Opinion of the Committee of the Regions Housing and regional policy

(2007/C 146/02)

— Housing is not only about bricks and mortar, but also concerns the areas and communities where we live. Tackling the housing agenda means working towards safer, cleaner, greener areas of our cities and regions where people are able to develop their lives and interactions. Housing issues are also about access to employment, transport and services and creating a high-quality environment. Therefore although housing is not a specific competence of the European Union, many EU policies have a direct or indirect effect on housing issues. This includes policies concerning the urban environment, energy efficiency, renewable energies, noise pollution and health, but also completion of the internal market in services and competition.

— New Member States can use up to 3 % of the allocation of the Operational programmes concerned or 2 % of the total ERDF allocation on housing and the opinion contains practical advice and examples of good practice from across the EU to provide support for this spending. This includes ideas around optimising the physical relationship between landscape and buildings, homes, jobs and local services; energy efficiency and sustainable development; and avoiding ghettoisation in housing areas.

— All Member States can look at the role of training in building sustainable communities. Training local people in the skills needed to improve their housing areas, develop green spaces and improve energy efficiency can provide solutions to neighbourhoods in decline and constitute a new source of employment.
THE COMMITTEE OF THE REGIONS,

HAVING REGARD TO the letter of the European Parliament of 28 September 2006 requesting the Committee of the Regions, in accordance with Article 265 (4) of the Treaty establishing the European Community, to draw up an opinion on Housing and regional policy;

HAVING REGARD TO the decision of its President of 20 November 2006 to instruct its Commission for Territorial Cohesion Policy to draw up an opinion on this subject;

HAVING REGARD TO the draft report of the European Parliament on ‘Housing and regional policy’ (2006/2108(INI)) (rapporteur: Andria, Alfonso (IT/ALDE));

HAVING REGARD TO its Opinion on Cohesion Policy and cities: the urban contribution to growth and jobs in the regions CdR 38/2006 fin;

HAVING REGARD TO the Conclusions of the informal Council of Ministers on sustainable communities. Bristol, 6 and 7 December 2005;

HAVING REGARD TO the Communication of the European Commission on Cohesion policy and cities: the contribution of urban areas and agglomerations to growth and jobs in the regions;

HAVING REGARD TO the Urban Inter-group of the European Parliament Proposal of a European Charter for Housing;

HAVING REGARD TO its draft opinion (CdR 345/2006 rev.1) adopted on 11 December 2006 by its Commission for Territorial Cohesion Policy (rapporteur: Cllr Flo Clucas (UK/ALDE) (Member of Liverpool City Council));

Whereas:

1. The result of the compromise of the Heads of Government on December 2005, in which housing has been designated as eligible cost in Structural Funds only for the New Member states in a limited proportion under the ERDF regulation (article 7.2): 3 % of the allocation of the Operational programmes concerned or 2 % of the total ERDF allocation. Expenditure is also limited to multi-family housing and social housing and has to take place in the framework of urban development programmes. New instruments created under structural funds by cooperation between the Commission and the EIB as JESSICA which will allow for financing projects in a wider framework of urban development;

2. the fact that housing is not a specific competence of the European Union, but many policies have a direct or indirect effect on housing issues. In particular this includes policies concerning the urban environment, energy efficiency, renewable energies, noise pollution and health, but also completion of the internal market in services and competition;

3. local and regional authorities in the European Union are generally responsible for housing issues in their areas, and urban settings provide the greatest challenge on housing issues;

4. access to decent housing is a key condition to maintaining social and territorial cohesion within the European Union. Therefore, there is a strong link between housing and the Lisbon Agenda. Decent housing is fundamental to the competitiveness of regions. Without sufficient good-quality housing, regions cannot attract and retain workers, resulting in economic decline.

adopted the following opinion at its 68th plenary session, held on 13 and 14 February 2007 (meeting of 13 February):
Views of the Committee of the Regions

1. Housing is one of the key factors in combating social exclusion and unemployment, making our towns, cities, rural areas and regions better places in which to live and work, encouraging harmony within and between communities and also in working to meet sustainable development goals.

2. Many regions and cities of the European Union are going through, or need to go through, a process of renewal in areas where there is poor quality housing, housing market failure, compounded by a decline in the economic base, deterioration of the physical fabric and provision of social infrastructure (education, health and community relations) in their neighbourhoods.

3. Housing is not only about bricks and mortar, but also concerns the areas and communities where we live. Tackling the housing agenda means working towards safer, cleaner, greener areas of our cities and regions where people are able to develop their lives and interactions. Housing issues are also about access to employment, transport and services and creating a high-quality environment. This is the ‘sustainable communities’ agenda. There are two dimensions to this agenda that need to be addressed: territorial and social.

1. Territorial Dimension of Housing

1.1 There is a legacy of inadequate housing and excluded communities as a result of decades of neglect in many of the old, and particularly in the new, Member States of the EU. Lack of investment in housing has, in those cases, led to ghettoisation of poorer, excluded communities, leading to disaffection and occasionally resulting in social unrest and violence, as has been seen recently in some Member States.

1.2 Urban planning is an essential foundation of future strategies and it is important to align housing strategies with the spatial strategies of regions. Old Member States have experienced both successes and failures in this area, in seeking to combat urban sprawl and traffic congestion in favour of more attractive, liveable cities, supporting and creating a sense of place at a local/neighbourhood level. New Member States need to take into account these experiences to avoid making similar mistakes.

1.3 Neighbourhood renewal action will vary according to local circumstances, but should be holistic and include measures to improve education, health and other public services, enhancing training, employment and economic opportunities, introducing proactive neighbourhood management, tackling anti-social behaviour, improving environmental quality and design, and ensuring good public transport services. [See Annex, example 4]

1.4 Priority needs to be given to re-use of derelict sites, reclamation of Brownfield land to maintain more compact cities and prevent urban sprawl and encroachment into rural communities. This is often more expensive in the short term but there are long term benefits in community cohesion, reuse of resources and employment. Infrastructure subsidies and incentives at a local and regional level are good tools to promote this over new-build/Greenfield development.

1.5 Priority also needs to be given to the regeneration, maintenance and improvement of historical housing stock, through measures to support renovation and reconstruction, and to settling young people in historical town centres and in coastal and inland rural centres which have been abandoned or have ageing populations.

1.6 Setting up Public Private Partnerships (PPPs) to exploit derelict areas and provide a means to rehabilitate run down multi-occupancy accommodation can change not only the physical presence of such properties, but can enable neighbourhoods to become more attractive places in which to live and work.

1.7 Compact neighbourhoods, with housing which is designed to a high quality and of mixed tenure and size, have a density of development and population which will be able to support integrated services, shops and transport, ensuring their economic viability. Housing supply must also be linked to provision of public services and attention paid to maintaining optimum population levels in order to be able to sustain essential services. At a time of urban renewal in housing, maintaining populations can be difficult and services suffer as a result. Member States should recognise the importance of continuation of services at a time of substantial change within a community.

1.8 A holistic view to planning is needed in order to understand the physical relationship between landscape and buildings, homes, jobs and local services. Projects need to fit well together and with the space which surrounds them. When renovating housing, or creating new housing, regions and local authorities need to take into account issues such as design, in order to both ‘design out’ crime and create quality areas, sustainable development and heritage, alongside the needs and aspirations of their local communities and the wider impact on cohesion.
1.9 Appreciation of a neighbourhood's history and heritage can be a key factor in attracting investors and residents. Utilising, rather than masking, a rich industrial or urban heritage can be a driver for recovery and change, creating desirable places to live with a strong identity to develop pride in the community. Therefore decisions on what to retain, refurbish or demolish should not occur until the physical, environmental, social and economic factors are considered.

1.10 Social Enterprises, including Housing Associations, occupy an important place in housing renewal in some Member States. They are able to provide stability and address issues of integration and accessibility of suburbs as well as giving support to communities under stress. Housing Associations as social housing providers have flexibility and a direct relationship to communities which can enable them to provide solutions to problems which fit the needs of the inhabitants. They are also employment creators and can work to attract public and private support for projects. [See Annex, example 1 & 2]

1.11 With climate change an increasing concern for government, energy efficient design of homes, providing affordable warmth, and thus tackling fuel poverty, are all important in the design of future housing. However, tackling poor insulation in older properties is also vital and can both provide employment and ensure energy conservation. One of the contributing factors driving many low demand areas is the poor quality of the built environment, of which housing is one component. When putting in place housing infrastructure planners need to consider environmentally sustainable options from the beginning. For example, installing geo-thermal heating facilities for water is not only energy efficient but will reduce heating costs. Avoiding waste in energy is essential for the EU to meet the objectives of the Kyoto Protocol. This question should be taken into account when undertaking urban renewal processes and housing interventions, especially in the framework of the EU Directive on Energy Efficiency of Buildings.

1.12 Housing design within neighbourhoods must consider how the spaces between houses will be used and how public spaces can assist in the interaction between people. For example streets need to be built for people and not just seen as thoroughfares for cars. ‘Home zones’, where cars are secondary to the needs of pedestrians and residents is one example of spatial interaction. Utilising intermediate labour market schemes and horticultural training in such areas can change physical perception of an area, enhance the sense of well being of local residents and change under used land into more productive green space.

1.13 Planning neighbourhoods can already encourage people to adopt sustainable and healthy lifestyles, for example services and facilities at walking distance from homes, centres for recycling, parks and play areas and good access to public transport.

1.14 It is crucial on this front to communicate with the public and to involve them from the very outset of a redevelopment project in order to actively involve them in the process and to link the physical regeneration of the area with a regeneration of community spirit and social inclusion and solidarity. Above all, regeneration measures must benefit residents, and must not result in socially disadvantaged residents being driven out.

1.15 Training local people in the skills needed to improve their housing areas, develop green spaces and improve energy efficiency can provide solutions to the double problems of unemployment and disaffection, where neighbourhoods are in decline. [See Annex, example 5]

1.16 Often the focus of PPPs is on public infrastructure projects such as transport, waste management and utilities provision. Although the value of PPPs in urban regeneration has been recognised by some organisations, it could be developed further. A pre-requisite for this would be clarification of the Community legal framework regarding PPPs, since at the moment there is some uncertainty about the definition of ‘in-house’ entities, the classification of certain joint activities relating to social housing as PPPs and the classification of some low-cost housing bodies as institutionalised PPPs.

1.17 In varying degrees across Europe, urban regeneration poses a major challenge to city authorities and requires significant investment, whether financial, creative or managerial. Many cities are no longer able to meet these investment challenges on their own, whether this is because of shortages of public money, limited professional skill pools or simply because the associated risks are too great, or simply because there are legal restrictions (on taking out loans).

1.18 PPPs can assist here not only in providing access to additional capital finance, but also in helping to find the best solutions to bring each side of the partnership away from its purely traditional stakeholding role. The complimentary skills of private partners can offer project management and organisational simplicity to projects. Community organisations that are more flexible than formal municipal structures, close to informal networks and represent long-term interests of the local community can help provide efficiency and also help ensure public acceptance and support. Projects can therefore be delivered more rapidly and with greater long term sustainability.
1.19 However there is a risk that the entry of private financing can lead to an artificial inflation of prices in the housing market. This can have many adverse effects. Local communities can find themselves priced out of home ownership, thus forcing the break-up of communities with people having to move away from their local areas, families and support networks. This is where social housing can and should play a vital role. Social housing can reduce the impact of such inflation, and further provision can be made for local communities through shared ownership schemes, and the availability of low cost mortgages. These can retain existing residents, attract new residents to an area under stress, and provide a new economic stimulus for the local economy.

2. Social Dimension of Housing

General Measures in favour of access to housing for population

2.1 To assist the general population in accessing housing, efforts need to be made to have an adequate supply of homes for rent, encourage and assist people to become home owners and help them be able to maintain the physical fabric of their homes. Assistance can come in the form of reduction of administrative costs, maintaining low interest rates and tax incentives for certain groups, as well as facilities to access banking products. Incentives such as subsidies to maintain the facades of buildings and ‘green’ the front of buildings can also help in developing housing standards. [See Annex, examples 4, 5 and 6]

Measures for specific sectors of population

2.2 Building integrated communities across social, racial and faith divides, can often be met by meeting the housing needs and aspirations of different parts of the community. This can be in the form of mixed tenure possibilities, including shared ownership of housing and different sized housing allowing for extended family or single residence. The value of land can be used as a tool to create such low cost options, where the municipality is prepared to use its land holding for that purpose. The needs of faith groups, for example the requirement for running water for ritual washing, should also be taken into account when building new homes or allocating homes. Accessible, lifetime homes can also be important for disabled and older workers.

2.3 Citizens’ housing choices may contribute to the concentration of people from ethnic background in particular localities. This is not in itself a problem, and there are many examples of successful communities with high concentrations of residents from one ethnic background. But it is unfortunate that in some areas, a variety of black and minority ethnic communities are concentrated in poor quality private housing and impoverished members of the white community on social housing estates. Lack of interaction, partly as a result of physical segregation, may lead to fear and mistrust, multiplied as segregated housing leads to segregated schooling and leisure activities.

2.4 The pattern of economic and social disadvantage facing many minority or excluded communities means that many ‘mainstream’ regeneration strategies and programmes aim to tackle these problems as part of broad-based packages of interventions. Housing action must play a part within these programmes, and should also be included as part of broader consideration of the impact of intervention and investment in delivering successful regeneration.

2.5 It is important that housing areas reflect the culture of the communities who live there. Local landmarks such as community centres, places for religious worship, local markets or specialist shops are important for building communities. Organisations such as Habitat for Humanity can provide mechanisms for creating new housing that is open to all, but particularly those who have a religious objection to debt or mortgages, offering a way of realising home ownership by non traditional means.

2.6 Demographic change and workers mobility in the EU are both factors which have an effect on housing needs and demands. In some cities and regions more houses are left empty as populations have moved to find employment in other regions, with the consequent drop in population. New complications facing many member states are the phenomenon of older parents having families later in life with fewer children being born, and older people living longer, which results in a demand for more single-person living accommodation. Regions need to be aware of both demographic challenges and the effects of immigration and migration of workers, and adjust their housing strategies accordingly.

3. The Committee of the Regions recommends

3.1 The European Parliament to continue the debate launched with his initiative report (1), and incorporate into the report the proposal for a European Charter for Housing adopted by the Urban-Housing Intergroup as the EU cannot constantly ignore the concerns of EU citizens regarding housing as a major element in the growth and productivity agenda.

(1) Draft report of the European Parliament on ‘Housing and regional policy’ (2006/2108(INI)) (rapporteur: Andria, Alfonso (IT/ALDE)).
3.2 That there is a recognition of the role housing plays in supporting social and economic growth. Decent housing within sustainable communities, contributing to a high quality environment are places where people want to live. Attracting people will attract investment and encourage sustainable economic growth.

3.3 The use of the JESSICA instrument for housing in the New Member states as a tool capable of complementing other ERDF initiatives for urban renewal and urban development. In this regard, the CoR recommends integrating housing in the sustainable urban development strategies that can be financed by JESSICA. The use of financial engineering can be very useful in the implementation of effective housing policies, particularly micro-credits for housing renewal and refurbishment which can be assisted through the JEREMIE initiative.

3.4 The New Member States to increase the financial resources at the disposal of local authorities in order to effectively deal with the problems of sustainable urban development and housing, press ahead with national housing strategies (programmes) to promote the construction of local authority and social housing, and to make investment available for the development of infrastructure.

3.5 That priority needs to be given to re-use of derelict sites, reclamation of Brownfield land to maintain more compact cities and prevent urban sprawl and encroachment into rural communities.

3.6 That the public be involved in urban renewal projects, especially in the redevelopment of run-down neighbourhoods where both community spirit and relations and integration between inhabitants need to be re-established. The experiences of EU-funded projects (such as INTERREG IIIC POSEIDON) should be made accessible to the Member States and taken into account in this process.

3.7 That all Member States look at the role of training in building sustainable communities. Training local people in the skills needed to improve their housing areas, develop green spaces and improve energy efficiency can provide solutions to neighbourhoods in decline and constitute a new source of employment.

3.8 The CoR recalls with the conclusions of the Bristol informal Council on sustainable communities that it is necessary to increase the skills and the knowledge base of urban planners. In this respect, it calls on the Commission to take further initiatives, in particular in the field of cooperation and the transfer of good practice and calls for a European network to be set up to capitalise on and share good practice in the use of intelligent energy in housing, and in energy efficiency education for residents.

3.9 Undertaking a revision of the Directive of the EU on the energy efficiency of buildings and a careful survey of its implementation in the Member States. Energy in housing can be also promoted through EU programs such as Intelligent energy for Europe or the CONCERTO initiative (7th Framework Programme) in the period 2007-2013.

3.10 Focusing primarily on educating the public in saving energy: the remaining demand must be met using renewable energies as a priority. To this end, the CoR recommends channelling more funds into research and awareness-raising in this area.

3.11 Including housing as an important element of any EU urban policy, in view of the Leipzig Informal Council of Ministers in charge of urban affairs that will take place in May 2007.

3.12 That a holistic view to planning is needed in order to optimise the physical relationship between landscape and buildings, homes, jobs and local services. Measures at local, regional and national level must ensure that land is available for social housing in particular, and that it is used for its intended purpose.

3.13 The consideration to the fact that housing supply must be linked to provision of public services and the infrastructure necessary for the provision of public services be put in place when new housing is built. Attention should also be paid to maintaining optimum population levels in order to be able to sustain essential services.

3.14 The role of Housing Associations is recognised as they have both the flexibility and the direct relationship to communities which can enable them to provide solutions to problems which fit the needs of the inhabitants.

3.15 The consideration of the role of housing in the context of demographic change and also in integrating immigrant populations in EU immigration policy, recognising the specific role that regional and local authorities can play in this field.

3.16 The recently created inter-service Task force of the Commission in charge of urban affairs to deal with housing as an important element of urban policies.
3.17 Welcomes the Commission’s recognition, in its communication on social services of general interest, of the role played by social housing in implementing the Treaty’s objectives to strengthen social cohesion and fundamental rights.

3.18 Calls on Member States to simplify and make transparent the administrative procedures concerning housing renewal.

3.19 The use of the URBACT network and the new initiative ‘Regions for economic change’ as a potential tool for the exchange of expertise and best practice between cities and regions of the European Union.

3.20 That the European Union directive on energy efficiency should include the rehabilitation and regeneration of historical housing stock as a priority area for action with the aim of preventing the extension of built-up land, without first making use of all existing inhabitable housing stock, thereby avoiding the local burden of unnecessary new building.


The President
of the Committee of the Regions
Michel DELEBARRE

APPENDIX

LIST OF EXAMPLES OF HOUSING PROJECTS

Consulting Communities

Example 1: Include is the partnership between a Housing Association (CDS), and Liverpool City Council, where neighbourhood management is undertaken by the partnership. Staffs are seconded into the company by both partners, and residents in the partnership area hold regular meeting with the partnership to ensure that the community is consulted on all matters relating to their area. Involving communities in decisions about the areas where they live in this way, can result in empowerment of local people, pride in their areas of residence and sustainable urban renewal.

Example 2: A further example of consultation is the Anfield Regeneration project in Liverpool, where some 19 000 households — public, private and social housing tenures — have been an integral voice in the renewal of their neighbourhood. This is an example of housing renewal and refurbishment stimulating private investment in a run down inner city area. Structural funds will provide funding for training and environmental improvements that will attract some EUR 20m of public sector and EUR 300m of private sector monies to the area.

Innovative Approaches to Housing Market Renewal

Example 3 Merseyside is at the forefront of an innovative approach to housing policy, which places it at the very heart of regional regeneration, as part of the Government’s new Housing Market Renewal Initiative.

As one of nine ‘Pathfinder Areas’ within the UK, Merseyside will now be able to meet the challenge of housing market renewal by accessing the national Housing Market Renewal Fund, which has been allocated £720 million over the next three years. Future funding will be determined through subsequent Government spending reviews.

The Merseyside Pathfinder, New Heartlands, is a partnership spearheaded by three Merseyside local authorities — Liverpool, Sefton and Wirral, together with Local Strategic Partnerships (LSPs), the North West Development Agency and English Partnerships. It covers 130,000 properties in some of Merseyside’s most disadvantaged communities.

Example 4: There is a scheme in Liverpool to encourage people who come to study in an area to stay and work and build roots in the city by offering assistance to access the housing market. (New Heartlands). Similar schemes exist for other young workers and families. For older residents a scheme now exists where accredited ‘handymen’, carry out minor repairs to property at no cost to those on restricted incomes, particularly the elderly.

Example 5: Another scheme worth noting is Athens’ Prosopisi (facades) project, aimed at encouraging owners of flats to renovate and restore their facades using long-term loans facilitated by the council; this scheme has bolstered community spirit and raised the quality of life in the neighbourhood. Originally linked with the Athens 2004 Olympics, the scheme has been extended and is now being promoted by the government nationwide.
Example 6: Italy also has some interesting self-build projects in which the local council makes land available to low- to mid-income families — half of them immigrants from other countries and from different ethnic backgrounds — who take out loans at favourable rates and build their own homes themselves, paying for them by modest monthly instalments.

Example 7: Integration housing project in Vienna. About 30% of people living in Vienna have a migration background (as first- or second-generation migrants, from the former Yugoslavia and Turkey in particular). For the last few years, subsidised housing construction in Vienna (about 6,000 new units per year) has included ‘integration projects’. Usually, the developers are non-profit-making residential construction companies. Support is conditional on at least half of the new housing units being allocated to migrants. Evaluation of such projects indicates that both Austrian-born residents and migrants are very satisfied with them. Integration housing projects therefore significantly help to achieve a social and ethnic mix of residents and avoid conflict.

Integrated approach and regional initiatives

Example 8: Neighbourhoods in crisis in Cataluña. This program is co-funded by the ERDF, the regional Government of Catalonia and the local authorities involved. The objective of the program is to deal with the structural problems of certain deteriorated neighbourhoods detected in the region but mainly old town centres, housing states and unplanned-housing marginal districts. The problems addressed are deficiencies in town planning, weak economic and commercial structure and social problems (ageing, low income levels, low educational levels, decline in the numbers of inhabitants, and high concentrations of groups with special needs).

The tool used has been to articulate a Fund to renovate these districts integrally while fostering cooperation among the authorities involved. An integrated approach has been used, with complementary measures on public and green spaces, renovation of common parts of buildings, provision of amenities for common use, promotion of IT, gender equality and improvement of the accessibility and the environment of the districts.

At the end of the period (2004-2007) it is expected that 60 districts will benefit from support, with a total investment of EUR 800 million.

Skills and Housing Renewal

Examples in Liverpool, Brussels and Harlem in the United States provide good models in such ventures, providing training for those without skills, employment opportunities for the exercise of those skills and a means of rebuilding local economies as a result. Liverpool Housing Action Trust is one such model.

Example 9: ‘Soft urban renewal’ in Vienna. Every year, buildings with some 10,000 flats are renovated and improved, with the help of generous government grants. Flats are thoroughly overhauled to raise housing standards (e.g. by adding bathrooms and linking them to distance heating networks). There is considerable emphasis on involving residents (who are usually tenants). The aim is to substantially improve conditions in both public- and private-sector flats, without driving out existing tenants, who are often socially disadvantaged. The renovation programme in Vienna has been running for about 30 years and is the largest of its kind in Europe. It has already received the UN-Habitat Best Practice Award twice.

Example 10: Construction demands a high level of specific skills. Merseyside in England’s Northwest funded a project in its Objective 1 programme 2000-06 in which Structural Funds have been used to assist in developing the skills needed to build housing for the community. Merseyside Construction Initiative received European funds to train local people, previously unemployed in construction and building skills which has helped meet the employment needs of the city. In some cases people have then worked on the building of homes for their own neighbourhoods.

A number of Intermediate Labour Market initiatives take those who are long term unemployed and give them the opportunity to learn through working, thereby tackling worklessness. The Green Apprentices scheme in Knowsley is one such. Financed in part by Structural Funds, it offers local young people the opportunity to work within their own area, on a graduated skills based programme which can lead to full apprenticeships and qualifications.

National Initiatives

Example 11: The UK Decent Homes Initiative aims by 2010 to bring all social housing into decent condition, which means a home should be warm, weatherproof and have reasonably modern facilities. Most of the improvements are taking place in deprived areas, and also aims to increase the proportion of private housing in decent condition occupied by vulnerable groups.
Since 2001 the number of ‘non-decent’ homes in the social sector has been reduced by over 50 per cent. However the aim is to make all council and housing association housing decent by 2010. It also wants to improve conditions for vulnerable households in privately owned housing, particularly those with children.

**Sustainable urban design and energy efficiency**

Example 12: Following the Second World War, Warsaw (Poland) needed to rebuild its housing stock very quickly to provide for a rapidly growing population. The Natolin Wyzyny Housing Estate is one example of the type of housing estates built. It is characterised by high, multi-storey buildings, a monotonous spatial structure and large areas of open space. Reconstruction and privatisation of the estate started in 1994. Reconstruction measures included adding heat insulation to building facades, modernising heating and plumbing systems and introducing metering systems for individual consumption. A state subsidy of 920 000 ECU was granted to insulate the facades. By 1998, about 60 % of dwellings had been privatised and 90 % of the housing stock renovated or reconstructed. In addition, the functional patterns of buildings were changed to provide a mixed use pattern and create sustainable neighbourhoods rather than the original uniform housing blocks that provided almost no services to residents. Significant new volumes of retail space, shops and office space were created. The reconstruction project has created a more sustainable community that is an attractive place to live in with high standards of energy efficiency. (Source: European Commission).

Example 13: Renovating residential heating systems in Vienna (Thewosan). In order to substantially reduce energy consumption, particularly in housing built during the 1960s, 1970s and 1980s, and thus help to achieve the Kyoto objectives, the City of Vienna is supporting the renovation of residential heating systems. So far heating systems have been renovated in buildings with around 50 000 flats; in most cases, savings in energy consumption amount to over 50 %. These projects are therefore very popular with residents too, as the subsidised low cost of renovation is measured against clear savings in heating costs. Heating renovation in both public and private housing is eligible for support.