How do we stregthen the capacity of the NFP housing sector in other countries?

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The Role of the Not-for-Profit Housing Sector in Addressing The Affordable Housing Challenge

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To start with:

In Spain there is a small amount of **permanent** social housing stock (2.5%) with controlled rental prices, managed by public or private entities, with turnover possibilities.

- (very) narrow NFP sector, nowadays represents innovation in social housing provision
- persistent deficit of affordable housing
- rented sector fulfilled the role of social housing...not anymore (increase in demand, increase in rents)
- Provision of social housing ultimately in hands of private developers
- Increasing political awareness of the need to provide more social housing, political will?

UNBALANCE BETWEEN SUPPLY and DEMAND of SOCIAL HOUSING Example: Catalonia

(supply) In 2017, <u>1,057 social housing dwellings were initiated</u> representing 9.3% of the total of homes started in Catalonia, of which 41.1% are promoted by NFP entities (approx. 4% of starts). During 2017, a total of 1,358 social housing dwellings were completed.

(demand) That same year the Register of Social Housing Requesters accounted for **115,634 households**.

SOCIAL HOUSING IN CATALONIA

Dotacional: Temporary housing for specific collectives HPO (ownership and rent): social housing Reallotjats: for evicted households

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Industrial Capacity

'The ability of the industry to perform the work and achieve the goals that governments and industry stakeholders, in collaboration, have envisaged for it'

Direction of 'collaboration'? Who helps whom?

In an ideal world...

affordable housing \(\dagger housing for social emergencies

Since most of social housing providers are public it means that investment in this type of housing depends on the <u>public budget</u> at any given time.

'Capacity limitations' as a constraint for NFP housing sector in Spain?

Resource capacity →

- Lack of:
- Affordable land (mainly on large cities)
- Professional managers
 - Funding
- Diversity of social housing schemes in housing policies
- Availability of:
- Private developers with experience on social housing
- New actors willing to enter in the social market (i.e. banks)

Organisational capacity →

- The role of path dependency: Lack of experience, lack of tools, lack of critical mass
- The increasing involvement of private actors (i.e. banks), sometimes through the 'invitation' of local governments

Industry-specific capacity →

- There is a broad range of management entities in the social housing sector: public, mixed, private
- for-profit and private non-profit → dispersed and nonstructured sector
- Those managing 'pure' social housing (publicly rented) are mainly local/regional agencies dealing with the most deprived demand → very hard to 'manage'; more an issue of survival

Networking capacity →

- The 'hub' of those networks are definitely public agencies (local or regional) → they set the scene for collaboration
- NFP associations are key for members but they are very small

Political capacity →

 More representative of FP sector tan the NFP sector Are 'capacity limitations' more of an organisation-specific issue or an industry/system-wide issue?

They are definitely related to a *system-wide issue*

Innovations in NFP housing industry capacity in in Spain

1. Currently TENDER Process to select a **private shareholder** to make '<u>Habitatge Metrópolis</u> <u>Barcelona, SA</u>' a partially publicly owned Company

The private shareholder

- will subscribe and pay for the shares involved in an expansion of capital amounting 50% of the company's share capital
- will be responsible for the company's administration and property management
- Needs to show experience in managing affordable housing

Affordable Housing Association: Housing Metropolis Barcelona

- ✓ Company owned by the City Council of Barcelona and with industrial, financial, social, investors and NGOs with limited profit. Established through a public tender (regulated by public law). The Municipality contributes with the provision of land.
- ✓ Part of the funding could be bank debt, part through the issuance of bonds by the citizens,
- ✓ The price of the rent would be between the market and the social (formally HPO).

Innovations in NFP housing industry capacity in in Spain

2. Loans from the **European Investment Bank** (2016 as of 125 millions of Euros to build 2,198 dwellings) to invest in public rented housing. A way to compensate the lack of a public bank in Spain or Catalonia involved in providing loans to develop public rented housing.

Formula: EIB: up to 50% of the investment Other financial entities (public or private): 19% Municipality of Barcelona: 31%

This action is framed in a new municipal policy in relation to the financial entities that want to promote, from public leadership, a more plural economy and incorporate new types of financial entities in municipal management, such as cooperatives, ethical banking entities and multilateral credit institutions. In this new framework, new financing offers and new banking services are incorporated that take into account criteria and social and environmental clauses.