

Brussels, December 1963  
P/53/63

INFORMATION MEMO

1. From December 16 to 19, 1963 the EEC Commission held a symposium in Brussels on low-cost housing (requirements). The chair was taken by M. Levi Sandri, a member of the EEC Commission and President of the Social Affairs Group.

The object was to enable the experts present to compare methods and latest results in order to appraise the progress of work and studies in the six Member States on the following aspects of housing policy, which were the three subjects chosen:<sup>(1)</sup>

- (a) Housing requirements: methods of assessment;
- (b) Demand and ability to pay: analysis of factors involved;
- (c) Qualification for tenancy.

2. The symposium was held in pursuance of Article 118, which lays upon the Commission the task of promoting close collaboration in the social field, particularly on matters mentioned in a non-exhaustive list, such as employment, social security, industrial health, etc.

As may be seen from the first general report on the Community's activities, the Commission took up the question of housing as early as 1958.

However, even today the Commission has no financial resources to promote low-cost housing and cannot, therefore, make a direct contribution to the building of workers' dwellings, as the High Authority has done on a large scale.

In the Memorandum on the Community's Action Programme for the second stage (24 October 1962) the Commission moreover mentioned financial co-operation in this matter as one of its aims in the housing field.<sup>(2)</sup> It is continuing its endeavours to devise a formula for

- 
- (1) The names of the rapporteurs for the various subjects were given on pages 8 and 9 of the Information Memo (October 1963) distributed to journalists. Those taking part and guests were listed on page 11 of the same memo.
  - (2) Sec. 82: The Commission believes that special attention should be paid to questions of housing policy. On this last point in particular it feels that opinions, recommendations or proposals must be drawn up concerning -
    - (a) Housing requirements in the Community, particularly low-cost housing;
    - (b) Housing conditions from the standpoint of quality in general, and particularly housing for migrant workers;
    - (c) Improvements in rural living conditions,
    - (d) Financial co-operation among Member States to subsidize housing for workers moving about inside the Community.

.../...

co-operation between the Member States in financing housing for migrant workers. The main difficulty is the danger of creating a sort of "inverted discrimination" against national workers if priority is given to migrants.

On the other hand it should be noted that the most serious difficulties which in several EEC countries have prevented migrant workers' families from joining them stem solely from shortage of dwellings. This illustrates the interdependence of the economic and social aspects of the housing problem and of the various housing markets in a given country whatever the categories concerned.

The symposium organized by the Commission was therefore centred on the housing requirements of the whole population or on demand or, again, on qualification for tenancy without any distinction between workers or persons in low-income categories or other sections of the population.

The first subject (housing requirements: methods of assessment) stems from the need, which was acutely felt in the immediate post-war period, of establishing a balance-sheet of the housing situation after the destruction caused by the war. Although at the beginning of the reconstruction period, when the most important thing was to build, a rough and ready balance-sheet was sufficient, in recent years as shortages became less acute there has been greater need to make it more sophisticated and specific, with a breakdown by region and even by city or locality. Concern that public financial aid should be applied in such a way as to be economically effective and socially rewarding has also led to a demand for more exact calculations and more thorough preliminary studies.

This subject presents a difficulty: in assessing requirements we come up against the problem of standards. In other words any such assessment implicitly or explicitly presupposes a definition of a normal dwelling and therefore of housing unfit for habitation and of slums. In the same way it implies a criterion of what is considered a normal number of persons per dwelling unit or again a criterion of overcrowding.

Moreover, various facts must be studied before all the problems posed by this subject can be coped with: the rate at which existing dwellings are falling out of use (demolished or completely abandoned as too old), trend of population and of family size, numbers of heads of families, and desire to live independently (and more precisely the trend of numbers per dwelling unit in town and country), external and internal migration (rate of urbanization, expanding and decaying areas), trend of the size of dwellings in relation to the size of families.

The second subject (demand and ability to pay) has to be distinguished from the previous one, but is in many respects closely connected with it, if only because it calls for the same basic data concerning population and housing resources. These studies of demand should make

.../...

it possible to foresee the consequences of housing policy, particularly if restrictions are lifted and rent control gradually abolished, as has tended to be the case recently in most Community countries.

As regards the third subject, qualification for tenancy, it should be noted that a common feature of housing policy in the six countries is the progressive liberalization of the housing market (or markets): the gradual abolition of restrictions, and particularly total or partial unfreezing of rents.

As this liberalization policy will result - and has indeed already resulted - in an appreciable rise in the index of rents (considerably greater than that of the general consumer price index) it is highly important to maintain or even tighten up qualifications for tenancy so as to improve their effectiveness from the social standpoint.

In order to determine approximately the concept of low-cost housing it is sufficient to consider:

- (a) Housing owned by public utilities or non-profit-making bodies subsidized from public funds;
- (b) Housing owned by public, semi-public or private enterprises (employers) and reserved for their personnel.

Among the qualifications for this type of dwelling should be mentioned:

- (a) The financial situation of applicants. This is the most important criterion and the one which gives rise to the greatest number of problems;
- (b) Inadequacy of applicant's present accommodation;
- (c) Composition of the family;
- (d) Distance between residence and place of work (actual distance or duration of journey);
- (e) Length of residence in the area or commune;
- (f) Length of service in the enterprise;
- (g) Nationality.

### 3. Data on housing problems in the six Community countries

The total number of dwelling units completed in 1962 in the Community was slightly higher than in 1961, when it was the same as in 1959. But, as the following table shows, all the countries except Italy have dropped back in relation to 1959.

.../...

Country	Dwelling units completed (1959-1962)		(in thousands)	
	1959	1960	1961	1962(+)
Germany (FR) (including the Saar)	565.3	550.9	543.4	543.0
France	320.4	316.6	316.0	306.9
Italy	292.8	290.6	313.4	359.4
Netherlands	83.6	83.8	82.7	78.4
Belgium	48.2	52.7	53.2	(45 - 49)
<b>Total</b>	<b>1 310.3</b>	<b>1 294.6</b>	<b>1 308.7</b>	<b>1 332.7</b>

(+) provisional or partly estimated.

This stability of the annual rate of building should be compared with the upsurge of industrial production (3).

A fall - appreciable in some countries - may be noted in the building of low-cost housing in relation to housing construction as a whole.

Low-cost housing (in thousands)<sup>(a)</sup>

	<u>Germany</u>	<u>France</u>	<u>Italy</u> <sup>(b)</sup>	<u>Netherlands</u> <sup>(b)</sup>	<u>Belgium</u>
1959	280	174	-	45	2.7
1960	-	-	49	-	-
1962	200	175	21	27	2.3

(a) figures are lacking for Luxembourg.

(b) only INA CASA.

Total expenditure on low-cost housing declined slightly in the six countries as a whole between 1958 and 1962.

It will be noted that the general consumer price index in EEC went up between 1958 and 1962 at a much less appreciable rate than the index of rents.

(3) Taking 1958 as 100, the general index of industrial production (excluding building and food, beverages and tobacco) stood as follows in 1962: Germany 135; France 129; Italy 159; Netherlands 134; Belgium 123; Luxembourg 112; EEC 137 (General Statistical Bulletin, Statistical Office of the European Communities - 1963, No.4).

General consumer price index (1958 = 100)

	<u>Germany</u>	<u>France</u>	<u>Italy</u>	<u>Netherlands</u>	<u>Belgium</u> <sup>(c)</sup>	<u>Luxembourg</u> <sup>(c)</sup>
1958	100	100	100	100	100	100
1959	101	106	100	102	101	100
1960	102	110	102	103	102	101
1961	105	114	104	105	103	101
1962	109	119	109	108	104	102

(c) excluding rents.

General consumer price index: rents<sup>(d)</sup> (1958 = 100)

	<u>Germany</u>	<u>France</u>	<u>Italy</u>	<u>Netherlands</u>
1960	109	133	125	111
1961	118	151	136	114
1962	122	163	149	117

(d) figures are lacking for Belgium and Luxembourg.