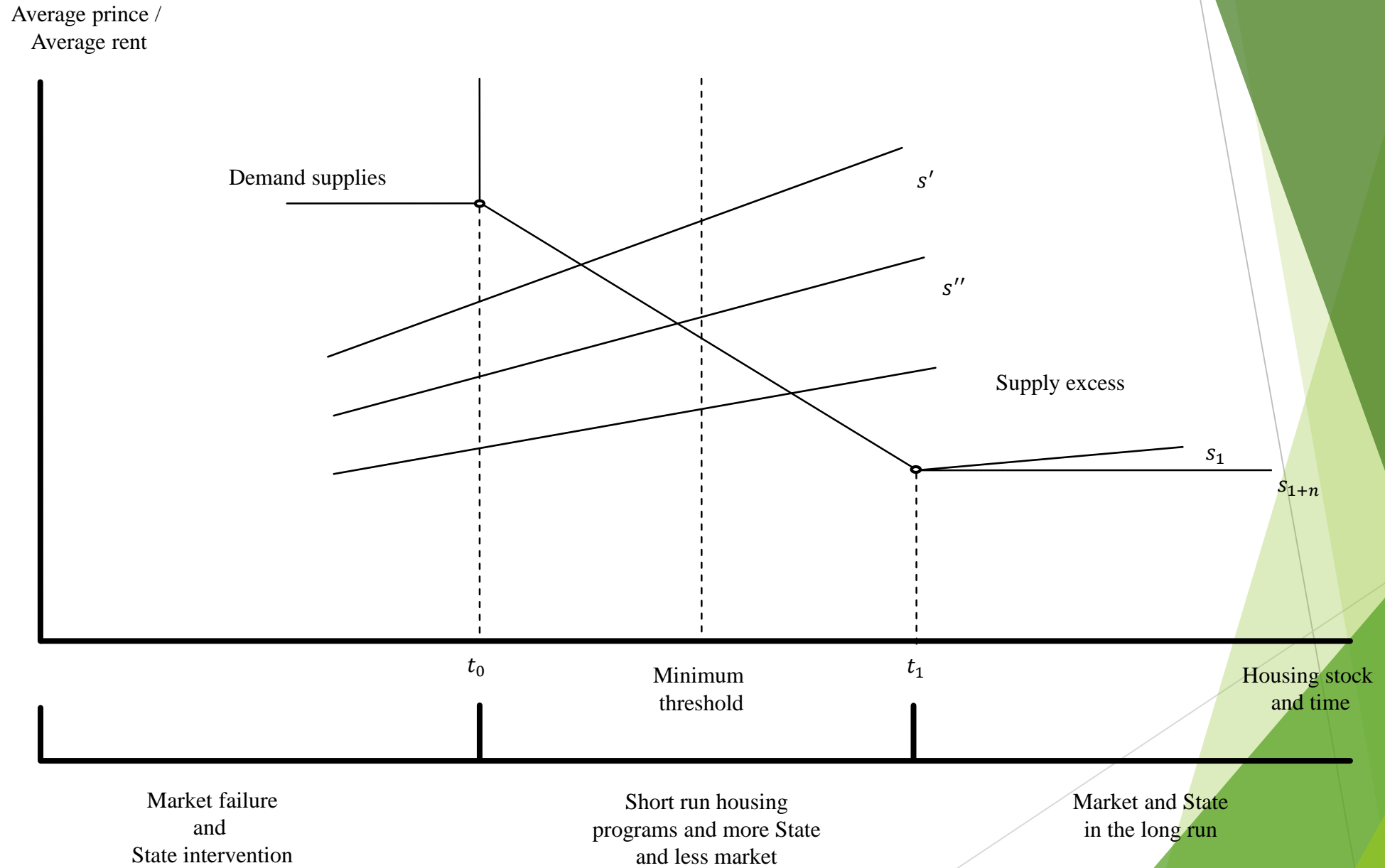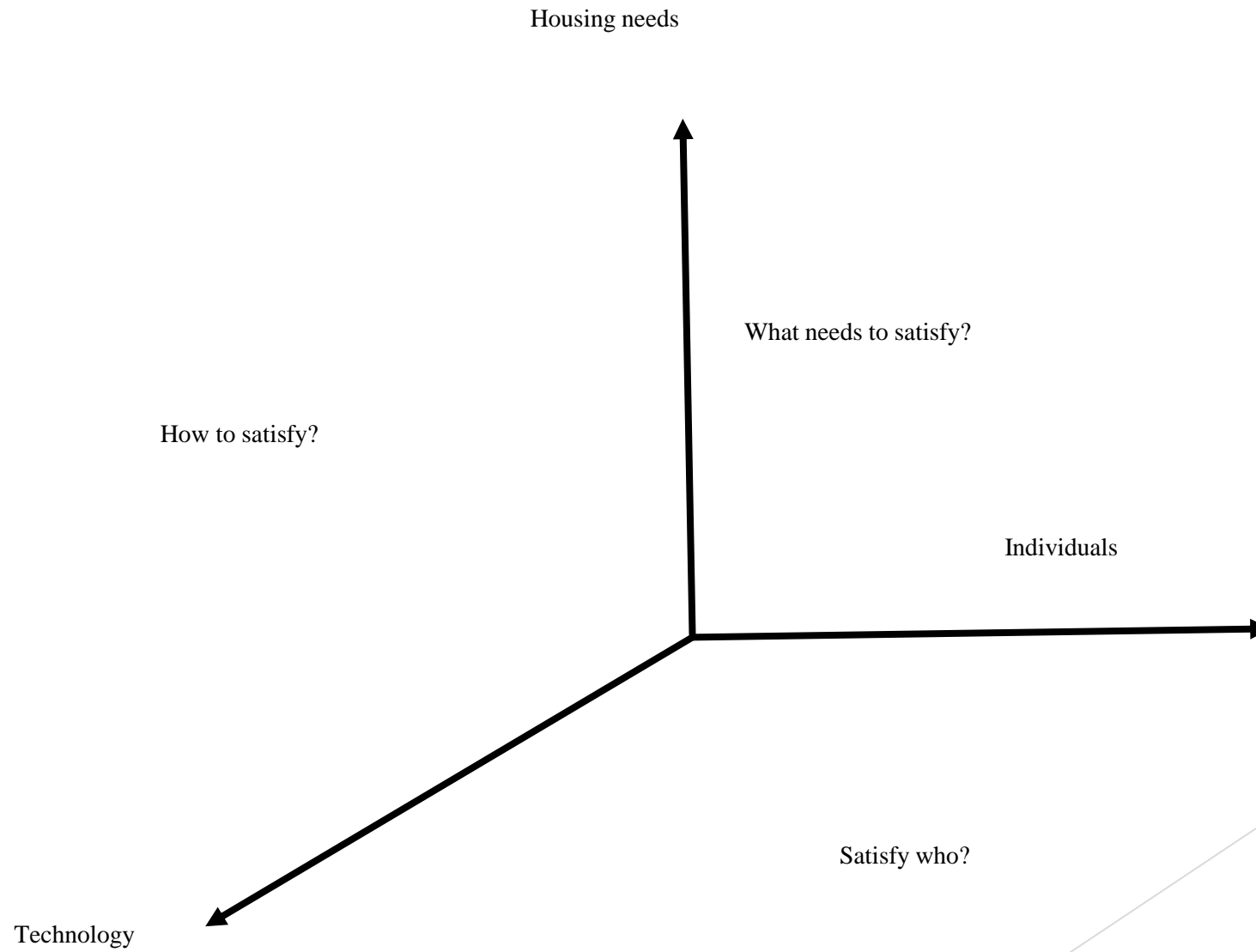
Figure 1 – The social risk zones

Decent
conditions
of use

II = risk zone on the medium run

I = performing zone on the long run

minimum
threshold

III = high risk zone

IV = risk zone on the short run

Housing stock

minimum threshold

Figure 2 – Affordable housing over time

Average prince /
Average rent

Demand supplies

s'

s''

Supply excess

s_1

s_{1+n}

t_0

t_1

Minimum
threshold

Housing stock
and time

Market failure
and
State intervention

Short run housing
programs and more State
and less market

Market and State
in the long run

Figure 3 – Housing needs, Individuals and Technology

Housing needs

What needs to satisfy?

How to satisfy?

Individuals

Satisfy who?

Technology

3. Behind the scenes

Behind the scenes

▶ Political organization of each country (social and economic system).

▶ A legal system based on laws.

▶ The role of governments (choices).

▶ The State, through its executive body, creates legislative packages for all community.

▶ The State transfers the needs of a social good as housing to middlemen (banking, developers, landlords).

▶ Using Regulation, the State restricts the use of property without taking title from owner.

▶ Regulation approves standards, norms and codes of conduct.

4. Final Remarks

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▶ *"The difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds".*

(John M. Keynes, *The General Theory of Employment, Interest and Money*, in Preface)

▶ *"Decision makers have to take their share of responsibility regarding affordable housing".*

(Dr. Joan Clos, Executive Director of UN-Habitat; 31 May 2016 (a))

▶ *"If you want to encourage someone to do something, make it easy."*

(Richard Thaler, 2017 Nobel prize in Economics (b))

Sources:

(a) https://unhabitat.org/dr-clos-recognized-by-the-secretary-general-for-championing-sustainable-urban-development/. In his last day in office (22th December 2017), Dr. Joan Clos has addressed to the UN-Habitat staff thanking them for the efforts and hard work on positioning *"the United Nations as a leading institution on urbanization worldwide in a crucial moment for the relevance of our cities and human settlements. Together we have been able to consolidate a new vision based on the strategic and intimate relationship of urbanization and sustainable development, as embraced in Agenda 2030 for Sustainable Development and in the New Urban Agenda."*. Consulted in 19th June 2018.

(b) http://openboxtechnology.com/if-you-want-people-to-do-something-make-it-easy/. Consulted in 19th June 2018.

5. Conclusions

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▶ For a much better society in SEC (EU) in the long run, we have to demand a housing policy based on a well-balanced society.

▶ We all have to agree to be the State the leader of public housing supply.

▶ The maintenance of the dwellings must be a burden for all households, no matter their income.

▶ Economic efficiency means measures to control monopoly of prices, the authority over technological development, to guarantee final consumer's protection and define non-exclusive rules against basic needs.

▶ Who controls the Money is in a very strong position to speculate.

▶ Who has to solve housing needs? Many agents? No. Just the State. All of us.

▶ For this achievement, Housing for all has to be firstly a State concern. The market has to have a secondary role.

▶ **The human being has to be at the core of any housing policy: risk of poverty, typologies and number of members of each household.**

Appendix: An Example for Southern European countries?

- Are we feeling afraid?

- Problems of financing?

- We want an equitable society, don't we?

- Don't we want to face the future?

- Can't we resort to multidisciplinary team work and start as soon as possible?

- Don't we want to leave a better legacy for future generations?

- **Why not make it possible?**

Trends in urbanization (1950-2050)

Fig. 4 – Urban and rural population of the world, 1950-2050
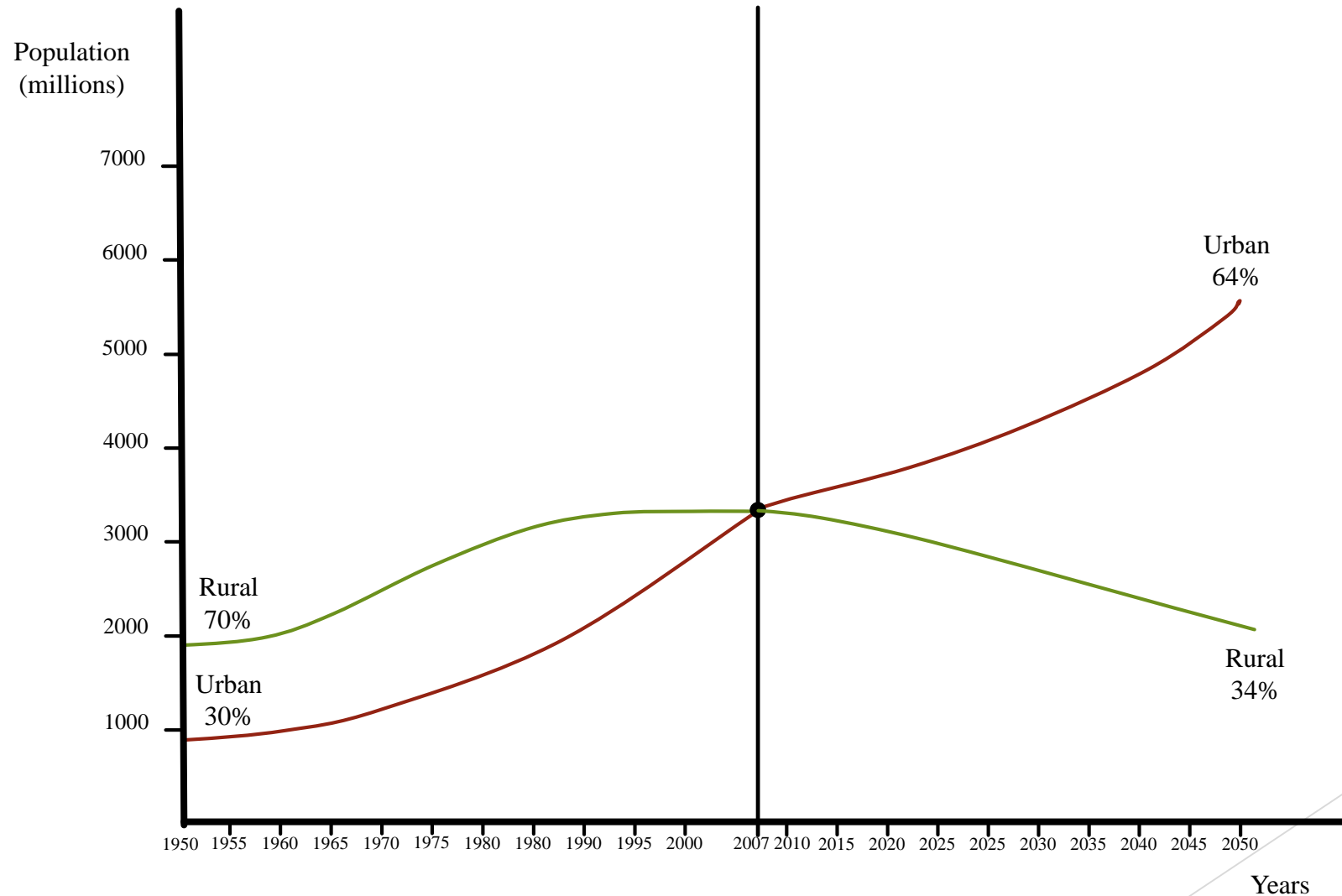
An Example for Future Decent Housing?

About Smart City Iskandar Malaysia

▶ "Can you imagine what a truly integrated city of the future would be like? One that combines the material superiority of an advanced economy with the value-based lifestyle of a traditional society? You don't have to wait anymore; that future is here. Leading the way in fully realizing the ambitions and values of a forward-thinking region, *Smart City Iskandar Malaysia* is proud to present its achievements in the creation of this *pilot program* for Smart cities across Malaysia and the region!

▶ *Smart City Iskandar Malaysia* was endorsed by the Prime Minister of Malaysia on 1st November 2014, at the 2nd inter session Global Science and Innovation Advisory Council (GSIAC) meeting in Kuala Lumpur. A mandate was given to the attending ministers to venture into *Smart-related projects*, which will be *based in* Iskandar Malaysia. This will be part of the effort towards recognizing the Iskandar region as a *pilot for Smart City projects* in Malaysia.

▶ *Smart City Iskandar Malaysia* is an added-value-enabler, and an initiative aimed at providing ease of doing business, as well as to improving living quality, in Iskandar Malaysia. The framework focuses on *3 areas* namely *Economy*, *Environment* and *Social* and promotes *6 dimensions* namely *Smart Economy*, *Smart Governance*, *Smart Environment*, *Smart Mobility*, *Smart People* and *Smart Living*."

Housing is Humanization

OBRIGADO