



## **Housing Europe contribution to the public consultation on the proposed revised De Minimis Regulation**

**Date: 30/05/2023**

Housing Europe, is the European Federation of Social, Cooperation and Public Housing. Social, Cooperative and Public Housing providers have a vision of a Europe which provides access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where everyone is enabled to reach their full potential.

Therefore, they do not just provide affordable homes but a number of other services such as:

- Domiciliary care and support services for residents with specific needs
- Additional services for tenants (kindergardens, community centres, employment and training services, financial advice)
- Neighbourhood services
- Management of other types of 'sheltered' accommodation
- Urban development and urban regeneration
- Environmental services

While their core activities (building, maintaining and renovating affordable homes) benefit from support from the different levels of government (see for instance this : <https://www.housingeurope.eu/resource-1124/the-financing-of-renovation-in-the-social-housing-sector> and chapter 2 of this report : [https://unece.org/sites/default/files/2021-10/Housing2030%20study\\_E\\_web.pdf](https://unece.org/sites/default/files/2021-10/Housing2030%20study_E_web.pdf)), these "other services" are also essential to fulfil their missions. However the funding for these activities usually do not come from the same streams and yet would require better support in the future.

Only looking at the social dimension, after 2 years of COVID related social impacts for the residents of social, cooperative and public housing (increase of domestic violence, reduction of income for those whose jobs were impacted by restriction measures, mental health problems for the youth, etc<sup>1</sup>), new social challenges emerge: increased housing exclusion, increased migration flows (including from Ukraine)<sup>2</sup>, as well as the ageing and even shrinking of the population in some European regions.

We therefore support the proposal of the European Commission to increase the de minimis threshold. However, we consider that 650 000€ is still too low to allow social, cooperative and public housing providers to fully fulfil their mission and call for an increase up to 1 000 000 € for the following reasons:

- Firstly, it is essential to increase the threshold to 1 million € in view of the current and predicted inflation trend. The European economy will face enormous challenges in the coming years, in particular due to the consequences of the COVID-19 pandemic and Russia's military attack on Ukraine, and the resulting energy crisis.

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<sup>1</sup> See for instance <https://www.oecd.org/fr/social/covid-19.htm>

<sup>2</sup> <https://ec.europa.eu/eurostat/documents/7870049/14760013/KS-01-22-123-EN-N.pdf/283e6304-acb8-cde1-a09c-6f7a55e7241a?t=1655230090489>

- The EU's climate objectives demand significantly more from the member states and the economy. The EU must provide more support accordingly. A slight increase in the de minimis ceiling from 500,000 euros to 650,000 euros will not be sufficient in this respect. Affordable housing companies should be allowed to lever loans using the small amounts of grants in order to meet the increased costs of renovations<sup>3</sup>.
- Small amounts of state aids as part of SGEI are essential to finance projects related to social cohesion, protection of biodiversity, cultural integration. This is also important when integrated district renovations are carried out<sup>4</sup>. Small amounts of state aids can make a real difference in terms of the quality of urban regeneration projects, which too often do not sufficiently tackle the human/social dimensions.

Being supported by small amounts of state aids without notification is key for social, cooperative, and public housing providers so that they can fulfil their mission as Services of General Economic Interest. This mission has become more challenging because of the increased demand for affordable housing as well as evolving housing needs. It is also more challenging because of the social and environmental imperatives that they have to tackle. We call the European Commission to be more ambitious in providing for the necessary framework for them which is very complementary to a modernisation of the 2012 Decision on state aid for SGEI.

## **About Housing Europe**

Housing Europe is the European Federation of Public, Cooperative & Social Housing. Since 1988 it's a network of 46 national & regional federations gathering 43.000 housing providers in 25 countries. Together they manage around 25 million homes, about 11% of existing dwellings in Europe.

Housing Europe is united in its vision of a Europe which helps to provide access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where everyone is enabled to reach their full potential.

The European Federation for Public, Cooperative and Social Housing  
**Housing Europe**

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<sup>3</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Construction\\_producer\\_price\\_and\\_construction\\_cost\\_indices\\_overview](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Construction_producer_price_and_construction_cost_indices_overview)

<sup>4</sup> For instance, as part of the affordable housing initiative: <https://shape-affordablehousing.eu/>