



France 2007

National Action Plan against Substandard Housing

Minutes



On behalf of
European Commission
DG Employment, Social Affairs and Equal Opportunities



National Action Plan against Substandard Housing

France, 27-28 September 2007

The Peer Review was hosted by the French Ministry of Housing and Urban Affairs. The full PowerPoint presentations are included in the Appendix.

Day 1

Welcome addresses

Welcoming the participants to Paris, **Nancy Bouché** (Ministry of Housing and Urban Affairs, France – Chair of the interministerial National Pole for the Combat Against Unfit Housing) emphasised that the seminar would be focusing exclusively on action against substandard housing¹. So it would not deal with various topics that would merit a conference in themselves, such as social housing mechanisms, homelessness, migration, the public safety aspects of housing policy, or urban regeneration.

Peter Lelie (European Commission, DG Employment, Social Affairs and Equal Opportunities) also welcomed the participants. This would be the fourth Peer Review in 2007, and there are generally eight per year in all. The programme was now in its fourth year. He reminded the participants of the objectives of the Peer Reviews. They are about mutual learning, and the first objective is a better understanding of Member States' policies and strategies, as laid down in the national action plans on social inclusion and the national reports on strategies for social protection and social inclusion. Having better understood each other's policies, participants should then see if they can make their own policies more efficient and effective by referring to the experience of Member States with similar policies. Thirdly, and perhaps most ambitiously, the aim is to see whether key components of policies and institutional arrangements that have proved effective in certain contexts can be transferred to other relevant contexts. This is, of course, the important challenge. The countries involved are at different stages of economic development and have different traditions, cultures and conceptions of the role of the State. So mere carbon copies of other countries' policies will not work. Transfers have to be made in an intelligent, sophisticated way. The seminar, and particularly the discussion on transferability, would show what inspiration could be drawn from the French plan.

The Commission has, he said, been evaluating the effectiveness of the Peer Reviews as an instrument. Generally, people have been very happy with them. They have felt that they really provide an opportunity for mutual learning and for establishing informal contacts with colleagues working on the same theme in other countries. But we cannot be complacent. We need to work further to make this instrument even more effective. Currently, the Commission is looking at the use made of the results of the Peer Reviews. The results are all published on the website (www.peer-review-social-inclusion.net), and the Commission is also counting on the participants to disseminate the lessons learnt and to use the information. From 2008, it will be seeing if the results of at least some Peer Reviews can be brought up to the level of the Social Protection Committee. There could then be discussion of the results, with all Member States present, and political conclusions might be drawn

¹ In the context of housing, "substandard" is the most usual English translation of the French expression "indigne", and is used in that sense throughout these minutes. However, the English and French terms are not exactly equivalent. "Indigne" means "unworthy". So it implies a stronger moral judgment than the more neutral "substandard". This difference is reflected at various points in the bilingual discussion. For the French term "insalubre", the translation "unfit" has been used throughout.

from them. Peer Reviews should always build on the results of earlier Reviews. Also, there should be more synergies between the different instruments that are available within the Open Method of Coordination and the Progress Programme. In this respect, for some time now the independent expert on social inclusion from the host country has systematically been invited to the peer reviews. Peer Reviews should also focus more on measuring the impact of policies. If we say that a policy or institutional arrangement is a good practice, we need to be able to explain why that is so, and how we measure it. He suggested that the measurement of impact should, in itself, be a subject for mutual learning.

On housing and social inclusion, he recalled that in the early days of the national action plans, few countries focussed on housing issues. But in the last round of national action plans, many more countries had done so. At the European meeting of people experiencing poverty, held in Brussels earlier in 2007, he had been struck by the frequency with which the housing issue came up during the debates. That issue is increasingly a focus of attention within the social inclusion strategy. So this was the right moment to tackle the subject raised in the present Review. He thanked the French hosts for their invitation to discuss this issue.

The French National Plan against Substandard Housing

1. Definition of substandard housing in France

(a) *Social aspects, definitions and what is at stake*

The French concept of substandard housing (*logement indigne*) is clearly a political rather than a legal one, **Nancy Bouché** pointed out. The notion of “unworthiness” (*indignité*) is linked to human rights and to the idea that a decent dwelling is now one of those rights in France and, she believed, in Europe. Substandard housing is defined in France as any dwelling that infringes people’s health, safety or dignity. So the national plan covers insanitary housing and also dangerous housing, which is tackled through the authorities’ power to require property owners to execute work within a stipulated period, on pain of civil and penal sanctions. The definition is a deliberately restrictive one, but it does open up the question of the standards that are acceptable today, as against those applied in the past. The current definition is one of health and safety. However, it also has technical characteristics that have evolved over time. So they depend to some extent on contemporary social attitudes and the current economic situation. In France, these have changed greatly since the last war. The definition is further influenced by cultural and regional factors. In the South of France, the notion of space is not the same as in the North. And an elderly rural couple will not judge housing by the same criteria as a young urban family.

The pre-war housing stock still accounts for 30% of the accommodation in France. 80% of all housing is privately owned, and a significant part of that is rented out. Just over 18% of the housing stock is public, social accommodation for rent. The proportion of owner-occupiers is currently 57%.

In terms of what is called “comfort” in France, i.e. facilities, the mainly private housing stock was in a catastrophic state at the end of the last war, notably because rents had been frozen ever since the First World War. 8% of housing was categorised as “comfortable” in 1945. Today, 8% of it is considered to be “uncomfortable”. These days, cases where basic sanitation is lacking are marginal. They are found mainly in rural areas, among owner-occupiers, and in a few “hard” urban situations. As might be expected, poor facilities are found mainly in the older stock. Since 1975, France has had a very active policy of rehabilitating this old stock. Whole areas have been renovated, and there has

been an emphasis on property revaluation, in the case of owner-occupiers but above all for landlords. Overall, this rehabilitation drive has been a great success, to the point where there is a tendency to forget the continuing existence of substandard housing. The cases which still have to be tackled today are the most difficult ones. Most housing problems are now quite adequately dealt with via economic mechanisms such as grants and tax concessions. But there remains some stock inhabited by poor, marginalised or foreign groups – whether owners or tenants – which gives rise to highly complex situations, both socially and in terms of urban structure. This is why the action programme was launched, with new tools to tackle the hardest cases – in other words, the ones that are now considered unacceptable in a developed society whose standard of living has increased.

The first question that faced those implementing the programme was how they were to assess and locate this substandard housing. Today, it consists of scattered, often hidden, stock. The people who live in it do not complain. Owner-occupiers do not complain. Neither do tenants when they are very poor, foreign or refugees. This was why the starting point had to be quantitative evaluation and developing the techniques to locate the stock concerned. In the circumstances, locating the stock necessarily entailed site inspections. An assessment, on which the action programme was to be based, concluded that between 400,000 and 600,000 units of housing were substandard. Over the past five years, the task has been to make a more precise evaluation of this substandard stock, on the basis of fiscal data and statistical assessments. The ministry has provided the *départements*² and its other partners with very detailed information, based on tax returns and an assessment of people's resources. Using this information, very precise maps have been drawn which enable those concerned to pinpoint potentially substandard housing stock – in other words, zones in which substandard stock may be located. The maps enable the local actors to go in and check on the spot. By counterchecking the initial analysis with the feedback from the site inspections, an assessment is reached which permits the fine tuning of the local action programme.

(b) The unfitness assessment grid

Corinne Drougard (Ministry of Health, Youth and Sport, France) said that the first step in regulative procedures against unfit housing or in concerted operations is to visit the site in order to assess the level of unfitness. For this, a grid has been drawn up. It provides the site visitors with a list of items to be checked and sets criteria for evaluating the degree of unfitness. It is an aid for note-taking during the visit and for the drafting of a report afterwards. As it is used by all the partners in the programme, it establishes common criteria for all. And it assists communication, by helping to formulate clear explanations of why a dwelling is considered unfit.

Two aspects are assessed during the visit. The state of the building, from the foundations to the roof, is examined on the basis of 35 criteria. Then comes the state of the dwelling itself – that is, the actual living space, for which 29 criteria are used. There are various types of criteria, including the hygiene conditions (humidity, drains, ventilation etc.), physical safety (e.g. the stability of the walls, floors and staircases) and the way in which the dwelling is used (cleanliness, the number of inhabitants etc.). Points are awarded on each criterion. Weighting of the criteria ensures that the most important ones are more strongly reflected in the total. These include natural light, humidity, the risk of carbon monoxide poisoning and the presence of lead. By adding up the points, and then relating the total to the least favourable mark awarded on any criterion, an “unfitness coefficient” somewhere between 0 and 1 is obtained for the dwelling concerned. A coefficient between 0.3 and 1 is considered to indicate significant unfitness. This is just an estimate, and other factors will also be taken into account

² The *départements* are middle-tier administrative areas, roughly equivalent to provinces or counties.

when deciding on action. For instance, the grid does not indicate the degree of urgency. There may be an immediate danger, requiring rapid intervention. Neither does the grid take account of urgent social needs. It is just one of the tools available for deciding how best to proceed.

Nancy Bouché added that copies of the grid were available in French for the peer reviewers, and an English translation was under way.

Johan Vandebussche (Cabinet of the Federal Minister for Social Integration, Belgium) had noted that complaints are not generally received about substandard housing. He therefore wondered whether opposition is sometimes encountered during the site visits. **Corinne Drougard** replied that such resistance does sometimes occur, but it is up to the officials on the ground to explain the importance of the visit. If the refusal is maintained, there are regulations which can be invoked to achieve entry. **Nancy Bouché** added that French law protects a person's home, in line with the European Convention on Human Rights. So the occupant can refuse entry, but not the owner. Often, the ones most opposed to visits are very poor owner-occupiers, who may for example fear that their children will be taken into care. So the officials conducting the visits have to do a lot of explaining and convincing. Health inspectors, on the other hand, are sworn agents of the State, and refusing them entry can lead to prosecution. So this can be a means of exerting pressure, in people's own best interests. In the case of a squat, the site visitors obtain the authorisation of a judge before entering the building.

Vera Marin (University of Architecture and Urban Planning, Romania) said that, while the grid is very comprehensive, she supposed that it is complemented by the use of questionnaires on social issues. How is people's social situation assessed, so that it can also be factored into local action? **Nancy Bouché** confirmed that the grid is designed purely to evaluate the unfitness of dwellings and buildings. It is a technical tool which triggers the process of declaring a dwelling unfit. That process includes the owner's and/or the occupier's right to challenge the findings. This is one part of the policy. Obviously, at the same time, enquiries are made into the situation of the occupiers and the owner: Who is the owner? Why has the building got into this state? Is the proprietor an owner-occupier or a landlord? What situation are the tenants in? Are they regularised or undocumented? Are they impoverished? So the scale is just the start of a work process leading to a plan of action which will, of course, also have to take account of the social and financial situation and the relationships between the people concerned. It is the beginning of a phase of negotiation and mediation, particularly when tenants are involved. In the case of owner-occupiers, efforts will be made to avoid serving a notice of unfitness, which can have serious legal consequences. Attempts are first made to tackle the problem by helping to finance the work needed on the building, or by other means which would be presented during the course of the peer review. The same goes for buildings co-owned by a number of occupants. There are many of these in France.

Catalin Berescu (University of Architecture and Urban Planning, Romania) asked if the French authorities are satisfied with this methodology. How efficient is it? Has it evolved over time? **Corinne Drougard** replied that it has indeed evolved. The grid currently being used was revised in 2003. Previous revisions were made in 1971 and 1980. Its development is also linked to a new awareness of some of the risks in housing. The 2003 revision, for instance, brought in risks associated with lead, carbon monoxide and asbestos. Most of the site visits are made by employees of the *départements*, each of which used to draw up its own checklists and scales. So this standardised tool had been long-awaited. That said, an assessment of unfitness will always contain a personal element. Not everything can be included in the criteria. But each of the criteria has been backed up with a lot of explanations. Help cards for each criterion explain how to judge a situation. These cards were drawn up by working groups at the national level, following the revision in 2003. They can be used by

various types of site visitor – by State officials using the policing powers of the *préfet*,³ or during more incentive visits by community representatives. So they have both a regulatory and a voluntary application.

Frédéric Berger (CEPS, Luxembourg) asked what criteria had been used for the initial mapping of zones. **Nancy Bouché** replied that the ministry would have liked to provide the peer reviewers with some examples. However, the statistics concerned are governed by confidentiality rules and protected by access codes. At the outset, the mapping process was put out to tender. The winning bid was from a consultancy which developed a method based on cross-referencing the rateable value of homes to the taxable income of individuals. French local taxes depend on the classification of the taxpayer's dwelling, so the tax authorities already had a good initial assessment of the conditions of buildings. After anonymisation, the combination of fiscal data on dwellings and on individuals was used for the initial mapping, on the working hypothesis that the people with the lowest incomes are the most likely to be living in substandard housing. The resulting maps – one per land registry area – are purely indicative. They are statistical. But experience has shown that they do make it possible to pinpoint areas of poverty and of potentially substandard housing. These maps are provided to all the local authorities concerned, so that they can define their own local priorities and action. This also means that the statistics are discussed locally. A certain number of localities had come back and said, "No, this doesn't correspond to the reality on the ground. It's an overestimation." But particularly in the rural areas, the predictions generally proved all too accurate. In most of the locations shown on the maps, substandard housing was indeed found. In some cases, these zones had never before come to the attention of the local authorities. So the maps are a tool which can help to decide the local priorities for on-the-spot visits. But those visits are still needed. As the maps are based on confidential tax data, the exact addresses are not given – only the zones at risk. The visitors are generally associations or professionals who are mandated by local or national government. Four years of experience with the maps have shown them to be a very effective tool. Two editions have been brought out so far, based on the data for 2001 and 2003. A version based on the 2005 data will be out soon. The developments in each zone over that time are interesting to see.

In 2007, work has begun on assessing the match between the maps and the reality on the ground in each zone and each socioeconomic situation. For example, the statistical estimate for Paris was 40,000 potentially substandard dwellings. The reality shown by the Parisian work programme, on the basis of exact addresses, is 30,000. So the match was a strong one. In the rural *département* of Charente, the match appears to be more or less 100%. On the other hand, in Lyon, which is a major university city, the match is only 10-15%. This is due to statistical problems. Many students do not declare their incomes, because they are often below the tax threshold, and they live in old lodgings. The work on the matching is aimed at further improving the methodology.

Stéphanie Schrévère (FEANTSA – European Federation of National Organisations Working with the Homeless) asked what are the consequences, both for the tenant and for the landlord, if people in irregular situations are discovered in the course of this exercise. **Nancy Bouché** asked what she meant by "irregular situations". She replied that she was thinking of situations where there is no lease. **Nancy Bouché** said that, in France, the phrase "irregular situation" is applied to two entirely different sets of circumstances. One is when a foreigner does not have a valid residence permit. The other concerns the conditions of a tenancy. The site visit system aims to protect people and improve housing. So it is entirely divorced from the circumstances, legal or otherwise, of the occupancy. That also goes for urgent interventions. If there is an immediate safety risk, the authorities are under an obligation to act, whether or not the occupancy is legal. Even in the case of squatters, the public

³ The *préfet* is the State's chief representative within each *département*.

authorities have a duty to intervene to ensure their safety. In addition, a revision of the law has resulted in very strong protection of occupants' rights, even in the case of unfit housing. Those rights are recognised for all "good faith occupants". The legal presumption is that a lease exists, even if it is not in writing. So a court will recognise a tenancy if the occupant can provide any kind of evidence at all that he or she regularly occupies the dwelling. In case of dispute, the burden of proof is on the landlord, who will have to demonstrate that the occupancy is irregular. The notion of a "good faith occupant" covers virtually every situation, except that of squatters who have broken and entered. **Stéphanie Schrévère** asked if an occupant recognised by a judge as being in "good faith" will then have exactly the same legal rights as a tenant with a written lease. **Nancy Bouché** confirmed that this is the case under French law.

2. The institutional context of substandard housing in France

(a) *Who does what? Why enforce a plan?*

The institutional context is rather complicated in France, **Nancy Bouché** said. She pointed participants to the detailed written information provided. The situation is evolving. The system of *communes* (roughly, boroughs) dates back to the Middle Ages, and France is in the unusual position of having preserved 36,500 of these lower-tier local government units. The basic policing powers with regard to the fitness and safety of dwellings are exercised by the mayor of each borough. Groupings of boroughs are a recent development, and more and more powers are being delegated to them, particularly within conurbations. Then come the *départements*, which function both as geographical administrative units for State action and as a tier of local government, with their own representative assemblies, powers and budgets. Above them are the regions, which play no part in the substandard housing issue. Finally, there is the State, which still has a number of competences in this field. But between 1983 and 2004, strong decentralisation took place. In particular, many State powers were transferred to the boroughs and groups of boroughs. In the housing context, health risks (lead, asbestos etc.) have stayed within the purview of the health ministry, where they are the responsibility of the Directorate-General for Health, and of the corresponding structures at the *département* level. The quality and financing of dwellings, and the right to be housed, are a State competence, handled by the Ministry of Housing's Directorate-General for Urban Planning, Housing and Construction. The issue of unfit housing is dealt with by the small interministerial pole which she chairs. This is a project group, without any formal administrative status. Its mission, over the past five years, has been to run networks of all the partners, ranging from ministries to social organisations and private agencies. Its main focuses have been the training of the actors and operators and exchanges of experience, as well as providing legal and financial assistance to the partners, who have the technical competence.

At the *département* level, the *préfet* works on this issue with the Département Directorate for Health and Social Action, which is linked to the health and social affairs ministries. Housing finance is the responsibility of the Département Directorate for Infrastructure and of the National Housing Agency (ANAH). The temporary or permanent rehousing of those displaced as a result of unfit housing notices is the duty of the *préfet* or of the mayors in cases where landlords have failed to fulfil their obligations. The *départements* are now responsible for virtually all aspects of the social services. On substandard housing, they act through their own social services but mainly through the Housing Solidarity Fund, which is linked to a Département Action Plan for the Housing of Disadvantaged People (PDALP). This plan is operated jointly by the *département* and the State, but since 2006 the *département* has been responsible for financing it. The boroughs or groups of boroughs are responsible for everything to do with the operational implementation of local housing policy. So the various competences are spread across different actors, and this makes it all the more necessary to

ensure the proper organisation and coordination of the work. Increasingly, this takes the form of *département*-level focal points for action on substandard housing, rather similar to those already put in place at the national level. Pooling of the information collected by all the actors is one particularly important task, as is ensuring that the finance needed is available for action at all levels. Tackling substandard housing at the local level is not always easy, due to local interests or in some cases to local complacency. Similarly, the issue was mainstreamed into various national action plans in 2003-4, and numerical targets were set for each *département* and conurbation. The most recent law, dating from 2006, makes the identification and remediation of unfit housing obligatory within local housing programmes and the PDALPs.

(b) *The Département Action Plans for the Housing of Disadvantaged People (PDALPs)*

Philippe Machu (Ministry of Housing and Urban Affairs, France) said the PDALPs are adopted for a maximum period of five years. Their aim is to improve the situation of disadvantaged people who are experiencing difficulties with housing. The plans are drawn up jointly by the *préfet*, as the State's local representative, and the Chairman of the General Council (*Conseil Général*), representing the *département* in its role as a tier of local government. Also involved in the drafting are the boroughs, the conurbations, the social organisations and the energy and water distributors. After analysing the territory, they set the qualitative and quantitative objectives, by geographical sector and by priority population group. The plans include important sections on action, prevention and the expulsion of occupants. The plans are an important tool at the level of the *département*, which has to build them into its overall policies both on housing and on disadvantaged people. A specific financial tool is the Housing Solidarity Fund which assists people by means of loans, advances, guarantees and subsidies. This assistance has two objectives: to help people experiencing difficulties to stay in their homes, particularly when they are threatened with expulsion due to rent arrears, and to give such people access to housing. The fund also helps with payments for electricity, water and telephone connections. And it finances social counselling for those concerned.

Up to now, the PDALPs have been almost exclusively focussed on people. But a recent legislative innovation means that they will now also be concerned with remediating substandard housing. Amongst other things, this new provision makes it obligatory to identify the locations of substandard housing and to establish an observatory specifically dealing with such housing. The PDALPs must also set quantitative objectives for each territory and determine the actions to be undertaken in order to meet them.

Pieter Bol (EUROCITIES) asked about the role of the social housing sector, such as public municipal housing and housing associations, in the National Action Plan. **Nancy Bouché** replied that social housing, in the broadest sense of the term, plays several roles. It is much in demand for rehousing those who have to be moved out of unfit accommodation. Also, where housing can no longer be rehabilitated and is bought out under special conditions, it is necessarily replaced by rented social housing, and so the social housing organisations are directly involved in the reabsorption of unfit housing. Traditionally, however, French social housing bodies are very much focussed on building new accommodation and they much too rarely become involved in acquiring and refurbishing older stock. France does not have an exact equivalent of the housing associations in some other countries, but there are a number of social operators who do play a direct part in the action plan, by accommodating low-income families in social housing created from older, rehabilitated stock. **Catalin Berescu** asked if, historically, the French structures for dealing with substandard housing have been imposed from above, or whether this has been more of a bottom-up process. **Nancy Bouché** replied that the *département*-level housing and social services had already been in existence for a long time.

Historically, the issue of substandard housing became very prominent just after the last war, but at that time it was tackled mainly through the demolition of entire neighbourhoods and the construction of new stock which complied with modern standards. This approach created enormous financial and social problems. In the mid-1970s, there was a shift to the mass rehabilitation of older buildings. But in the meantime, the *département*-level services had lost their know-how about dealing with unfit housing. So after the relevant laws were completely rewritten in 1980, the first priority was to put together a national training programme for all the services in all the *départements*. There was also a "training the trainers" element. A three-day course consisting partly of theory and partly of site visits was launched by the interministerial group, and the core of the *département*-level services was created via these courses. This proved extremely productive. There are now a network of trainers on health, social and housing topics, a network of towns and a network of professionals and associations operating on the ground, and experiences, questions and problems are constantly being shared. The role of the interministerial pole is to continue to promote this networking and training.

3. Legal, operational and financial aspects of the National Action Plan

(a) *A coercive law relating to health issues in the field of housing*

Corinne Drougard emphasised that strong, binding regulatory instruments are available to the French authorities in their fight against unfit housing. She would cite only the main procedures, which are provided for in the Public Health Code. One of them concerns spaces that are not intended to serve as dwellings, such as cellars, basements or attics. The other applies to dwellings that are declared unfit because they are in such a condition that they are a danger to the occupants' health. The implementation of these procedures is the task of State officials, but this competence is exercised by the *préfet*, as the State's representative at the *département* level. The procedures are applicable to all kinds of dwelling, whether tenant-occupied, owner-occupied or vacant. They also apply to holiday homes. Another procedure is expropriation, which can be invoked in the case of buildings declared irremediably unfit for occupation – in other words, the extent and cost of the work needed cannot be justified. The expropriation procedure includes very strong safeguards for the occupants.

The first stage of the process is to evaluate the state of the dwelling, using the grid described earlier. Then a report is produced. If the building is remediable, the necessary construction work will be listed, and will be communicated in an official notice. If it is not, a definitive prohibition on the occupation of the dwelling will be issued. After the report has been drawn up, a *département*-level administrative committee is consulted. This meets once a month and includes representatives of the State, the boroughs and organisations as well as experts. The owner and the occupants of the dwelling concerned are invited to the meeting and may speak if they wish. After this meeting, the *préfet* will sign a prefectorial order. This is an official notice which will be delivered to the owner setting out the reasons for declaring the dwelling unfit, the work needed to put it right if it is considered remediable, the conditions governing its occupation (a temporary or permanent ban on living there), the period within which the work must be executed, and the arrangements for having the work done compulsorily if this timetable is not respected.

The procedure gives a very high level of protection to the occupant. Throughout the procedure, no rent is payable to the landlord and the lease is suspended. It is reactivated once the work required has been completed and checked. In the case of remediable unfitness, the owner is required to provide temporary accommodation for the occupant. If the owner does not comply with this obligation, the State does so in the owner's place. In that case, there is a procedure for recuperating the costs

from the owner, via a type of additional tax. In the case of irremediable unfitness, the owner is required to rehouse the occupants permanently. Once again, in the case of non-compliance, the authorities fulfil this obligation and recuperate the cost. The expropriation procedure can be used when a building is judged to be irremediably unfit. Rehousing is then ensured by the authorities, but once again this is at the owner's expense. Within all of the procedures, the occupant's right to a home is legally enforceable through the courts.

At the end of the period set by the prefectorial order for completion of the remedial work, a further site visit takes place, conducted by officers of the *département's* Directorate of Health and Social Affairs. This results either in a confirmation that the work has been carried out in conformity with the order, in which case there will be an order cancelling the declaration of unfitness, or else in a report that the work has not been performed. In that case, another procedure comes into play. The owner is put on notice to carry out the work within a set period. A further visit takes place just after this deadline. If the work has still not been carried out, procedures are available for having it performed compulsorily by the State, which once again will recoup the expenditure from the owner via the tax system.

(b) Operational and financial tools

For the treatment of substandard housing, the public authorities have a number of different operational tools at their disposal which can be applied according to the local and individual circumstances, said **Philippe Machu** (Ministry of Housing and Urban Affairs, France).

To deal with scattered instances of unfit housing, whether in rural districts or in cities, a specific engineering provision exists, which is known as Urban and Social Project Management (MOUS, *Maîtrise d'œuvre urbaine et sociale*). This makes it possible to assign a set of tasks to a team of professionals, often from associations, in order to tackle the unfit housing. The mission includes the identification of unfit housing. After that, the engineering team's mission is to convince the owner to have the necessary work done. The team will support the owner by helping to put together a financing plan and by accompanying the work while it is in progress. As well as assisting the owner, the team has the social task of assisting the occupants.

Where specific areas are concerned, in both rural and urban districts, the main tool at the authorities' disposal is the Scheduled Operations for Housing Enhancement (*OPAH, Opérations programmées d'amélioration de l'habitat*). At the outset, this involves a pre-operational study, analysing the territory concerned with a view to drawing up an action programme which will be the subject of an agreement between the State, the National Housing Agency (ANAH), and the local authority. This agreement will set out the aims of the work to be performed on dilapidated housing, the rent levels and various types of local accompanying action. It must also specify the multiple engineering tasks just described. Every OPAH must include a section on combating substandard housing, both in the context of the pre-operational study and as regards the agreement signed between the different partners in the operation, so as to set well-defined quantitative objectives.

There is another specific tool for use in urban areas with a high proportion of irremediable dwellings. These are the public operations for the Elimination of Irremediably Unfit Housing (RHI, *Résorption de l'habitat insalubre irrémédiable*). This tool has two objectives: acquisition by the public authorities, through expropriation, with a view to building public social housing; and a social accompaniment plan for the occupants of the irremediable housing, notably to ensure suitable rehousing. This particularly strong tool is based on special legal provisions which enable faster, less costly expropriation than in other circumstances.

Using these operational tools does, of course, require financing. This can take four main forms. The engineering teams are financed by the local authorities, who in turn receive funds from the State or the National Housing Agency (ANAH). Then there is the financing of the State's intervention in cases where the owner does not carry out the work prescribed. These are recovered from the owner through a procedure similar to taxation. There is also a system of subsidies provided to local authorities by the State, in order to finance deficits due to public operations for the elimination of irredeemably unfit housing, and also to pay for the social accompaniment. Further State finance is available to support the construction of public social housing. But the biggest source of finance for action to tackle unfit housing is the subsidies provided to property owners by the National Housing Agency (ANAH).

Cyrille Lewandowski (National Housing Agency, France) explained that, while the ANAH is completely dependent on the State, it has a mixed Management Board consisting of representatives of the State, local authorities, private property owners, estate agents and tenants. Its budget is provided mainly by the State and amounts to €577m in 2007. The ANAH's core role, inherited from the historical duties of the State, is to finance work carried out by private proprietors in the dwellings owned by them. The financing is in the form of subsidies. Once granted, the money becomes the owner's, provided that he or she carries out the work. The ANAH works with landlords, owner-occupiers and condominium owners. It was established in 1971 and its main objective was the overall improvement of France's housing stock. After the war, two-thirds of the stock lacked at least one of the basic facilities, defined as running water in one room, toilets and proper heating. So the ANAH started off as an economic contact point for landlords who were improving their rented accommodation. This proved rather successful, as the proportion of dwellings without one of the basic facilities has been substantially reduced. Currently, it is around 20%. And even that figure does not always match the reality on the ground, because in some parts of France a good heating system is not really a basic need.

Nonetheless, there are still a number of properties that lack facilities, despite the incentive action taken by the ANAH. So it completely changed direction. Instead of being a contact point for owners, it became an instrument of State policy on private housing. This shift has taken place gradually, during the course of the 1990s and the 2000s. The ANAH's mission became one of carrying out priority actions, using the tools that it had reshaped. And one of the main priorities was to combat substandard housing. Another was to get rents under control. And a third was to reduce the number of empty dwellings. Those priorities were reaffirmed, with numerical targets, in the Social Cohesion Plan. The ANAH also has a number of general, rather technical objectives: adapting dwellings for people with disabilities, assisting condominium owners who are in difficulty, and tackling environmental issues, notably energy. Of course, there are major synergies between all of these aims. For example, the aim of combating substandard housing and that of keeping rents at a reasonable level obviously coincide. Landlords who receive subsidies to improve substandard housing are more likely to keep their rents under control, while the people currently living in substandard housing are those who are most in need of reasonable rents.

The subsidies to landlords vary greatly, in line with the improvements to be made and the context. The main variable is the level of the rents. When receiving a subsidy, the owner can sign an agreement with the ANAH which sets a maximum rent and also maximum income levels for the people renting the accommodation. Where substandard housing is involved, the subsidies to the owner are increased, in order to stimulate improvements and renovation. The subsidies also depend on the owner's income. If this exceeds a certain level, no subsidies are paid. Below that level, a series of income thresholds determines the subsidy paid. The more a person is in difficulties, the more assistance will be given. If the housing is unfit, the subsidies will be increased to take account

of the greater amount of building work needed. Syndicates of condominium owners are given assistance for work conducted on the parts of the building held in common. Each owner may be assisted separately, according to his or her quota, but in certain cases the syndicate as such may receive the finance. This is a very strong type of aid because, unlike the other forms of assistance, it does not depend on the resources either of the occupants or of the owners. It is generally conditional on the remediation of unfit housing.

Local authorities receive assistance for everything connected with engineering, the monitoring of programmes, and the studies preceding programmes. The ANAH also provides bridging finance for local authorities when they carry out work compulsorily on the owner's behalf.

In 2006, the ANAH's assistance budget was €470m, so it has increased considerably in 2007. There were 73,000 requests for subsidies, and 133,400 dwellings were renovated. Some tenants submit a joint application for a whole building. This explains why the number of renovated dwellings is higher than the number of applications. In 2006, the objective was to remediate 8,500 specifically unfit dwellings. The Social Cohesion Plan sets these targets for a five-year period, but with an increase each year. The ANAH's success rate in meeting the targets has been very different in the case of landlords than in that of owner-occupiers. In the case of landlords, coercive measures are available which can be used in synergy with the ANAH's incentive tools. Also, landlords are relatively open to economic arguments. If the finance is provided, they are generally willing to have the work carried out. So the success rate with landlords, although not wholly satisfactory, is higher than with owner-occupiers, who are really difficult to reach. Many owner-occupiers of unfit dwellings are in the rural areas, where success rates are lower than in urban areas. This is because it is more difficult to identify unfit housing in the countryside, and it is also more difficult to persuade rural dwellers to upgrade their homes.

Discussion

Timothée Bossin (Ministry of Immigration, Integration, National Identity and Co-Development, France) asked what happens if the owner of an unfit dwelling is insolvent or almost so. **Nancy Bouché** replied that mechanisms are available under which the State can substitute itself for an insolvent owner. Impoverished owner-occupiers are legally entitled to sign a long lease with a third party, which is often something similar to a housing association. The third party then pays for the work needed, and receives subsidies from the ANAH, and the former owner continues to occupy the dwelling as a tenant of the lessee. At the end of the lease, which is usually for 12 or 18 years, the owner recovers the property without having had to reimburse the expenditure for the improvements. In the meantime, as a rent-paying tenant, the owner will have been eligible for rent subsidies.

Johan Vandebussche asked if accommodation is always available reasonably close by for rehousing those moved out of unfit dwellings. **Nancy Bouché** answered that, in recent years, the emphasis has been very much on rehabilitating unfit dwellings, and on getting the owners to have as much improvement work done as possible, if necessary by giving them financial assistance. This is in order to ensure that the occupants can return to the dwelling. In the past, the approach was simply to rehouse those living in unfit dwellings, and not to bother about renovating the unfit stock. However, due to the housing crisis which hit France, like other countries, in the post-war period, this approach came to mean in practice that the problem of unfit housing was simply not dealt with. Hence the new approach, which was aimed at ending this inaction by increasing the pressure on the owners and by limiting the permanent rehousing of occupiers to those cases in which renovation of the building is impossible or is uneconomic. A separate issue is overcrowding. Often, for economic and social

reasons, the excess occupation rate is particularly high in unfit housing. Overcrowding is a valid ground for rehousing. This is not easy, particularly in densely populated urban areas, and it can take time. While timescales are laid down in the regulations, in reality it is difficult to abide by them. So today, there is indeed pressure to improve the rehousing process. When a family really has to be rehoused, a solution is always found eventually, but it can take up to two years. The emphasis is therefore on pressing the owners to carry out improvements. Unfit housing is highly profitable for the landlords who rent it out. The courts are beginning to come down on the side of the tenants, and are ordering the landlords to rehouse them. Securing these judgements entails making tenants aware of their rights and helping them to assert them, which is not always easy. But the case-law is building up and criminal prosecutions are beginning to be brought against exploitative landlords, whom the French call "sleep merchants".

Ilze Oša wanted to know if owners have any recourse against administrative orders to improve their property. Can they take the authorities to court? And how much time can elapse between the serving of an order and the completion of the renovation? **Nancy Bouché** replied that the administrative orders have serious legal consequences, in terms of restricting property rights. An owner who wishes to contest an order first has to complain in writing to the person who issued it, namely the *préfet*. If the *préfet* maintains the order, the owner can go to court. A final ruling can take up to two years, but in the meantime, the owner can seek a temporary injunction by arguing that there is an immediate threat to property rights. There has been an increase in the number of owners contesting the orders. This is mainly due to the provision that rent payments are suspended for the duration. This is an extremely effective measure, but it does of course mean that the landlords are losing revenue. That is why more and more landlords, particularly in Paris, are contesting the orders, often on procedural points rather than on the substantive issue of unfitness.

Marisa Scerri (Ministry for the Family and Social Solidarity, Malta) asked what happens about rehousing if the dwelling is so unfit that people have to be moved out urgently. She also wanted to know if tenants can come forward and report unfit housing even if it has not been identified as such in the mapping. And once a house has been repaired, can the owner raise the rent? **Nancy Bouché** pointed out that France has legislation limiting rent increases. When the owner is a physical person, the lease is for a period of three years and is automatically renewable. When the owner is a juridical person, such as an institution or a company, the lease is for a minimum of six years, also renewable. No rent increases can take place during the course of a lease, except for strictly regulated rises in line with the cost of living index. Even when the lease comes up for renewal, the law sets very strict conditions for rent increases. The amount of the increase permitted is governed by the state of the market. From a legal point of view, the improvement work required under unfitness orders counts as maintenance. It is therefore not a valid reason for increasing the rent. If the owner carries out extensive renovations to the whole building, beyond those imposed by the order, a rent increase may be applied for at the end of the lease. The permitted increase in such a case will be 10% at the most, in line with the general legislation. When the ANAH provides finance, it tries to negotiate rents similar to those applied in social housing. However, this is not a requirement. It should be borne in mind that an unfitness order is served only when all previous negotiations have failed. In the case of owner-occupiers, such orders are generally issued only when the property is in danger of collapse. Tenants can indeed lodge complaints of their own accord if they feel that their accommodation is unfit. The authorities are then legally obliged to conduct an inspection. Often, the problems cited – for example, poor ventilation – may not be enough to justify a declaration of unfitness. But the inspectors are in any case under an obligation to visit the site. Tenants are also legally entitled to demand "decent accommodation" from their landlords and can take this claim to court if necessary. This is in cases where, although not actually unfit, the accommodation provided is not up to a reasonable standard.

When people have to be rehoused urgently, the landlord is required to provide temporary accommodation, for example in a hotel, or to make a financial contribution.

Cécile Kellens-Greisch (National Social Action Service, Luxembourg) asked what happens if an owner, having received financial assistance from the ANAH, sells the renovated property a year later. Who receives the value added? **Cyrille Lewandowski** replied that, in exchange for assistance from the ANAH, landlords have to give a commitment to rent the property out for at least nine years. Generally, there is also a commitment to keep the rents down to a certain level. A landlord wishing to break these commitments will have to reimburse part of the ANAH assistance, on a pro rata basis. If the property is sold, either part of the assistance has to be paid back or else the purchaser has to take over the commitment. **Frédéric Berger** asked if municipal authorities also give improvement grants, and whether they vary much from one locality to another. **Nancy Bouché** said that they do. Municipalities and conurbations can give additional grants linked to the objectives of an overall housing improvement scheme in a targeted area. This funding varies greatly from one part of France to another. Also, many *départements* have now set priorities within their social programmes. These priorities include helping older people to stay on in their own homes, notably in rural areas. Since the adoption of the most recent law on decentralisation, *départements* and conurbations can opt to manage all the financing of housing, under contracts authorising them to distribute all the State assistance. In this case, they are required to add a contribution of their own. **Pascal De Decker** (Ghent Polytechnic and St. Lucas School, Belgium) asked if there are any figures on the proportionate increase in rents when leases on renovated properties come up for renewal. What are the consequences for affordability, as far as the sitting tenant is concerned? **Nancy Bouché** explained that the automatic renewal of a lease is not the same thing as a new lease. In the case of a renewed lease, rent increases are limited by law.

NGO statements

1. EUROCITIES

Pieter Bol said that EUROCITIES has three points of departure for its views on substandard housing. First, housing must be placed in a broad social, economic and cultural context. The development of sustainable communities requires an integrated approach. European cities and regions agree on this dimension. Second, the development of sustainable cities raises an important question. How can diversity be reconciled with social cohesion in the cities? EUROCITIES believes that a key factor in the answer is access to good housing for all. Third, the cooperation of all levels of public administration (cities, regions, national governments and the European institutions) is very important. The cities in particular must be empowered to play a strong role in this cooperation.

Good practice must be judged in its own context, on three criteria: relevance, effectiveness and efficiency. The French national action plan obviously meets these criteria. It gives an impression of decisiveness, energy and power, and of firm action that is placed in a long tradition, but with new instruments and choices. The transferability of good practice depends on the framework conditions in other countries and the perception, by local and national experts, of the possibilities of fitting them in. In Europe, there are two important framework conditions in housing policy. First, there is the composition of the housing stock – i.e. the proportion of social rental, private rental and owner-occupied houses. For instance, a large social rental sector permits other forms of intervention than those described in the French case, through agreements with social housing associations. Second, the division of responsibilities and financial means between central, regional and local government will also have an important effect on transferability. The EUROCITIES network believes that housing

policies should be conducted at the lowest possible level of administration. However, there must be sufficient financial, legal and organisational means available to the cities, so that they can exercise such leadership.

Converting substandard housing is about more than bricks and mortar. But how much more? First, an integrated approach to social issues, living conditions, education, employment and health raises the structural effectiveness of the combat against substandard housing. There is less risk of slipping back afterwards if all these items are dealt with at the same time. Second, a healthy position in the housing market is also very important. It means there is a demand for houses among all kinds of people, and this is also a major form of prevention. The housing market itself contains a mechanism for adjusting substandard housing. It is called "gentrification". Third, an area-specific approach is a good way of achieving integrated action.

2. FEANTSA

Stefania Del Zotto said FEANTSA welcomed the creation of this policy on combating substandard housing. It shows an awareness of a situation that can happen to anyone. In particular, it recognises that problems of unfit or dangerous housing can arise both for tenants and for owner-occupiers. This can be linked to the deterioration of the housing stock, but it also raises issues of longer-term support for the poorer and more vulnerable households who are or wish to become home owners but who cannot afford maintaining their housing in a safe condition in the long term.

The French local authorities are pursuing a very ambitious policy, based on a very broad definition of substandard housing. So this policy can potentially be applied to a wide range of situations, including those cited by FEANTSA in the European Typology of Homelessness and housing exclusion, and notably insecure and inadequate housing. As regards implementation, the question of responsibility is important, as is the setting of priorities. As had been seen, the responsibilities are distributed in a rather complex way, but they rest mainly with the mayors and the *préfets*. But apparently, it has been noted that not all of the actors have the same degree of political will. Of course, this will depend on how much information they have and what means are at their disposal. Even if the State does provide incitements to act, is there any real obligation to do so? How to ensure cooperation between the different actors? At a time of decentralisation, it might be wondered if priority-setting by the State would permit a more homogeneous application of policy nationwide.

Regarding increases in the price of housing, she had understood that the law sets limits in the case of dwellings that have benefited from subsidies, and that increases are possible only when a lease is renewed. She asked what happens if the owner signs a new lease. Is there then the possibility of an increase? It would seem that a long-term solution to the issue of price increases following the renovation of the housing stock has not been found, and this question is therefore still open.

As for transferability, it depends on the national context. FEANTSA believes that the commitment to combating substandard housing certainly makes it possible to improve the living standards of the worst-off members of society through the coordination of efforts. For instance, the approach of actively identifying situations ("repérage") might certainly be used elsewhere. On the other hand, the question of a dilapidated housing stock might be less relevant in some other Member States.

The European perspective

Michele Calandrino (European Commission, DG Employment, Social Affairs and Equal Opportunities) thanked the French interministerial pole for organising the review. A great deal was being learnt from it. He wished to place the issue of substandard housing in the broader context of social inclusion and of European perceptions and action.

He asked a number of questions:

- ***Adequate housing for what?*** The presentation of the French national plan has shown a focus on two key issues – public safety and public health. But of course, the issue of adequacy also has repercussions on social and economic cohesion. Is housing adequate for promoting social cohesion, which is one of the main objectives of European social policy and of the broader Lisbon strategy? The adequacy of housing, including for example the issue of overcrowding, affects the development of social capital, the building of relationships and household formation. These broader questions are key issues at the European level, as they affect the intergenerational transmission of poverty, sustainable communities and access to employment. Concerning the latter, for example, in some countries where the postcodes are very detailed, having the wrong postcode can mean that access to employment is constrained or denied. So the European Commission strongly sympathises with the remarks made by EUROCITIES in this respect. A broader perspective on the social and economic environment and on area effects will have consequences on the definitions and the type of interventions. Intervention on substandard housing needs to be carried on through the integrated cooperation among all services.
- ***How can we achieve adequate housing?*** Housing can be private or public. For publicly provided housing the solution is more straightforward: put money into its renovation. For private housing, if there is a case of exploitation (for example in the case of "sleep merchants"), then legal instruments are available. But there are also the issues of what happens when it is unprofitable to renovate substandard housing or when landlords do not have sufficient income to renovate their accommodation. This was not the subject of the present peer review, but in the European context it is important to be aware that there is also another approach which is less regulatory but more market oriented that can be supported by regeneration policies and local economic development. Regeneration can lead to price and rent increases and create the financial incentives for housing renovation. From a social inclusion perspective, this issue can then be offset by means of housing benefits or subsidies, also in order to promote social mix and avoid extensive gentrification. In the case of insufficient income it is important to bear in mind that housing biographies and employment biographies are linked. Housing adequacy has an impact on socio-economic outcomes, but socio-economic outcomes also affect housing conditions: better employment opportunities have positive effects on income and hence on housing conditions. So this is a multidimensional problem involving several actors. This is one of the reasons why the European Commission would very much welcome a special thematic year on housing exclusion within the Open Method of Coordination, possibly in 2009. This would enable all ministries and stakeholders concerned to have a voice at the European level when tackling this complex issue.

- ***How do we measure housing adequacy and quality at the European level?*** There is no European definition of "standard" housing, but the Indicators Sub-group of the Social Protection Committee is developing indicators on material deprivation, and one dimension is housing deprivation. The European Union does not have any direct competence on housing, but, for example, the regulatory framework for social services of general interest, which include social housing, is very much at the core of the European debate at the moment. This will have an impact on the definition of "quality social housing". Active inclusion is another relevant policy area, since one of its pillars is access to quality services. In October 2007, the Commission will launch a Communication which will start a second-stage consultation on common principles at the European level concerning access to quality services, including social housing.
- ***What is the role of the European level?*** Mutual learning is certainly part of that role, for example through this peer review. The French programme is an example of best practice which can help to relaunch the discussion at the European level. Mutual learning also takes place at the local level. Within programmes like PROGRESS, the Commission will try to facilitate exchanges through networks and local projects. In the case of the new Member States, the structural funds can also assist in the renovation of housing. In an ever more integrated European labour market, the EU cannot neglect the issue of housing, which is crucial to mobility and to the scope of local labour markets.

Site visit to Aubervilliers

The peer reviewers then visited Aubervilliers, a suburb of Paris, to see how the French National Action Plan works in practice.

Presentation by municipal representatives of the city's local action plan and the means deployed

Pascal Baudet (Mayor) welcomed the participants to Aubervilliers. It is, he pointed out, a borough that has historically suffered from a high incidence of unfit dwellings. This issue is one of the most important on the local authority's agenda. It has a heavy impact on everyday local life, as regards health, social issues, education and citizenship. In Aubervilliers, dilapidated housing is not an issue for specialists. All parts of the local administration have to deal with its consequences. In tackling it, political choices are important. With other boroughs and the conurbation, Aubervilliers has embarked on a programme of urban renewal. The fight against substandard housing is obviously part of that. But it is not going to be tackled by pushing out the local population, as has happened so often in the suburbs of big cities. Aubervilliers has not opted to replace poorer people with more prosperous ones. Its ethical stance on this can sometimes give rise to difficulties and contradictions. But Aubervilliers is historically working class, and today it is inhabited by more than 117 nationalities. In the combat against unfit housing, it respects that heritage. That fight transcends purely local considerations. But the local level is where concrete action can and must be taken. He hoped that the borough's technical services would be able to show the visitors just how much energy is going into that drive. It entails going in without any preconceived ideas, and treating each case on its merits, with the involvement of all the actors, whether owners or occupants, using all the available powers of regulation and public intervention. But obviously the real backdrop to unfit housing is inadequate incomes, casual

employment and the status accorded to people of other nationalities. Unfortunately, these are matters over which the elected officers of a borough have little influence. The most difficult economic and social issues are the ones that require the most reflection and innovation. Aubervilliers is always keen to learn from others, to acquire know-how from elsewhere. The European framework can contribute a great deal to everybody's work in practice, and he hoped this visit will be the prelude to other exchanges in future.

Olivier Dubaut (Sous-préfet, Département of Seine St Denis) emphasised that the cooperation between Aubervilliers and the State is exemplary. It has one of the best conducted programmes against substandard housing in any borough, within the means available.

Dr. **Luc Ginot** (Director, Hygiene and Health Service, Borough of Aubervilliers) said that Aubervilliers has 75,000 inhabitants and is the second-poorest town in the Ile-de-France region in terms of per capita income. 40% of its inhabitants are below the poverty threshold. 30% are of foreign origin. 3,800 families are in public social housing – an enormous number compared to other boroughs. 50% of tenants in the borough are classified as vulnerable, even in the rather restrictive sense of the term used by the ANAH. Big slum clearances took place in the post-war years.

In 2001, a detailed protocol on the combat against unfit housing was signed between the State, the borough and the conurbation. Tackling unfit housing is not just a matter of improving buildings. It entails working on the links between the housing stock and the wider social network. There are also very strong links between housing and health. The borough's experience is that people living in substandard housing are much more likely to be ill. In one epidemic in the 1980s, 40% of the children were affected by saturnism (lead poisoning). The removal of lead hazards has become one of the borough's priorities in tackling unfit housing.

One principle adopted by the borough in this work is never to penalise the occupants of substandard housing. The constraints affecting them are to be taken into account, which is easier said than done. At the urban planning level, the municipality has opted to preserve whatever can be preserved. Massive demolitions are a thing of the past. So there is an effort to maintain the local social fabric. Administratively, everyone's right to exhaust all the available procedures is respected. This takes time. There is no magic bullet. A global approach is taken. Health officers work together with sanitation engineers, other technicians and social counsellors. Financial assistance is available, notably for property owners who are often themselves very poor. Unfit dwellings are identified either in a systematic way or ad hoc, on the basis of complaints from local inhabitants. Cases of environmentally induced lead poisoning may also point to the need for renovations. Either the owner carries out the work required or else the authorities have it done on the owner's behalf and at the owner's expense. The occupants are temporarily rehoused – or permanently if the dwelling is declared irretrievably unfit, but that is always a last recourse. Between 2001 and 2006, the borough's services ordered work to be carried out on 1,253 sites. One in every two owners complied. That is well above the French average.

Accompanied by borough inspectors and technicians, the participants then visited a number of sites in Aubervilliers which provided clear examples of the various approaches: a house whose owner has undertaken palliative work, at the borough's request, against lead hazards in the staircase and is about to launch work to remedy the house's unfitness; another building where the borough is carrying out improvements on a compulsory basis after the owner failed to do so; a neighbourhood where broad improvements are under way, involving some expropriations; and a building part of which has been declared remedially unfit, and part irretrievably so.

Feedback from the site visit

Michele Calandrino asked if the examples visited, which concerned individual interventions on sub-standard houses, fit into a broader strategy for neighbourhood improvement. Are there proactive efforts to improve the surrounding environment and targeted areas beyond piecemeal interventions on specific unfit houses? **Evelyne Yonnet** (Deputy Mayor, Aubervilliers) confirmed that these sites are part of a strategic framework. A public improvement contract was put in place in 2001-2 for the neighbourhood concerned. This strategy goes far beyond the remediation of individual unfit dwellings. It also includes repairing roads and pavements, installing new street furniture and recreating public spaces, as well as work to prevent the deterioration of other buildings in the neighbourhood, such as repainting the façades. Generally, the approach is to tackle unfit housing first, but this is done in the context of wider urban renewal. **Stéphanie Schrévère** asked how the priorities for urgent action are set, and where people are rehoused. **Evelyne Yonnet** replied that the first priority is to get people out of unfit, unhealthy dwellings. In Aubervilliers, this means that everything has priority, so some difficult choices have to be made. Obviously, if a building is in danger of collapse, urgent action will be taken to move people out and put them up in hotels. In future, the borough will have three flats available for people who have to be rehoused urgently. This will save a great deal of money in hotel bills and will give people a place where they can live more normally. For instance, they will be able to cook their own meals. **Luc Ginot** added that a general rule is that priority goes to problems of sanitation – for instance, if the landlord cuts off the water supply. Beyond that, the protocol has made it possible to establish a hierarchy of neighbourhoods requiring action and to identify the buildings that should have priority. This can sometimes give rise to inconsistencies on the ground, but the cooperation with the State has generally been of assistance in setting priorities. **Stéphanie Schrévère** supposed that a consensus has to be reached with the protocol partners concerning those priorities. **Luc Ginot** replied that this is not difficult in practice. The State and the local authorities agree on the priorities. They do, on the other hand, sometimes encounter the same constraints on their action – for example, the rules governing public procurement. **Catalin Berescu** asked if the renovation of façades does not lead to gentrification. **Evelyne Yonnet** replied that owners are required to repaint the façades about every ten years. The idea is conserve the buildings by helping to prevent infiltrations of water. So this measure is coercive but also preventive. It also sometimes happens that a decision is taken to preserve a façade because it is part of Aubervilliers' history. **Luc Ginot** added that repainting a façade can help to halt a downward spiral in the neighbourhood. But it can also serve hide other problems. So it all depends what happens behind the façade. As regards gentrification, Aubervilliers makes an effort to avoid this and retain the original population. **Evelyne Yonnet** said that gentrification has displaced populations in many parts of the Paris region. One way of countering this is to provide dwellings that suit the present-day needs of the local population. When renovating, for example, it may be necessary to create one dwelling in the space previously occupied by two, in order to provide the space needed by families today. So Aubervilliers is putting a lot of thought into creating the kind of housing that local people want, so that they stay in the area.

Iskra Dandolova asked for more details of the counselling and information provided to tenants and owners before, during and after the construction work. **Catherine Peyr** (Nurse, Deputy Health Director, Aubervilliers) replied that assistance to the families is given in parallel by the department dealing with unfit buildings, the department that monitors the construction work and the two nurses in the health service. Counselling is needed to ensure that the family accepts the need to move out. Efforts will be made to put them up with families if possible, as this is better than moving into a hotel. **Luc Ginot** added that counselling, whether of tenants or of owners, is built into each stage of the process. Part of the task is to mediate between tenants and owners, to try to ensure that they agree not just on the principle, but on how and when to proceed. **Hélène Dadou** (Ministry of Housing and Urban Affairs, France) emphasised the importance of social counselling and mediation. They help to

“oil the wheels”, so that the fiscal, budgetary and engineering assistance provided by the local authority and the State can really be put to good use. **Johan Vandebussche** asked how many cases are involved, and how many families are put up in hotels. How much do all these accompanying measures cost? **Luc Ginot** confirmed that tackling unfit housing does entail substantial indirect costs, as well as direct ones. In the course of recent years, about 100 dwellings were shut down, 107 were vacated and 340 were renovated. 410 families had to be rehoused. Some 2,000 dwellings are scheduled for action under the protocol. But, **Evelyne Yonnet** pointed out, that number is growing, because new cases are added as the work under the protocol progresses. **Luc Ginot** said that the borough’s health department has 31 staff, all of whom do get involved to some extent in housing issues. To them would have to be added the time spent by the housing and social services. And it should be borne in mind that housing takes up a lot of the social services’ time in Aubervilliers. The first issue on which a new social assistant receives training is housing. The operational costs for action on substandard housing in Aubervilliers amount to about €1m per year. The share in the operational budgets of the various services would be about €500,000. These are very rough estimates. The interesting figure, which is unknown, would be the total costs caused to the community by unfit housing. If that figure were ever calculated, the budgets available for ridding France of unfit housing would certainly increase.

Mathias Vicherat (Sous-préfet in charge of housing, Département of Seine-Saint-Denis) welcomed the peer review. Aubervilliers gets more than its share of unfair comments and the fact that a European meeting was studying its approach to substandard housing was a tribute to its efforts. As the State’s representative, he felt honoured by the visitors’ interest. In France, the phrase “*habitat indigne*” covers four realities: unfit housing, dangerous buildings, lead poisoning (saturnism) and dangerous furnished accommodation. So it does not, for example, cover old, unsatisfactory housing, or temporary structures. Seine-Saint-Denis has 38,000 potentially substandard dwellings. That represents 7% of the total housing stock, making it probably the French *département* the most affected by this phenomenon. If social housing is taken out of the calculation, substandard housing represents 11-12% of the *département’s* private stock. So this is a very important issue for the Seine-Saint-Denis. About 150,000 dwellings were built before 1949. More than 41,000 dwellings lack at least one facility. Some inhabitants accept substandard housing as a transitional solution, while waiting for social housing. This is also more permanently the case for foreigners, who under French law are not entitled to social housing. So the substandard housing serves as a sort of highly dilapidated de facto social housing. The “sleep merchants” cannot really be regarded as a mafia, as they are not well enough organised, but some of them are extremely rich. In 2006, the *département* served 66 notices of unfitness, 407 notices of lead exposure risks and 305 sub-prefectorial injunctions. Much remains to be done. 2,000 notices of unfitness are still in force in the *département*.

As both the mayor and the *préfet* have powers relating to unfit housing, there is obviously a strong need for partnership on this issue – the more so as many other actors are involved, such as the ANAH. Hence the partnership protocols, an idea which might be transferable to other countries. The protocols work rather well, and help to ensure a clear distribution of roles.

He emphasised that Aubervilliers is in the forefront of the fight against substandard housing in France, and is influencing the development of national legislation and practice.

Finally, he had five pieces of advice to offer, on the basis of the *département’s* experience of tackling substandard housing. He felt that these points might well be transferable to other countries:

- Seek the ***most integrated management possible, on a basis of partnership***. This may take different forms. In Seine-Saint-Denis, there is a pole for combating substandard housing

which brings together the various actors. The partnership should be properly constituted, with regular meetings, for example on a monthly basis.

- Seek the *greatest possible judicial security* for the action needed. The landlords involved are often unscrupulous people, who make a very good living. They can afford to hire lawyers, and they often go to court. Procedures are often held up for years by court hearings, and sometimes have to be terminated because of minor flaws.
- *Increase the follow-up* on improvement orders and other procedures related to unfit housing. A good resource would be a national database which, at the click of a mouse, would link an address or a name to any notice of unfitness, details of when it was served, and so on.
- *Improve the housing supply*. Tackling unfit housing entails rehousing the occupants. The problem cannot be solved in isolation, without also dealing with the problems further upstream.
- *Be willing to be prosecute*. Incentive, preventive and social tools are all important in tackling unfit housing, but punitive options also have to be kept open. This applies in particular to the “sleep merchants”. A number of measures are entailed. Reporting – notably by social services - has to be increased. But the ability to prosecute also has to be boosted. In Seine-Saint-Denis, a specialisation in unfit housing issues is being developed within the judiciary, where a specialised magistrate has been appointed who attends the monthly meetings of the coordination pole and receives directly the addresses identified as substandard. And the gendarmerie has just up a small unit focusing on unfit housing and the sleep merchants. A guide has been prepared to all the laws and regulations that can be used against sleep merchants – whether health regulations, building regulations or criminal law provisions. This idea might also be transferable.

He hoped for future exchanges of advice and experience in both directions.

Day 2

Presentation of the discussion paper

Iskra Dandolova (Thematic Expert – Institute of Sociology, Bulgaria) said the definition of “*logement indigne*” (substandard housing) had caused problems for a number of people. Does it mean unacceptable housing, and if so, what is unacceptable? Is it housing that diminishes people’s dignity or hampers them in their activities? Is it a dwelling that falls below the standards of the local culture? She suggested a discussion model which had been more or less defined right from the start of the French presentations on Day 1. The housing stock can be subdivided into different types: public and private. Generally, public housing is taken care of by institutions and is of less concern than private housing. However, there are some countries where public housing is just as dilapidated as private housing. So public housing cannot be excluded from any discussion on substandard housing. Nonetheless, there are good reasons for concentrating on private housing. This can be either individual or collective. Collective private housing generally takes the form of condominiums, which are difficult to deal with, particularly in countries where there are no management systems. These

condominiums can contain between 100 and 200 apartments. Many dwellings in Eastern Europe are in condominiums, and these are very difficult to manage. Another type of collective private housing belongs to associations, such as the housing associations. Generally, the maintenance of association housing is well organised and it offers decent accommodation, so it is probably rather peripheral to the current discussion. She suggested considering the remaining housing stock under three headings: owner-occupied housing, rented private accommodation and vacant private housing. In many countries, the statistics do not distinguish clearly between these three groups but for France, precise figures are available in each case.

- To launch a remediation programme for substandard housing, a *policy decision* is first needed. This may be taken by the politicians. As the French case shows, political backing can result in a strong, broad programme. France is one of the rare European countries to aim at having 20% social housing. One specificity of the French experience that other countries might usefully study is how to stimulate a political decision on this without leaving it up to the politicians alone. This requires the existence of social movements who can do the stimulating. It was after a large-scale training exercise on the ground that the French social movements sparked the political decisions that led to the necessary legislation. Other countries could examine the possibilities provided by their current legislation and then see how to arrive at a complete system for tackling substandard housing. In some countries, the legislation does exist, but it is not applied. This is often a question of finance, and of having the right tools. In the French case, the financing and the tools are interesting, because they come from various sources. This permits supple handling of the different cases.
- The *administrative structure* is also very important. A coordination centre is needed. The French interministerial pole is very interesting in this respect. It is not an institution. It is a coordination centre bringing together the various actors on a very broad basis within this big programme to combat substandard housing. It is at the intersection of all the elements of the system.
- The *vertical networking* between the various institutions – from the State to the boroughs – is another important aspect of the French model. It leaves room for both bottom-up and top-down reactions. But there is also *horizontal networking*. Many experts act on the different cases and contribute greatly to the success of the programme.
- *Training* is a very important aspect of the French system, together with the various forms of counselling available to owners, occupiers and builders. Owners who receive an improvement notice, even if they want to do the right thing, are often not very knowledgeable about how to go about renovating a building. The specialist advice provided free of charge in France is of great help in seeking quotes for the work, managing the situation of the occupants and handling finance. Equally, counselling is very important for the occupants, who are often not aware of their rights. The checks on the work in progress help to ensure quality. After the work, counselling of the occupants is an important way of ensuring that the dwelling will stay in good condition.
- In the French case, substandard housing is tackled at several levels: the dwelling itself, the building, the surroundings and the area. Many elements of this approach could, she felt, be *transferable* other countries. Conservation rather than demolition of buildings is an important aspect of the French policy. This is the reverse of the policy pursued in France and across Europe between the end of the war and the 1970s. In many cases, the current approach means that the same occupants can go on living there. This is an important means of preserving the social fabric and social solidarity.

- *Checks, orders and coercive policies* also have an important part to play in the French system. In most European countries, there is a reluctance to expropriate. The French example shows that expropriation can be a weapon in the fight against substandard housing. Actual cases of expropriation are quite rare, but it remains as an option when other solutions fail. France's legal provisions setting the level of rents mean that "sleep merchants" are likely to rethink their attitude to tenants. The whole thrust of French legislation is towards ensuring that landlords carry out remedial work on their properties and create a more favourable situation for the occupants. The provisions making landlords responsible for rehousing tenants during required improvement work also work in the tenants' favour.
- *Information* is another key element of the French system. The collection of reliable statistics is vital to the combat against substandard housing.

Returning to the definition of substandard housing, she asked if it might be understood in terms of decency. A decent dwelling should be permanent. It should protect the occupants. It should provide them with security in their daily lives. For that reason, there should be a set of basic conditions ensuring social comfort, reasonable living conditions and a sense of human dignity. One important difference between France and other countries is that France already has a precise definition of decent housing. The discussion paper gave examples of the criteria applied in other European countries, and these might be brought into the debate.

She suggested a number of questions for discussion:

- *How and where to intervene?* This depends to some extent on political decision-making and the distribution of responsibilities. There must also be a political recognition that substandard housing exists, together with urban and rural poverty.
- How to put together a *coordinated institutional network?*
- What are the *possibilities offered by each country's legislation* and how can the legislative principles be used?
- What are the *financing possibilities?* No government says "We've got the money. What are we going to do about substandard housing?" The finance always has to be fought for.
- Should there be *renting permits and checks during the course of a lease?* These exist in some countries.
- Are the peer reviewers for or against *expropriation?*
- What are the possibilities for obtaining reliable *information* on whether a dwelling is substandard or not?

Discussion

Pieter Bol wondered how the French emphasis on maintaining buildings might develop in future. Decent housing is not enough in itself. Housing with a good future value is also important. After decent housing has been achieved, is there not a need to move on to good housing? Pascal De Decker asked about the relationship between renovation policies and urban planning. On the previous day's site visit, the participants had seen dwellings being renovated in places where, in his opinion, people should not be housed. How did participants feel about the planning context of where houses are sited? He felt that it is sometimes better to demolish than to renovate. There are nineteenth-century neighbourhoods in Belgium which, in his view, ought to be knocked down to make way for new neighbourhoods. Marisa Scerri agreed with him. In Malta, there are subsidy schemes to help people improve their houses but very often, especially in areas which are being regenerated, the

tendency is to demolish and build anew. A lot of importance is placed on social inclusion and improving people's dignity and lifestyle. Very often, simply by renovating existing buildings which were meant for people with different expectations, it is very difficult to meet these targets. **Nancy Bouché** said this issue has been around for almost 50 years. The site visits had been meant to show the reviewers some particularly hard cases. Tourism had not been the aim. But she cited the case of Roubaix, an old industrial working class town in the north of France, which in the nineteenth century built tiny, extremely uncomfortable houses for poor people, in the inner courts of the existing housing blocks. Called "*courrées*", some of these little backyard houses deteriorated into virtually uninhabitable slums. So after the war, Roubaix embarked on a radical programme of demolishing the *courrées*. They were expropriated and the occupants were rehoused in social housing on the outskirts of town. But very quickly, people started protesting that they had been deported. To quote an elderly Algerian caught up in a similar scheme, "They gave me a flat but they stole my town." So Roubaix completely changed its approach, arguing that local people preferred to stay in small dwellings in town, with a minimal amount of renovation and very low rents, rather than being "deported" elsewhere. While demolitions and new build may sometimes be necessary – perhaps also in Aubervilliers – the population that comes back to such places is never the one that went away. So the question is: demolish and rebuild for whom? **Marisa Scerri** took the point. One of the current challenges in urban regeneration in Malta is to convince the original inhabitants of a district to enter the new buildings put up for them, even when they are in the exactly the same place as they used to live. There is much more to housing than just buildings. It is people's lifestyle.

Discussion of transferability aspects of the policy by peer countries

Belgium:

Pascal De Decker had been especially impressed by the legal framework established by France for tackling substandard housing. The budgets available were also clearly adequate. A new element for him had been the health aspect. Belgium does not make the connection between housing and health. In 1980, Belgium devolved responsibility for housing to its regions. But taxation policies are still decided at the federal level. And tax relief on mortgages is Belgians' main source of housing finance. So the responsibilities are at the regional level, but the money is still at the federal level. Also, private rentals have remained a federal matter, the implication being that housing rentals are simply a contractual matter between the tenant and the landlord and not a housing policy issue. There are some quality standards in the legislation on private rentals. But to have them applied in the case of a dispute, the tenant would have to go to court. There is no State agency monitoring or enforcing the application of the standards. About 70% of Belgian households own their home. Social housing accounts for only 5-6% of the stock. At present, the feeling in Belgium tends to be that property rights are more important than housing standards. Belgium has no comprehensive policies on substandard housing at either the federal or the regional levels. However, there are a number of instruments with both incentive aspects (renovation subsidies, reduced VAT rates for the renovation of old buildings and some other tax exemptions for renovations) and coercive provisions (a mayor can prohibit the renting of a house and landlords can face criminal penalties, including imprisonment, if they exploit poor people). Compulsory renovation at the landlord's expense and compulsory rehousing at the landlord's expense are also now possible in Belgium, but these provisions only took effect in August 2007.

He suggested some discussion points drawn from Belgian historical experience. How much of a priority is good housing? In Belgium, this has never been a political priority and budgets for renovation have always been very low. Do local authorities implement national or regional legislation on housing? When Belgium launched an urban renewal drive in the 1980s, only one in three municipalities took part. In 1995, Flanders brought in new legislation to combat slum housing, but only about half of the municipalities followed up on it. Do judges and others apply the law? Where mayors, as in Belgium, have strong powers to tackle bad housing, they rarely do so because they cannot rehouse the occupants. Also, what about the social profile of private tenants? The Belgian experience over the past 20 years is that their social profile has become weaker and weaker. These are not the kind of people who will go to court to protect their rights. Also, many landlords are poor and do not have the money to renovate their houses.

Peter Lelie said that one of the things he had found impressive in the French action plan was the detection phase – the moment when the attempt is made to identify whether substandard housing is present. So he thought it might be useful if each country's presentation also focused on this issue. What indicators are there of where the concrete problems might be situated? **Pascal De Decker** replied that Belgium holds a census every ten years. The most recent one, for the first time, included quality issues. So it is well known where the neighbourhoods with a high proportion of bad or old housing are. The problem is that the government does not use the data to detect bad housing. The housing inspectors or the mayors react to complaints. When the social services come across bad housing, they tell the inspectorate and then the inspectors visit the dwelling. So the process is reactive and almost never proactive. **Nancy Bouché** asked about the rent permits and habitability certificates operating in Flanders. **Pascal De Decker** replied that the certificates are not compulsory, so few landlords ask for them. This scheme is not really working, due to the lack of compulsion. **Iskra Dandolova** asked if there are associations in Belgium which defend tenants' interests as regards rentals and which help to obtain subsidies for renovations. **Pascal De Decker** replied that Belgium has a system of social renting agencies. These are NGOs subsidised by the governments of all three regions to rent and renovate housing and then sublet it to poor tenants. In Flanders, this system accounts for about 3,000 – 4,000 houses out of a stock of 2 million. So although it is a good model, it is very small.

Denmark:

Lola Foster (Ministry of Social Affairs, Denmark) had been interested to hear about the organisational and legislative aspects of the French experience. The site visits had shown the extent of the problems faced and the great efforts made to help the people living in those houses.

Denmark does not have a Ministry of Housing. In 2001, it was merged into the social affairs ministry. In Denmark, housing is clearly a part of social policy. As regards social inclusion, the Danish saying is that "To have a place to live is a good start". Denmark does not have a definition as such of substandard housing. Most Danish houses have been developed into decent accommodation over the past fifty years. The redevelopment drive began before the Second World War. A big consideration at that time was health, and the focus was on sanitation and ensuring that people had a good place to live. That task is not quite complete, but almost. In recent years, the focus has been more on urban development – in other words, not just on housing but on whole areas.

More than 50% of the Danish housing stock is social housing. That social housing is normally of good quality, because it is governed by strong legislation and a lot of money has been put into it over the years.

In terms of public involvement in housing, there is the ministry and the municipalities. No other agency is involved. The municipalities know where the problems are, so the money is given to them. There is also a private/public system under which the State, the municipalities and the private individual each invest approximately the same amount in urban development. In recent years, there has been focus on the ghettos which have developed in the social housing areas. There are now efforts to achieve a better mix in these areas. In general the standard of the dwellings is good. The problem is with the areas.

As far as tackling the problem of older housing, a lot has been done to move their occupants into newer housing – particularly elderly people and those with disabilities, so that they can have access to better facilities. Whenever older housing is renovated, special attention is given to making it accessible for people with disabilities.

One point that she had noted in France was the legal right to be housed. In Denmark there is no similar right.

Regarding information on the condition of housing, Denmark has long had a registration system for all dwellings, with details of the facilities in each case – bathrooms, toilets, lifts etc. Expropriation is very difficult in Denmark. In fact, it is not compatible with the constitution.

Pieter Bol asked if the register of the Danish housing stock is kept at the national level, or in the municipalities. And how is it kept up to date? **Lola Foster** explained that there is a requirement to notify changes or renovations that are made in a house to the municipality. The total number of dwellings in Denmark is about 2.5 million, so it is relatively easy to keep an overview. **Nancy Bouché** asked who keeps the register, and how the information is checked. Are there site inspections? **Lola Foster** said the owner of the building has a duty to report changes to the municipality. There is no control as such unless the municipality wants to check or if a complaint is received. **Johan Vandenbussche** asked if internal alterations to a house also have to be declared. **Lola Foster** answered that also internal alterations should be notified i.e. changing a bathroom. **Catalin Berescu** wondered what a typical Danish ghetto would look like. Ghettos in Denmark have developed into places where most people are on social assistance, **Lola Foster** replied that many people living there do not have jobs and are on social assistance. The effort now is to achieve a mix with people who are socially stronger, who have resources and are not on social assistance. The standard of the dwellings themselves is OK in most cases. **Pascal De Decker** remarked that, although there is now a tendency in Europe to talk about the ghettoisation of poor people, the situation is not in any way comparable to that in the United States. What percentage of poor people constitutes a ghetto? **Lola Foster** did not have any figures on this. **Iskra Dandolova** noted that Denmark has adopted a whole series of updates to its housing legislation over the past decades, and yet it has neither a definition of decent housing nor a right to be housed. Is this just an oversight, or does Denmark feel that it has no need for this kind of precision? If a change in a dwelling is declared, for instance in the case of the bathroom, will this change the taxable value of the dwelling? In upgrading whole areas, is Denmark pursuing a policy of gentrification, and does this run counter to efforts to achieve a good social mix? There had recently been riots in Denmark in connection with the renovation of some areas. Was this a result of government policies? **Lola Foster** said that changes have to be reported if the value of the dwelling will increase or affect other houses or dwellings. The taxes paid on housing in Denmark are quite high, and improvements to a building may lead to an increase in the amount of tax. **Nancy Bouché** asked if Danish municipalities often buy up properties on an agreed basis, without expropriation. In the Netherlands, for example, expropriations are rare but most property transactions are via the municipality. Does the same happen in Denmark? This can happen, **Lola Foster** replied.

Latvia:

Ilze Oša (Ministry of Economics, Latvia) thanked the French hosts for all the information, which could well suggest some solutions for the Latvian housing situation. Latvia has a population of 2.2 million and 58.7million square metres of housing stock. That is not very big compared with France, but some of the situations are similar. The ownership structure in Latvia was changed in the early 1990s, when the government decided to privatise State and municipal housing, or to hand it back to its pre-Soviet owners. As a result, in 2007 more than 87% of the housing stock is private property, while only 9% is municipally owned, 2% is State-owned and 2% is owned by cooperatives. Rented social housing is owned by the municipalities, which have a legal duty to provide social assistance, including housing. Various policy documents have been adopted to combat poverty and social exclusion, and these form the basis for the support system in Latvia. There are problems with families who are unable to pay for housing and public utilities. Support is needed for elderly people and families who are evicted. There are also special support programmes for people with disabilities.

Latvia does not have a definition of inadequate housing. But for rented accommodation, there is a requirement that it should be "fit for living in", which is defined as being heatable, lightable, capable of providing long-term human shelter and accommodating household items and compliant with building and health regulations. However, in the view of Latvian public opinion, housing is also inadequate if it does not have a bathroom or a shower, if the roof is leaking and if the ceilings, floors and windows are in poor condition. So there is a general, accepted understanding of what inadequate housing is, even though there is no legal definition.

Responsibility for housing rests at two administrative levels – the State, as represented by the Ministry of Economic Affairs and the State Housing Agency, which is responsible for the implementation of all the support programmes; and local government, which is responsible for assistance with housing-related matters on its own territory. A part of municipal housing (called Social housing which composes 0.1% of total municipal housing) is very low-quality. Only half of the buildings have central heating, bathrooms and hot water. The others are mainly rural, pre-war stock. The owner-occupied buildings were mostly built after the Second World War and are not energy-efficient. The materials used mean that there is a major loss of heat.

Financial support systems for housing improvements, based on the State budget, began to be put in place in 2005. The municipalities receive subsidies for new building or the renovation of existing buildings. From the end of 2007, support will also be available for the renovation of owner-occupied dwellings, which make up the great majority of the housing stock. The support will be aimed at promoting energy efficiency and a higher quality of life. For socially vulnerable groups, some social benefits are available for the payment of rent and utilities, as well as for the renovation of rented housing. Up to now, there is no private rental market in Latvia. A rent ceiling in municipally owned buildings has kept housing costs artificially low, therefore there is no interest from the private sector to participate in construction or provision of a rental sector for low income persons. However flexible conditions in provision of credit for inhabitants to obtain a dwelling, was not a coefficient factor for people to choose rental of dwellings. However, in 2007, the government has taken steps to curb Latvia's high inflation rate. One of those measures is aimed at making it more difficult to get loans. So it may be that a rental market will begin to develop.

Data on housing are provided by a system similar to that in Denmark. Each building has to be registered with the State. The register contains information about any changes in the building and its equipment. People are supposed to register any improvements that they make. However, there are problems with updating the information, as many people have building work done unofficially, and

these changes are then obviously not registered. The State reacts only if complaints are received about the construction work.

Iskra Dandolo commented that the privatisation and subsequent maintenance of big housing complexes have been posing problems throughout Eastern Europe. She asked if Latvia has succeeded in establishing effective management systems for what are now condominiums, particularly as regards the maintenance of the parts held in common. This is indeed a problem, **Ilze Oša** confirmed. It is difficult to secure a consensus among the many different owners on the investments needed. A law on the maintenance of property is now in preparation. This will clarify the owners' responsibilities and will provide for penalties if buildings are not maintained at the level stipulated by the law. It is hoped that the law will be adopted by the end of 2007. **Iskra Dandolo** asked if training is envisaged for those managing these buildings. European funding is, she said, available for such training. **Ilze Oša** said that the law does stipulate that people managing buildings should be properly trained. However, there are no special State-backed programmes for this at the moment. **Johan Vandenbussche** noted that the housing stock available to Latvian municipalities is quite small. So how do they cope with the problem of housing poor people? **Ilze Oša** confirmed that the supply of social housing is much lower than the demand. That is why, in 2005, the State decided to grant subsidies to the municipalities, so that they can create a new rental sector for the many people currently on waiting lists. The problem is particularly acute in Riga, but the city is now building about 500 social flats per year.

Nancy Bouché asked what are the problems connected with the housing stock that was handed back to its pre-Soviet owners. And as rents are kept very low and there is a housing shortage, is there a problem of clandestine private landlords similar to the "sleep merchants" in France? **Ilze Oša** said the problem with the restituted property had been that there were sitting tenants in it. Latvian law gives strong protection to tenants, so the change of ownership did not mean that the leases could be cancelled. As rents are very low (set by municipality before restitution), the restored owners are interested to raise rent fees. In case if there is no agreement between tenant and lessor disputes shall be adjudicated in a court.

In the meantime, the owner is deriving scarcely any income from the property. The result is that these buildings are not being appropriately maintained. The law on residential tenancy also prescribes that, if the owner wants to regain possession of the property within seven years of restitution, then new accommodation has to be purchased for the tenant, at the owner's expense. Sometimes this works. But the restituted houses are often in the centre of town, and the tenants are not keen to move out to the suburbs. Many conflicts have remained unresolved, so the owners have taken to selling their restituted property on to new owners. These then often take other steps to try to get rid of the tenants – for example, by cutting off the water or the heating. Some 200 buildings in Latvia are now deteriorating because they are not heated in the winter. So it has been decided that the State and the municipality will pay an allowance to tenants who are willing to move out of restituted buildings. This is a contribution towards buying a new home.

As regards the low rent levels in municipal houses - local politicians are very reluctant to raise the rents for electoral reasons.

Luxembourg:

Frédéric Berger had found himself wondering if there really are any unfit dwellings in Luxembourg. The overall data on its housing stock are drawn from the census, held every ten years, and from surveys of living conditions which include a few sections on housing. The owner-occupation rate is 70%. Of the 30% of the population who are tenants, about 5% are in the social sector. Contrary to the situation in France, there are no cash grants to support tenants, but the rent is revised each year in line with the tenant's income. This system is tending to push people into the private market, as the social rents are in many cases now higher than the market rates. The housing stock is relatively new, as the population has increased by 30% over the past ten years. Up to the end of the nineteenth century, Luxembourg was mainly agricultural. Then came a period of strong industrialisation, lasting up to the 1970s and 1980s. Since then, the tertiary sector has boomed. The majority of dwellings are individual houses. About 44% of the population live in buildings containing more than one dwelling, but these buildings also tend to be small-scale. There are few big apartment blocks.

99% of dwellings have a bathroom, toilet and running water and 95% have central heating. However, the living conditions surveys show that 11% of dwellings are overcrowded, according to the occupants' own self-assessment. 14% report problems with leaks or mould. He concluded that, although the great majority of Luxembourg's housing stock is of decent quality, the possibility of unfit dwellings cannot be completely ruled out. Luxembourg currently has no definition of unfit housing, and this peer review had provided a number of elements which could be taken back and reflected upon. Those living in inadequate housing in Luxembourg tend to be on low incomes or social assistance. Also, in addition to highly qualified, well-off immigrants, Luxembourg has a population of low-skilled migrants. Asylum-seekers and one-parent families also tend to face housing problems. So the profile is similar to that in other European countries.

There is a relative shortage of housing in Luxembourg, and a corresponding price explosion. This has meant that, over the past 20 years, older stock has been bought up en masse and renovated, leading to the disappearance of lower-quality housing. So something similar to the French "sleep merchants" might possibly be developing, but there are no hard facts on this. In terms of legislation, Luxembourg has tended to put the emphasis on property rights, but a number of provisions are nonetheless available for dealing with unfit housing. There are required quality standards for rented accommodation, as regards health, facilities, fire precautions and sanitation. Another tool is the Rehabilitation Funds, which are aimed at renovating whole neighbourhoods. Since 1979, there have been two such funding exercises – one in Luxembourg City, which is now finished and has been quite successful, and another which is still in progress. A recent innovation is the Housing Logbook (*Carnet de l'habitat*), which gives owners the opportunity to have a subsidised check-up on a dwelling. This is wholly voluntary. It is too early to say if this scheme is working. For the renovation of buildings, the government provides grants to the owners.

Responsibility for housing is shared between the Ministry of Housing, the boroughs and – in the case of refugees – the Government Office for Foreigners. The boroughs have a duty to rehouse the occupants of a dwelling that is declared inadequate. However, given the shortage of housing, the boroughs are tending to avoid closing down accommodation.

While a national action plan on the French scale would be difficult to implement in a small country like Luxembourg, he did see some possibly transferable elements that would merit further discussion, notably the methods of identifying unfit dwellings. He suggested that the French might consider requiring owners to have periodic check-ups on their buildings. This would shift the emphasis more

towards prevention. He also wondered if there is a link between the amount of social housing on offer in France and the high prevalence of substandard housing. And what is the role of the media in making the public more aware of unfit housing, and so stimulating greater political action?

Cécile Kellens-Greisch added that one recent phenomenon experienced in Luxembourg is that people who are unable to afford housing are moving on to campsites, where they live either in trailer vans or in small holiday chalets. The municipalities in which these people are living regard them as non-residents, so ad hoc cooperation between the housing and justice ministries and NGOs became necessary in order to give them some kind of residential status. A law is now being prepared which will enable people to register with a borough even if they are living in accommodation that is not officially recognised as housing.

Nancy Bouché noted that the Luxembourg presentation had included the notion of inadequate housing. Is that a set legal expression, and how does the law operate in this regard? **Frédéric Berger** replied that such legislation does exist, but the problem is implementation. The procedure is that the mayor, accompanied by a police officer, inspects the premises and the owner is then asked to bring the building up to standard. If that is not done, the mayor has the power to close the building down. But the mayor then has a legal duty to rehouse the occupants. So, given the housing shortage, it is said that mayors are becoming rather reluctant to use these powers and are setting rather long deadlines for the improvement work. **Pieter Bol** asked if the people living on campsites are Luxemburgers or foreigners. **Cécile Kellens-Greisch** said all nationalities are involved. These are highly vulnerable people. Or sometimes they are people who would have difficulty in living elsewhere. For instance, a man who owns twelve dogs. But there are no signs that foreigners are over-represented in the campsite populations. However, there are two types of campsite dweller. Some are registered as residing with relatives elsewhere. These do not come to the ministry's attention. Others are over-indebted and their relatives do not want to take them in, for fear of the bailiffs. These are the kind of people who come to the ministry and ask to be officially resident at an NGO's address. But in the nature of things, this is a shifting population on which it is difficult to keep statistics. **Frédéric Berger** said that, as Luxembourg is a small country surrounded by neighbours, Luxemburgers have recently taken to seeking cheaper housing across the frontiers, notably in France. This is really the same phenomenon as in other European conurbations – people moving out of the metropolis and into the suburbs. Except that, in Luxembourg's case, the suburbs are in another country. **Cécile Kellens-Greisch** added that over the past two years, given the housing shortage, legal provisions have been made for helping people who want to sign a lease. Often, these days, people have to pay three months' rent to the landlord as a guarantee, plus one month as a fee to the agency. So in all, five months' worth of rent have to be found at the moment of signing the lease. Many people cannot afford that all at once, so government loans are available for paying the guarantee. However, the condition for this is that the rent must not exceed one-third of the tenant's income. People on social assistance often cannot meet that condition, because their rent exceeds that one-third threshold. So they are not covered by this legislation. To help them, there are two systems. Either an NGO gives the loan, on condition that they accept social counselling, or else the Ministry of the Family pays the guarantee direct to the landlord.

Malta:

Marisa Scerri said that Malta, although tiny in comparison with France, could identify with some of the challenges faced by the host country. Two concepts that Malta will be thinking a lot about are the continuous mapping process in France, as against Malta's reliance on the ten-yearly census, and the indicators checklist, which she regarded as ensuring objectivity, uniformity and comparability. Although Malta shares many of the French criteria, it does not have them set out clearly in a checklist. So the French experience could be of help to Malta in developing a similar list.

Malta has three entities which focus on housing: the Housing Authority, the Housing Construction and Maintenance Department and the Department of Social Housing. New legislation will merge these into one entity, as their roles are complementary. Malta deals with housing at the central government level. The Housing Authority, which falls within the responsibility of the Ministry for the Family and Social Solidarity, may be considered the leader when it comes to housing issues. Most of the houses in Malta are owner-occupied, and this trend has risen over the years from 23% in 1948 to 74% in 2007. Conversely, the proportion of rented accommodation has gone down from 77% to 26%.

The Housing Authority's role is to help with home ownership, rentals and substandard housing. It does this through eight different schemes targeting both owners and tenants. It promotes home ownership by facilitating affordability. Malta is densely populated. Land is scarce and extremely expensive. The Housing Authority helps by providing affordable housing through shared ownership. Each year, it makes a number of houses available at affordable prices. It also helps to increase the rented stock through urban renewal projects. The focus is currently on the inner harbour area and on Msida, which is in a flood valley where a lot of accommodation will have to be demolished and rebuilt in order to make provision for the emergencies that often arise after heavy rainfall. These formerly middle class areas were largely abandoned during the war, as people sought to escape the heavy bombardments. Afterwards, they were gradually resettled by people with social problems and low incomes. So they are now priority areas for urban regeneration.

She argued that "inadequate housing" and "substandard housing" are not synonymous. A house may be of a good standard and yet not meet the needs of the people living in it. Most of Malta's old social housing is not substandard, but there are no lifts. So it is inadequate in the sense that it does not cater for the needs of the people who have been living there for thirty years. Older people in Valletta are no longer able to climb the stairs. They can often be seen lowering baskets from windows five floors up, so that the baker or greengrocer can send up what is needed. Some of these listed buildings just need to be modified in order to cater for the needs of the people living in them. In other cases, houses in good condition are rather cut off from the city centre. Here, the need is for good transportation. Housing is regarded in all of these dimensions, as it is one of the key means of promoting social inclusion. Housing is not all that scarce in Malta. The challenge is affordability. The Maltese authorities believe that, by addressing that issue, they are also indirectly tackling the problem of substandard housing. If families cannot afford better accommodation, substandard housing is more likely to persist.

Ilze Oša asked if grants for improvements are available only to low-income tenants. And who provides the grants? **Marisa Scerri** replied that rent subsidies are available for privately owned properties. The recipients must be Maltese residents and priority is given to vulnerable groups, such as 18-21-year-olds leaving residential care. An applicant must already have reached an agreement to rent accommodation and must not have capital assets of more than €9317 prior to the date of application. Annual aggregate income must not exceed €16,000. Subsidies for repairs and

improvements to private rented properties of a certain age are also provided, in order to achieve a reasonable standard. Subsidised work may include repairs to dangerous structures, the replacement of older water and electricity installations, improvements to bathrooms, the laying of floor tiles, and repairs to drainage systems and external doors and apertures. Similar criteria hold for applicants for this subsidy.

Peter Lelie enquired about a table in the Maltese written report (*Table 1.3, page 118*). Had this been based on a census, and how had the column on substandard dwellings been defined? **Marisa Scerri** said that it was based on the census, which is the only reliable national survey of housing. It gathers data on living conditions, and that is the definition of the housing standard shown in the table. So is it based on objective criteria, **Peter Lelie** asked, or on the assessment made by the people living in the dwelling? On objective criteria, **Marisa Scerri** replied. But she thought that it would also be interesting to have the occupants' own views, because perceptions and expectations are important in the field of housing. **Peter Lelie** asked what the criteria would have been. **Marisa Scerri** replied that they would have included water, electricity, humidity and the general environment.

Romania:

Vera Marin reported that Romania does not have a legal definition of substandard housing, nor specific legislation on the issue. However, there are a number of defined housing standards. Relatively little information is available about the realities on the ground. A census is held, but not much work is done on the data that it provides. Many people are living in housing stock that was not built according to currently acceptable norms. Many others are in poor rural dwellings, informal settlements and historic buildings. The housing typology has to be considered together with the social groups that are at risk. From the ethnic point of view, Romania has Europe's largest Roma population. Estimates of their numbers vary between 500,000 and two million. About 80% of them live in poverty, often in illegal housing conditions. Another group particularly at risk as far as housing conditions are concerned is older people in rural areas or in buildings in the historic centres. These buildings have been handed back to their former owners, as in the Latvian case. A number of people have been evicted following these retrocessions. A further fragile group is the young people who grew up in orphanages and are now on their own. Immigration is low and is not much of a factor.

The responsibilities for housing rest at the central level, with the Ministry of Housing. Cooperation between the ministries of health, social protection and housing is poor. After decentralisation, many responsibilities were transferred to the local authorities, but they lack the competence and operational experience needed. The intermediate level of government should, in her opinion, play a more important role than it does at present. It should provide a link between central government and the local authorities.

Given the lack of data, the only real awareness of substandard housing is based on a journalistic, superficial approach. The little research that has been done has remained within academic circles. The issue is not on the public agenda and people prefer not to talk about it.

A reform of housing law is now under way. The Ministry of Development, Public Works and Housing is currently working on an audit of the legislation and will be proposing some modifications. Rent control is likely to be a feature of the changes, but it is not yet known how it will be organised. Expropriation is possible, but there is a tendency to avoid it, as it might be perceived as an echo of the past. Observatories for collecting data on housing are now being improved. Research has been financed by the housing ministry in order to define checklists and methodologies. There are also

plans to make it mandatory for local authorities to have a local housing policy, but this is probably still some way off.

Iskra Dandolova commented that a recent phenomenon in Romania and Bulgaria is that of young people migrating from the countryside to the cities in search of better-paid jobs and more leisure activities. They often end up renting substandard housing, as it is all that they can afford. Romania had a project, including some European subsidies, for building housing for young families and young people. She asked for more details of this. **Vera Marin** replied that the Ministry of Housing does have a programme for building accommodation for rental to young families. It is financed by the State through the National Housing Agency. The scale of these developments is still very small, so they do not meet the demand. The local authority has to provide the land. Recently, a law has been voted through parliament which will permit people to buy these apartments after being a tenant for five years. In her opinion, this is not a good thing, because the stock of rented social housing is very small. Also, the selection criteria for the families to be housed are not always objectively applied. **Frédéric Berger** asked if there has been strong emigration from Romania and Bulgaria recently and if this will have an impact on the availability of housing. **Vera Marin** replied that emigration has always been quite strong, and is continuing. It is not reducing the housing problem in the big cities, because internal migration towards them from the countryside is also continuing. In the smaller towns, it is easier to find accommodation. **Iskra Dandolova** said that Bulgaria also has quite strong emigration, but it is temporary. People go abroad to earn some money, then come back and put it into building good houses. This is a high priority for migrants. For instance, most of the Bulgarian troops who volunteer to go to Afghanistan and Iraq say that they are doing so in order to be able to afford better living conditions when they return to Bulgaria. But Bulgaria is also experiencing immigration. Over the past few years, 50,000 properties have been bought by British people. Chinese, Russians and Greeks are also moving in. And Bulgarians who formerly lived abroad for political reasons have been returning since the fall of the Berlin Wall. All of this is obviously having an impact on the housing market.

Vera Marin commented that, while she admired the checklist used in France, she felt that it might be a mistake to introduce it into a country which lacks the actors and the institutional framework for social support. In such circumstances, a technical checklist would not reveal the true realities. So it works in France, but it would not work in Romania.

Relevance and key learning elements for peer countries and stakeholder representatives

Facilitating the discussion, **Iskra Dandolova** said the wide-ranging debates of the past two days had above all demonstrated the variations between countries. In terms of housing, the European Union is neither unified nor equal. Substandard housing has to be understood in the context of different situations. What is clear is that there is a real concern to improve housing conditions. Of course, this is a matter of political strategy: to provide protection, or just to ignore the problem; to promote prevention, or simply pay lip service to it. Housing inclusion is part of the broader issue of social inclusion. It is on the table and it is a very important issue for every country.

The discussion had also emphasised the importance of the legal, financial and institutional tools. Inclusion cannot be achieved without democratic instruments. Without these tools, the eradication of substandard housing is impossible. If some of them are missing, inclusion cannot be achieved. Operational strategies are also vital. In some countries, there is a legal system governing housing, but this system is not implemented. So somewhere, the chain is broken.

Regarding the target groups for housing action, vulnerable and homeless people are obviously the priority. Homeless people form the urban housing poor. They and marginal groups are the focus of action on substandard housing, although of course there are also poor people in the rural areas. Marginal groups tend to be in marginal housing, which marginalises them further. It is not easy to break this vicious circle.

Relations between landlords and tenants need to be facilitated. The relationship is, of course, primarily a financial one, but institutional and political decisions can help to ensure social cohesion by preventing conflicts.

The relationship between urban regeneration and substandard housing needs to be borne in mind, also at the European level. Efforts should be made to preserve buildings, although this is not always possible. If they are not preserved, the worst aspects of gentrification will emerge. But there are also positive sides to gentrification. Segregation and ghettoisation must be avoided. Cities are built on a sense of solidarity and community acquired over hundreds or even thousands of years. There is no place for US-style gated communities in Europe.

Key questions and recommendations that she drew from the discussion were:

- **The need for a complete system of legal tools.** In France, some existing laws had had to be upgraded, and after that some additional ones had been brought in to complete the legal toolkit needed for the very ambitious but successful French programme.
- **Definition of substandard housing.** It is difficult to achieve precise definitions for every country. Instead, we should perhaps think in terms of results. The technical dimensions tend to be emphasised, but the human and social dimensions are also very important and should complement the technical ones.
- **Housing standards.** There was general agreement that a small set of basic standards is useful. These can establish a minimum standard for housing conditions, which will vary from one country to another in line with differences in income levels and culture.
- **Decisions, implementation and control.** A number of peer reviewers had pointed out that governments are keen to promote home ownership. However, there are limits to this. In countries such as Romania, Bulgaria, Hungary and to some extent Portugal, home ownership can actually promote marginalisation, as people do not have the means to maintain their homes properly. So, although it is quite understandable that governments wish to restrict the demand for public housing, owner-occupation can also lead to substandard housing. Clearly, therefore, home ownership is not a solution in itself. A welfare state will still be needed in order to provide income support.
- **Identification of substandard housing.** Some of the review countries had expressed their appreciation of France's emphasis on the preliminary mapping of substandard housing. There is a question of transferability here. Denmark has a system in which a dossier is kept on the state of each and every house. Luxembourg wants to introduce a similar system. Many countries are interested in collecting more data on the housing stock. This is a good thing because it will make it much easier to identify substandard housing. But of course, it is essential that the data should be regularly updated, as housing can dilapidate rapidly if it is not properly maintained.

- **Protection of housing and tenants: social mix and cohesion.** There are various indicators for the social mix. The most commonly used one is people's economic situation. Both poor and wealthy people tend to create ghettos. Achieving a good mix is important for housing, but also for urban planning and regeneration in general. Wide distribution of social housing is a good tool for achieving a social mix.
- **Sustainable housing.** For environmental reasons, sustainable housing is now an important element in European policy. This involves human as well as technical factors.
- **EU partnership to combat substandard housing.** During the peer review, the idea of establishing a European network on the substandard housing issue was discussed. Could we envisage some European partnerships on the maintenance or management of housing?
- **EU projects and transferabilities?** How could the exchange of ideas be continued in future? Could participants later give feedback on the impact in their own countries of the lessons learnt during this seminar?
- **How to build up a preventive policy against substandard housing in Europe?** The present seminar had concentrated on tackling the existing problem of substandard housing. At a future meeting, it would be useful to concentrate on the issue of prevention.

Catalin Berescu suggested that the issues of definitions and of standards could be addressed together, as they are so interrelated. They are also very local. For example, in Romania there are one million people living in shacks. These very different issues cannot be addressed with the same tools and standards. It is not impossible to define housing exclusion in general terms, but in the end the instruments will need to be very specific. On the prevention of housing exclusion, we first need to ask who should do it. Once we know who will have the responsibility and the powers, we will know how it should be tackled.

Michel Polge (Ministry of Housing and Urban Affairs, France) completely agreed with the previous speakers. However, he wished to draw attention to an important point that had been scarcely touched upon. How should the public authorities intervene to improve the private housing stock? In this regard, there is a need to reflect on the means of evaluating the economic effectiveness of public policy. What are the right tools for this? As far as he was aware, relatively few countries have looked into this issue so far. The exception is the English-speaking countries, where there has been considerable work on the overall economic effectiveness of public subsidies. For example, it is certainly expensive to subsidise the construction work needed if elderly people are to stay on longer in their own homes in conditions of dignity, but this produces savings elsewhere. So more work is needed, including in France, on this question of economic effectiveness. There are subsidies for building work, there are grants paid to individuals, there are subsidies through tax reductions, there are subsidised loans. Each of these tools can be used. Subsidies are a way of buying quality. But on what basis should the type of subsidy be chosen? The means of evaluating public policy should be developed at the European level, particularly as regards public policy interventions in private areas such as housing.

If tenants have to be protected against landlords, housing must also be protected against the tenants, **Ilze Oša** insisted. Tenants sometimes do not take good care of rented accommodation, so it is important to work with them and try to change their attitude to the place where they live.

Pieter Bol said the discussions had shown that maintaining a substantial public housing stock is important, as the problems occur mainly in the private sector. He had read that France has a law stipulating that every municipality must have at least 20% social housing. Maybe that could also be a recommendation from this meeting: that we say together that 20% social housing is something that we want to achieve. It might not be possible overnight, but in the long run it should be on the political agenda in countries which, for example, have only 3% of housing in the public sector. So he proposed that this be added to the list of recommendations. **Nancy Bouché** commented that the debate on having 20% of housing in the public sector has been under way for more than ten years now in France. It is an extremely difficult political challenge. She doubted that a European agreement could be reached on that target. **Lola Foster** added that, even though Denmark has more than 50% of its housing in the public sector, she could not say that each and every municipality has at least 20%. In fact, some of the richest Danish municipalities have no social housing at all. She thought that they would probably vote against any target. In any case, she simply wanted the meeting to be aware of the present situation in Denmark. **Johan Vandebussche** pointed out that Belgium, in its national action plan for social inclusion, has a target of about 10% for public sector housing. Reaching that would be a fabulous achievement in the Belgian context. It would mean an enormous breakthrough in the many municipalities that are currently at 0%. He felt that the meeting should not limit itself to putting forward recommended percentages, or even data based solely on the housing aspects. Rather, one of the lessons from what has been done in France is that the issue should be tackled in a broader way, including from the social point of view. In France, the social services work together to improve the situation for tenants. Other peer countries had also pointed out that the substandard housing issue has to be tackled from a social perspective and an urban perspective. The previously described example from Roubaix had shown particularly clearly that the housing and social aspects have to be treated together. He agreed that more financial analysis of the impact of subsidies is needed, as we are dealing here with the private sector, whose aim is to make money. So cost-benefit analysis of public subsidies is very important. In the Belgian context, identifying mechanisms for intervening in the relationship between price and quality is even more important, because prices are too high for a quality that is too low. So we should certainly act on housing, but we should not be afraid to act on the social cost and on the financial cost. This is an issue that could also appeal to politicians.

Closing remarks

For the European Commission, **Peter Lelie** said this had been a very intensive learning exercise. As the results of the peer review had just been adequately summarized by the thematic expert, he would not repeat what had already been said, but would instead comment on the way housing is currently dealt with in the context of the EU social inclusion strategy.

First of all, it is important to clearly state that within the EU social inclusion strategy social exclusion and poverty are considered to be multidimensional phenomena. This means that if social inclusion policy is to be effective, it has to be mainstreamed in all relevant policy areas. Since housing is clearly a relevant policy area, when making a decision on housing policy, the effects on social inclusion should always be taken into account. In the French policy under review, safety and health are clearly central. These are essential issues, and although social inclusion concerns should go further than that (see Michele Calandrino's intervention the previous day), it had been important and useful to learn from the French example in this case.

In order to strengthen the National Action Plan process on social inclusion, the Commission had asked Member States to focus on just a few priority issues in their NAPs 2006-2008. Many had chosen to focus on the issues of child poverty and active inclusion. However, this doesn't mean that

housing issues were not dealt with. The guidelines for the national reports clearly asked Member States to develop a multidimensional approach. So, for example, if child poverty is the focus, economic, income support, employment, fiscal, transport etc. but also housing measures were to be considered.

As far as child poverty is concerned, during 2007, there was a lot of activity. The members of the network of independent experts on social inclusion have produced a report on the issue. The Indicators Sub-group of the Social Protection Committee has focused specifically on child poverty monitoring. The Member States have replied to a child poverty questionnaire on child poverty and well-being addressed at SPC members. All this activity would come together on 3-4 October 2007 in a peer review at the level of the Social Protection Committee. Among the sessions would be one on children living in impoverished neighbourhoods. Another would be on the health of children. Housing would definitely be on the agenda.

Another important topic during 2007 is active inclusion – strategies to ensure that people who are far from the labour market become integrated into society and the labour market. A Commission Communication on this is coming up. It will look at the provision of adequate income support, access to inclusive labour markets and the provision of quality social services. Also in this respect, adequate housing is of vital importance.

Next year it should be possible to assess whether by focussing on just one or a few issues during a so called "light year" more progress has been achieved than would otherwise have been possible.

It had been suggested that, in one of the following "light years" for the Commission's social inclusion work, there could be an exclusive focus on housing. Agreement on this should be sought at the level of the Social Protection Committee. This would allow a much deeper look at homelessness and adequate housing issues. By focusing the social inclusion strategy on the issue of housing and by bringing together all relevant actors, it may be possible to have more of an impact.

In conclusion, he had no doubt that the French policy is a good practice, and that the participants would take home many interesting ideas. He thanked the French hosts for an exceptional Peer Review.

Nancy Bouché thanked him for his words of encouragement. However, France still has a long way to go. It is still only halfway across the stepping stones. The struggle against unfit housing in France began on 13 April 1850. The revolution of 1848 had been sparked by the issues of worker poverty, urban poverty and slum housing. The first great philanthropist of that time said that the relation between the right to property and unfit housing was the same as between the right to property and usury. France's second law on unfit housing was adopted in 1902, and created the first legislative tools for use against the then all-powerful property owners. In 1970, after the great post-war clearances and demolitions, a policy reappraisal led to the launching of a massive rehabilitation programme. Today, there is still a remaining core of unfit housing which is difficult to deal with: 1.5 million dwellings that are in a bad state. That is why France has decided to focus its efforts on these hard cases, while still maintaining other tools for neighbourhood renovation. The law on the right to be housed, adopted in March 2007, is changing attitudes by giving deprived people new hope. So the programme will have to be continued and strengthened to meet that challenge. The battle is not over, and probably never will be. If European programmes could include a stimulus for evaluations of the economic and social cost of bad housing, and could help to develop the tools needed for such assessments, that would be a great service to all the European countries. For instance, some work

on the health impacts of substandard housing has been done, mainly in the English-speaking countries, but much more research is needed.

She noted that the housing situation varies greatly between the peer countries. Luxembourg's remarks about people living on campsites had interested her, as exactly the same situation has developed in France. The law on the right to be housed also gives the right to have a registered residence. Gentrification has gone hand in hand with increased housing precarity for others. This is a situation that France takes very seriously, although it was not the subject of the present review.

She hoped that the EU, through its social inclusion programme, could help Member States to tackle the problem of substandard housing. The media can play a vital role in building awareness. Luxembourg had mentioned its Housing Logbook, and France has begun to introduce compulsory provision of diagnostics for buildings when people are about to sell or rent them. The maintenance and inspection of condominiums, in particular, could be a useful topic for European comparison.

She thanked all the participants and organisers for the high quality of the meeting. She and her colleagues would be pleased to send them any further documentation that they required and would always be glad to welcome them back to France.