

# UEPC MANIFESTO

## TOWARDS AFFORDABLE HOUSING POLICIES IN THE EU

UEPC (European Union of Developers and House Builders), the representative body of house builders and developers across Europe wishes to raise the attention of newly elected MEPs to the necessity to **develop policies that will enable its members to deliver housing for all.**

The construction sector stands for economic growth in that it generates 10% of the EU's gross domestic product and with 20 million jobs it is also one of Europe's most important employers.

Access by all EU citizens to quality housing at affordable prices is a fundamental tenet of the European social market economy. The only way to achieve it is through developing an EU policy framework that incentivizes and energizes all market players towards this goal, and in particular by cutting the costs for housing developers.

**UEPC asks the EU, and in particular the Commission, to:**

- **Ensure a level playing field between private and public housing providers.**
- **Play a role in cutting red tape and reducing unnecessary administrative burden by identifying the areas of EU and national law that can be limited so as to lower the cost of housing development.**
- **Act to limit costs arising from EU legislation and cut taxes in the construction sector.**

**Sustainable housing policies are essential components of democratic policies enabling developers to provide housing for all. They are essential for Europe's future economic and social sustainability. They should be based on the following principles:**

### **Creation of a genuine level playing field**

**With the EU striving for a more competitive economy, UEPC believes that housing markets based on a level playing field between public and private developers are key.**

Social housing is "social" in the sense that it provides housing for low-income people and that it provides a service to society as a whole.

The private sector should be able to offer housing that the government can no longer afford to finance. It must not be restricted to the role of a service provider to public or semi-public bodies. Both the private and the public sector should be able to build and manage social housing units under the same conditions and control for all income categories.

State aid must rigorously focus on promoting affordable housing, no matter the status of the provider.

**EU has a key role in ensuring a level playing field between private and public housing providers.**

### **Financing of housing**

**UEPC believes that competition rules should apply to all stakeholders in the same way and that the financing of housing should be transparent and clear.**

Welfare adjustments and other measures that assist the funding of different forms of demand for housing are the most effective means of enabling the private sector to provide housing solutions at affordable prices. For these reasons housing policies including a percentage of public subsidized housing should be avoided.

To avoid distortions of competition, subsidies should be used only to finance activities falling into the scope of providing affordable housing, unless such subsidy is offered to all parties.

In any case, these subsidies should be transparent and fair without leading to an equalization of private market actors who would then implicitly become subject to a tax on "housing solidarity".

**EU is responsible for the respect of state aid rules. EU policy's focus**

needs to move towards welfare adjustments, not population adjustments.

**Cutting red tape and lowering administrative burden, including cost reduction**

**UEPC considers that lowering the administrative burden on newly built dwellings would have a very positive effect on the affordability of housing.**

Public authorities must set up simplification programs that list and analyze the different existing regulatory and policy measures affecting the provision and the commercialisation of dwellings, in order to abolish and/or replace unnecessary, inefficient or ineffective measures.

Every new policy proposition should be presented together with a socio-economic impact assessment report.

Planning and permit systems should serve to facilitate and not to frustrate appropriate new developments.

Regulatory costs arising from EU legislation should be assessed within



**Restoring the past  
Building the future**

the frameworks of the REFIT exercise for smart regulation and/or Construction 2020.

Problems relating to the sector's decreasing competitiveness and higher prices due to extra cost should be tackled by taking into account EU citizens' decreasing incomes and the increasing risk aversion of financial institutions in providing mortgage loans. In view of facilitating long term financing in the area of affordable housing, the use of residential mortgage-backed securities should be stimulated because of their low risk profile.

Along these lines of safeguarding the long term financing for affordable housing, UEPC also welcomes the introduction of risk sharing instruments developed by the European Investment Bank to finance affordable housing.

**The EU has a role to play in cutting red tape and reducing unnecessary administrative burdens. New EU policies should focus on improving the business environment, so as to render the European economy more competitive. The EU should also act**

**to limit costs arising from EU legislation.**

**Cutting taxes**

**UEPC recognizes that tax reduction is crucial for the provision of housing that is affordable.**

Lowering of taxes, such as VAT on new dwellings would be a very efficient policy measure to stimulate the supply of new dwellings in regional markets where the needs are much higher than the current supply.

Financial regulation should favour access to credit for long-term investment in affordable housing.

A tax increase will lead to less transactions and the increased income of public revenue the State will hope for might turn out to be counterproductive, since higher taxes will lead to less transactions on the long run and eventually to less public revenue.

**The EU has a role to play in cutting taxes in the construction sector.**

UEPC represents more than 30,000 developers and house builders affiliated to the federation in 9 states (Belgium, Spain, France, Malta, the Netherlands, Norway, Poland, Romania and United Kingdom).

In its members' activities = 10% of the gross national product and employment in Europe.

*Together = build and develop 1,000,000 homes and several million m<sup>2</sup> of commercial buildings (offices, shopping centres and semi-industrial buildings) per annum.*