

National Action Plan against substandard housing

The neighbours' point of view

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1. The Belgian case

Firstly, we have to stress that since 1980, according to the Belgian constitution, housing policy is a matter for the regions (Flanders, Wallonia and the Brussels Capital Region). But de facto, this is only partially true, since the federal state is still responsible for fiscal policy (tax exemptions, VAT) and the private rental contracts. Consequently, in order to develop a housing policy, the regions lack large amounts of money – tax exemption is by far the largest subsidy scheme (De Decker, 2000) – and can hardly intervene in private renting (De Decker, 2001). This has major consequences: apart from some minor arrangements, the private rental market is a free market. There are no guidelines – let alone regulations – neither on the relation between rents and housing quality nor on the relation between income and rents (and housing allowances are absent). Some existing quality measures - in Flanders introduced after the first Flemish housing law (1997) -, are weak (since hardly extortable and causing re-housing problems).

Secondly, social renting represents approximately 6% of the market in Flanders, and up to 10% of the market in the larger cities (e.g. Antwerp and Gent). Waiting list are long – according to the source between 54,000 and 76,000 compared to a housing stock of 130,000 -, and families especially have to wait for years. Moreover, the impact of the social rental market is minuscule, standing for 6% of the housing transactions and approximately 2% of the money paid for housing (De Decker, 2002).

As a result of the lack of regulation on the private rental market (De Decker, 2001; 2002) and the quasi inaccessibility of the social rental market, home ownership is the sole stable housing option in Belgium.

1.1 A nation of homeowners

According to the Census of 2001 70% of the Belgian households own their house. Wallonia equals this figure, whereas in Flanders the level is higher and reaches nearly 75%. In the Brussels Capital Area, which is highly urbanised and as other capital regions is an expensive region, homeownership still reaches 43% (table 1).

Table 1. Belgium, housing indicator, early 2000s

	Belgium	Flanders	Brussels CR	Wallonia
Number of dwellings 2001*				
- owner-occupation	2,715,228 (70.1%)	1,668,886 (74.4%)	163,014 (43.4%)	883,328 (70.5%)
- renting	1,157,335 (29.9%)	575,626 (25.6%)	212,716 (56.6%)	368,993 (29.5%)
- total	3,872,563 (100%)	2,244,512 (100%)	375,730 (100%)	1,252,321 (100%)
Social renting 2004**				
- dwellings	Appr 273,000 (7% of the stock)	Appr 135,000 (6%)	Appr 38,000 (9.5%)	Appr 100,000 (8%)
- households on the waiting list	Appr 141,000	Appr 73,000	Appr 28,000	Appr 40,000
SRA dwellings 2003***	5,982 (0.15% of the stock)	3,430 (0.15%)	933 (0.25%)	1,621 (0.13%)
% of bad dwellings ^o	-	12.9%	23.2%	19.1%

Sources:

* National Institute of Statistics + own calculations

** Mertens (2004), BRROW (2004), Flemish government

*** Mertens (2004), BBROW (2004) and VOB website

^o Vanneste et al. (2004)

+except villa's and houses on plots of land larger than 5 acres

1.2. Characteristics of home owners and tenants

Table 2 shows that in 1976, the differences in proportion of homeownership are very limited when differentiating by income, education and occupational status. This is true for elderly people as well as for economically active people. One- or more-income families, low- or high-income families, manual or non-manual working families, low- or high-educated families, they all had more or less the same homeownership rate, i.e. 65%.

However, from then on there has been a widening gap between the well-off and the less well-off. A remarkable increase in homeownership occurred between 1976 and 1997 among couples with two or more incomes (from employment), households belonging to the two highest income quintiles, and households whose head had enjoyed higher education. In addition, for the first time ever, a drop in the owner-occupancy rate occurred for households whose heads received only primary education or who were unskilled manual workers.¹ In addition, table 2 suggests that especially among households under the age of 65, the discrepancy between socio-economic categories intensified².

¹ However, these categories decreased over the years, especially among people at active age. Therefore, the overall homeownership rates are not much affected.

² Following the spectacular drop in interest rates, it can be assumed that this trends has recently reversed. See further.

Table 2. Proportion of Owner-Occupiers by Socio-economic Characteristics, 1976-1997

	active persons (-65)				elderly persons (65+)				total			
	1976	1985	1992	1997	1976	1985	1992	1997	1976	1985	1992	1997
all households	66.2	67.2	67.0	71.6	62.1	68.1	69.6	69.7	65.1	67.4	67.6	71.1
number employed												
0	64.7	60.1	65.2	61.3	60.5	67.3	68.6	69.4	61.6	64.9	67.4	66.6
1	66.9	65.0	63.4	65.6	-	-	-	-	67.1	65.5	64.4	65.8
2/+	65.6	71.9	70.4	80.1	-	-	-	-	65.9	72.0	70.5	80.2
activity head												
employed	66.5	68.4	67.0	73.4	-	-	-	-	66.7	68.4	66.9	73.2
not employed	64.2	62.5	67.4	66.0	61.7	67.9	69.7	70.0	62.4	65.8	68.7	68.4
retired	73.9	77.9	79.3	82.2	61.8	67.9	69.7	70.0	63.8	70.4	72.3	73.2
unemployed	44.4	35.1	47.2	37.8	-	-	-	-	44.7	35.1	47.2	37.8
ill/disabled	67.5	67.8	64.8	69.7	-	-	-	-	65.4	67.8	64.8	69.7
professional category head												
unskilled worker	63.5	58.0	56.6	50.5	56.7	63.4	66.2	65.2	61.5	59.9	60.1	55.6
skilled worker	64.3	69.9	65.4	68.9	56.0	74.6	78.7	72.1	63.2	70.5	67.1	69.5
junior clerk	64.9	67.6	69.3	76.3	59.8	70.7	61.7	67.3	64.4	68.0	67.7	74.3
executive/entrepreneur	69.3	73.7	75.6	81.9	73.0	<i>80.1</i>	<i>86.9</i>	79.3	69.7	74.5	76.9	81.5
self-employed/farmer	73.8	67.6	69.8	70.0	75.8	77.5	76.9	84.2	74.5	69.9	71.8	74.7
number of incomes												
singles	49.8	36.0	41.0	44.7	49.8	60.3	57.3	53.5	49.9	50.3	48.6	48.6
single-income couples	71.4	71.8	74.5	75.1	72.6	79.9	81.9	79.2	71.6	73.4	76.4	76.4
multiple-income couples	64.7	70.2	71.3	79.3	67.7	70.4	78.8	86.0	65.2	70.3	72.3	80.3
standardised income quintile												
1	61.2	55.6	53.9	52.0	60.6	67.2	64.0	65.6	60.9	61.0	59.0	58.8
2	67.0	64.6	65.9	65.1	61.9	65.7	72.6	69.3	65.6	64.9	67.9	66.7
3	69.4	68.5	67.4	69.7	64.8	68.0	71.5	69.7	68.9	68.4	68.2	69.7
4	66.3	71.6	68.4	78.4	67.9	70.3	77.0	77.0	66.3	71.4	69.2	78.2
5	64.0	70.6	73.5	81.7	75.9	76.9	78.6	84.2	64.7	71.2	74.0	<i>81.9</i>
social security status												
insecure	56.3	51.9	39.9	39.7	64.7	63.3	62.4	64.1	62.1	57.7	51.7	53.4
secure	66.6	67.8	68.2	73.0	61.3	68.7	70.8	70.6	65.6	68.0	68.7	72.4
education household head												
primary education	68.5	71.3	67.3	64.3	61.2	67.8	70.7	63.7	65.7	69.7	69.1	64.0
lower secondary	64.9	66.1	67.8	70.7	67.8	62.0	64.5	74.4	65.2	65.4	67.2	71.6
advanced secondary	66.6	64.8	66.1	67.3	60.3	73.7	68.3	79.3	66.1	65.8	66.4	68.9
higher education	61.8	67.3	66.5	79.6	<i>72.3</i>	<i>79.5</i>	<i>76.3</i>	79.0	62.8	68.3	67.2	79.5

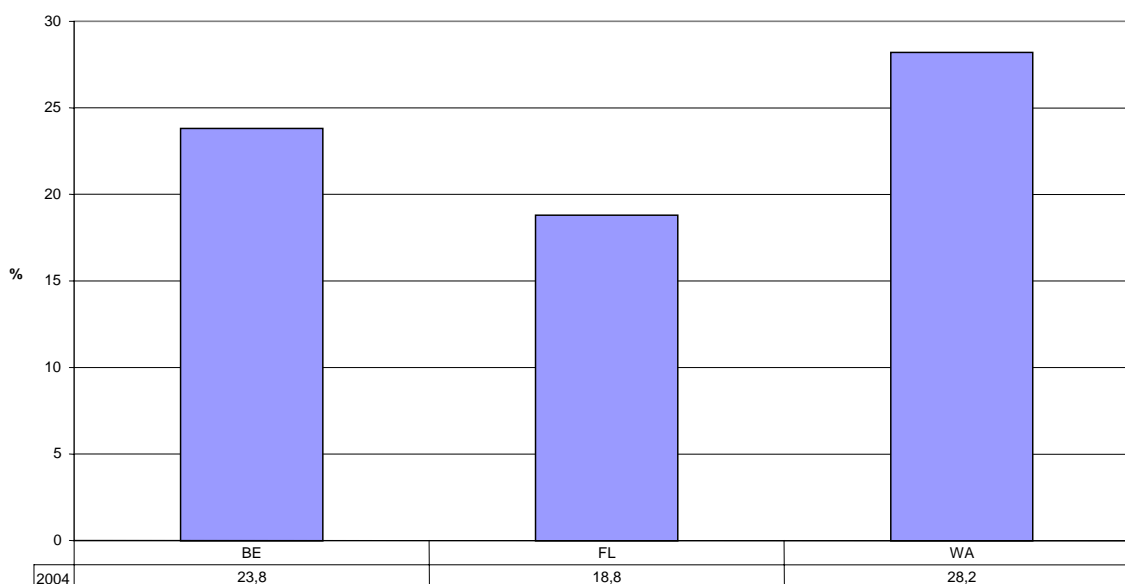
italicized: fewer than 50 cases; - fewer than 20 cases not presented.

Source: Belgian SEP (Socio-Economic Panel), Flanders - taken from: De Decker & Geurts (2003)

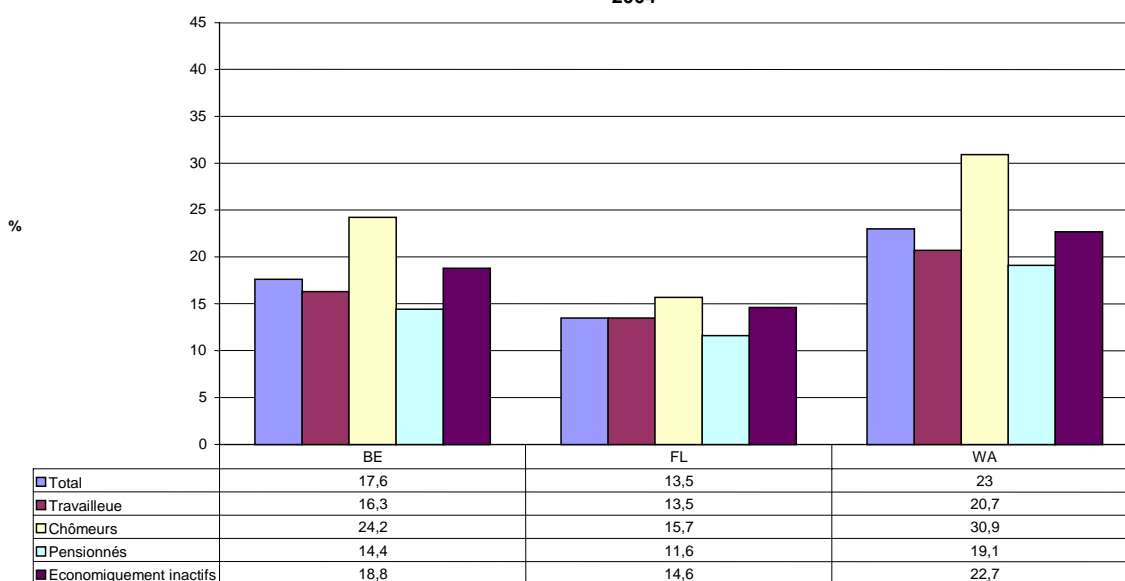
1.3. Substandard housing

The indicators of the National Strategic Report 2006 – 2008 show more details on the quality of the housing.

**Percentage of households living in a house with at least one of the following deficiencies :
no elementary comfort, quality problems or lack of space
2004**



**Percentage of the population living in a house with at least one of the following
deficiencies : leaking roof, no adequate heating, humidity, neglected woodwork
By activity status
2004**



2. Belgium: the Federal state and the Flemish region as a case-study

General

- no systematic policy to counter bad housing ⇒ a combination of regulations and subsidies without implementation goals and schemes
- all regions combine stimulating instruments (subsidies; tax exemptions) and instruments to sanction the renting of bad housing

2.1. Federal state

Legislation on *private renting* has stipulations concerning housing quality

- ⇒ Federal law on minimum quality, supplemented by more detailed regional legislation. Mandatory to explain on minimum quality in contractual agreements between landlord and tenant
- ⇒ has to be considered as a weak instrument since it is a matter of landlord and tenant: in the case of problems, they have to go to court & tenants do not do that (lack of money; lack of social skills; lack of access)
- ⇒ experiment to take conflicts out of the court ongoing

Battle against slum landlordism ('to combat the exploitation of the weak situation of people')

- ⇒ evolved from the battle against slum landlordism as a consequence of trade in humans to a general instrument
- ⇒ had to be adapted to the creativity of landlords (letting through others, through firms, ...)
- ⇒ severe punishment foreseen (high fines, imprisonment, confiscation)
- ⇒ results are ambiguous
 - if prosecuted, often heavy punishment follows
 - but numbers are small
 - geographical uneven combat (⇒ impression that action is only taken place in better neighbourhood and not in poor neighbourhoods)

Subsidies

- ⇒ low VAT for renovation
- ⇒ tax exemption if renovated and let to a poor tenant via social rental agencies

2.2. Flemish region

1. ***subsidies***: 2 kind of renovation grants (small and large renovation)
2. regulations to combat the letting of slum housing
 - ⇒ laws
 - local authorities law (public order, public health → mayor)
 - housing laws
 - (general) housing law
 - law on the letting of rooms
 - law to combat vacancy and bad housing

- ⇒ Features:
 - quality standard (⇒ forbidden to let)
 - fines in case of exploitation
 - penal court in case of exploitation
 - (since 10/09/07) renovation at the expense of the landlord
 - (since 10/09/07) rehousing cost can partly be recuperated from the landlord
- ⇒ concerning the execution
 - low budgets
 - housing inspection is installed, but is too small to have structural impact
 - local authorities do not follow
 - judges do not follow
 - problem of re-housing of victims
- ⇒ generally becoming more and more severe, but not yet strong enough

3. Concerning the French case

Positive:

1. Impressive body of legislation including a fierce repressive part (⇒ plus: integration of legislation concerning the same policy features)
2. substantial budget (eq of 150.000 renovations a year)
3. framing institution are to a large extent settled and work
4. embedded in an administrative cooperation

Negative:

implementation is difficult due to

1. judges do not follow
2. prefet do not follow
3. mayors do not follow
 - ⇒ role local authorities?
 - ⇒ backbone: re-housing

Questions:

- ⇒ is the local level the most appropriate level to execute a policy that sanctions people (the landlords directly; the tenants through the lack of re-housing possibilities)?
- ⇒ how to assure re-housing ?
- ⇒ quid regional differences in implementation?

4. Sources

De Decker, P; (2000), **Who benefits from housing subsidies in Flanders, Belgium?**, paper prepared for and presented at the ENHR Conference, Gälve (Zweden), June (org. European Network for Housing Research)(available on cd-rom).

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