

Dutch case

A long and sad story

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(Woonbond)*

The history

- 2005 Complaint EPF: illegal state aid to Dutch housing corporations
- End 2009, decision EC: state aid case E 2/2005
- target group for social housing by an income limit of € 33.000 gross/year per household
- Many discussions in the Netherlands, but government said it was determined by EC

Our objections

1. Social housing policy is a *national competence*, not EU: violation of the principle of subsidiarity
2. There is *no state aid or overcompensation* at all:
 - EU speaks about four forms of state aid (state guarantees borrowing, rationalisation aid, lower ground prices, borrowing BNG-bank)
 - Only the first may be called state aid, but is only theoretical (Vestia)
 - Housing corporations pay profit taxes and there is even a special tax for social housing

Our objections

3. Housing markets are characterized by many *market failures* (scarcity of land, subsidies for home owners, monopoly positions)
4. *The income limit is too low:*
 - No affordable alternatives in several regions
 - Differences in purchasing power (single and multi person's households)
5. *Dutch universal system* of housing provision changed: marginalised system and segregation in neighbourhoods instead of a social mix
6. EU decision caused *more scarcity*: less investment corporations, not balanced by private market investments in affordable social housing since 2011!

Most important

- 650.000 households earn not enough to buy or rent in the private market, and not allowed to rent in the social sector.
- Woonbond Hotline 'Ik wil ook wonen' received 5.000 complaints
- Most problems: key workers, families and elderly persons.
- Despite success of temporary higher income ceiling (€ 41.000) problems still very large: 28% of the lower middle incomes cannot afford a rent above € 700.



Possible solutions

1. *Revise the European decision*: less harmful regulation from Brussels and better for Dutch people and housing market (more investments!)
2. *Better definition SGEI*. Not only “disadvantaged citizens and socially less advantaged groups” but broader, linked to “market failure”
3. *Limits set by Member States* according to their local needs and regional housing market
4. *Difference* between a single household (41.000) and a multi-person households (50.000).