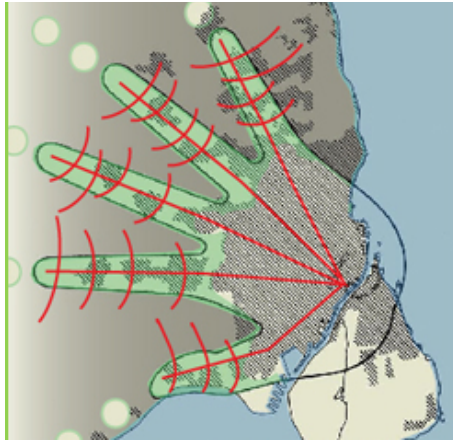


# Learning from International examples of **affordable housing**



This report was commissioned by Shelter and carried out by The URBED Trust. It is intended for internal use by the 16 commissioners for “The Big Conversation” on the future of social housing in England.

**Produced by Dr. Nicholas Falk and Jonah Rudlin**

With contributions from Alexis Mundt (Vienna), Dr Bill Nowlan (Dublin), Dr Luis Noring, Nicky Morrison from the Cambridge Centre for Housing and Planning Research, Kath Scanlon, Sangheeta Banner (Singapore), Torben Brandt Nielsen (Copenhagen), Trudy de Mooy (Vathorst), and Wulf Daseking (Freiburg).

**July 2018**



**Shelter**

# Contents

## i Introduction

### 01 Vienna, Austria

Supply-side subsidies and housing cooperatives

### 05 Singapore

State land ownership and development

### 09 Copenhagen, Denmark

Land-value-capture and housing cooperatives

### 13 Freiburg, Germany

Building groups and sustainable development

### 17 Amersfoort, Netherlands

Public-private partnerships and housing associations

### 21 Eindhoven, Netherlands

Housing associations acting as dynamos

### 23 Rotterdam, Netherlands

Social cohesion and immigration

### 24 Almere, Netherlands

Self-building policy frameworks

### 25 Montpellier, France

Public-private Special Purpose Vehicles

### 27 Bilbao, Spain

Social housing

### 28 Dublin, Ireland

Leases backed to local authorities

### 29 Zurich, Switzerland

Cooperatives and urban innovation





# Introduction

In response to a request from Shelter’s Commission on the future of social housing set up after the Grenfell tragedy to take a look at what other countries have been doing, The URBED Trust were commissioned to provide a set of case studies on affordable housing internationally, which we have presented in the form of a short report, drawing on previous visits by Nicholas Falk to some inspiring cities, and existing publications on social and affordable housing. While this is not a fully comprehensive review, we have benefitted from comments from local experts, and introductions from Dr Nicky Morrison at the Cambridge Centre for Housing and Planning Research. We hope it will encourage more visits to learn from what other cities have done to tackle similar issues to the ones we face in England.

The challenge of providing enough good affordable housing is a problem facing all countries today, and particularly cities that are the fastest growing. As a consequence, the issue appears on the main goals of the UN’s latest Urban Agenda, and is seen as a fundamental focus in most European policy platforms. The problem for policy makers is to know where best to intervene, given competing demands on resources and legislative time. It therefore should help to review a range of case studies and their strategies chosen for their similarities to the situations in many English towns and cities, as well as for the different approaches they have adopted. However it should be noted that there are also surprising similarities between the cases themselves. Many strategies such as the proactive role played by local authorities in developing new settlements, the use of cooperatives in management, and the mix and balance of tenures and housing types emerge time and again, and provide a great number of lessons to be learned.

We have not had the resources to present a comparative statistical analysis between each case study, and have had to draw on a limited supply of comparative information at a city level which usually excludes Singapore due to its strong political and economic differences. But nevertheless there are some interesting comparative points that can be made through the material that is available.

A useful study on the delivery of affordable housing by the McKinsey Global Institute in 2014 based on countries around the world identified four factors as key (and estimated their relative importance as seen in figure 1), and each relevant case study in this report study is listed.

- 1. **Unlocking land at the right location**  
*Singapore, Freiburg, Amersfoort, Montpellier*
- 2. **Reducing construction costs**  
*Freiburg, Almere*
- 3. **Increasing operations and maintenance efficiency**  
*Copenhagen, Amersfoort, Dublin*
- 4. **And reducing financing costs for buyers and developers.**  
*Amersfoort, Freiburg, Singapore, Dublin*

However these factors primarily involve market-led measures, with housing subsidies viewed as a last resort. This aligns with a recent compendium on social housing in the EU by the RICS that noted an average decline in traditional social housing across Europe (excluding Denmark and Austria), with most states moving away from the traditional welfare system and opting more for market-measures. (Figure 2). This usually takes the form of generating general market affordability through supply and demand alongside policy regarding rent caps and cooperative management structures (particularly in the Netherlands and Germany).

In the absence of other comparative data we also reviewed a study on housing perception carried out by the European Commission. Countries across the EU were analysed in regard to the national perception on a number of quality of life questions, including the ability to find good housing at a reasonable price (figure 3). The results are quite surprising, and show the two heavily praised nations of the Netherlands and Austria failing poorly (however the city of Vienna was not sampled for Austria’s results). This again reveals how difficult it is to reach consistent conclusions amongst the range of datasets available.

FIGURE 1: FOUR LEVERS THAT CAN ADDRESS THE GLOBAL AFFORDABLE HOUSING CHALLENGE  
(SOURCE, MCKINSEY GLOBAL INSTITUTE, 2014)

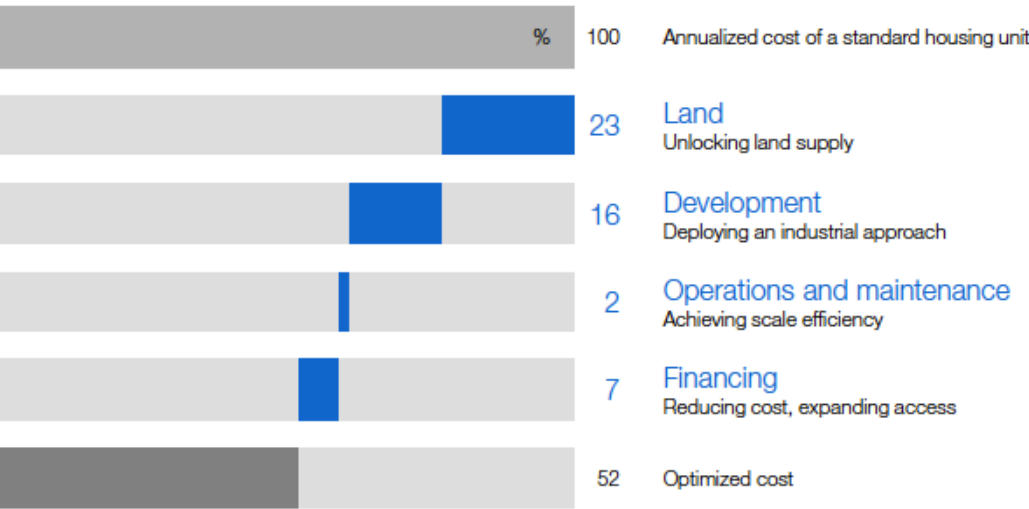
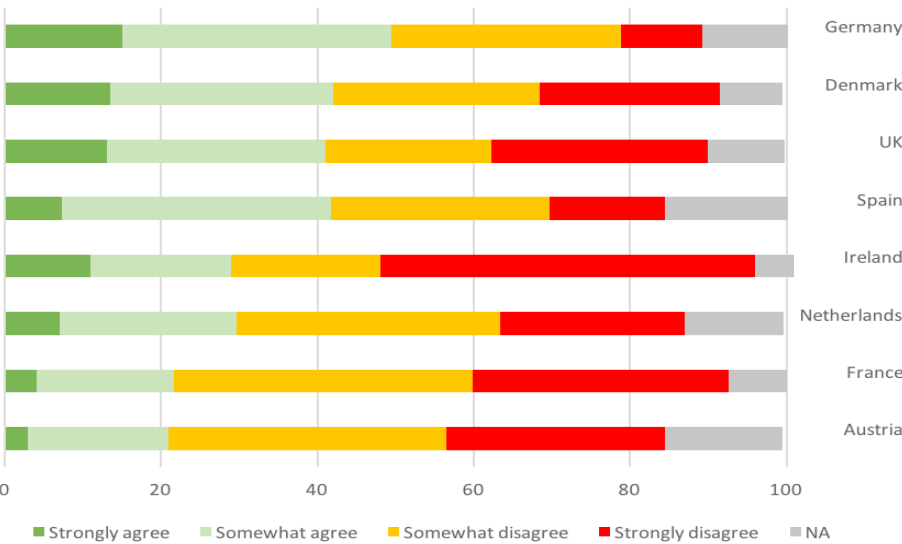


FIGURE 2: GENERAL TRENDS IN SOCIAL HOUSING IN THE EU  
(SOURCE: RICS 2014)

	Move towards privatisation/liberalisation	Reduction in subsidies for new social supply	Increasing unmet demand	Increasing residualisation	Future role of social housing
Germany	Already highly privatised	Yes	Yes	Yes	None
Denmark	Limited	No	Yes	Yes	Strong
England	Yes	Yes	Yes	Unclear	Slow decline
Spain	Yes	No	Yes	No	Moving towards subsidised home-ownership
Ireland	Yes	Yes	Yes	Yes	Moving towards private-rented subsidies
Netherlands	Yes	Already self-sufficient	Yes	Yes	Strong, but under attack
France	No	No	Yes	No	Stable
Austria	Yes	Potentially	Yes	Yes	Strong

FIGURE 3: NATIONAL RESPONSES TO THE QUESTION: ‘IT IS EASY TO FIND GOOD HOUSING AT A REASONABLE PRICE’  
(EUROPEAN COMMISSION, EUROBAROMETER 2010)



Though every country has a different approach to social housing, this usually forms part of wider policy directives for providing affordable housing. The cross-cutting themes we found can be summarised in 5 areas:

- 1. Eligibility.** There are real benefits in providing a balance or mix of housing tenure, especially in new settlements where housing can be used to bring the broad spectrum of society together, and break down prejudices. Thus in Austria, where social housing makes up 23% of the housing stock, 80-90% of the population are eligible. In the Netherlands it has an even larger role: it makes up 40% of the stock and 57% in a city like Rotterdam.
- 2. Balance.** 51% of immigrants in the Netherlands live in social housing, and make up 31% of the residents. This compares with 27% and 16% respectively in the UK, which highlights the important role played by private rented housing. In the Netherlands private rented stock only accounts for 9% of the stock and 59% is owner occupied.
- 3. Ownership** and the role of housing associations. Dutch housing associations own 32% of the housing stock and 75% of tenants rent from housing associations. In comparison in the UK only 18% of the housing stock is owned by social landlords, whereas private rentals at 17% are almost as important. Some 500 Dutch housing associations own 4,500 units each on average. In 1995 national policy switched to what is called 'grossing and balancing' which wrote off their debts and gave them autonomy.
- 4. Integration.** In Germany after reunification, social housing units fell from 4 million in 1980 to under 1.4 million in 2012. However coops now make up 11% of the rental housing stock, and provide a useful alternative to owner occupation. In Copenhagen in Denmark coops are even more important and account for 30% of housing compared with 20% for social housing. Couples or families account for 48% of the housing stock but only 27% of social housing, which tends therefore to cater single people who might otherwise be more socially isolated.
- 5. Form.** The Dutch, like the English, like to live in individual houses. Half of the social rented stock is single family housing. However in all countries lifestyles are changing, and a growing number are choosing to live at higher densities near the city centre, where they benefit from higher levels of services such as public transport, employment, or simply entertainment. Urban form or density has some relationship with cultural or institutional values, with the British traditionally favouring independent living and a minimum of welfare services compared say with the Nordic countries. But in an increasingly global economy, it is possible that attitudes may change in regard to who people want to live near so long as basic standards can be maintained, especially in the public realm.



ENERGY EFFICIENT, LOW COST CONSTRUCTION FOR COOPERATIVE BUILDING GROUPS -  
RIESELFELD, FREIBURG



# Vienna, Austria

## Core case study

### Snapshot

<b>Population:</b>	1.7 million
<b>City type:</b>	Capital
<b>Key strategy:</b>	Supply-side subsidies
<b>Key stats:</b>	<ul style="list-style-type: none"><li>■ 80% population rent</li><li>■ 23% social housing</li></ul>



### Summary

Vienna has kept housing affordable for a century through the city owning much of the land, and using municipal developments to keep the costs of renting down. Austria has a strong tradition of supply-side housing subsidies aimed primarily at the multi-story sector as well as single-family housing through the effective Limited-Profit Housing Associations (LPHA). This is founded upon a strong tradition of social renting carried over from the 'Red Vienna' period of the 1920's (80% of the population today rents, with more than half of the population paying social-rent). This social tradition is still being pursued, however pressure on house prices is increasing as the City's land reserves are getting smaller, and population growth is placing pressure on the remaining housing stock.

### Lessons

- Decentralising housing policies to municipalities allows for flexibility and control over managing the housing market and maintaining affordability
- A focus on supply-side subsidisation has kept Austria's expenditure on social-housing by percentage of GDP lower than the UK and many other EU countries, with demand-side subsidies helping only the lowest income families.
- The City owned development corporation Wohnsfond Wien allows for strategic land-pooling and quality-control of developments, and is already an approach the GLA are considering
- Transport oriented development exemplified in Aspern Seestadt is a great example of the benefits to be found in such a strategy.
- The "Mietermitbestimmungsstatut" policy (tenant's participation statute) gives a sense of ownership to LPHA tenants of their surrounding space creating unique, well-used spaces as well as making maintenance more cost-effective.

### Housing today

- There are 220,000 municipal housing units, as well as further 200,000 subsidised housing units today
- The city aims to produce 11,000 additional housing units annually to match expected population growth
- In 2013, a transport-oriented development scheme called Aspern Seestadt led to 10,500 affordable and high quality residential units
- In 2016, there were 18,000 funded residential units with a total investment volume of 1.3 billion euros and around 720 million euros from the City of Vienna
- As of 2018, 13 property developer competitions with over 11,000 residential units each are in progress through the new 'Housing Offensive' strategy
- Vienna has largely avoided house price inflation, with housing cost remaining around 25% of income.

### Social housing

The city of Vienna is Austria's largest homeowner with 220,000 rental apartments. The financing of social housing, both in the rental sector and in the subsidised owner-occupied and single-family housing sector, is based on contributions from national taxes and from the regional budget. The national tax revenues are distributed to the nine provinces based upon a complex financial agreement, with Vienna receiving 450 million euros each year for housing purposes giving it a 600 million euro budget (equal to London, despite a population 8 times smaller). Even despite several cuts like seen across Europe within this sector, it still provides a strong base for social housing programmes which would not be possible under a market-oriented policy. The total expenditure on social-housing as a proportion of GDP (0.16%) is significantly less than countries that focus on demand side subsidies such as the UK (1.41%).

### Limited-profit housing associations, rent caps and supply side subsidies

The majority of the remaining housing besides social housing is carried out by limited-profit housing associations upon varying legal arrangements (composed of 650,000 homes). These associations are ruled by the national Limited-Profit Housing Act which regulates how they should perform, requiring them to reinvest the profit they make through rental income, as well as stipulating that they can only charge cost-based rents.

Additionally, to reduce financing costs for new-builds developers ask for a down-payment by prospective residents that is capped at 12.5% of total construction costs. These contributions are refunded with interest to the tenant when they move out, and low-income households receive low-interest public loans to do so or are sometimes fully exempt from the down-payments.

CULTIVATED COMMUNITY GREENSPACE IN ASPEN SEESTADT



### Municipal development corporations and transport-oriented development

There is a city owned development agency which acquires land and assigns sites to developers (the Wohnsfond Wien). Most of this new housing has been provided through redeveloping brownfield sites such as railway yards or infill buildings. For example, The City took the lead in promoting a number of high quality schemes around the stations, such as the Nordbahnhof development (see below). A similar approach is currently being considered by the Greater London Assembly.

### Participatory processes and balanced neighbourhoods

A good example of a well-functioning policy is the partnership between social landlords and residents, being the "Mietermitbestimmungsstatut" (tenant's participation statute) of the Vienna municipality, ruling the terms of cooperation between the City of Vienna and its around 220,000 tenants. Established in 2000 and renewed in 2015, it ensures tenants participation rights in regard to maintenance costs, erection and maintenance of elevators, common utilities and housing management, allowing them control over their living environment and ensuring a sense of ownership.

Balanced neighbourhoods and social cohesion is also pursued through the Wohnsfond Wien policy that ensures the mixed tenure of housing blocks, with the aim of maintaining an urban social balance giving Vienna some of the lowest levels of social unrest in the EU.

SOCIAL-HOUSING ESTATE IN ALT-ERLAA





Accessibility

- Combined, municipal social housing and LPHA's result in over 50% of Vienna's housing stock being social rented, which caters primarily for low-income residents, however 80-90% of the population are technically eligible.
- Social units are charged at cost-rent, but additional subsidies can reduce rent to 20-25% of family income.
- 2 years of residence in Vienna is required to access this subsidised housing. You have to be at least 18 years old and have Austrian citizenship, EU citizenship or refugee status.
- Policy sets fixed proportions housing to be designated for low income residents, refugees and students. Since 5000 units are built annually, waiting lists are relatively short.

Drawbacks

- Municipality may have taken on high levels of debt through the majority ownership of land and the subsequent risk entailed, as well as pursuing policy of mixed tenure.
- With a growing student population (200,000 currently) and some immigration (21% of population born abroad), Vienna may be facing major challenges in the future in keeping housing affordable as demand continues to rise.
- They are now facing the challenge of developing privately owned land – and land value taxation is subject of political debate
- There could be resistance to expansion from the strong conservative parties in the surrounding countryside, which suggests there may be similarities with the UK's green belt conflict.

Nordhaven:  
Redevelopment in an old goods yard

The City has taken the lead in developing schemes around stations, with the main station comprised of 100ha being redeveloped to home 13,000 homes and create 17,000 jobs. Nordbahnhof, the Northern railway station began development in 1994 set for completion by 2030, and will home 20,000 along with a similar number of jobs centred around a large well landscaped park with play facilities for children. Like Aspern Seestadt the blocks are diverse, and tend to have commercial space on the ground floor, four floors of social housing, and two that are privately owned.



APARTMENTS IN NORDBAHNHOFF



VIBRANT LANDSCAPING BETWEEN THE RESIDENTIAL APARTMENTS

Aspern Seestadt:  
A new community on an old airport

Vienna's U2 underground line has been rapidly extended by 4.5km over the past decade making way for the new Aspern Seestadt development 25 minutes by train from the city-centre. Planned on a 240ha former airfield, and launched from a developer competition in 2005, it aims to home 20,000 people (in 10,500 homes) and began construction in 2013 following the completion of the U2 line set to be complete in 2020. Residents began moving in 18 months later with a delivery rate of 900 homes a year, and businesses including start-ups and research institutes have already set up shop. The density is medium-rise averaging six floors, and the buildings are varied with imaginative landscaping in-between with a strong town-country emphasis. This has made it popular amongst young-families. Aspern Seestadt is a strong example of the strengths behind transport oriented development, as well as the quality of construction the Vienna model provides whilst still maintaining affordability and connectivity.



THE ASPEN VISION: THE NEW LAKE PROVIDED BUILDING MATERIAL AS WELL AS AN ATTRACTIVE FOCAL POINT, AND CUT LORRY MOVEMENTS ALONG WITH POLLUTION



GREEN SPACES BETWEEN THE BUILDINGS PROVIDE PLENTY OF SPACE FOR CHILDREN AND COMMUNITIES



MEDIUM RISE MODERN APARTMENTS



MIXED USE AND TENANCY BUILDINGS ON THE ASPERN HIGH STREET



## Snapshot

- Population:** 5.6 million
- City type:** City State
- Key strategy:** State land ownership and development
- Key stats:**
- 80% social housing
  - 1m housing units built since 1961 housing 90% of population



## Summary

With 80% of the population currently living in publicly governed and developed housing, and house prices so far remaining relatively stable in comparison to international standards, the small city state of Singapore has been highly praised for the way it has promoted housing for all through state leadership in the land market. The success of Singapore's policy is attributed to the joint efforts of the unique governance structure of the Housing and Development Board (HDB), the implementation of the Land Acquisition Act, and the funding mechanism of the Central Provident Fund (CPF) which will be explored in this case study.

In an interesting comparison to Vienna, which has similarly high rates of public housing provision that are exclusively rented, 95% of Singapore's public housing is owner-occupied. This has proved successful in terms of national stability, but poses questions in regard to future house-price sustainability, as well as its long-term accessibility to lower-income and younger demographics.



HIGHRISE HDB  
HOUSING FILLS  
SINGAPORE'S  
SKYLINE HOUSING  
90% OF THE CITY



SINGAPORE IS STILL DEVELOPING RAPIDLY (TOP LEFT), WITH DEVELOPMENT COMPETITIONS BRINGING IN GLOBAL TALENT SUCH AS OMA ARCHITECTS WINNING DESIGN 'THE INTERLACE' (TOP RIGHT)

## Lessons

- A strong example for policy mechanisms that allow for public housing to be delivered on a large scale when adequate powers and funding are granted to public development agencies.
- The creation of an Additional Buyer's Stamp Duty of 15% for foreign home-buyers shows how house price inflation can be managed through its reinvestment as a housing subsidy.
- The government introduced a number of 'property market cooling measures' in response to the global financial crisis of 2008. These have successfully served to moderate demand for residential properties while increasing supply by, for example, curbing speculative buying, preventing overborrowing and releasing land for private development.
- In comparison with the UK, there is little stigma associated with living in high rise public flats. This could be due in part to the focus on encouraging mixed-income neighbourhoods as well as providing vibrant mixed-use developments, which are close to good public transport links. Each block is immaculately maintained, and estates benefit from landscape upgrading projects regardless of age.
- Although inspiration can certainly be drawn, Singapore's housing market developed within a unique political and economic context at a specific moment in history, which may not be directly applicable to the UK.

## Land Acquisition Act

After Singapore gained independence in 1965, the government had a pressing need for an adequate supply of land to carry out its developmental projects. The Land Acquisition Act is similar to but more powerful than the UK's CPO powers and allowed for the compulsory purchase of land for public development at a regulated price. The act was based on two broad principles enunciated by the Prime Minister at the time, Lee Kuan Yew, which stated that:

- I. No private land-owner should benefit from development at public expenses;
- II. The price paid on acquisition for public purposes should not be higher than what the land would have been worth had the Government not contemplated development generally in the area.

By 2002, the government owned 90% of the land, making the rate of subsidised housing delivery by the HDB possible.



## HDB and CPF framework

The HDB-CPF framework was established in the 1960's, and has transformed the urban form of Singapore with more than one million high-rise housing units being built since 1961 accommodating 90% of the population, and still operates today.

Residents satisfying certain criteria for income and asset ownership are able to buy flats under a 99-year non-renewable lease at a subsidised price. After a certain period of time these flats can be sold at a regulated price, and a second usually larger home can be bought, again being subsidised. A third move would have to be a privately developed flat, usually reserved for the top band of earners.

Residents are able to borrow from their own CPF account (a compulsory individual saving scheme linked with their employment), to help purchase these apartments, with the idea being that such investments would fund the individuals pension after retirement.

The HDB's market cooling measures have been among the most successful at a global level, made possible by an Additional Buyer's Stamp Duty of 15% having to be paid by foreign buyers, and Singapore's permanent residents are levied an additional 5% for their first property and 10% for their second and subsequent properties. Revenue generated by this tax goes towards the 7% of national GDP that subsidises HDB housing.



A PERCENTAGE OF INNER-CITY HOUSING IS PRIORITISED FOR THE ELDERLY, RESULTING IN MIXED-GENERATION COMMUNITY LIFE

## Accessibility

### Low-income subsidies

In 2006, the Additional CPF Housing Grant Scheme of up to S\$80,000 (£44,000) was introduced to help lower income families own their first homes. The eligibility of such a grant varies depending on age (35+ being the common requirement), relationship status (couples being prioritised), employment status (fixed employment for over a year is necessary), and household income (must be below S\$40,000 (£22,000)).

### Family housing

In 2013, '3-Generation' flats were launched to cater to multi-generation families who want to live under 1 roof. Each one of these flats features 4 bedrooms and 3 bathrooms (2 en-suites), with an internal floor area of about 115 square metres.

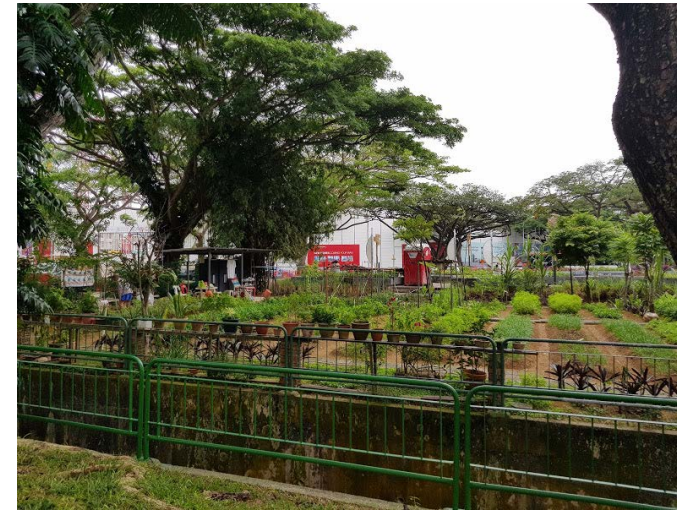
The Proximity Housing Grant (PHG) was also introduced in 2015 to help families buy a resale flat to live with or close to each other for mutual care and support. Following changes to the policy in 2018, families and singles can now receive grants of S\$20,000 and S\$10,000 respectively, by purchasing a resale flat with or within 4km of their parent's/ children's home.

### Elderly housing

To tackle the demands of an aging population, a quota-based Senior Priority Scheme was introduced to allow the elderly to live in central and familiar environments, whilst still having access to the necessary care.

## Drawbacks

- The pension scheme hinged upon home-ownership requires public house prices to exceed inflation and the rising costs of living. However, this has to be balanced with managing affordability for new buyers resulting in a political balancing act that threatens future sustainability.
- Land shortages are resulting in a geographical gradation of citizenship, where lower-income households are beginning to be pushed to lesser options on the edges of the island, unable to fulfil the national aspirations promised.



BEDOK AREA IN THE EAST OF SINGAPORE IS A COMMON EXAMPLE OF A HDB DEVELOPMENT. ALL ESTATES ARE SITUATED WITHIN A 10 MINUTE WALK OF BEDOK MRT STATION, WHICH WILL GET YOU TO THE CBD IN 30 MINUTES, AND TO THE LOCAL BUSINESS DISTRICT IN 10. THE AREA HOUSES A COMMUNITY GARDENING PLOT (TOP LEFT), AN ACTIVE AND MIXED GENERATIONAL CIVIC SPACE (TOP RIGHT), AND LANDSCAPED GREENERY AND PLAYGROUNDS WITHIN EACH COUNTRYARD (BOTTOM).



Copenhagen, Denmark

Core case study

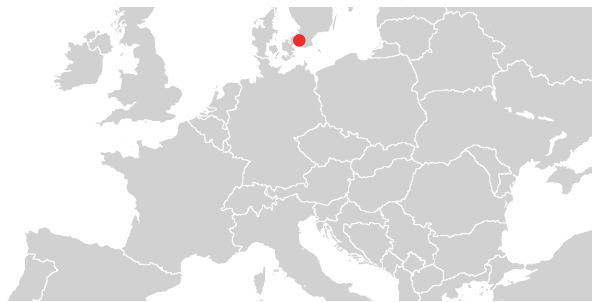
Snapshot

Population:580,000

City type:Capital

Key strategy:Land-value capture + housing cooperatives

Key stats:20% affordable housing



Summary

Denmark’s capital of Copenhagen has been transformed since 1980, when unemployment was 17.5% and many sites were vacant, to become one of the world’s most attractive cities in which to live and work. This was aided by the Copenhagen City and Port Development Company who merged all public-sector land into one body with the initial aim of funding the construction of the city’s first Metro Line to the airport. A similar approach has now been used by the new town of Ørestad in Copenhagen, as well as for an urban extension in Aarhus, both of which are explored in this case study. While all Scandinavian countries have superlative welfare systems funded through higher tax levies, Denmark is notable for the use of cooperatives to keep costs down and to ensure residents are fully engaged.

Lessons

- Strategic housing sites keep development affordable.
- Benefits to the public realm when tenants are engaged in management such as cooperatives.
- Using Public Asset Corporations to pool land that are publicly owned but privately managed is cost and time effective.
- Capturing the uplift in land values from development can be used to fund infrastructure.
- Land value taxation can work, and helps mobilise under-used land.

National housing context

- 53% of homes are privately owned and 15% privately rented.
- One fifth of the population live in affordable housing.
- In Copenhagen 25% of all new housing is required to be affordable, of which a third is allocated to the most vulnerable and run as social housing.
- The average unit size is 70m<sup>2</sup> and the monthly rentals are on average 1,410 (£1230) euros for market housing, 670 (£590) for affordable, and 400-535 (£350-£460) for social housing.
- A National Building Fund provides a long-term loan repaid at the end of 30-40 years and interest rates are set at 3%.

Affordable housing

Denmark has prioritised building well-insulated and spacious homes for decades, but a recent change has been a return to living in central areas. This has been helped by the greater use of cooperatives (see below), and excellent and safe facilities for cycling. As a general rule housing developments are expected to provide 25% affordable units (set at around £590ppm for a 70m<sup>2</sup> unit) to avoid the polarisation that happened in past developments on the edge of the city.

Housing cooperatives

The idea of co-housing, which was pioneered in Denmark, enables groups of people to own their individual homes but share common facilities, such as eating together on a regular basis. This particularly appeals to young families, but also to older people who want to avoid living on their own. Neighbourhood associations run common gardens, in one case serving 200 units in two blocks.

Shared spaces help newcomers to integrate and bring people together in places of calm and beauty – what the Danes call Hygge, which is essentially about sharing cakes and coffee. The cooperative process is helped by grants from the city councils. Coops have been common in Denmark, possibly as many as 40% of housing units in parts of Copenhagen, but some are being broken up as people want to buy their own homes. The government has also been encouraging them to become more commercial (which may conflict with the prevailing ‘green’ principles of many groups).

Tenant engagement

Residents are encouraged to get involved to keep costs down, and also to acquire skills that will enable them to get better jobs. One theme in recent years has been bringing nature into town and creating balanced communities so people can spend less time travelling to work, and so give more time to their families or hobbies. As an example, one housing association called Ringgarden in Aarhus is committed to ‘creating a balance between man and nature’.

Land value uplift

One secret of Denmark’s success lies in the way the state has controlled land with a land value tax since 1924 based on the market price of land, revalued every two years. Land tax is payable to the local authority and county based on a thousandth share of the value of the land. The tax goes first to

the government, and supplements the income tax, which is then returned to the municipality based on a formula (as in Sweden).

Public asset corporations

A number of cities, such as Copenhagen and Hamburg, use a hybrid model for financing urban development and infrastructure that relies on pooling public land assets. Access to cheap finance is critical to developing sites rapidly and in ways that meet community needs. By having a board made up of business representatives and government officials and local politicians, the corporation is able to take a long-term view, and invest in projects that the private sector would find too risky. Significantly after starting with port owned land (as in London Docklands), the same management body went on to develop other sites.

Accessibility

- Social housing is prioritised first and foremost for young students, the elderly, the disabled, single parents, refugees, and residents in need of rehousing because of urban renewal. Besides this it is first come first serve. However recently new policy has allowed students and the employed to skip the waiting list for certain vunlerable social housing blocks in order to prevent the formation of pockets of poverty and increase the social mix.
- It costs £22 to sign up for a social housing waiting list, and £20 a year to maintain your place. On this waiting list you can sign up to your estate of choice from across the country.
- During the refugee crisis of 2016 particular efforts were placed on housing the influx, and large government subsidies were brought in to produce a large volume of new social housing.

Drawbacks

- The cost of each social housing unit is tied to the original building cost which is usually much lower in older 60’s and 70’s buildings, and higher in new builds. This has put pressure and waiting lists on the older social housing stock which is usually better located.

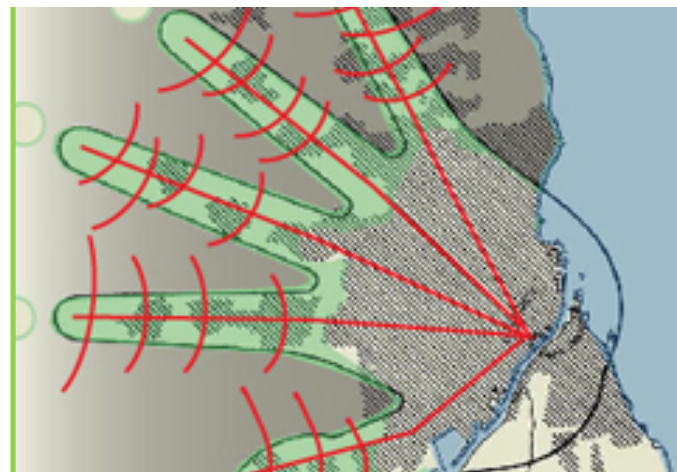
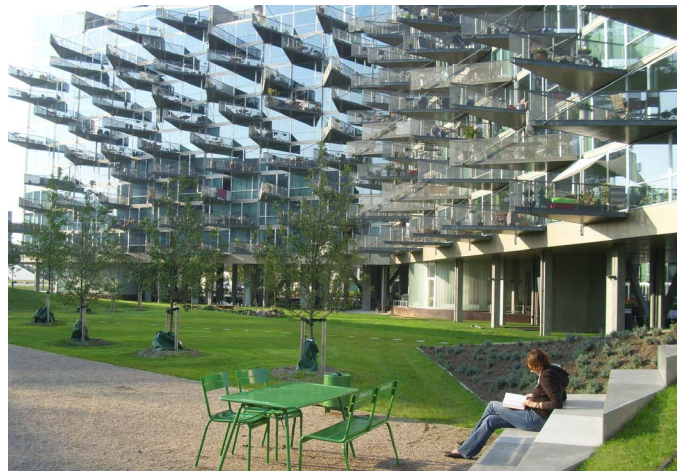


## Ørestad:

### A new town that recycles land value

The Ørestad Development Corporation was set up as a partnership between national government (owning 55%) and the city government of Copenhagen (with 45%). It was originally seen as a way of coming to the City's rescue. The national government provided the land, which had been used by the military, while the City altered the permitted uses from protected heathland to commercial, education, retail and housing purposes. The Danish equivalent of the British green belt is the 'Finger Plan', and Ørestad created another finger.

The development started with building the Metro line with six stops in Ørestad, and there are four districts. Developers are allocated enough land to build 120-150 units. Social housing corporations developed some of the buildings, which are said to look indistinguishable from the private ones, some of which are internationally praised. When completed in 2025 the town is expected to house 20,000 residents, and it already boasts the largest shopping centre, linked to Malmo in Sweden by the Oresund Bridge. As about 70% use public transport to get to work, the need for parking was halved.



AN AWARD WINNING RESIDENTIAL HOUSING PLOT BY BIG IN ØRESTAD NEW TOWN (TOP LEFT). THE DANISH 'FINGER PLAN' AKIN TO THE UK GREEN BELT (BOTTOM LEFT). CYCLING BETWEEN ØRESTAD AND COPENHAGEN IS MADE EASY BY HIGH QUALITY INFRASTRUCTURE.

## Aarhus:

### A sustainable urban extension

Aarhus is Denmark's second largest city, and hosts one of its most popular universities. People are encouraged to come and live in the city, and anyone is free to register with housing associations, who manage 45,000 properties. Students and those working for the municipality get priority, along with certain other groups. Hence renting is not stigmatised, though some of the older social housing schemes are having to be refashioned. The rules provide considerable freedom, for example in passing tenancies on, and enable residents to get involved.

Housing associations are supported in developing new housing by the Municipality acquiring land on the edge of the city, and then making serviced sites available. The sites are divided into both large and small plots, which makes it possible for households or cooperative groups to develop their own homes. The municipality's web site makes it very easy to see what land is available.

The Expropriation Law allows the state to acquire land in the public interest, such as for roads, schools and playing fields at existing use value. and leases it back to the farmers until it is required. The creative role of Aarhus was most evident in the way that housing and offices have been developed overlooking the Harbour. The City took over the land from the Port (which it already owned) at a negotiated price. It then drew up the masterplan, and prepared the land so it could be developed as a series of parcels, benefitting from the views over the water.



COOPERATIVE COMMUNITY GARDENS (TOP LEFT), PEDESTRIANISED HIGH STREETS (TOP RIGHT), AND THE AARHUS SKYLINE (BOTTOM).



# Freiburg, Germany

## Core case study

### Snapshot

<b>Population:</b>	222,000
<b>City type:</b>	Historic university town
<b>Key strategy:</b>	Infrastructure in advance
<b>Key stats:</b>	<ul style="list-style-type: none"><li>■ 1/3 affordable in new extensions</li><li>■ 1/3 less energy consumption than national commitments</li></ul>



### Summary

Freiburg, a historic town in South-Western Germany, has been leading environmental policy and practice for over two decades in Europe, and its two urban extensions, Vauban and Rieselfeld, are highly praised as a successful eco-town model. In the UK, growth areas like Cambridge and Milton Keynes have been looking to the Freiburg model with great interest, and practitioners have been keen to transfer the lessons. Freiburg is one of a number of German cities that have been building higher density neighbourhoods with high levels of communal space, co-generation of energy and measures to reduce car use, with other examples including the university city of Tübingen and the industrial cities of Hamburg and Hanover. Although Germany is facing similar housing shortages to the rest of Europe, it has been utilising innovative strategies to increase construction rates that have kept housing costs relatively in check.

Freiburg is particularly well known for being the ‘solar capital of Europe’, however the achievements are far greater than a simple technological conversion. Both in Vauban and Rieselfeld, a significant shift in attitudes and lifestyles has been achieved allowing for the emergence of new paradigms of urban ‘eco-living’, facilitated by a strong long-term regional vision, national policy frameworks, and a focused commitment to change and community engagement.

### Lessons

- The benefits of the local authority taking the initiative, based on an imaginative, long term vision.
- Using public engagement within all stages of development in order to produce diverse and successful community neighbourhoods.
- Promoting diversity and resilience achieved by providing serviced sites to small builders and cooperative groups.
- Matching transport infrastructure to the growth of the community and installing a high-quality system early on in the life of the scheme.
- Maintaining a focus on environmental measures throughout the process of development to ensure its delivery through innovative design.
- Providing child-friendly environments with family homes, play spaces and schools within walking or cycling distance.

### National housing context

- 300,000 units built in Germany in 2016.
- 850,000 people lacked their own accommodation in 2016, up 150% from 2014, and half of those affected were migrants (1.1 million came in over the previous 2 years).
- State estimates between 350,000 – 400,000 new homes are needed over the next three years.
- Cost increases and labour shortage has resulted in the construction boom over the previous years ending however, and the prices in big cities have risen sharply as a result.

### Social and affordable housing

The concept of social housing has undergone dramatic changes over the past two and a half decades in Germany. Originally conceived as a federally funded building programme ‘for a broad spectrum of society’, it has now shifted towards a much smaller, more needs-oriented and differentiated support for those ‘who are unable to provide for themselves on the market’, akin to many other European welfare policy transitions.

The German approach today is primarily market-oriented and aims more at providing a steady and controlled supply of housing to regulate demand and therefore cost, whilst using rent-caps and public rent subsidies to mediate hotspots. Federal law also allows state governments if they choose to cap rent increases to no more than 15% over a three-year period. In 2015 Angela Merkel introduced the so-called *Mietpreisbremse* or “rental price brake” with the aim of barring landlords in property hotspots from increasing rents by more than 10% above a local benchmark. Notoriously expensive Berlin became the first state to implement the policy, however it has since come under contestation as unconstitutional, and critiqued as rewarding landlords who had already exploited rent levels in the area.

### State social housing

In 1970, almost 25% of all post-war housing in Germany was social housing, however today the supply makes up around 3.8% of the total housing stock and is continuing to shrink. This housing is either rental or owner-occupied and is subject to rent caps as well as limiting access to lower-income groups.

### De facto social housing

De facto social housing has a considerable tradition in Germany, with the term describing a variety of low priced housing managed by housing cooperatives (11% of the stock) and social unions, but today it is primarily run by municipal housing companies (50% of this stock had originally been traditional state social housing). These municipal companies usually rent their units for well below market-rent in order to provide dwellings according to welfare legislation such as for low-income, vulnerable, or refugee demographics.

### Subsidised housing

Instead of social housing units, low-income households often receive rent-subsidies for market-housing, with around 13% of homes receiving some kind of subsidy. In general, these public subsidies (grants or tax relief) cover the gap between the perceived rent and cost rent. However these mechanisms can vary greatly between municipalities and provinces due to decentralisation in housing policy.

### Accessibility

The target groups for social units and subsidies are defined by legislation as households who cannot secure themselves with an adequate accommodation and need support. The policy supports in particular low-income households as well as families and other households with children, single parents, pregnant women, elderly, homeless and other persons in need. In addition, Germany has recently made significant efforts to house the recent influx of refugees (1.1 million) over the past few years with some success – however there has been a large political backlash since. The rate of homelessness in Germany has also dramatically increased in recent years, and can be seen as a symptom of the recent gap between new housing delivered and housing required, as outlined in the drawbacks.

### Drawbacks

Germany is currently facing a looming housing shortage despite increased investment due to a number of factors such as shortages in skilled labour and construction cost increases. With an average rate of 300,000 units a year Germany is still short of the governmental aims, and as such rents across Germany and primarily in large cities are rising rapidly. This could put the current affordability measures under increasing pressure and lead to a further increase in homelessness and destitution in the future unless obstacles are tackled quickly.



COLOURFUL BUILDINGS IN FREIBURG WITH SOLAR PANNELLED ROOFS



## Rieselfeld and Vauban: Sustainable and community driven urban extensions

In the 1990's, the city of Freiburg with a population of 215,000 was one of the few cities in Germany with a growing population, and had to build 850-1,200 homes a year. The city is close to the borders of France and Switzerland formed by the Rhine and is hemmed in by the mountains of the Black Forest resulting in scarce land for development. The City of Freiburg believed that the first step should be to decide what kind of city is wanted. It had learned from the mistakes of earlier high-rise flats which had proved unpopular, and wanted a built form where families could call their children from their own flat on whichever floor. The public wanted variety, limited areas given over to parking, a denser form of development with green wedges to bring people together, and the municipality wanted a density that was high enough to pay for quality infrastructure (around 60 dwellings per hectare).

Construction of the Vauban district began in the mid-1990s and opened in 2000. By 2001, it had 2,000 inhabitants and is now said to have 5,000 inhabitants. It developed from a squatted community upon a former barracks that did not want to be removed by developers. Rieselfeld on the other hand was built upon a former sewage works on the edge of a relatively poor housing area. Development started in 2006 and was complete about ten years later, with a current population of 12,000. A notable feature has been the provision of infrastructure such as shops and schools in advance of the housing along the spine of a tram line extension. This made the new development more attractive to its new residents than moving away from the City.

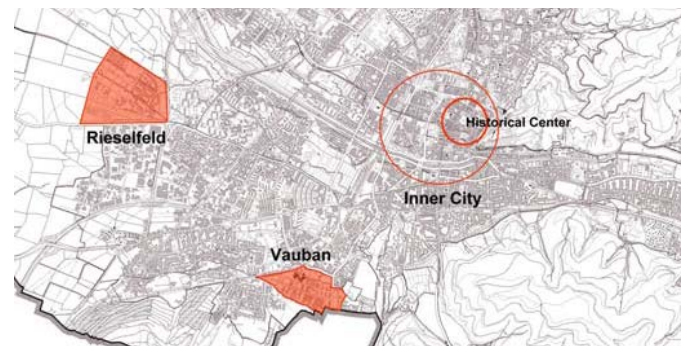
### Finance

In Freiburg, as in other best-practice examples across Europe such as Amersfoort, the city financed major up-front infrastructure investments itself in advance of construction – in public transport, sustainable water recycling and sewerage systems, and in waste collection and recycling. This is most effective and economic when the investments are made on a relatively large scale covering thousands of new homes. Such investments are more easily made if the city itself has direct control over the financing of investment, and in mainland European countries such as Germany and the Netherlands this is usually possible because municipalities have retained direct control over such services.

The Infrastructure was financed out of the values created from the sale of plots. In the case of Vauban, the local authority acquired a loan for a reasonable price (equivalent to 20% of the ultimate value), reflecting its highly contaminated state. It worked up the masterplans and then borrowed the cost of installing infrastructure from German banks at the favourable rates available to local authorities through a trust. Development of each quarter was in four phases, with a relatively rapid disposal rate, as blocks were being developed simultaneously in a number of locations.

Land is sold largely to small builders, though there are restrictions on how many units any one builder can take. In Vauban, some 70% was built through small cooperative groups who were given land at lower cost. The average unit is 90 sq.m., which is larger than in the United Kingdom.

THE EXTENSIONS IN RELATION TO CENTRAL FREIBURG (TOP), AN AERIAL VIEW OF VAUBAN (MIDDLE), AND RIESELFELD (BELOW)



### Environmental innovation

In 1992 the municipality agreed that all development on municipal land should be low energy and new residential buildings are now required to consume a third less than required by German law. An Environmental Protection Authority within the municipality employs sixty staff working on nature, water, waste management and energy. The Authority secures the involvement of all the stakeholders in getting the message across, from the regional energy company to the city's soccer club and local schools.

The circumstances in this historic university town are surprisingly similar to those in Cambridge, with the difference that the centre of Freiburg had to be completely rebuilt after Allied bombing. By providing quality public transport from the start, and making it more expensive and difficult to park a private car, Freiburg has succeeded in shifting people away from their car towards public transport and cycling. In Germany as a whole, while car ownership levels are higher than in the UK, car usage is less, and people seem to take pleasure in well-run public systems that support communal life.



### Social aspect

The 'soft' infrastructure of education and community facilities are seen as just as important as the hard infrastructure. The communities were engaged from the start in the design and management of public spaces through the so-called 'Building Groups' (Baugruppen), working closely with the city's own architect-designers.

One third of the housing in Rieselfeld is designated as affordable through a mix of municipal housing companies, cooperatives, and low-income classifications subject to subsidies. These units are indistinguishable from other housing and are designed to the same standards and quality. The new settlements are very popular, and have a very low turnover.

MEDIUM DENSITY BLOCKS (TOP LEFT), AND GREEN FRONTAGES IN RIESELFELD (BOTTOM LEFT). A SOLAR PANELLED SCHOOL (TOP RIGHT) AND METRO LINE IN VAUBAN (BITTOM RIGHT).





# Amersfoort, Netherlands

Core case study

## Snapshot

<b>Population:</b>	155,000
<b>City type:</b>	Historic town
<b>Key strategy:</b>	Public-private partnerships
<b>Key stats:</b>	30% homes designated as social-rented



## Summary

With some of the highest proportions of social housing in the EU, the Netherlands has far less stigma associated with social housing than found in the UK, and despite facing similar issues such as living in a crowded and growing country, they have achieved a number of successes through the innovative use of public-private partnerships and frameworks that allow for risk. The planned extension of Vathorst is situated in the historic town of Amersfoort near Utrecht in the Netherlands, and offers a good model for how to manage housing growth to achieve attractive new settlements and balanced communities. It also illustrates how the Dutch have managed to increase the national housing stock by 7.6% in ten years in some 90 new settlements through the VINEX Housing Programme, whilst still providing 30% of the homes at social rent.

Although austerity measures of the current government have begun to shift the social rental sector away from the aims of a 'wider affordability function' and more towards a 'social safety net', which could lead to a decline in the Dutch social housing tradition, the country still offers a number of transferable lessons in their proactive approach to housing policy.

## Lessons

- The value of incentivising local authorities to provide serviced sites for developers along with a brief that sets the parameters – as showcased in Vathorst (as well as the Almere vignette).
- The Dutch unified approach to land valuation, infrastructure finance, and social mix could be applied in situations in the UK provided local authorities are given both the powers and incentives to use them.
- Rather than relying on volume house builders, local authorities in England could be entering into partnerships with European contractors who know how to build 'smarter infrastructure', and who are used to working alongside local authorities.
- Expertise could be pooled in long-term multi-disciplinary teams like the OBV company.
- Public-private co-investment demonstration projects spreads risk and allows for cost-effective delivery and more confident innovation.

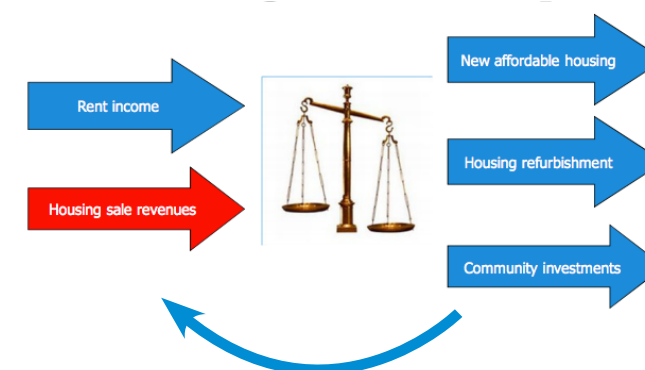
## National housing context

- There are about 2.4 million social rental dwellings in the Netherlands, which means that the Dutch social rental sector has a share of 31% within the total housing stock.
- The share of social housing is often above 50% in the bigger cities such as Amsterdam
- There is still a housing shortage of around 205,000 homes, with an estimated 85,000 homes needing to be built a year
- In 2017, 82,000 housing units were built, with a further 65,000 permits granted.

## Dutch VINEX policy

The Dutch VINEX housing programme between 1995-2005 produced 450,000 homes in a country a quarter of the size of the UK increasing the housing stock by 7.6%. National, regional and municipal authorities worked together to come up with plans for expanding towns with populations over 100,000 in locations accessible by public transport – an effective three-tiered system of cooperation enshrined in Dutch spatial development policy since 1958. The Central government provided subsidies to cover land acquisition, decontamination and public transport and infrastructure costs. The average new settlement was around 2,000 homes but some were as large as 10,000, and were developed around the edge of the Randstad and what is called the Green Heart that lies between the main cities.

VINEX was replaced in 2006 by the Nota Ruimte which is a more decentralised policy. Projects are still nationally co-ordinated, but there is more provincial decision-making in which local authorities are encouraged to bring about small-scale housing developments.



## Social and affordable housing

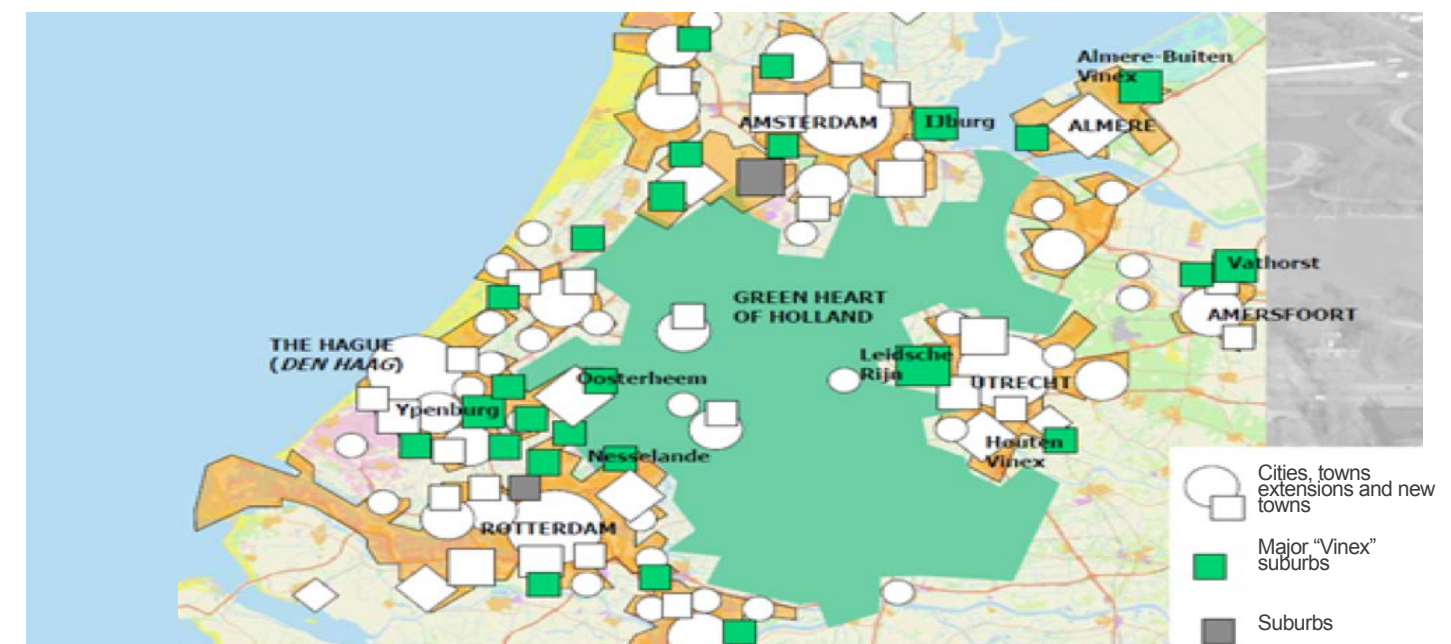
Dutch social rental dwellings comprise 31% of the total housing stock and are let by housing associations which can be defined as private organisations with a public obligation. The rents of this social rental housing is usually well below the market price (capped below €710 (£634) for household incomes below €35,739 (£32,000). If a family is still unable to meet these costs however a rent benefit is also available.

Since the 1980's housing associations have gradually received more autonomy, and in 1995 they gained financial independence as a result of the so-called 'grossing and balancing' operation in which housing association debts to the state were written off against future government subsidies.

Housing associations today function according to the revolving fund principle which means that income gained from letting and selling homes is sufficient to cover their reinvestment in new affordable housing, housing refurbishment, and neighbourhood regeneration. Though HA's receive no direct subsidies, they benefit from the Social House-building Guarantee Fund which provides government backed loans resulting in interest rates being well below the market rate which ensures viability.

However in 2014 the Government introduced a levy for housing associations of €1.7 billion yearly (set to rise to €2 billion) to boost the national budget, which may push HA's to charge higher rents, reduce employee salaries, and sell more dwellings, which would residualise the stock.

THE REVOLING FUND PRINCIPLE IN THE NETHERLANDS FOR HOUSING ASSOCIATIONS (ABOVE), AND VINEX DESIGNATED SUBURBS SHOWING THE TWO CASE STUDIES VATHORST AND ALMERE COVERED IN THIS REPORT (BELOW).





## Accessibility

- Up until recently, access to social housing in the Netherlands was virtually open to all citizens, however due to rulings by the European Commission in 2011, at least 90% of housing association dwellings now have to be allocated to people with an annual household income of less than €34,000 (£30,000), and only 10% to higher income households if they encounter difficulties in finding adequate housing.
- This new system now targets a limited group of people such as disadvantaged people or socially less advantaged groups, as well as certain categories of key workers, primarily defined in terms of income. More specific definitions of these users are not provided nationally, and vary according to the municipality.

## Drawbacks

- Since 2013 the current government has placed pressure on social housing in the country, which some say could result in a shift from social housing playing a 'wider affordability function' to more of a 'social safety net'.
- At the national level, the government may also be introducing a yearly levy for housing associations which could increase rents and force the sale of social rented housing placing more pressure on the existing stock.
- This would result in the social housing stock becoming more residualised containing a higher percentage of lower-income groups, which could lead to increased social stigma and longer waiting lists as seen in the UK. For example, in Amsterdam social housing has reduced from 58% of total stock in 1995 to 47% in 2015.

## Social element

30% of the housing in Vathorst was allocated as affordable either through subsidised renting or housing for sale, and was provided through housing associations. Eight different builders and some 50 different architects were involved with no one architect designing more than 80 units to ensure choice and variety, and the social units were designed to the same high standards as housing for sale to ensure cohesion.

The focus was very much on social sustainability by ensuring a balance of housing at a neighbourhood level in order to create cohesive communities. The mix Vathorst pioneered which was to provide a range of price categories for different income-groups not only promoted social integration but also provided a way of cross subsidising the cost of the social housing. The principle of rebalancing the social mix is a model that has since been adopted nationally.

## Success and transferability

Success has been monitored both in terms of quantitative performance indicators and attitudes. On average they have delivered 600-700 new homes a year. Construction of each block of housing took about a year, though this is increasing to two years as a result of more complex designs. They have already finished more than 4,000 homes plus a shopping centre and have started construction on the business park.

Vathorst and other Randstadt housing successes is said to be not the product of individual ingenuity but of 'winning teams'. Substantial interest has been paid to these particular case studies by British practitioners, and a number of reports have been produced on transferring the methods.

## Vathorst:

### A sustainable urban extension

Vathorst was one of three urban extensions promoted by the city of Amersfoort, a city close to Utrecht which had a population of around 140,000 when the plans began formation in 1998. Vathorst was part of the VINEX programme, and began construction in 2002 with the aim of constructing 11,000 homes for 30,000 residents along with shopping, business and community facilities by 2023, and is currently close to completion.

## Organisation and finance

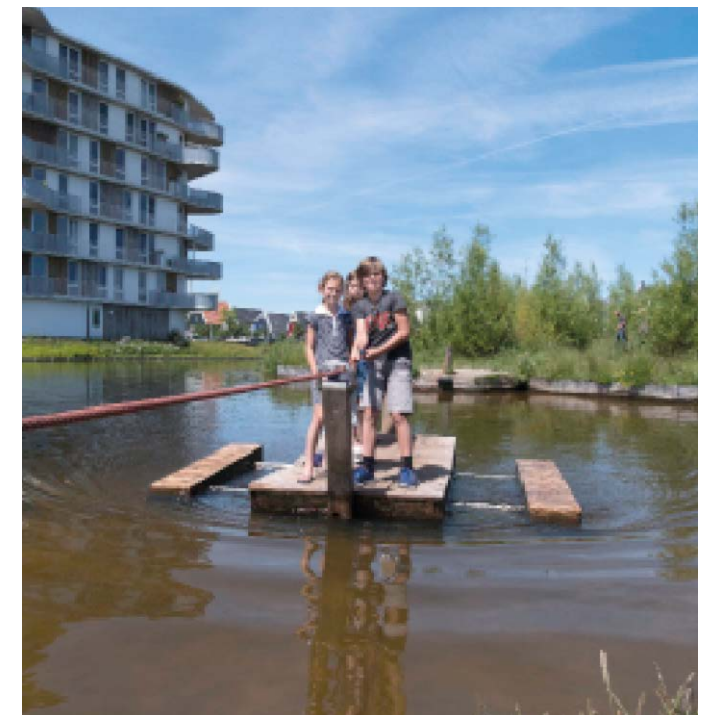
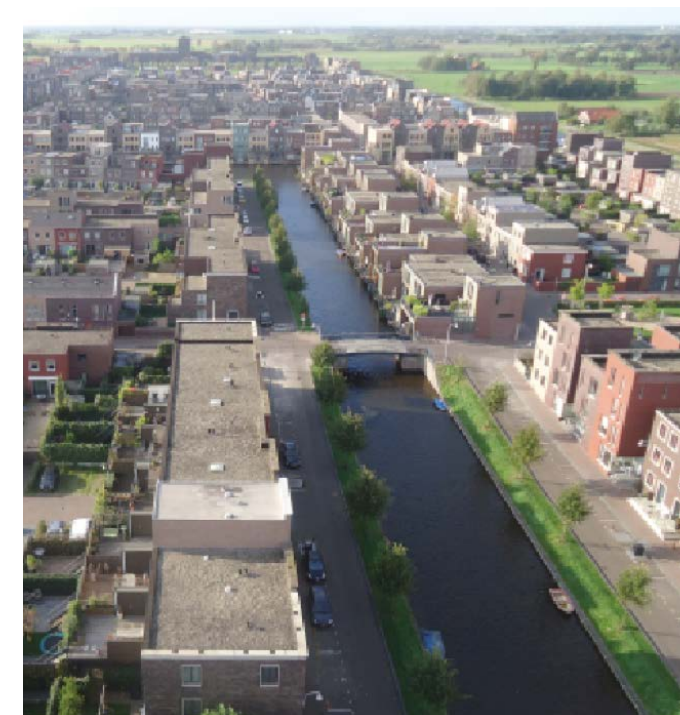
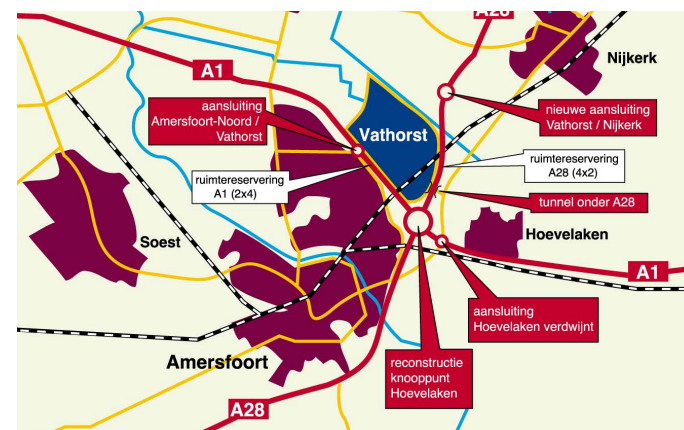
The Vathorst Development Company (OBV) was set up as a 50:50 joint venture between the local authority and a consortium of private landowners and developers to develop the project. The private sector included those who had bought land in the area but also those whom the city wanted to be involved as a result of their track record. It employs a small staff of fewer than 15 with a Chief Executive from the private sector and a Chairman appointed by the municipality.

OBV then developed the masterplan in collaboration with all these different interests – showcasing what the Dutch call a 'polder' mentality, being a deep-rooted partnership between public and private agencies that forces different interests to face a common problem. Together they decided to plan four separate districts in very different styles – for example a neighbourhood near natural water features had canal-side style housing, whilst another went for a more rural aesthetic.

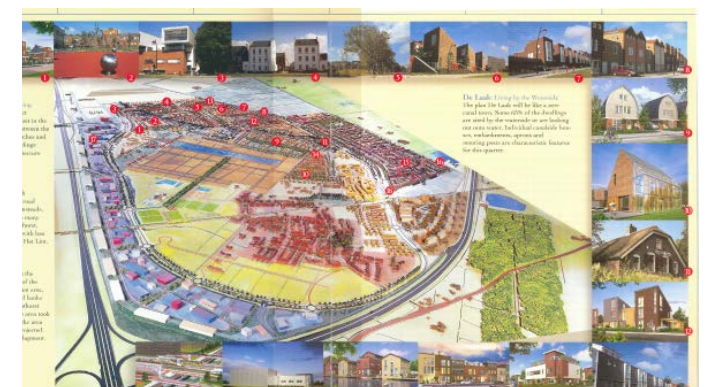
OBV then borrowed 250 million euros from the Dutch municipal bank BNG to finance the project (being the largest financial body in the Netherlands after the state) at relatively low rates of interest (5%) to

be repaid over 15 years (compared to the average private rate of 7.5%). The borrowings are repaid out of the proceeds from land sales, and allows the company to build up a financial 'buffer' which allows it to act entrepreneurially. For example, it funded the railway company to open a station several years before the population justified it, and it underwrote an entrepreneur to open a restaurant. The underlying risks are taken due to the shared public-private mix of liability.

VATHORST SITS AT A JUNCTION OF TWO MOTORWAYS, CLOSE TO THE CENTRE OF AMERSFOORT



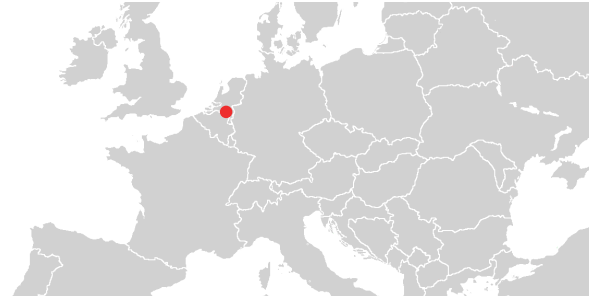
AERIAL VIEW OF THE CANAL DISTRICT (TOP LEFT), CHILDREN PLAYING ON A COMMUNAL LAKE (TOP RIGHT), AND THE VARIETY OF HOUSING PRODUCED ACROSS VATHORST (BOTTOM LEFT).





### Snapshot

<b>Population:</b>	223,000
<b>City type:</b>	Former industrial town
<b>Key strategy:</b>	Co-creation, regeneration
<b>Key stats:</b>	Highest economic growth rate in the Netherlands (4.6% in 2017)



### Overview

In the early 1990s Eindhoven, an industrial city in the South-Eastern part of the Netherlands, was hit by the loss of its main employers. Yet today, the area accounts for a third of the country's exports, and is recognised internationally as one of the world's most innovative cities, having become a major leisure and shopping destination, especially for young people.

The crises of the 1990s led to three people coming together: a former Mayor, the leader of the main industrial companies, and the head of the university – one of three Technical Universities in the Netherlands (another example of the 'polder' mentality in action as showcased in the Amersfoort case study). These three formed what became known as the Triple Helix, and encouraged all 21 municipalities in South East Brabant to contribute to a regional Stimulation Fund, which was then doubled by the European Union. The closure of the technology company Philips had released thousands of skilled engineers and researchers who wished to remain in Eindhoven. They provided the raw material for a whole new set of industries and 'living labs' which centred around innovative forms of housing associations such as Strijp-S located in a former industrial park.

### Housing associations can act as dynamos

Strijp-S is just one of the huge old Philips factories that has been turned into a creative hub with a roof garden on top, over loft apartments, and shops and business units on the ground floor. The development was led by TRUDO, a local housing association, which has developed 5,000 units in the space. Significantly this forms one of a hundred centres for the Design Week that draws over 200,000 people into the centre of Eindhoven. Housing associations have taken up opportunities that conventional developers would ignore, and are involved in providing discounted housing for sale as well as renting to a much wider range of people than in the UK. Because housing is affordable, accessible, and easily financed, young people often stay after their studies and go on to bring up families in the city creating anchored communities.

Thom Aussems, the then Chief Executive of TRUDO (now called TURBO), emphasised the importance of face to face contact and cross-pollination required for innovation, which is enhanced by dynamic neighbourhoods. Housing associations account for over a third of the new homes built in the Netherlands, and TURBO has gone further by integrating workspaces and shop units, as well as organising festivals. Being a medium sized city has its advantages in Eindhoven as 'Nature is just a short bike ride away' says Thom Aussems, which is helped due to the Dutch equivalent of the green belt comprised of 'fingers' that cut deeper into urban conglomerations. In another innovative project to regenerate a run-down housing estate, students were offered flats at a discount of a hundred euros a month in return for spending 10 hours a week helping children with their homework. There are now 50-60 voluntary activities, and the local school is judged the best in the South East of the country.



STRIJP-S DEVELOPED ATTRACTIVE GREENSPACE



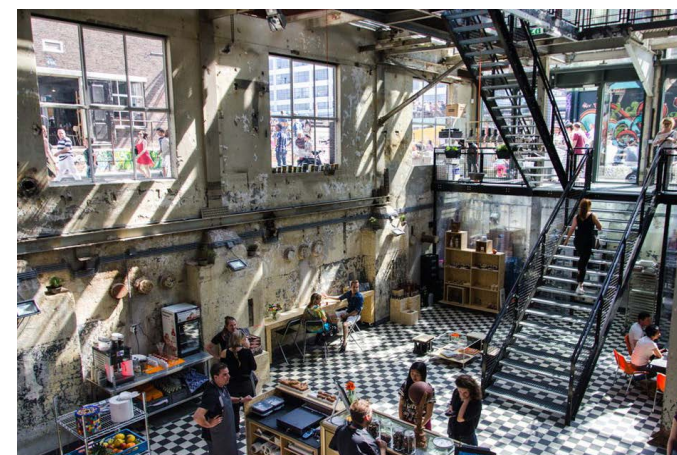
CYCLING FACILITIES IN STRIJP-S



Factories have been turned into flats and studios across Eindhoven



Strijp-S plays host to a number of community festivals each year



The main lobby in Strijp-S hosts a cafe, shop, and communal space



Strong international schools appeal to expats



# Rotterdam, Netherlands

Vignette

## Snapshot

<b>Population:</b>	623,000
<b>City type:</b>	Second city
<b>Key strategy:</b>	Social cohesion
<b>Key stats:</b>	45% residents foreign born



## Overview

The major port of Rotterdam – the second city of the Netherlands – has long been a home for migrants from around the world. As of late, the recent rise in temporary forms of migration alongside the ongoing European refugee crisis has presented new challenges to the Netherlands' integration policies, akin to current debates across the UK. Rotterdam's particular rich past with such issues has made it a leader in such areas however, with the Opzoomeren policy providing a successful model for community integration.

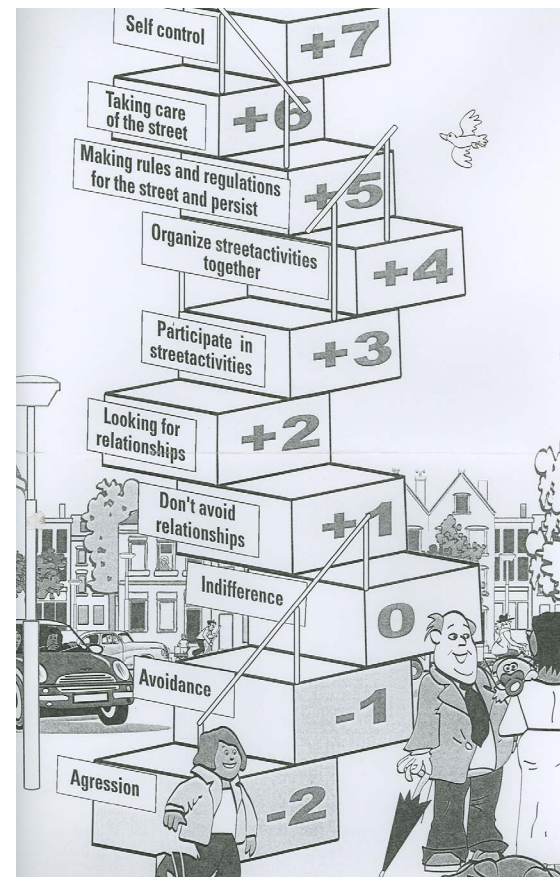
## The 'Opzoomeren' policy

The name Opzoomer refers to a street in Rotterdam where citizens had self-organised in tangible way to improve their living environment, and which inspired the birth of the city wide Opzoomeren policy. The process is aimed at changing attitudes (see diagram bottom right), and starts with getting some 'live wires' to organise a street party, which leads on to drawing up rules for how the area is to be run to minimise conflicts. The core aim of the policy was to replicate the success of Opzoomer street to improve the quality of social relations in disadvantaged neighbourhoods across Rotterdam and to promote citizen's initiatives in the voluntary sector.

This usually took the form of community street clean-ups, sports activities and festivals, however initiatives can often be more specialised such as community Dutch language lessons for new migrants. The initiatives are first started by the community, and if successful the Rotterdam Municipality will provide additional funding and support, as well as bringing the framework for the project to elsewhere in the city. This proved a highly effective strategy in bridging the cultural gaps between different ethnic communities, socio-economic classes and age groups, and the initiative now operates on over 1,600 streets in Rotterdam today. Initially being supported by the local authority, the policy has now spread beyond Rotterdam and is subsidised across the Netherlands through national policy.

AN OPZOOMEREN STREET PARTY IN 2017 (LEFT),

THE OPZOOMEREN LADDER OF COMMUNITY INTEGRATION (RIGHT)



# Almere, Netherlands

Vignette

## Snapshot

<b>Population:</b>	196,000
<b>City type:</b>	New town
<b>Key strategy:</b>	Self-building
<b>Key stats:</b>	Average cost of £50,000 to build a 40m <sup>2</sup> apartment



## Overview

Almere is a new town in the Flevoland province of the Netherlands initially born to house the growing population of Amsterdam following WWII. The first house was finished in 1976, and the city now has a population of 200,000 (similar to Milton Keynes which began construction a decade earlier), and aims to produce 60,000 more alongside 100,000 jobs by 2030. The city's strategy was hinged upon a new policy framework for self-building, and has been internationally recognised as a self-building model.

Self- and custom-housebuilding has become more prominent as one of the ways to address the UK's housing shortage, with the Self-build and Custom Housebuilding Act (2015) and the Housing and Planning Act (2016) requiring local authorities to keep a register of local self-builders and grant sufficient development permissions to them. Almere New Town shows how the UK could improve the affordability and sustainability of homes, as well as opening up the housebuilding market to greater competitiveness by embracing self-building development frameworks. However it must be noted that in the Netherlands the practice is still usually limited to middle and higher income earners.

## The self-building framework

Almere was built on council land, which made the aim of providing affordable housing for low-income households of €20,000 (£14,500) a year far more feasible. The area was first master-planned by the local council and split up into different districts for different demographics (sustainable, terraced, lower-income for example). The local authorities then installed the infrastructure and services, and each plot was sold at a fixed m2 rate and came with a "passport" which contained a list of restrictions for

the self-builders adhering to planning regulations. These regulations dictated building height, style, relation to surrounding plots, and materials, however a great deal of creativity and choice was still left to each resident allowing houses to be tailored to their specific needs and family size. This has the large benefit in delivering adaptable and diverse communities at lower costs that residents are proud of, however there can be some pitfalls such as longer and more sporadic building times.



HOUSING IS VARIED AND OF A HIGH QUALITY



COMMUNITIES CAN INTEGRATE THEIR LIVING SPACES ADDING TO SOCIAL COHESION

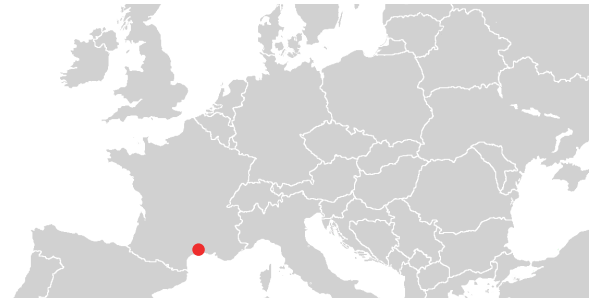


# Montpellier, France

Vignette

## Snapshot

<b>Population:</b>	275,000
<b>City type:</b>	Historic University Town
<b>Key strategy:</b>	Public-private SPV's
<b>Key stats:</b>	Doubled population since 1960's, builds 2,500 homes a year



## Overview

The 10th Century Mediterranean city of Montpellier has rapidly become the 7th largest city in France after more than doubling its size from 119,000 in 1962, and continuing with the nation's fastest growth at 13% per year. This was in part due to the influx of migrants from French Algeria and Spanish exiles from the Franco regime in the 1960's, however its continuing legacy as a historic university town has further boosted its population with 1/3rd being students. Despite this major growth however Montpellier has flourished economically and socially. In 1977 mayor George Frêche producing a simple but grand spatial vision for the city that connected the city with the Mediterranean. This required a mix of uses and tenures of 25% social housing in new developments, and created a consistent and long-term public-sector led approach – what has been called 'patient' development. This was backed by the intelligent use of public-private Special Purpose Vehicles such as SERM which maximised values and return both economically and socially. The element connecting all these initiatives was Montpellier's desire to become an 'urban laboratory' for good practice and innovation – an approach that gave Montpellier one of the first metro lines and pedestrianised streets in the EU, as well as one of France's leading 'technopoles' or 'science parks'.

## Special Purpose Vehicles (SPV's)

Montpellier has intelligently used public-private SPVs to maximise values and return in terms of economics, social and amenity benefits by stipulating an intelligent approach to land acquisition and land use, whilst enabling the powers necessary to do so. The private development company SERM for example is owned largely by the municipality, with the state investment bank Caisse des Depots holding a 15% share leading them to scrutinise each investment carefully. This helps attract finance from commercial banks, and appeases private developers whose risk is offset and pay less to secure funds. SERM employs 120 staff, and their strategy involves primarily working within development areas called ZAC's (Zones d'Amenagement Concerte) set by the municipality where extra powers are available to acquire land parcels – a strategy currently being considered by the GLA. Due to the City's 'patient' acquisition of land over 30 years, these ZAC's are often already situated upon high quality central locations. Any new development in the city requires 1/3 being for market sale, 1/3 affordable through a subsidy (which must be paid back upon resale), and 1/3 social, which has resulted in a great degree of cultural, ethnic, and social harmony.

An example of these mechanisms in practice is the 0.4ha Gare St Roche commercial and residential railway station development started in 2008 to be completed this year, where the uplift in land-value will go towards the city's fifth tram-line connecting the North and South-West. Architects and planners in the municipality set the brief in regard to the use and massing, and then external architects were invited to draw up schemes with the winning proposal being implemented (similar to Vienna's successful Aspern Seestadt development).



THE GARE ST ROCHE DEVELOPMENT IS AMBITIOUS



THE STATION HAS BEEN TRANSFORMED



TRAMWAYS FORM THE SPINE FOR NEW DEVELOPMENT



THE GRAND PLAN FOR GROWTH



NEW MIXED-TENURE HOUSING



THE CENTRE IS LIVELY



THE CITY PLANS FOR ZAC'S



Snapshot

**Population:** 1,000,000  
**City type:** Former ship-building port  
**Key strategy:** Affordable housing  
**Key stats:** Affordable set at £130k:  
(7x average earnings)



Overview

Bilbao is a former ship building town in the mountainous Basque region of Northern Spain. As the tenth largest Spanish city with a population of one million (300,000 in the area covered by the City council) it has similarities with Newcastle and Gateshead or Swansea. When the shipyards lost out to foreign competitors, unemployment rose to 30%, and dereliction abounded. In 1983 floods added to the problems of Basque terrorism. So the city's much acclaimed revival is truly remarkable, and is about much more than the Guggenheim museum, which was the cherry on the cake (and paid for itself in four years).

In 1990 the City adopted a new model or industrial strategy, (apparently advised by British consultants) of Bilbao Rio 2000. The estuary was to be the backbone. This has been connected up by a three line metro designed by Calatrava and with stations by Norman Foster. Brownfield land was to be reused by taking over shipyards unable to pay their property taxes. The city sought to avoid getting into debt. It was to benefit from the revival of industry in the Basque region through the application of new technology, assisted by the cooperative organisation of Mondragon.

Affordable housing

The population has fallen, in part because women are going out to work longer in the Northern part of Spain, but new housing is needed to cope with changing demographics and the demand for smaller units. So they are building 700 units a year, mainly for owner occupation. The Lei Maturana was introduced in 1994 which requires that 75% of new housing has to be affordable or social. The price of affordable housing is set at 150,000 Euros, against an average income of 15-25,000, or about seven times average earnings.



BILBAO'S IS BEST KNOWN FOR ITS GUGGENHEIM-MUSEUM

The relocation of the port has released a lot of land near the centre in a city bounded by steep hills on both sides of the river. Land for development is taken over by a state-owned land management company, which is a public-private partnership in which the city council owns 25%. The leading role played by the public sector has helped Bilbao avoid the over-supply of speculative housing which has afflicted other Spanish cities. One of the largest current developments is on land created by covering over the main railway station to remove a barrier. Half of the 5,500 new flats are to be social, plus a university. The masterplan is by Zaha Hadid.



THE CITY IS WELL INTEGRATED WITH A HIGH QUALITY STREET-SCAPE

Snapshot

**Population:** 527,000  
**City type:** Capital  
**Key strategy:** Local authority backed leases  
**Key stats:** 10.9% annual rent rise since 2010



Overview

With more people on low incomes renting from private landlords, many of whom own few properties, it is increasingly important to find ways of regulating private renting without hurting the supply. One possible model is Ireland's Rental Accommodation Scheme (RAS), which has been praised in the Joseph Rowntree Foundation's report on Innovative Financing of Affordable Housing. More recent investigation suggests that the scheme is failing to deliver what was expected, but the experience still offers useful lessons for England.

Affordable private rented housing through the RAS scheme

Due to rising rents in the private rental market the RAS was piloted in 2005/6, which allowed local authorities to negotiate agreements with private landlords for up to ten years in return for a discounted rent which is 8% lower than the market rent. In return the local authority takes responsibility for letting the property and collecting the rents. Instead of low-income tenants receiving a housing allowance they instead pay a contribution to the rent that varies inversely according to their income so that it is not a disincentive to employment. The scheme is financed by central government, and any savings are used to finance social housing. The Rowntree report concluded in 2013 on the basis of several studies that 'In summary the scheme has facilitated better value for money for the government, while generally providing a better deal for private tenants.'

Since the scheme was originally introduced, the Irish economy was particularly hit by the financial crisis and over-lending, and has only recently recovered. Landlords have since sought to get out of leases by putting the properties on the market, thus defeating the purpose. Now the fear is that the country's economic recovery will be eroded by high housing costs and a lack of supply as well as the confusion caused by Brexit. A new Enhanced Long-Term Social Housing Leasing scheme is therefore under consideration, which is particularly aimed at supporting the building of new apartment schemes in urban areas with features aimed at attracting professional investors:

- Lease term is 25 years and the local authority (LA) is the Lessee from the investor giving long term income security.
- The LA is landlord to the tenant and collects differential rent from them. (This is done by way of subleases)
- The LA (the lessee) pays up to 95% of market rent at commencement of the lease to the lessor (the discount is intended to reflect the security of income)
- Rent is indexed every 3 years based on the Harmonised Index of Consumer Prices

The government has prepared template agreements, and initial responses have been positive. The scheme will support the government's Rebuilding Ireland policy, with the intention that a fifth of new homes will be supported in this way, thus boosting private investment in social housing.



SMITHFIELD, DUBLIN - NOMINEE FOR THE ACADEMY OF URBANISM'S 2018 GREAT NEIGHBOURHOOD AWARD



Snapshot

**Population:** 425,000

**City type:** Historic financial hub

**Key strategy:** Cooperatives

**Key stats:**

- 90% population rent
- 40,000 cooperative units (1/4 total units)



Summary

In one of the most expensive and desirable cities to live in the world, cooperative forms of housing have been used for over a century to enable a wider range of people to access affordable housing. Though there are huge inequalities in wealth, income levels are more equal enabling almost everyone to afford to live in Zurich. There are 141 cooperatives in Zurich, and the city has 40,000 out of the 140,000 cooperatively run units in Switzerland. Within Zurich there has been a history of innovation and revolution, such as Einstein, Lenin, and the Dadaists. There is also a national culture of toleration within rules, and of taking responsibility, encouraged by the 16th Century Protestant reformer Zwingli.

Now housing coops such as Mehr Als Wohnen (More Than Housing) with 1500 members are being used to regenerate old industrial areas (in this case an old cement factory) and provide a balanced way of life to meet the demands of the 21st century. They make use of spaces others might ignore, such as Kalkbreite, which is built above a tram depot with 400 units, with half reserved for workspace. The scheme is architecturally renowned and includes a popular Lebanese restaurant on the ground floor. Another called Kraftwerk where INURA is based, was encouraged by the squatters movement and the upheavals of the 1980s, when the city was seen as ‘boring’.

Lessons

- There has been a historic culture in Switzerland of working together, and coops offer the benefits of a wider mix of residents who are selected by the community.
- ‘Coops are not just for poor people but self-determined housing’.
- The City’s policy is that a third of housing should be affordable or ‘Cost-Price’
- New coops are only viable because they seize neglected opportunities in marginal areas.
- Innovation is based on vision, and ‘anyone who has a vision must find allies’, in this case the municipality. (Helmud Schmidt, Chancellor of West Germany)

National housing context

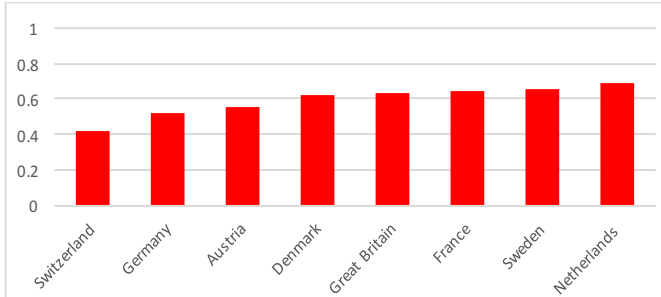
- More than 31% of residents are not Swiss and the nation is based on diversity, and collaborate in the face of much stronger neighbouring countries. Foreigners are only allowed to stay six years, and the availability of housing is an important brake, but once you are in there is relative freedom
- Renting housing is normal practice, (90% for Zurich, and 70% nationally) with one of the highest rates in Europe, but it has become cheaper to buy due to low interest rates.
- A quarter of the 210,000 homes in Zurich are owned by not for profit associations, either foundations or collectives.
- You pay a Wealth Tax if you own a property and renting is more flexible and hence helps the labour market. Only Swiss residents are allowed to own residential property. A third of the world’s

wealth is managed in Switzerland, much of it in Zurich.

- Most people live in the centre, and benefit from the very high quality integrated public transit system. All the surrounding area is protected as forests and mountains.
- The Spatial Development Strategy for 2020 aims to safeguard business, and secure sustainable growth by growing the city and the region together. Buildings are generally under 25 metres high to keep costs down, but now housing towers are starting to be built.
- With a vacancy rate in Zurich of 0.22% in 2014, finding a space to live is hard. Yet rents only rose by 13% between 2004 and 2013. 45% of households are occupied by a single person, and the average living area is 35m2 per person, with 39m2 in not for profit housing compared with 53m2 in private housing.

Key factors for success

- The Swiss have very narrow socio-economic bands, particularly in regard to income (though many other countries have well-developed cooperative sectors).
- There has been a historic culture in Switzerland of working together, and coops offer the benefits of a wider mix of residents who are selected by the community. Originally affiliated to an occupation, these are now open to anyone who wants to become a member and buy shares (‘obligatory equity’)
- Progress depends on municipal support, and not selling sites to the highest bidder.
- Coops in Zurich have strong support from the City Council in finding land and in organising themselves. In 2011 a referendum voted to increase the proportion from 25% to a third by 2050, which was approved by 76% of the population. In contrast the proportion supported by Social Welfare is 1.3% located either in coops or municipal buildings.
- It also helps to have continuity of government, with powers held by strongly independent cities.



More Than Housing

Coops are seen as ‘offering a third way’ in an excellent report sponsored by the Swiss Federal Office of Housing. The project started in 2003 to celebrate a century of coops, with an ideas competition with 26 entries, and has recently been completed. First there was a Dialogue Phase to refine the plan. The 4ha site was owned by the municipality on the edge of a motorway and busy railway line. The coop was able to draw on support from other coops, and build up a membership. After a competition two young offices were selected due to their fresh approaches. There are 380 units in 13 buildings, each completely different with more than 160 layouts, ranging from one bed flats to ‘cluster apartments’, where groups share facilities. Basic principles included:

- Ground floor units are either given over to community or business use.
- Energy consumption is aimed at below 2,000 watts by using waste heat from a nearby data hub (currently 5,500kwh compared with the national average of 8,000 kwh).
- Limited car parking for the residents within the scheme but 106 spaces for businesses. Car sharing and a bike pool were promoted instead.
- Rents are calculated on a cost-rent basis, and occupants were selected using a computer programme to reflect the city’s demographic profile.
- 20% of units are subsidised to allow for those living on welfare benefits.



HOME OWNERSHIP RATES IN THE EU (LEFT), AND A MORE THAN HOUSING SCHEME (RIGHT)