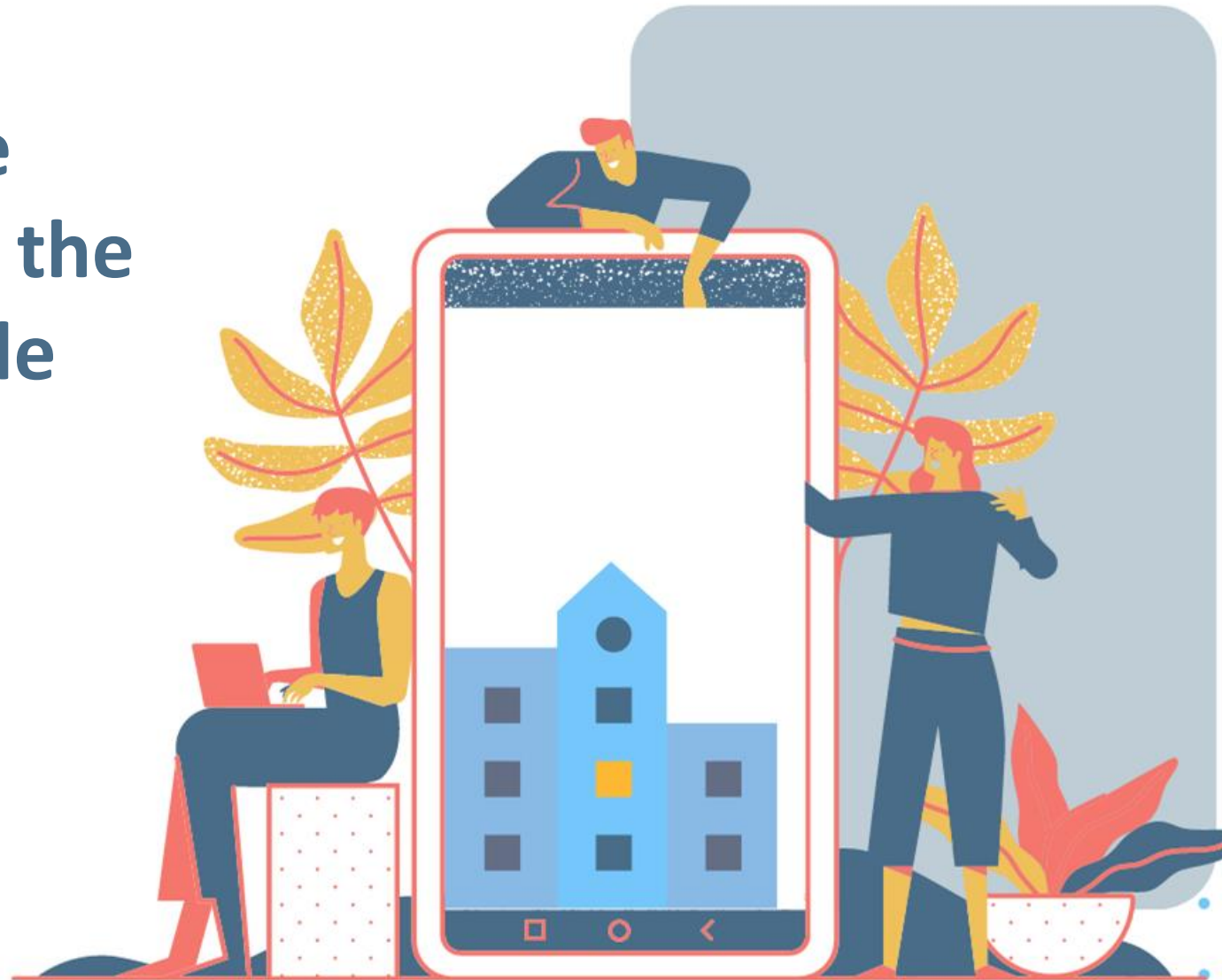


The impact of the National RRPs on the social & affordable housing sector

Updated on 7 Nov 2022



| About the Report

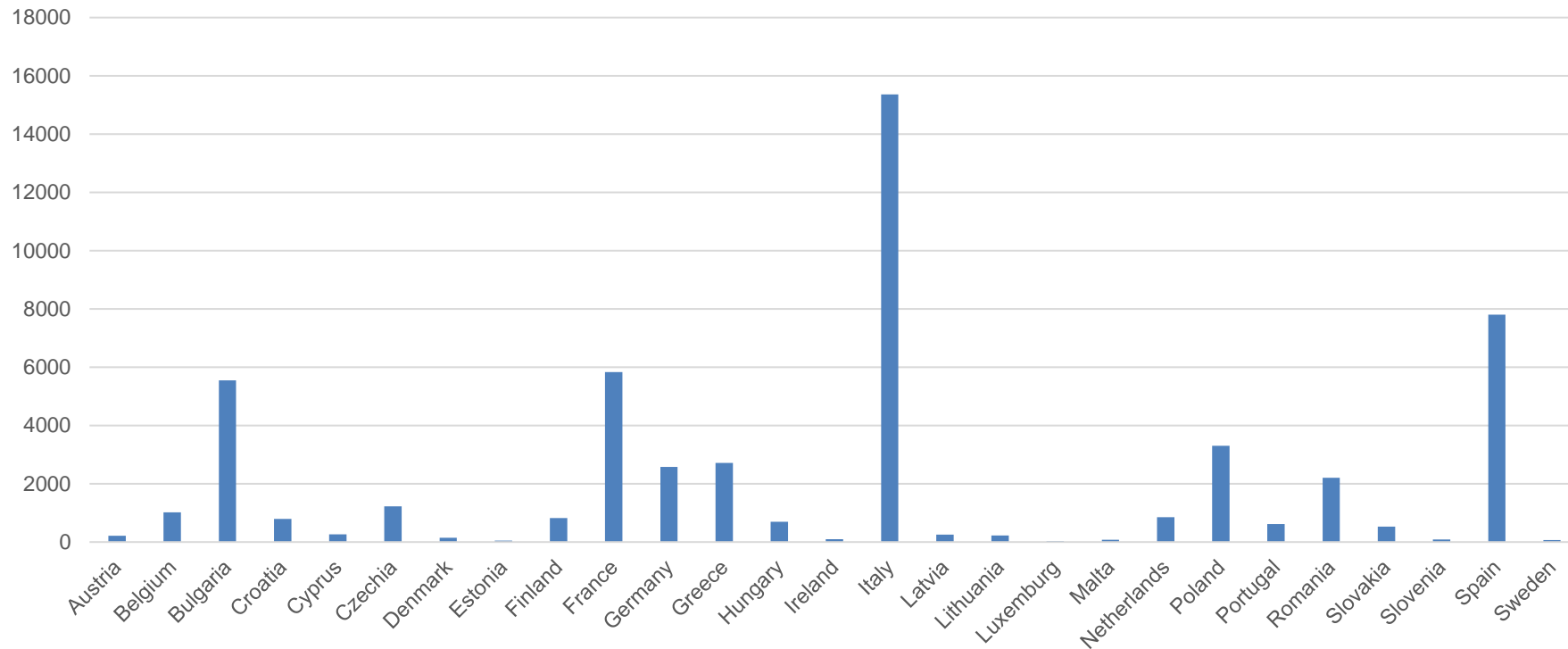
- Based on 1 year **desk research**, data from **national Ministries** as well as from **affordable housing providers** across Europe
- Comparing data about the different angles that impacts the sector (the efforts on **energy efficient renovation**, new affordable **housing construction**, **Housing First**, **digital**, **DI**, **skills** development, **circular** economy, **adaptation & mitigation**, housing reforms)
- Dedicated chapters to the link with the **NECPs** and **European Semester**
- Implementation difficulties and **Policy recommendations**
- Detailed country profiles will be published online only (uncomplete: NL, HU, PL, SW)



| Share of allocation related to energy eff renovation of buildings

A minimum of € 53.3 billion

Allocation of RRF on energy efficient renovations by country (in million €)



Share of allocation compared to national RRP budgets

1. Bulgaria (41%)
2. Finland (39%)
3. Cyprus (21%)
4. Czechia (17,4%)
5. Belgium (17%)

| Energy efficient renovation programmes

- **Italy:** Ecobonus and Sismabonus programmes (**more than € 13,81 billion**)
- **Germany:** a € 2.5 billion energy renovation programme (CO2-Gebäudesanierungsprogramm BEG).
- **France:** € 5.8bn budget for the thermal retrofitting of public buildings (€500 million for social housing)
- **Greek Plan:** €1 billion to upgrading the national building stock

- **Netherlands:** Subsidy Programme Sustainable Social Real Estate (225,3 million), Investment grant for sustainable energy and energy performance (624 million)
- **Bulgaria:** Creation of a National Decarbonisation Fund (grants, FI + TA)-to finance energy efficiency and renewable energy projects in residential buildings (€ 607 million from the RRF)
- **Austria:** € 209 million for thermal renovation of buildings.
- **Denmark:** programmes for rural public housing rehabilitation (30 billion DKK from the National Building Fund)
- **Sweden:** SEK 900 million for energy efficiency measures in apartment buildings
- **Finland:** planning a programme available to households for adopting new technological solutions.



| Affordable housing construction

A Minimum of € 5,36 billion

- Portugal is the most ambitious** (€2.7 billion): six different programmes that include the Program to Support Access to Housing, National Urgent and Temporary Accommodation Grant, Support for the public affordable housing stock (774 M€), Affordable Student Housing
- Poland: **Municipal Housing construction** for people with low and average incomes, taking into account the higher energy efficiency of buildings (**€ 755 million**)
- Slovenian Rental housing construction scheme aims to tackle the big societal need of affordable rental housing
- Greek Plan: Social housing pilot programme to be running in parallel in Athens and Thessaloniki (€1,3 million)
- Hungary's draft Plan: includes a Renovation programme for the 300 most disadvantaged settlements in the country **through building new housing units and managing them after in the frame of a Social Rental Agency.**

Luxemburg	<ul style="list-style-type: none"> Component 1 ‘increase the offer of affordable and sustainable public housing’ Under Pillar 1 Cohesion and social resilience. <p>Total budget: €51.46 million, of which €24 million is covered by the RRF.</p> <p>Total delivered housing units: at least 1,200 affordable housing until 2025.</p> Component 2 ‘Project « Neischmelz » in Dudelange’ Under Pillar 1 Cohesion and social resilience <p>Total budget: €51.46 million of which €24 million will be covered by the RRF.</p> <p>Total delivered housing units: more than 1,000 housing units (50% affordable)</p>
Latvia	<ul style="list-style-type: none"> Provision of 700 new affordable housing <p>Total budget: €42.9 million</p>
Romania	<ul style="list-style-type: none"> Social housing infrastructure and old age homes <p>Total budget: €250 million</p>
Spain	<ul style="list-style-type: none"> Programme for the construction of social housing in energy efficient buildings <p>Objective: 20 000 new dwellings</p> <p>Total budget: €1 billion</p>
Italy	<p>Housing First programme</p> <p>Budget from RRF: €175 million</p>

| Tackling energy poverty

At least 9 countries put forward ambitious plans. Some examples:

- Austria plans to support **2 250**, Bulgaria **10 680 households**;
- Cyprus targets the **alleviation of energy poverty through reduced energy and water bills**;
- Czechia will introduce a **two-stage pre-project preparation for low-income households**.
- the Slovak Plan proposed to provide **€528 million to renovate at least 30,000 family houses**;
- Romania will establish a **Grant scheme for resilience and energy efficiency in residential/multi-family buildings**.



Energy communities

At least 6 countries put forward dedicated measures:

- Italy: €2,2 billion (in municipalities of less than 5 000 inhabitants), Czechia: €283 million'; Spain: €100 million for **establishing 'energy communities**
- Poland: €97 million for **the launch of its first energy communities**.

| Adaptation and mitigation measures

Greece: Large investments in **flood control projects**, accompanied by changes in the use of irrigation networks and **installation of telemeters for leak detection** and **smart water management**.

Italy, Croatia and Romania plans **anti-seismic interventions**

Latvia plans to spend a significant budget for '**Adaptation of the disaster management system to climate change**.'

Slovenia plans to spend €335 million on **flood risk reduction**.

Belgium: € 291 million envelop to **circular water use projects, better water retention** and infiltration.



| Skills development

5 countries included measures on skills development related to construction measures:

- Estonia: € 15 million to **Green skills Action Plan**. The focus will be in particular on **energy, construction**, agriculture and forestry.
- The Irish '**SOLAS recovery skills response investment programme - green skills action**' (€ 29 million) will to contribute to upskilling efforts.
- Czechia's ambition is similar: extends its **support for training and retraining of workers deploying green construction, green technologies or materials** under the State programme (EFEKT).
- Spain: a € 2365 million budget will include -among others-the support of **reskilling and upskilling** in the area of renewable generation.
- Romania plans to establish a **regional training and education centre (€ 10 million)**



| De-institutionalisation (DI)

7 countries addressed also the deinstitutionalization, thus investing in improvement of access to housing for persons with disabilities and elderly as well as the extension of home care services:

- The Italian Plan: **increase in the provision of social housing, the improvement of access to social services, particularly for persons with disabilities and non-self-sufficient elderly people, the extension of home care services to disadvantaged communities** through urban regeneration plans. Those interventions are accompanied by the **Framework Law for persons with disabilities** and the reform related to the **extension of telemedicine**.
- Slovenia will focus on the **development and upgrading of services that prolong independent living at home**
- Estonia, with an envelope of €95,6 million will **adapt homes to support living at home; to provide community-based service buildings for the elderly; as well as to create Integrated health and care centres**.
- Belgium: a portion (number unknown) of the newly built social housing in Wallonia will be equipped with **assistive technologies to support the independent living of persons with disabilities and elderly**.
- Latvia: **accessibility of private homes** for 259 persons with disabilities and to 63 public buildings and build long-term care facilities for 852 elderly persons.

| Housing reforms

A spectacular number of 10 countries plan substantial housing reforms, mostly through urban development and spatial planning. Some examples :

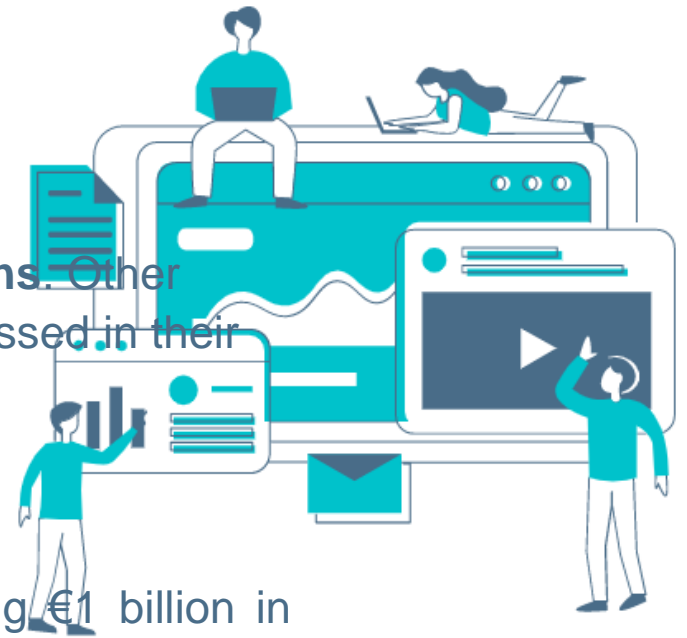
- The Irish Plan: the **Climate Action and Low Carbon Development Bill**; the increase of the Provision of Social and Affordable Housing through **the Affordable Housing Bill** and the **Land Development Agency Bill**.
- The Slovenian Plan: **amendment of the sectoral legislation, the Housing Act**. The overall objective: **5 000 additional dwellings** and **activating 2 000 dwellings**.
- Finland: **Reform of the Land Use and Building Act** that will provide guidance for low-carbon construction.
- Croatia: a **new model of green urban renewal strategies**; a pilot for the **development of green infrastructure and the circular management of buildings**.
- The Austrian Plan: a monitoring framework that **mobilises private capital for the necessary investments to achieve the climate and energy targets**
- Greece: a € 21 million reform to promote new loans; **establishment of the Credit Expansion Observatory**.
- Spain: the Housing Law will **address the public planning, programming and collaboration instruments already in place to support the right to decent and adequate housing**.
- Poland: will introduce a reform to **increase the quality and transparency of spatial planning**.

| Link to the European Semester

In 2019, five, in 2020, four countries received housing specific recommendations. Other CSRs have been also relevant for the affordable housing sector that countries addressed in their RRP.

Different approaches of implementation/focus:

- **Explicit engagement in investing in affordable housing:** Germany (providing €1 billion in programme funds each year), Luxemburg (€51.46 million to build affordable public housing)
- **Territorial cohesion through improving regulation:** Romania, Portugal
- **Focus on the green deal:** Finland, Denmark, Lithuania, Czechia, Croatia
- **Focus on social inclusion and poverty reduction:** Slovenia, Latvia
- **De-institutionalisation of long-term care:** Belgium, Greece



| Link to the National energy and climate Plans (NECP)

A moderate consistency with the NCEPs can be observed in numerous countries (Austria, Belgium, Bulgaria, France, Poland, Slovakia)

- due to the outdated data that countries based their NECPs on; the lack of clear aims and conditionalities; missing monitoring instruments; the lack of a holistic approach in the development of measures; the absence of using the Taxonomy for Sustainable Investments as a benchmark for climate-proof investments; the underusage of innovative technologies despite their potential in energy efficiency; insufficient dedicated investments.

Other countries' Plans are going beyond the requirements (Finland and Portugal)

- Finland: measures on green transition
- Portugal, green transition of buildings is going even beyond energy efficiency and includes circular economy

Most countries are aligned with the NECP (Italy, Ireland, Romania, Greece, Croatia, Denmark and Spain)

- however further public investments would be needed in the future.

| Conclusions 1/2

- Some countries were extremely ambitious: dedicated amounts to the sector, important housing reforms.
- Other countries stayed with the business-as-usual approach and limited their contribution to housing at a minimum/funding for the management of inefficient buildings.

Not enough investment

- The renovation efforts of Member States: at least € 47,2 billion, and the access to housing ambition of € 5.5 billion which will be **in total a modest amount (€ 52,7 billion) compared to the current investment need**. (a minimum investment gap in affordable housing is € 57 billion/ year)

Questioned absorption ability

- Mobilization and channelling of the investment is a challenge for social-housing providers and home-owner associations
- If the pace and eligibility constraints will be the same as in the case of ESIF in the previous years, additional measures would be needed for achieving the desired uptake.

| Conclusions 2/2

Not enough efforts to eradicate energy poverty

- Dedicated **renovation programmes in several countries are not enough to eradicate energy poverty and to achieve the EUs green target**- confirmed by the assessments of the EC.
- The EU as a whole, will miss this historic opportunity of RRF to launch wide-ranging population renovation programmes with support that allow low-income people to access renovations.
- **More and different funding schemes** as well as **reforms on energy efficiency standards** are key to change this pattern

Capacity and skills gap

- Capacity and skills are the main issue in various local governments to implement projects
- Lack of viable projects that are in line with the RFF
- Tenants/owners' side: lack of understanding and skills that would require **more enhanced advisory services**.
- Usage of EPCs: it does not suit small public bodies. Poland/ Slovenia are testing reforms and the establishment of revolving funds for the public sector to increase the energy savings potential.

| Recommendations

Increasing public investments

- **Member States to step up and increase public investment together with private investment.**
- **Enhancing and improving the use of public private partnerships** should be expanded further, by **using InvestEU and financing from national promotional banks.**
- **Setting up collaborative institutions** such as **specialised funds** to address changes in sectors, e.g., for energy efficiency or infrastructure could improve the uptake.

Evidence-based policy making

- MS are selecting projects with no evidence-based guidance for their decisions.
- **High-quality large-scale investments in affordable housing -which are based on evidence-are key in the EU.**





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