An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Financing of Social Housing in Selected European Countries

NESC Secretariat Papers

Paper No. 11

July 2014

An Oifig Náisiúnta um Fhorbairt Eacnamaíoch agus Shóisialta
National Economic & Social Development Office NESDO

An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

Financing of Social Housing in Selected European Counties

Noel Cahill

July 2014

The NESC Secretariat Papers provide analysis of economic, social or environmental evidence and policy. The views are those of the authors and do not represent the collective view of the Council.

A list of the full set of NESC publications is available at www.nesc.ie

Table of Contents

List of Tables

Abbreviations

CALF
Capital Advance Leasing Facility

CPI
Consumer Price Index

CDC
Caisse des dépôts et Consignations

DECLG
Department of Environment, Community and Local Government

EU
European Union

HCC
Housing Construction Convertible (bonds)

HFA
Housing Finance Agency

HFC
Housing Finance Corporation

HLM
Habitation á loyer modéré

LPHAs
Limited Profit Housing Associations

PLAI
Prêt locatif aidé d'intégration

PLI
Prêt locatif intermédiaire

PLS
Prêt locatif social

PLUS
Prêt locatif à usage social

SMEs
Small and Medium Enterprises

1. Introduction

This paper presents comparisons on the financing of social housing in European countries. It was prepared as a background paper to the 2014 NESC report on social housing, *Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental*. It draws on a paper prepared by CECODHAS (European Social Housing Observatory) that covers the financing of social housing in six European countries (CECODHAS, 2013).

The paper is structured as follows. Section 2 considers what is meant by the term 'social housing'. The findings from the CECODHAS study are summarised in Section 3. The next four sections elaborate on the financing of social housing in four of countries covered in the CECODHAS study: Austria, the Netherlands, France and England. For each country a short description of the model of social housing is provided, the financing of social housing is described and the approach to the setting of rents is outlined. In the final section comparisons are drawn between the approach used to financing social housing in Ireland and other European countries.

2. Defining Social Housing

It is common to distinguish the social and private rental sectors in the following way:

> Landlords with a non-profit character, such as local authorities, voluntary agencies, co-operatives and housing associations, are identified with the social rental sector, whereas all other types of landlords are identified with the private rental sector (Hoekstra, 2009: 47).

There are other possible ways of defining social housing. Social housing is sometimes defined as subsidised rental housing regardless of ownership. This is of particular relevance to Germany where a significant feature of its housing model is that housing subsidies have long been available to all types of landlords and rents are regulated for a period of time as a condition of the subsidy. At the end of the regulated period, landlords are free to set market rents although non-profit landlords may continue to set rents below the market level.

It has been argued that the defining characteristic of social housing is how accommodation is allocated:

> Social housing is allocated according to need rather than demand and price, and this concept of need is politically or administratively defined and interpreted. It exists because governments have decided that some housing, at least, should not be allocated by market forces... In economic theory, the market will only supply housing for effective demand when the market price is paid, and not for some level of need set by society which cannot be achieved at the equilibrium price on the market. In these terms, therefore, social housing is filling the gap between effective demand on the one hand and need on the other (Maclennan & More, 1997). Need then is a level of housing that is socially designated as desirable. If the market will not provide social housing, then the provision of social housing must be made attractive in some way. Usually this is done through subsidies (Haffner *et al*., 2009: 4–5).

An alternative to the supply of social housing is the provision of financial assistance to enable people to secure accommodation on the private market:

> An alternative approach would be to assist demand (rather than supply) so that effective demand increases to a level at which it is sufficient to encourage a level of supply that meets demand. Such demand-side support may take the form of housing allowances or housing vouchers that increase the financial resources available to households (Haffner *et al*., 2009: 5).

Another approach is proposed by Kemeny (1995). Kemeny is critical of the term social housing. He notes that it generally refers only to rental housing so excludes all owner occupation from the definition of social housing. However:

> Much owner occupation could be considered 'social'. Substantial subsidies are paid to owner occupiers, for example, in tax privileges and in selling public rental housing at large discounts to purchasing sitting tenants. In addition a range of policy measures are often taken to provide a public safety net for owner occupiers (for example against mortgage default) (Kemeny, 1995: 34).

This concern can be avoided by using the term 'social rental' rather than 'social housing' but Kemeny also views the concept of social rental as excessively vague. He proposes distinguishing between 'cost renting' and 'profit renting'. Cost renting is defined as follows:

> ....all rental housing, irrespective of ownership, the rents of which cover only actual incurred costs of a stock of dwellings. This may be achieved by a number of different means, such as rent regulatory legislation or political decree or because of the charters or policies of particular organisations (Kemeny, 1995: 34).

Kemeny uses the term profit renting to refer to housing, irrespective of ownership, the rents for which are:

> largely or entirely unregulated and where the aims of the owners of such rental housing—whether these be private individuals or the central or local state—is to maximise profits in the form of returns on the current capital value of residential property (Kemeny, 1995: 34).

In the case of Ireland social housing is defined as 'housing provided by a local authority or an approved housing body to people who cannot afford housing from their own resources'.[1] Property rented or leased from the private sector by local authorities or voluntary housing bodies is now also included in Ireland's social housing sector. Accommodation provided under Ireland's rental accommodation scheme (RAS) would qualify as social housing in Haffner's definition but would be in the profit-renting sector using Kemeny's definition.

In international comparisons of social housing, the statistics are typically based on the first definition referred to above; i.e., accommodation provided by non-profit entities, whether publically or privately owned. An exception to this is Germany where commercially-owned rental accommodation that has been subsidised is included as social housing. CECODHAS (2013) reports Germany's social housing as 3.4 per cent of the housing stock. This however understates the true size of the social housing sector because it excludes non-profit housing that is no longer subject to mandatory rent control as a condition of subsidies provided but nonetheless continues to be rented at below market rents. Apart from Germany, the social housing sector in five of the six countries in the CECODHAS study is considerably larger than in Ireland (see Table 1). The largest social housing sector is in the Netherlands where one third of the housing stock and three quarters of the rental stock consists of social housing. In Ireland just under 9 per cent of the housing stock and just under one third of the rental sector consists of social housing.

3. Summary of Findings in CECODHAS Study

The CECODHAS study describes the financing models used in the provision of social housing in six European countries: the Netherlands, Austria, France, England, Finland and Germany. It outlines the different ways in which government support is provided. Examples of the costs of providing social housing and the rents charged were also provided. The main findings of the CECODHAS study are summarised in this section.

---

[1] https://www.housing.ie/Housing-Information/Social-Housing-Support

Table 1: Social Housing as a Percentage of the Housing Stock in Seven European Countries

	Percentage of Total Stock	Percentage of Rental Stock
Netherlands	33	75
Austria	22	56
France	17	44
England	17	49
Finland	16	53
Ireland	9	32
Germany	3	7

Source: CECODHAS (2013) and CSO (2012) for Irish data.

3.1 Forms of Government Support

Capital Grants

Over time capital grants provided by governments have declined or disappeared as a means of financing social housing. This form of support remains of some significance in England and France. Capital grants are provided in France on a structured basis with higher grants provided for the lowest income social housing; social housing for higher income groups does not receive grants but benefits from lower interest rate loans. In the case of Finland, capital grants are provided for social-housing projects targeting special groups, such as students, people with disabilities, elderly or homeless people.

Assistance to Housing Providers in Raising Finance

Subsidisation of lending in some way has become the most common way for the public authorities to provide support for social housing.

In the case of Austria this is achieved through the provision of public loans at long term low interest loans (0 to 2 per cent interest) that cover on average 35 per cent of the costs. These loans are used by limited profit housing associations (LPHAs) to partially fund social housing at moderate rents. Interest rate subsidies were provided in four of the six countries (France, Finland, Germany and Austria) in the CECODHAS study. In the case of Austria and France this is achieved through the use of tax incentives for savings that are in turn used to finance social housing.

The provision of loan guarantees has become an increasingly used form of public support for social housing. This applies in the Netherlands, France, Finland, the UK and some German Länder. In the case of the Netherlands the public guarantee has never been called upon as the social-housing associations have their own system of guarantees. This leaves Austria as the only one of the six countries in the CECODHAS study not having a form of public guarantee[2].

Access to private funding is increasingly important for social-housing providers. Providers in the Netherlands and England are now rated by international rating agencies. The Housing Finance Corporation in the UK 'aggregates' the credit needs for smaller associations and issues bonds to meet these needs. In Austria and France tax incentives are used to channel savings to social-housing providers.

Land

The provision of land at discounted prices to social-housing providers is another important way that social housing is supported. In the English case study in the CECODHAS report, the use of a Section 106 agreement was very important in allowing the housing association to acquire social housing at a price that did not reflect the very high land costs in central London. A section 106 agreement is a legally-binding agreement that require developers to make contributions linked to the granting of planning permission (see section 7 below). Without this element the cost per dwelling would have been far higher (by €306,000). This is comparable to Ireland's Part V obligations and a similar arrangement is also used in the Flanders region of Belgium.

Fiscal Benefits

Another important support for social housing in many countries is the provision of favourable treatment in the tax system. These include reduced VAT rates, reduction or exemption from property tax and income/corporate tax. The use of tax incentives for saving that are used for social housing has been noted above.

Housing Allowances

All of the countries in the CECODHAS study provided housing allowances or benefits to tenants in both the private and social rental sectors. Although not a support for social housing *per se* (in that it is not targeted on the social-housing sector) these allowances are significant to the financial sustainability of social-housing providers. This is particularly the case for the UK while Austria has a very low share of households receiving housing benefits.

---

[2] At the time of the CECODHAS study there was no public guarantee system in the UK. Since then however a public guarantee has been introduced and this has reduced the cost of funds for housing associations.

3.2 Funding Sources

A range of sources are typically combined to finance social housing. The following sources were used across the six comparison countries in the CECODHAS study:

- Equity or own funds of the social-housing provider;
- Public grants;
- Public loans;
- Private loans or bonds; and
- Tenant equity.

The typical shares used of these financing methods are shown in Table 2.

Table 2: Comparison of Financing of Social Housing: Financing Sources as a Percentage of Total Cost

	Vienna	London	Netherlands (average)	Bremen	Helsinki	France (average)
Own Funds of Housing Provider	14		20 -30	38		15
Bank Loans	42	35	70-80	37	95	75
with interest rate subsidy	indirectly				Yes	Indirectly
with guarantee			partly		Yes	Yes
Public Loans	34			25	5	
Public Grants		65				10
Tenant Equity	10					
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: CECODHAS (2013).

3.3 Rents

Rents are cost based in Austria, France and Finland. This means that rents are set a level that is designed to cover both current and capital costs other than those costs that are covered by subsidies. In the case of Austria, it is a requirement to balance costs and revenue at the level of the individual development. In France and Finland there is some provision for the costs from one development to be partly met from other revenue. In addition to requirements to relate rents to costs, in Austria and France there are also limits on the maximum rent that can be charged set by the specific funding scheme and these obligations are not time limited. In the case of Finland the obligation to charge cost rents lasts for a given period (usually 45 years) and after that providers can sell the dwelling or charge market rents.

Social-housing rents in England are set using a formula based on property values and manual wages. The main form of new social-housing provision in England at present is ‘affordable rental’. In this model rents are set at up to 80 per cent of market rent. Housing benefit is important in allowing tenants to pay these rents.

Both private and social rents in the Netherlands are governed by a points system that measures the quality of a home based on a range of factors including size, facilities of the home and location. Rents in the most desirable private homes are not controlled. The social-housing associations are not subsidised so that rents on average cover costs. Rents on new social housing may be below costs. Housing associations cover the losses on new homes by partially funding new development with their own funds.

Examples of social-housing rents charged are presented in Table 3, which draws from the CECODHAS study. In some cases the figures are for projects completed in recent years in cities, while others are national averages, but they give an indication of the type of rents paid. In Ireland, the average rent paid by local-authority tenants in 2011 was €2600 annually or €217 monthly (DECLG, 2014).

Table 3: Rents in Social Housing in Five European Countries

	Vienna	London	Bremen	Helsinki	France (average)
Monthly rent per sq meter	€7.99	€7.44	€7.50	€10.55	€6.80
Monthly rent assuming 77 sq meter dwelling	€615	€573	€578	€812	€524

Source: CECODHAS (2013) and own calculations.
Note: Rents include service charges. Rents for Vienna include utilities while rents for Helsinki include heating. Rents for France refer to the averages across the country.

There is also considerable variation in the cost of developing new social housing across the six countries in the CECODHAS study as shown in Tables 4 and 5. These consist of the costs of site acquisition, construction and other costs. Costs are highest in Helsinki and lowest in Vienna.

Table 4: Project Development Costs for Social Housing in Six European Countries

	Helsinki	London	Netherlands	Bremen	France	Vienna
Project development costs per sq meter	€3,500	€3,283	€2,422	€2,306	€2,011	€1,990
Total project developments costs assuming 77 sq meter dwelling	€269,500	€252,791	€186,494	€177,562	€154,847	€153,230

Source: CECODHAS, (2013) and own calculations

Table 5: Comparison of Site Acquisition, Construction and Other Costs in Six European Countries (€s per m^2)

	Helsinki	London	Netherlands	Bremen	France	Vienna
Site/land acquisition and development	na	€933	€307	€176	€402	€280
Construction work and fees	€3,381	€2,146	€1,993	€1,924	€1,407	€1,710
Other costs	€199	€204	€122	€204	€201	€0
Total	**€3,500**	**€3,283**	**€2,422**	**€2,306**	**€2,011**	**€1,990**

Source: CECODHAS, (2013).

3.4 Housing Cost Burden

The share of the population estimated to have experienced excessive housing costs in 2011 in EU-15 member states is shown in Table 6. The housing cost overburden rate is the percentage of the population living in households where the total housing costs ('net' of housing allowances) represent more than 40 per cent of disposable income ('net' of housing allowances)[3]. The share of households who are estimated to have excessive housing costs in Ireland in 2011 was 6.1 per cent, the fifth lowest among the EU-15. Luxembourg had the lowest percentage of its

[3] Housing costs include maintenance and utility costs (electricity, gas, heating, water).

population affected by excessive housing costs (4.2 per cent) while this measure was also low for Finland, Austria and France. The countries in which the highest housing costs using this measure share were Greece, Denmark and the UK.

Table 6: Housing Cost Overburden Rate by Tenure Status, 2011

	Total population	Owner occupied, with mortgage or loan	Owner occupied, no outstanding mortgage or housing loan	Tenant—rent at market price	Tenant—rent at reduced price or free
Luxembourg	4.2	0.6	0.5	13.7	1.6
Finland	4.4	2.3	2.8	12.5	8.3
Austria	4.8	1.4	1.9	11.3	5.0
France	5.3	1.4	0.6	16.0	9.4
Ireland	6.1	3.3	2.0	19.9	8.4
Portugal	7.2	8.5	2.0	25.5	3.1
Sweden	7.9	3.1	10.9	17.5	46.5
Italy	8.4	6.3	2.9	33.3	9.3
Belgium	10.6	3.3	2.4	38.1	14.9
Spain	12.1	13.8	4.8	48.1	10.1
Netherlands	14.5	14.0	3.4	18.2	6.6
Germany	16.1	13.6	10.5	21.4	16.5
United Kingdom	16.4	8.8	9.1	45.0	23.9
Denmark	19.9	12.2	9.8	36.9	:
Greece	24.2	11.9	21.4	42.7	30.6
Euro area	10.9	9.0	5.1	23.8	10.6
EU-28	11.4	9.0	6.5	26.1	14.0

Source: Eurostat online database.
Note: In the case of Sweden and Denmark the information for those at reduced rent or free is not reliable.

In the remaining sections of this paper the social-housing models in four of the countries included in the CECODHAS study are described in greater depth. The four countries concerned are Austria, the Netherlands, France and England.

4. Austria

Social housing in Austria represents just over one fifth of the housing stock (22 per cent) and 56 per cent of the rental stock. Over half of the housing stock (52 per cent) is in owner-occupation.

Social housing is provided by municipalities and limited profit housing associations (LPHAs); municipalities have withdrawn from new construction. The LPHAs play a major role in Austria's housing systems. They are required by legislation to operate on the basis of only charging amounts that are required to cover 'justified costs'. Costs are defined to include the cost of contributing to the formation of reserves and the cost of periodic renovation. Austria is an example of Kemeny's 'cost rental' approach. There is an obligation to build: permission from the regional government is required for any interruption of building. Limited payment of interest is allowed to owners/shareholders; otherwise all profits must be reinvested in housing, renovation or land (Mundt & Amann, 2009) and (Ludl, 2007).

In several countries there has been a shift from supply-side to demand-side subsidies. This has not been the case of Austria where the bulk of expenditure on housing has continued to be on supply-side subsidies. The primary form of housing support in Austria is the provision of government loans for housing. These are long-term low-interest loans (0 to 2 per cent interest) that cover on average 35 per cent of the costs. These loans are used by LPHAs to partially fund social housing at moderate rents.

The provision of subsidies is not confined to social rental housing provided by LPHAs. Commercial developers can also avail of public loans for rental property; in this case they are bound to limits on rents during the period of the loan. Subsidies are also provided for the development of owner-occupied housing by multiple types of developers (limited profit, commercial developers as well as individuals developing their own homes). Amann and Mundt (2005) reported that eight of ten new housing units were co-financed by the public authorities; furthermore, as a result of the conditions attached to subsidies, 80 per cent of new multi-storey construction was subject to some kind of cost-rent principle. While subsidies are applied widely, the level of subsidy is modest so that Austria's public expenditure on housing is not particularly high at 0.9 per cent of GDP (Bauer, 2014). What is distinctive about Austria's housing policy is the fact the subsidies are primarily supply-side subsidies (i.e., linked to new construction, renovation or retrofitting) rather than demand-side ones (such as individual housing allowances). Austria avoided a house price boom in the years up to 2008 and had no price collapse after that. Prices have however increased substantially since 2009 (Kratschmann, 2012).

4.1 Financing

The financing structure for a typical housing project is as follows:

- Long-term government loans cover 35 per cent of the cost with an interest rate of 0 to 2 per cent.

- Bank Loans: These are the single largest element of financing (43 per cent on average). A new instrument was introduced during the 1990s to facilitate the use of private finance for housing: housing construction convertible (HCC) bonds. These are issued by housing banks (specially created subsidiaries of major banks) to investors. Investors get a tax incentive to invest in these bonds and must hold them for ten years. The banks use the money raised to provide loans for housing development at below the normal market rate (0.5 per cent lower than a normal bank loan). Housing construction that qualifies for supply-side subsidies also qualifies for these loans. Investment in these bonds was adversely affected by the financial crisis as investors preferred deposits with a government guarantee but investment has since recovered (Bauer, 2014).

- Equity of social-housing providers: Social-housing providers finance some of the costs of social housing using their own funds (i.e., equity). On average this covers 14 per cent of the costs. The LPHAs are allowed to impose an interest charge on the use of their own equity. This is limited by law to a maximum of 3.5 per cent.

- Tenant equity: An unusual feature of social-housing finance in Austria is that tenants contribute to the financing of their own housing in the form of a loan (on average 9 per cent of the cost) that is repaid in the form of lower rent. If the tenant leaves the property, the loan is repaid to them less a deduction of 1 per cent per year. The provision of tenant equity gives tenants the right to buy under certain conditions. Low income tenants can avail of a 0 per cent public loan as a means of financing their contribution to tenant equity.

Unlike other countries there is no public guarantee on borrowings undertaken by social-housing associations. However the LPHAs are regarded as low risk borrowers for several reasons. First, the subsidised public housing loans mean that there is a favourable loan-to-value ratio for the private borrowing. Second, the financial conduct of LPHAs is subject to effective external supervision. Third, the size and asset base of LPHAs enhances their credit worthiness. It has been argued that these factors constitute an implicit public guarantee on LPHA loans (Mundt & Amann, 2009).

4.2 Land

Municipalities are encouraged to provide land at affordable prices to the providers of social housing. The strong position of housing associations in multi-storey housing strengthens their ability to successfully acquire land. Three factors assist in the acquisition of land for social housing in larger cities where there is stronger competition: first, many associations have considerable equity; second, they enjoy privileged access to housing subsidies; third, higher density is sometimes used to compensate for high land prices.

In recent years, LPHAs have leased rather than bought land from municipalities as a way of reducing the initial capital costs. The LPHAs then pay fixed interest rates on these leases (Amann & Mundt, 2005)

4.3 Rents

As noted above, rents in social housing in Austria are cost rents; i.e. rents are based on the costs of construction, land and the costs of maintenance and management. Unlike some other countries that adopt cost renting, in Austria costs have to be covered at the level of the individual housing estate rather than spreading costs across an association's total stock. An implication of Austria's estate-based approach to cost renting is that rents are lower in the older social housing compared to new social housing. This raises a concern of poorer households becoming concentrated in the older and cheaper stock.

Lower-income tenants can avail of housing allowances to assist in payment of rent. However, compared to many other European countries, this constitutes a relatively modest share of expenditure on housing in Austria. Less than 7 per cent of all households are in receipt of housing allowances.

4.4 Integrated Rental Market

An integrated rental market is defined by Kemeny *et al*. (2005) as one in which the non-profit sector competes strongly with the for-profit sector; 'it will provide an alternative to profit-renting in terms of market coverage and competitive rents' (Kemeny *et al*., 2005: 859).

It is argued by Mundt and Amann that Austria comes close to Kemeny's prototype of an integrated rental market. The limited-profit and for-profit sectors compete in the rental market: 'building quality and tenure security play a decisive role in attributing a leading role to LPHA over private rental stock' (Mundt and Amann, 2009:13). Buildings in receipt of subsidies are required to meet very demanding energy requirements. 'Austria's world-leading role in the construction of multi-storey passive houses is due to LPHA new construction' (*ibid*: 13). The social rental sector has sufficient presence in the market so that rents in the private rental market are strongly influenced by competition from the social rental sector.

One of the benefits of a unitary rental market is that it avoids residualisation of the social rental segment and its tenants. According to Mundt and Amann (2009) 'a very important aspect of the Austrian social-housing sector is the still large diversity of its occupants' (*ibid*: 22). Another advantage of a unitary rental market is the existence of choice between social renting, private renting and owner-occupation. Social housing is a competitive part of the tenure choice in Austria:

> Rental housing, especially the high-quality segment of new LPHA construction, still constitutes a favourable housing form for families, middle income households and new entrants on the housing market. It clearly provides an affordable alternative to home-ownership (Mundt and Amann, 2009: 22).

4.5 Case Study from Austria

The following example (from the CECODHAS study) is loosely based on a housing development in Vienna that was completed in 2012. It consisted of 220 dwellings with an average size of 77 square metres. The average total cost per completed dwelling (including land) was €153,230 of which the land cost was €21,560 per dwelling.

The financing structure was as follows: own funds of social-housing provider (14 per cent), bank loan (42 per cent), public loan (34 per cent) and financial contribution of the tenant (10 per cent).

The bank loan has an interest rate of 2.5 to 3 per cent using the HCC bond subsidy as described above. The interest rate is variable while the annual capital repayment also varies in a way that helps offset variations in the interest rate. In Vienna the capital element of the repayment of the public loan can be deferred until the bank loan has been repaid.

The value of the low interest public loan along with the subsidised interest rate on the HCC loan is estimated to be the equivalent of 13 per cent of the total cost including land. The average rent in this development was initially €615 per month. This includes utilities (electricity etc.). If this element is excluded the average rent was €500 per month, including VAT at 10 per cent. This rent is around 50 to 60 per cent of the market rent in the same area in Vienna. This rent is higher than differential rent would be in social housing in Ireland.

The question arises as to how it is possible to achieve this moderate level of rent on the basis of a small public subsidy (equivalent to 13 per cent of total costs as noted above). This rent is calculated on the basis of the cost of this development. The elements in the rent are shown in Table 7. The largest element of the cost is the interest and capital repayments on the cost of construction and land (€395 per month). This represents 3.1 per cent of the initial capital investment. The cost of maintenance, management and provision for vacancies is just under €50 per month. There is provision for an increase in maintenance costs over time.

Table 7: Components of Rent in a Housing Development in Vienna

	€ per m^2 per month	€ Per dwelling per month
Interest and Capital Repayments	5.13	394.9
Provision for Maintenance/Repairs	0.3	23.1
Provision for Vacancies	0.11	8.4
Cost of Management	0.22	17.3
Utilities	1.5	115.5
VAT	0.73	55.9
Total	**7.99**	**615**

Source: CECODHAS (2013).

The tenant's equity contribution of 10 per cent reduces the cost rent. If the tenant moves out, this contribution is repaid to the tenant less an annual deduction of 1 per cent. If this annual deduction is included, this would add €13 to the monthly rent.

The question arises as to what degree this moderate rent is dependent on the association being able to cross-subsidise the investment using more mature property. As noted above, Austria applies cost renting at the level of the estate. In this example the association was in a position to fund 14 per cent of the cost with its own resources (this covered the cost of the land). The cost calculations shown above include an interest charge on its own equity (3.5 per cent). The ability to contribute some equity and the financial strength of an association would enhance its ability to raise other capital at low cost. Hence, while the achievement of moderate rents is not based on cross subsidisation, the assets of housing associations do facilitate the development of new social housing.

A critical element in achieving a moderate rent is the low interest rate in the project. If the average cost of debt service were to be, for example, 7 per cent rather than just over 3 per cent, the necessary cost rent would be €500 per month higher on average.

The rent increases over time in line with the CPI. This makes it possible to cover higher maintenance costs over time and higher capital repayments. After repayment of the loan, the rent falls.

5. The Netherlands

The Netherlands has the highest share of social housing in its housing stock in the EU. Social rental accommodation represents around one third of the entire housing stock and three quarters of the rental accommodation. The share is higher in some large cities; for example the percentage of social housing in Amsterdam is 47 per cent (van der Veer & Schuiling, 2013). Social housing as a share of accommodation has been falling since its peak of 41 per cent in 1975. The share of private rental accommodation has also been declining. Owner-occupation has been rising and this form of tenure has now reached over 60 per cent. Owner-occupation is supported through a high level of expenditure on mortgage interest relief. The level of mortgage debt in the Netherlands is very high.

Social housing is provided by non-profit housing corporations. In normal years they provide around one third of all new housing while their share increased with the economic downturn in a counter-cyclical manner so that in 2012 they provided two thirds of all new housing output (Garnier, 2014).

5.1 Financing

Social-housing corporations have been largely financially independent of government since 1995. The main financial support now provided for social housing is in the form of the State and municipalities acting as a guarantor of last resort. Some municipalities offer land at below market price for social housing. Substantial subsidies and public loans were provided in previous decades. Operating subsidies used to be provided that were based on the difference between the cost of providing accommodation (the cost rent) and the rent paid by the tenant. As rents paid by the tenant increased this would reduce the gap and the subsidy would decline:

> The subsidies were established each year on the basis of the operational deficit, the difference between cost price rent and asking rent. Without these subsidies, realising the programmes then would have been impossible. In the meantime, there are nearly 2.4 million good, affordable dwellings in this country. During those same dozens of years mentioned earlier, the State had to pay a great deal of subsidy in order to close the 'gap' between the total costs and the rent proceeds. During the course of those years, the development of the subsidy system was based on the annual rise of the asking rent and the (lesser) rise in costs so that the operational deficit—and therefore, the subsidy—kept getting smaller. From the moment that the cost price rent and the asking rent were balanced, the subsidies stopped. In this system, incidentally, the interest and inflation risks rested with the government. If after some time, the operational deficit had been evened-out because the rent was high enough to cover the costs, there was an operational surplus. That meant that the organisations could create reserves (AEDES, 2003: 13).

An example of this type of arrangement is presented by AEDES (2003). This was for a social-housing dwelling with a cost of €130,000. The annual cost rent was estimated at €9950 (€830 per month) while the annual rent paid by the tenant was €7150 (€596 per month). This left a deficit of €2,800 and a subsidy was provided to cover this gap.

Under the agreement that came into operation from 1995, future commitments to provide operating subsidies were settled by a one-off payment from the State. This was set off against loans that the corporations had received from central government.

New social housing is funded through a combination of bank debt (70 to 80 per cent on average) and the use of the corporations' own equity (20 to 30 per cent on average). Compared to other countries this represents a high use of the organisations own financial resources. The sale of existing stock is the major source of equity for new social housing. In addition profits earned on renting some properties at market rents and construction of homes for sale can also be used to cross-subsidise social housing (Vandevyvere & Zenthofer, 2012). The financing of social housing in the Netherlands is planned at company level rather than for individual projects so that loans are not linked to particular projects.

Most lending for social housing is from public sector banks. The borrowing of housing corporations is supported by a three-level guarantee structure. The first level is the Central Fund for Social Housing, an independent public body financed through levies on all social-housing organisations. This body is the financial supervisor for social-housing corporations. It provides financial support to the social-housing organisations in cases of financial difficulty.

The second level is the Guarantee for Social Housing. This is a private organisation established by the social-housing organisations to provide loan guarantees. This provides loan guarantees for borrowing undertaken for all aspects of social housing. It enjoys a triple A credit rating.

Finally, the Dutch State and municipalities act as guarantors of last resort in the event that resources of the Guarantee for Social Housing are exhausted. According to Garnier, neither the second nor third levels have ever been called upon (Garnier, 2009).

5.2 Rents

The average rent in Dutch social housing in 2012 was €454 (Garnier, 2014). It is estimated that around 30 per cent of the cost of new social-housing development is not recovered in rents. This is financially feasible through the substantial use of the organisations' own resources.

Rents are regulated through a points system based on characteristics such as floor space and facilities. The same regulation applies in both the private and social sectors although actual rents charged are lower in the social rental sector (Haffner *et al*., 2009). Tenants on lower incomes in both private and social rental accommodation can avail of housing allowances. Total expenditure on housing allowances is about €2.2 billion annually.

5.3 Integrated Rental Market

Kemeny *et al*. (2005) considered that the non-profit sector dominated the Dutch rental market and that progress towards an integrated rental market was very advanced. They pointed out that there were no regulatory barriers to competition between the non-profit and profit sectors. Since then more restrictions have been placed upon the social-housing sector. In 2005 the EU Commissioner for Competition wrote to the Dutch Ministry of Housing with complaints of unfair competition against the private rental sector. In 2009 the Dutch authorities and the European Commission reached an agreement that social housing would be limited to households with an annual income below €33,614. It was also agreed that there would be separation between the social and other activities of housing corporations. Another recent development has been the introduction of a new tax on social housing.

6. France

Social housing in France accounts for 17 per cent of the total housing stock and 44 per cent of the rental stock. The main providers of social housing are Habitation à Loyer Modéré (HLM) organisations. There are both public and private versions of HLMs. Public HLMs are controlled by local authorities. Private HLMs are non-profit companies but with the ability to pay very limited dividends (Haffner *et al*., 2009).

6.1 Financing

A distinctive aspect of the financing of social housing in France is the use of household savings to provide low cost finance for social-housing providers; this is promoted through tax relief. Every French household is entitled to open a 'Livret A' savings account. Interest in these accounts is tax free; there is a limit on the amount each household can place in these accounts. The interest rate is based on inflation and the Euribor three-month interest rate. These accounts are offered by several banks and a substantial share (65 per cent) of the savings in these accounts is allocated to the State-owned bank, Caisse des Dépôts et Consignations (CDC). The CDC in turn lends this money to social-housing organisations and also for urban redevelopment. Of the Livret A savings not channelled to the CDC, 80 per cent must be lent to small and medium enterprises (SMEs) while 10 per cent must be allocated for lending to energy savings in existing buildings (Madec, 2013).

This arrangement is used to provide loans to social-housing providers at cost price (i.e., the Livret A interest rate paid to savers plus the cost of collection by the CDC). The interest rate is variable but government regulated.

Social-housing loans are generally guaranteed by local authorities free of charge. If not guaranteed by a local authority, organisations may seek a guarantee from the Rented Social Housing Guarantee Bank (CGLSS) at a cost of 2 per cent of the guaranteed capital.

Support is provided for three categories of social housing:

- standard social housing;
- social housing for vulnerable groups;
- social housing for those with higher incomes; i.e., intermediate rental.

The main source of finance for standard social housing is loans from the CDC using money from the Livret A accounts mentioned above. There are several types of loans available to social-housing providers targeted at different income groups. The standard category of social-housing loan is a 'prêt locatif à usage social' (PLUS) loan. The provision of these loans is linked to subsidies. These vary by region and were 3 to 17 per cent of the total cost in 2008. Standard social housing also enjoys fiscal advantages: there is a reduced VAT rate of 7 per cent and exemption from land tax for 25 years; social-housing organisations are also exempt from corporation tax.

A higher level of financial support is provided for the development of social housing for people with very low incomes. Loans with lower interest rates (Prêt locatif aidé d'intégration, PLAI loans) are used to finance social housing for this group. A higher level of capital subsidy is provided (16.5 per cent to 35 per cent). The income ceiling for eligibility for this category of social housing is 60 per cent below standard social housing while lower rents are charged. The PLAI system also includes a social programme that aims to promote the social integration of PLAI tenants.

For those with somewhat higher incomes (intermediate rental), another category of loans (prêt locatif social, PLS) are available. These loans can be used by both social landlords and private investors; three quarters of PLS loans are taken up by social landlords. They are targeted at high-demand housing markets where there is a large gap between cheap social rents and market rents. The interest rate is also based on the Livret A rate but a higher interest rate is charged. No capital subsidies are available for this group although the same fiscal benefits apply. Rents are higher than in standard social housing. Private for-profit landlords availing of PLS loans are required to adhere to conditions concerning the level of rent and income of tenants for a period of 15 to 30 years. For social landlords the conditions continue in place after repayment of the loan. There is a further tier of loans that targets those at the higher income range of the intermediate rental category (Prêt locatif intermédiaire, PLI); those with incomes of up to 180 per cent of the income ceiling for standard social housing are eligible for housing financed with these loans; no subsidies or fiscal benefits are provided (Haffner *et al.*, 2009).

6.2 Rents

Rents are based on costs net of subsidies received. Since social housing for lower income people gets higher subsidies, this means that rents are, to a degree, related both to income of tenants and costs. The rent level that covers expenses (net of subsidies) is referred to as the 'equilibrium rent', a concept similar to that of cost rent. There are legal limits on the maximum rents that can be charged in social housing; these vary according to the schemes (PLUS etc.) outlined above. If the equilibrium rent exceeds the maximum permitted rent then the social-housing providers have to address this in some way. They may seek additional financial support, they may invest some of their own funds or they may cross-subsidise the new investment using other income.

The State makes recommendations on annual rent increases for social rents. These are not binding. However rents cannot exceed the maximum rent permitted in the financial agreements (such as PLUS) by which the dwelling has been financed. These maximum rents are reviewed annually on the basis of construction costs (Haffner *et al*., 2009).

Both private and social tenants are eligible for individual housing allowances. In 2009 almost half of the tenants in the social rental sector received housing allowances. The average housing allowance payment was €215 per month while the average rent paid by recipients was €335 per month[4].

6.3 Case Study from France

The following is an example of the financing of a typical or average social-housing project in France in 2010 based on national average statistics. The project is financed by a PLUS loan. The average cost per dwelling (including land costs) was €140,800 while the average size was 70 square meters (m^2). The sources of finance for an average project were as follows:

- Capital subsidies: 10 per cent;
- Bank loans: 75 per cent; and
- Funds of social-housing provider: 15 per cent.

The subsidies provided comprised a state subsidy, a local authority subsidy and one from a fund that collects a small percentage from employee wage bills. A subsidy for land purchase is included. The bank loan is from the CDC for a 40-year term (50 for the land) with an average long-term interest rate of 3.35 per cent.

The different types of support provided are estimated to have a total value of €57,900 (see Table 8). The average monthly rent is €6.80 per m^2 or €476 for the average $70m^2$ dwelling.

---

4 The average amount of rent supplement per household paid in Ireland in 2009 was €457 per month.

Table 8: Public Incentives and Subsidies in Average French Social-Housing Development

	€ per dwelling
Application of reduced VAT rate	€16,600
Subsidies	€14,200
Exemption from land tax (25 years)	€10,300
Lower interest rate on CDC loan	€14,700
Free loan guarantee	€2,100
Total subsidies/incentives	**€57,900**

Source: CECODHAS (2013).

7. England

Social housing in England represents 17 per cent of the total housing stock and 54 per cent of the rental stock. Over half (57 per cent) of total social housing is provided by housing associations while the vast majority of new social-housing development is by associations. Private for-profit developers can avail of funding for social housing in some funding schemes.

7.1 Financing

Housing associations develop new social housing using three sources of funding: government grants, private borrowing and their own reserves. In the period up to 2007, social housing was typically financing through a combination of grants, private debt and cross-subsidies from the sale of shared ownership homes. With the onset of the financial crisis, the grant contribution was temporarily increased from between 35 and 45 per cent to between 45 and 60 per cent with the balance being financed by borrowing. Subsequently the grant share has been cut significantly to 14 per cent under the current Affordable Homes Programme 2011-2015. Associations can compensate for the lower grant levels by charging higher rents. Rents in this programme can be set at a level of up to 80 per cent of market rent. This is termed ‘affordable rent’; it is the predominant form in which new social housing is now being provided in England.

The UK has a well developed system of bond financing for housing. The largest associations issue their own bonds. Other associations can access bond finance through the Housing Finance Corporation (HFC), a private not-for-profit organisation. The HFC acts as a bond ‘aggregator’; this means combining the need for bond finance of several associations and issuing a single bond. It then lends on this money immediately to housing associations on similar interest and repayment terms. This makes it possible for associations to avail of finance on more attractive terms than would be available from banks. Bonds are typically issued for 25 years. The interest rates on UK housing bonds are higher than UK government bonds but lower than bank borrowing. Until recently housing bonds were issued without any government guarantee but a government guarantee has recently been introduced in order to reduce funding costs. The HFC is now in a position to issue government guaranteed debt through a subsidiary. According to a survey of the 160 largest housing associations reported by CECODHAS (2013) (before the guarantee), the average cost of funds in England was 4.6 per cent.

7.2 Rents

Rents in existing social housing are generally around 40 to 60 per cent of market rent; this proportion is lower in high demand areas such as London. Rents are based on a formula that takes account of property values and manual local wages. Higher rents can be charged (up to 80 per cent of market rent) in the new 'affordable rent' model of social housing introduced from 2011 as noted above. Social-housing tenants in England generally have lifetime tenancies. However, a feature of the affordable rent model is that social-housing providers have the option of providing shorter tenancies.

Housing benefit is a major feature of the UK's housing system. It was claimed by around five million households in 2012. This comprised 3.4 million households in social housing and 1.6 million in the private rented sector. Total expenditure for 2012/13 was in excess of €23 billion. The introduction of higher social-housing rents in recent years reinforces the significance of housing benefit. Housing benefit is available to people on low incomes with savings below £16,000.

7.3 Planning agreements (Section 106)

An important support for social housing in the UK is the use of planning agreements (known as Section 106 agreements). These are legally-binding agreements that require developers to make contributions linked to the granting of planning permission. Examples of such contributions include funding of school places, public transport or health facilities. Of interest here is that a significant form of contribution is the provision of social or affordable housing at a discount to the full market price; in this respect Section 106 is similar to Ireland's Part V. Where developers offer social housing through these agreements, in most cases the property is bought by housing associations. In 2010, 56 per cent of all new affordable housing in the UK was provided through this mechanism (Savills, 2013). In the UK, 'affordable housing' is used as an umbrella term to encompass housing for social rent, affordable rent, home ownership at below market price as well as shared ownership.

The delivery of Section 106 homes is falling behind targets at present. The targets are high however so the contribution may still be significant[5].

7.4 Case Study from England

This case study in CECODHAS (2013) is of a mixed development that included 29 social rented flats. It was completed in May 2010 in central London. The social-housing element of the development was required under a Section 106 agreement. The social-housing units were acquired by a housing association from the developer.

The purchase price per completed social dwelling in this development was just over €253,000 per unit. The Section 106 agreement meant that the price of the dwellings was well below the market value; the open market value of these dwellings was €306,000 higher than the price paid. This means that Section 106 made it possible to purchase the units at approximately 45 per cent of the market price.

The housing association financed the purchase of the dwellings with a combination of capital grants (65 per cent) and loans (35 per cent). The high level of capital grants reflected the temporary increase in these grants that had been introduced following the financial crisis. The level of grants that is now typically provided for social housing is much lower (14 per cent).

The average monthly rent for these social-housing units was approximately €575 per month. This was just one fifth of the typical monthly rent for this area.

8. Comparisons with Ireland and Possible Implications

There are significant differences in how social housing in Ireland is financed compared to other European counties. A feature of social housing in other European countries is that the major social-housing providers are not classified within the general government sector, as defined by Eurostat and applied in EU fiscal policy rules. This means that their borrowing does not add to the general government deficit. This applies both to voluntary providers such as the LPHAs in Austria and government-owned providers such as the municipal housing companies in Sweden or council housing in the UK. By contrast, Ireland's largest providers of social housing are classified in the general government sector so that borrowing for local-authority housing adds to the deficit and debt. The key reason for the difference in classification is that social-housing providers elsewhere have higher rental income compared to the rents set in local authority housing in Ireland and the higher rental income underpins borrowing to provide new social housing.

5 For example, the deputy mayor of London is reported in the *Guardian* on this issue as stating that '15 or 20 per cent of something is better than nothing' (18 September 2013).

Until recently, new social housing in Ireland was financed with 100 per cent capital grants. This method of finance was adopted in conjunction with the relatively low, income-related rents paid by social-housing tenants. Ireland's traditional model of 100 per cent capital grants for social housing is not now used by any of the countries in the CECODHAS study; it was used earlier in the UK. There is one advantage to the provision of 100 per cent capital grants. Typically the state is in a position to borrow at the lowest cost so that funds raised by the state and provided as grants to social-housing providers will usually represent the lowest cost finance that can be used for social housing. Other European countries use a mix of sources to finance social housing including their own funds, bank loans, government loans and in some cases government grants.

In recent years in Ireland a different model has been introduced for the financing of new social housing by housing associations involving the use of loan finance. Housing associations in Ireland can now avail of low interest government loans that cover up to 30 per cent of the cost; this is known as a Capital Advance Leasing Facility (CALF) loan. They are expected to raise the larger part of the finance needed from either the Housing Finance Agency or a bank; money borrowed in this way is not part of the government deficit[6]. The housing associations also use some of their own funds to cover a share of the cost of new social housing. The use of a combination of funding sources primarily involving loan finance is a similarity between this model and the approach used elsewhere. However, the approach used in Ireland is still different in other respects. The rents paid by social-housing tenants in Ireland continue to be lower than elsewhere. In order to service the borrowings undertaken, housing associations in Ireland receive an ongoing subsidy at a level of 92 per cent of the market rent. The combination of rents paid by tenants and the ongoing subsidy means that housing associations can expect to be paid slightly more than 100 per cent of the market rent. This level of high ongoing subsidy is not a feature of the social-housing models in other European countries discussed above although lower income social-housing tenants elsewhere do receive housing benefits to help in paying their rent.

Ireland's current model of social-housing provision is now under considerable pressure. New provision of local authority housing depends on government capital funding and this is only available to a very limited extent at present. This constraint has led to an increased focus on housing associations for new social-housing provision as well as increased reliance on the private rental sector. However significant challenges arise in both of these channels as well.

An attractive feature of the provision of social housing in several European countries is the ability to achieve moderate rent levels in social housing through the provision of a modest level of subsidy. Rents are frequently based on costs as discussed above. The fact that the level of subsidisation is lower than in Ireland facilitates having a larger social-housing sector that can provide for a larger share of the population. In addition cost-related rents can provide an income stream that

---

[6] The CALF loan is a government loan so adds to the government deficit.

can be used to raise finance by social-housing providers so that they become less dependent on government grants. There may be scope for Ireland to benefit from the use of cost-related rents.

One question that arises is to what extent is the ability to achieve a moderate level of rent through the use of modest subsidies dependent on having a mature social-housing sector that can use its income or assets to reduce the rents on new social housing (with higher costs). The presence of an established social-housing sector is helpful in this respect. An extreme case is the Netherlands where there are no general subsidies for the provision of social housing and the social-housing organisations use their own funds to finance a considerable share of new development (20 to 30 per cent); in this case the rents for new social housing are below cost. However, the experiences described above show that this outcome is not always dependent on cross subsidisation. In the case of Austria, providers are required to balance necessary costs and revenue at the level of the individual housing development. Social-housing providers use some of their own funds to contribute to the financing of new development but are allowed to impose a modest charge for these funds.

The potential implications for Ireland of the international experience outlined in this paper are explored in the NESC report on social housing, *Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental*, NESC Report No. 138, 2014. The report shows that there is considerable potential to draw on the experience of social housing in other European countries to address the significant challenges facing social housing in Ireland.

Bibliography

Bibliography

AEDES (2003), *Dutch Social Housing in a Nutshell*, Hilversum: Aedes Vereniging Van Woningcorporaties.

Amann, W. & Mundt, A. (2005), 'The Austrian System of Social Housing Finance'. http://www.iut.nu/FindOutMore/Europe/Austria/Socialhousing_finance_Amman_Mundt.pdf.

Bauer, E. (2014), 'Financing Social Housing in Austria ', Presentation to HFA Seminar, Dublin, 28 February.

CECODHAS (2013), *Study on Financing of Social Housing in Six European Countries*, Final Report, July, Brussels: CECODHAS Eurpoean Social Housing Observatory.

CSO (2012), *Profile 4: The Roof Over Our Heads,* Dublin: Stationery Office.

DECLG (2014), *Social and Affordable Statistics*. http://www.environ.ie/en/Publications/StatisticsandRegularPublications/HousingStatistics/, 13/05/14.

Garnier, S. (2009), 'Financing of Dutch Social Housing', in Proceedings of CECODHAS Seminar; *Financing Social Housing After the Economic Crisis,* 10 September, Brussels: CECODHAS European Social Housing Observatory.

Garnier, S. (2014), 'Regulation, Its Evolution and Impact on Access to Funding - the Dutch Experience', Presentation to HFA Seminar, Dublin, 28 February.

Haffner, M., Hoekstra, J., Oxley, M. & van der Heijden, H. (2009), *Bridging the Gap Between Social and Market Rented Housing in Six European Countries?,* Amsterdam: IOS Press BV.

Hoekstra, J. (2009), 'Two Types of Rental System? An Exploratory Empirical Test of Kemeny's Rental System Typology', *Urban Studies,* 46(1): 45-62.

Kemeny, J. (1995), *From Public Housing to the Social Market: Rental Policy Strategies in Comparative Perspective,* London: Routledge.

Kemeny, J., Kersloot, J. & Thalmann, P. (2005), 'Non-profit Housing Influencing, Leading and Dominating the Unitary Rental Market: Three Case Studies', *Housing Studies,* 20(6): 855-872.

Kratschmann, A. (2012), 'Appendix 3: Housing and Limited Profit Sector Housing Finance in Austria' in Badenhorst, A. (Ed.) *Housing Supply Bonds—a Suitable Instrument to Channel Investment Towards Affordable Housing in Australia?,* AHURI Final Report; no.188. Melbourne: Australian Housing and Urban Research Institute.

Ludl, H. (2007), *Limited-Profit Housing Associations in Austria*, Wien: Atelier Stocker.

Maclennan, D. & More, A. (1997), 'The Future of Social Housing; Key Economic Questions', *Housing Studies,* 12(4): 531-547.

Madec, P. (2013), ‘Livret A Accounts: Drowning in Criticism’. http://www.ofce.sciences-po.fr/blog/livret-a-accounts-drowning-in-criticism/.

Mundt, A. & Amann, W. (2009), 'Indicators of an Integrated Rental Market in Austria', Presentation to the ENHR, *W06—Exploring the Social Content and Meaning of Soical & Affordabel Housing Models in Europe,* Pargue, 28 June–1 July.

Savills (2013), Additionality of Affordable Housing: Final Report. http://www.lqgroup.org.uk/_assets/files/Additionality-Final-Report-(2).pdf.

van der Veer, J. & Schuiling, D. (2013), 'Economic Crisis and Regime Change in Dutch Social Housing: The Case of Amsterdam', Presentation to the RC43, "At Home with the Housing Market", Amsterdam, 10-12 July.

Vandevyvere, W. & Zenthofer, A. (2012), *The Housing Market in the Netherlands*, Economic Papers 457, June, Brussels: European Commission.

National Economic and Social Council Publications

NESC Secretariat Papers

No.	Title	Date
1.	Ireland's Economic Recovery: An Analysis and Exploration	**2011**
2.	Understanding PISA and What It Tells Us About Educational Standards in Ireland	**2012**
3.	Towards a New National Climate Policy: Interim Report of the NESC Secretariat	**2012**
4.	Ireland and the Climate Change Challenge: Connecting 'How Much' with 'How To'. Final Report of the NESC Secretariat	**2012**
5.	Review of Developments in Banking and Finance	**2013**
6.	Employment and Enterprise Policy	**2013**
7.	Greening the Economy: Challenges and Possibilities for Integrating Sustainability into Core Government Policy	**2013**
8.	Activation Policy	**2013**
9.	Consumer Prices	**2013**
10.	Review of Irish Social and Affordable Housing Provision	**2014**
11.	Financing of Social Housing in Selected European Countries	**2014**