

Planning for affordable Housing: Theories and practices in Lisbon, London and Copenhagen

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Structure of presentation

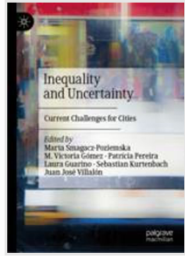
- Introduction
- PLANAFFHO 2018: first theoretical results
- PLANAFFHO 2019: methodology, selection of cases and fieldwork
- Empirical results from London, Lisbon and Copenhagen
- Conclusion

PLANAFFHO – PLANning for AFFordable HOusing

- Began in February 2018, with a 2 year duration.
- A Marie Skłodowska-Curie Individual Fellowship funded by the European Commission's Horizon 2020 programme under grant agreement No. 74257.
- Aim: to look at how planning and housing policy in Lisbon, London & Copenhagen has dealt with housing shortage, affordability & segregation.

PLANAFFHO – PLANning for AFFordable HOusing

- To examine how land-use planning has contributed to the provision of affordable housing for low-income people within new developments in three capital cities - Copenhagen, Lisbon and London.
- How land-use planning has contributed to the mix of housing tenures within new developments.
- The project focuses on the last 10 years.



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Outcomes of Urban Requalification Under Neoliberalism: A Critical Appraisal of the SRU Model

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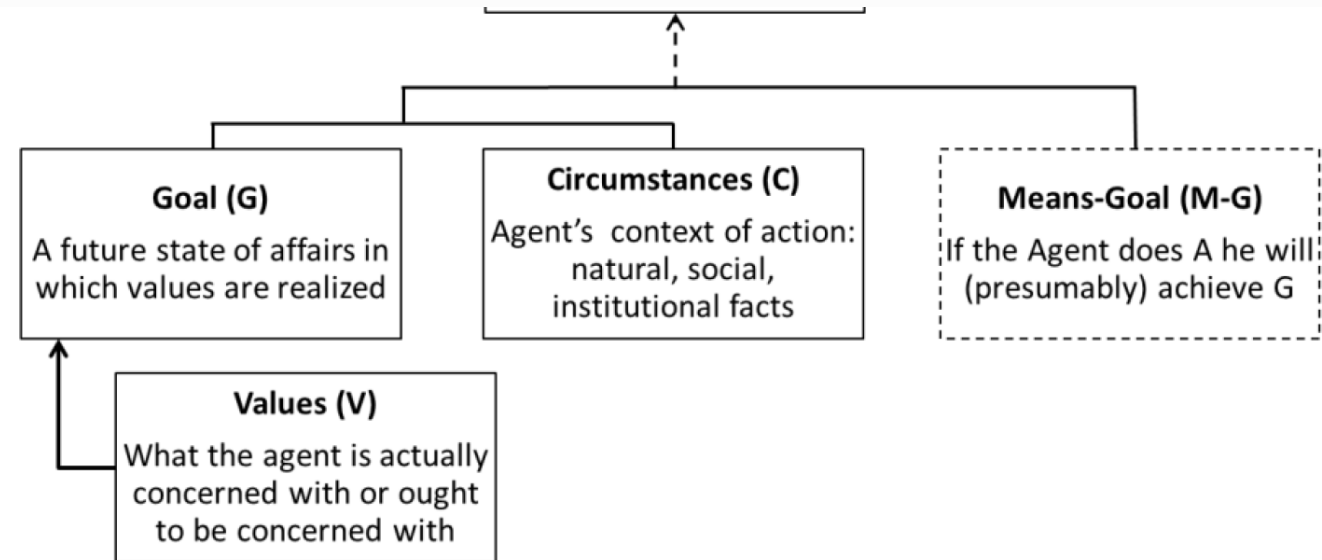


Figure 1 – Structure of practical argumentation (Fairclough & Fairclough,

SOUTHERN
EUROPEAN
HOUSING
III

HOUSING
POLICY AND
TENURE TYPES
IN THE 21ST CENTURY
A SOUTHERN
EUROPEAN
PERSPECTIVE

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*edited by Elena Bargelli,
Thorsten Heitkamp,
Héctor Simón-Moreno,
Carmen Vázquez Varela*

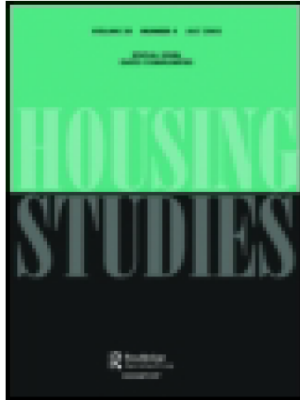
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PISA
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THE SOCIAL AND NON-PROFIT
RENTAL SECTORS IN PORTUGAL AND
DENMARK: ISSUES OF SUPPLY, HOUSING
QUALITY, AND AFFORDABILITY¹

SÓNIA ALVES*, HANS THOR ANDERSEN**



Housing Studies

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Nuancing the international debate on social mix: evidence from Copenhagen

Sónia Alves

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Planning for Affordable Housing

A comparative analysis of Portugal, England
and Denmark

Dr Sónia Alves

November 2019



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PLANAFFHO – Selection of cases

- ❖ Countries/cities that are representative of different types of welfare systems, planning and housing policy traditions.
- ❖ I expected to identify different solutions, in terms of how housing and planning policies have been implemented and their impacts on social and spatial outcomes.

PLANAFFHO – Methodology

- ❖ Face to face interviews with people involved in the formulation, implementation or evaluation of housing and planning policies in London, Lisbon and Copenhagen.
- ❖ A total of 62 semi-structured interviews were conducted between January and May 2019.

PLANAFFHO – Results

- Affordable housing for lower to middle income groups who maintain vital functions in the city has been identified as a policy goal at national and city levels.
- A wide range of tools have been used at different stages of the policy process:
 - Direct transfer of capital grants and low-cost financing,
 - Indirect transfer via the tax system,
 - Rent control and land regulation to limit speculative activities (e.g. short-rentals), etc.

Housing models

Social housing	England	Portugal	Denmark
Definition and target groups	<p>Rental housing for people on low incomes and for those with (defined) special needs.</p> <p>Normally funded through grant subsidy, they will remain affordable in perpetuity, except if they are sold through the Right-to-Buy</p>		<p>Rental cost-housing not restricted to incomes. In general, dwellings are allocated to people according to time spent on the waiting list. Local governments have the right to assign people in acute need of housing (up to 35% of vacant dwellings in Copenhagen)</p>
Rent-setting	<p>Rents are set locally and determined by several characteristics, such as local wages and cost of rented accommodation.</p>		<p>Rents are set according to the cost of producing and running the housing units</p>
Providers (owned by)	<p>LA and non-profit private registered providers (e.g. housing associations)</p>	<p>Local authorities and their housing companies. The state (IHRU) still manages housing stock</p>	<p>Housing associations build only for rent (commercial purposes and cross-subsiding is not allowed)</p>

Portugal

- ❖ In the last 10 years, the thing has worsened greatly because of tourism. So until 10 -15 years ago ... the middle classes could find a house somewhere. Now, with tourism, it passed to another level... in which it became really difficult to find a home. And if the chamber and housing services had programmes, although insufficient, for the lower classes, for the middle classes they did not have anything at all. And, therefore, there is a total and complete need. *RP6*

Portugal

- ❖ There's a lot of social housing in Lisbon (municipality), but it's not enough. Of a total of 320,000 dwellings in Lisbon, 25,000 are owned by the City Council, but the Borough of Lisbon also has huge waiting lists for social housing. There are 3,000 people waiting. *NAP2*

Tenure structure of housing markets (in % of total dwelling stock)

	Owner occupied	Private renting	Social housing	<u>Other</u> situation
England (2015)	63%	20%	17%	0%
London metropolitan	50%	26%	24%	0%
Portugal	73%	18%	2%	0%
Lisbon metropolitan	67%	24%	3%	6%
Lisbon (municipality)	52%	35%	6%	7%

Source: INE (2011), GLA (2017)

Tenure structure of housing markets (in % of total dwelling stock)

	Owner occupied	Private renting	Housing societies (andels)	Non-profit building societies	Others (Occupied by the tenant)
Denmark	57%	17%	6%	17%	3%
Region Copenhagen	45%	14%	14%	22%	5%
Copenhagen (municipality)	22%	21%	31%	19%	7%

Source: Statistics Denmark (2019)

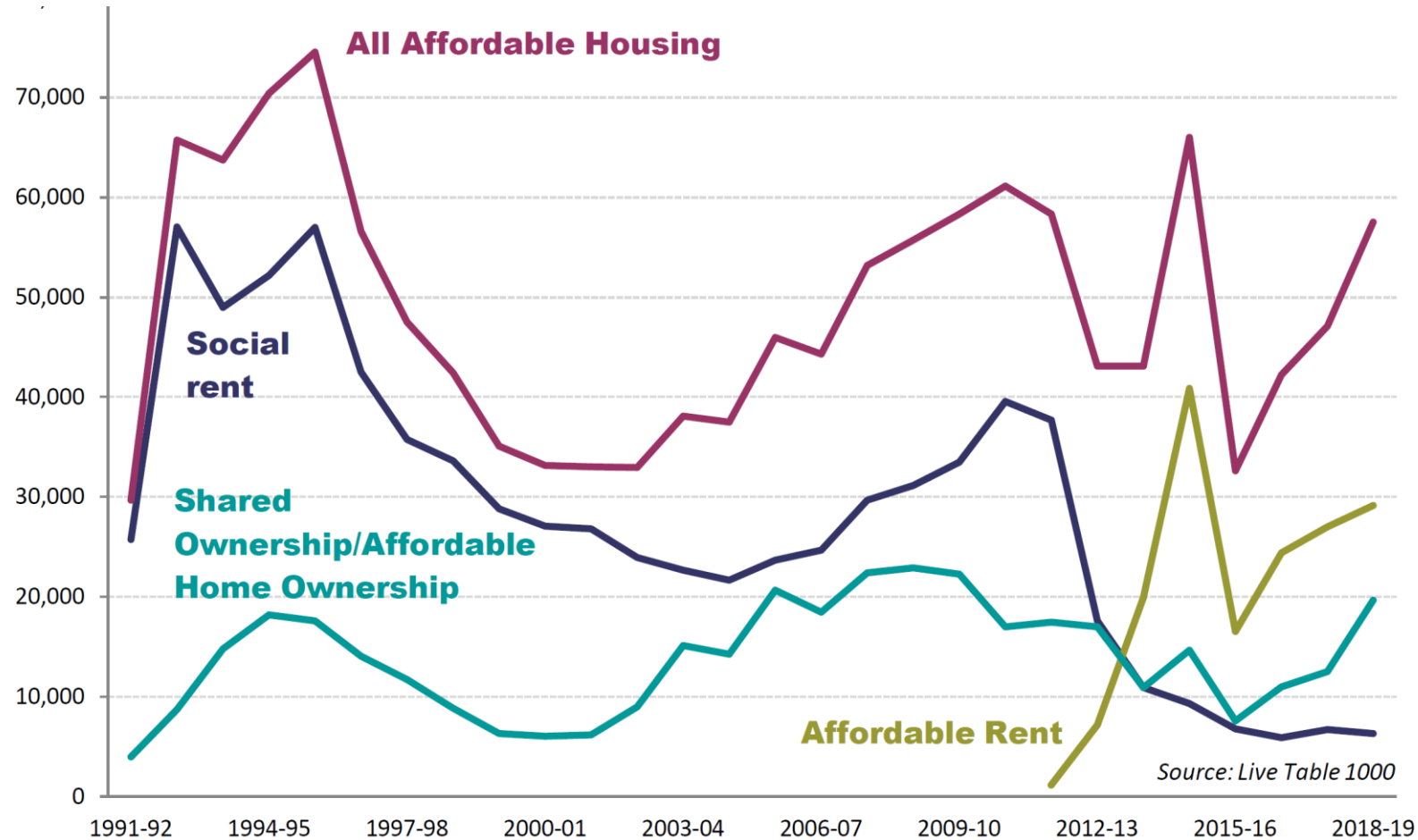
Portugal

- ❖ In Portugal, the enactment of a new Urban Lease Act Law in 2012 introduced major rent decontrol in the private rented sector, broadening the conditions under which open residential leases can be renegotiated and phasing out rent control mechanisms.
- ❖ Whilst the law states that housing benefits should be implemented for families with economic needs, these have never been operationalised. In 2018, the Government preferred to introduce legislative changes to the urban leasing regime in order to protect vulnerable seniors.

London

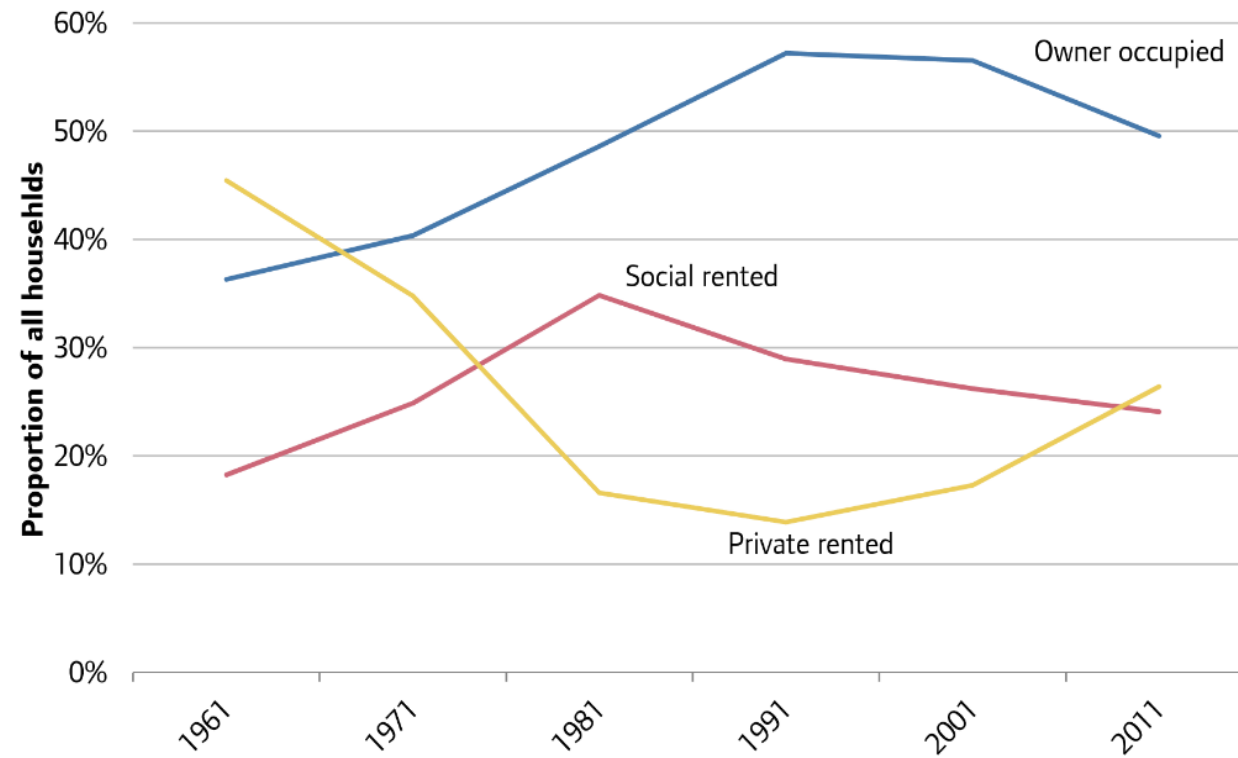
- ❖ The only really affordable option for low income households in London is social housing. Social rents are set at around 50–60% of the market equivalent.
- ❖ Social rents are not subject to the LHA cap, meaning that those without incomes can have their full rent covered.
- ❖ However, the lack of development of social housing units over the last 3 decades has meant that there are few properties available and waiting lists are very long. *NP5*

ENGLAND: The supply of affordable housing completions by tenure



Ministry of Housing,
Communities &
Local Government

Trends in household tenures in London, 1961–2011



GLA (2015)

PLANAFFHO – on-site affordable housing rules

- It may be expected that in addition to the instruments of housing policy, planning tools can also have some effect on making housing more affordable for certain sections of the population (Oxley 2004).
- Inclusionary housing rules have been used when land is re-zoned for residential development, when planning rules are changed for particular projects, or following significant infrastructure investment (Gurran et al 2018).

Planning tools

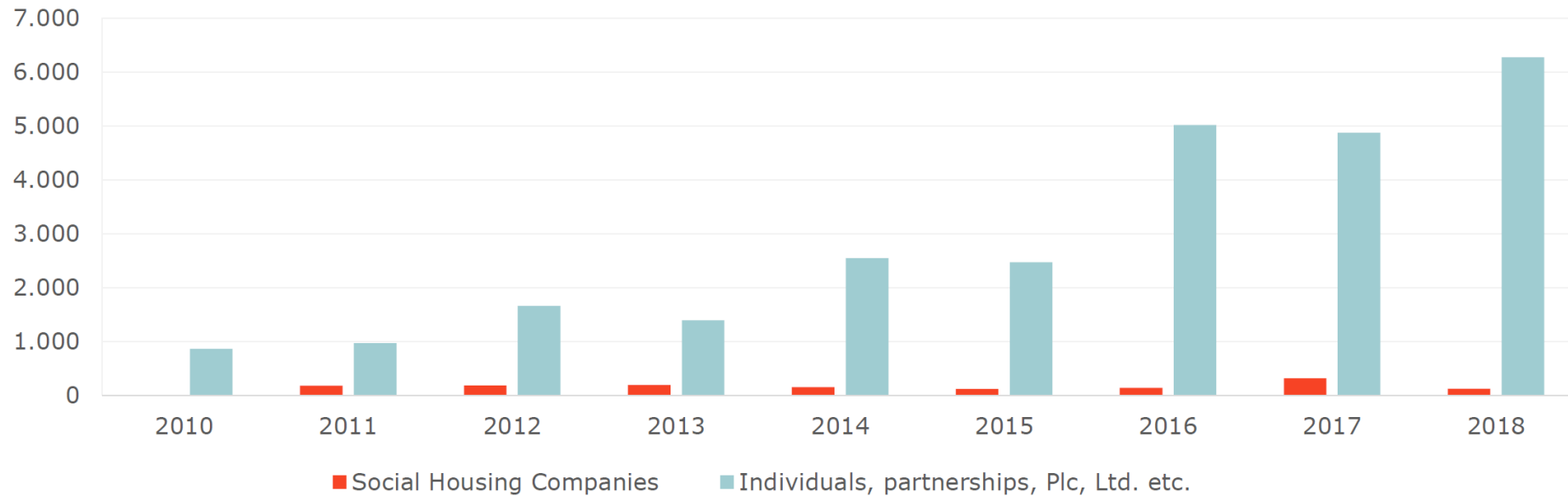
		England	Denmark	Portugal
Inclusionary housing	Where development contributes towards supplying a certain percentage of affordable housing	Yes. Section 106 (S106) of the Town and Country Planning Act 1990.	Yes. The 25% rule.	No.
Density bonuses	Where development at a density greater than what is usually permitted is offered in return for an affordable housing contribution	Yes	?	Yes. <i>Créditos de construção</i> (building credits)

Copenhagen

- ❖ We've made a huge analysis of the availability in the housing market in Copenhagen, and if you are a low-income person or family, then your choice of housing is definitely limited.
- ❖ Copenhagen has a wide range of housing options, as just 20% of all stock is owner occupied, but the reality is that most cheap or accessible housing options for low income people have now disappeared... *CL3*

Residential construction in Copenhagen (2010-2018)

Completed construction



Source: Statistics Denmark, BYGV33

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Copenhagen

- ❖ *I: Now you have this 25% rule, but I've been told that everything that is produced, even by non-profit housing associations that is based on cost, in new developments it's still very expensive...*
- ❖ *R: Yes.*
- ❖ *I: And the local authority is not allocating the one-third that's could be used for social cases, because it's too expensive. Does this mean that in new developments you are not providing any social housing for low-income people?*
- ❖ *R: That's true. That's definitely the case. Now, the thing is that if you have - I think on average, what we're calling a public housing unit is 24% cheaper than a similar private rental apartment. So is that cheap or not? That's the discussion. [...] the problem with these newly built apartment buildings (not for profit), is that they are still too expensive if you are on a public subsidy, for instance.*

Conclusion

- Since 2010, austerity measures have reduced certain types of government spending, namely forms of more progressive redistribution.
- Austerity and entrepreneurialism have become the new (neoliberal) strategy.
- ‘Less state, more market’ has increased differences in terms of income and social standards.

Conclusion

- Housing associations and local authorities are moving away from focusing on those in most severe need in favour of a wider range of people, including those in middle incomes.
- Even though local authorities have legal duties to house homeless households and those in housing need, they typically rely on arrangements with housing associations that are more concerned with the business viability of their activities.

Conclusion

- Even though national housing systems differ significantly across national economic and social structures, in an *age of globalisation*, processes of policy transfer and adjustment are observed across countries, with concepts and instruments travelling across borders (Peck & Theodore 2015).

Conclusion

- Paradigmatic examples of *global policy models* are the right to buy policy and the introduction of new kinds of affordable products, typically tailored to middle income households.
- The impacts of processes of urban development and redevelopment under the current agenda of austerity and entrepreneurialism have to be evaluated against processes of urban stratification and urban inequality.

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