

An International Review of Homelessness and Social Housing Policy

Key findings – social housing

- The Netherlands has the largest social rented sector of the countries surveyed (35%), but England shares with France, Sweden, Poland and the Czech Republic a significant social rented sector (15-18%). This contrasts to the very small scale of the sector in the other English-speaking countries and southern Europe (<7%).
- The social rented sector is generally in relative decline, though it has also shrunk dramatically in absolute terms in Germany and Hungary as well as in England as a result of forms of privatisation. Nonetheless, there is strong demand for social rented housing in all of the countries surveyed, much of which reflects unmet housing need.
- Social rented housing is provided by a range of landlord types, including local or public housing authorities (in England, the central European countries and the other English-speaking countries); forms of municipal housing companies (in Sweden and Germany, for example); housing associations (which are the dominant providers in the Netherlands); and private landlords (notably in Germany).
- Social rented housing normally provides security of tenure, the main exception being two Australian states which offer fixed-term tenancies.
- England is unusual in not restricting eligibility for social rented housing by income – in the survey Sweden was the only other country not to impose a maximum income. However, the maximum income is set high enough to permit income mixing in some countries including France and Germany, while it is set at much lower levels in the US and Australia.

homelessness

- Allocations policies are relatively unimportant in countries such as the US where eligibility for social rented housing is tightly defined. In Australia and Canada more than half of allocations are made to households including people with special needs. The needs-based allocations system in England ensures that it is generally low-income households who are housed in the sector despite the absence of a formal means-test.
- In many European countries (including Sweden, France, Poland and the Czech Republic) social rented housing is targeted on households with moderate incomes, while the lowest income and most vulnerable groups are often excluded from mainstream social rented housing. Instead they are frequently diverted to poorer quality, cheaper sub-sectors and which lack full security of tenure.
- England is highly unusual in providing, for some homeless groups, a legally-enforceable right to 'suitable' temporary accommodation which lasts, in most cases, until 'settled' housing becomes available. Legally-enforceable rights to emergency accommodation for homeless people are more common than rights to settled housing, but these are still confined to a minority of countries, all of them in Europe.
- All of the countries surveyed have state-funded programmes to assist homeless people. Municipalities are generally the key strategic players and 'enablers' of homelessness provision, while NGOs are the most common providers of direct assistance.
- West European countries generally offer reintegrative homelessness services as well as emergency provision. All of the English-speaking countries have major federal or national programmes on homelessness, although in the case of the US this is compensating for a very weak mainstream safety net. Among the central European countries, homelessness provision is far more basic and crisis focussed, but things do seem to be improving.

Key findings – homelessness

- Only in Germany and England has there been a reported decline in homelessness in recent years. It has been reported as having been rising in Sweden and parts of Poland and to have been stable in Australia, while trend data is inconclusive in the US. In some countries, including Canada, Czech Republic and Hungary, there is a lack of trend data, but there is a consensus that homelessness has been rising.
- A shortage of affordable rented accommodation is usually identified as the underlying 'structural' cause of homelessness, although in the US and Canada this was accompanied by weak welfare protection and in France and the central European countries by unemployment.
- Relationship breakdown and eviction (mainly due to rent arrears) appear to be the main 'immediate' causes of homelessness, although some countries place emphasis on institutional backgrounds and personal vulnerabilities including addiction and mental health problems.
- The emphasis on prevention in the German, and more recently the English, homelessness strategies is seen as a measure that has played a key role in reducing homelessness.
- Low rates of integration into mainstream housing were reported in Sweden and the three central European countries, while evidence from New York City suggests that the provision of subsidised housing is by far the most successful intervention in promoting the long-term residential stability of formerly homeless families.
- Overall there is suggestive evidence of a link between weak welfare states, low levels of affordable housing and high levels of homelessness. A key benefit of the English (and

wider UK) homelessness legislation, alongside the rules relating to eligibility and 'reasonable preference' in allocation, is that they counter the tendency to exclude the poorest and most vulnerable from the mainstream social rented sector. The downside of this approach is that it comes at the cost of spatial concentration. Similar problems are encountered elsewhere, and the problem is hardest to tackle in the countries, including England, which have high levels of poverty and inequality.

Introduction

This summary presents the findings of an international comparative survey of homelessness and social housing policy commissioned by Communities and Local Government from the Centre for Housing Policy, University of York.

The project was desk-based and the principal method was the circulation of a questionnaire to country experts in each of the 11 countries surveyed (in addition to England).

Clearly the extent and nature of homelessness, the policy responses to it, as well as the role of the social rented sector, depend on wider social and economic systems. For this reason, our selection of countries was drawn from four groups to reflect the role of homelessness and social housing policy within different social and economic systems.

English-speaking countries

Like England (and the wider UK), the **United States (US)**, **Canada** and **Australia** have relatively deregulated labour markets, and also like the UK, the US experienced rapidly rising levels of poverty and inequality in the 1980s and 1990s. Unlike England, Australia, Canada and (especially) the US have small social rented sectors, and in the US the income maintenance federal safety net has been weakened with its conversion into a block grant programme in 1996, which specifies time-limits to eligibility, albeit with some flexibility, to funding under this programme.

West European countries

The **Netherlands** and especially **Sweden** are often held up as exemplars of social democratic countries, with generous and universal social services helping to maintain internationally low levels of poverty and inequality.

France and **Germany** also managed to avoid the large rises in inequality seen in the English-speaking countries, partly through highly regulated labour markets, although the price of this seems to have been relatively high unemployment. Germany has experienced additional social and economic problems arising from unification in 1990. France retains a significant social rented sector (20%), although Germany's has now shrunk to around 7 per cent within the context of possessing the EU's largest private rented sector (over 40%).

Southern Europe

Like its neighbours, **Spain** did not develop a strong welfare state, and instead relied more heavily on labour market regulation and welfare delivered through the extended family, and through charities. Levels of poverty and unemployment are high.

Central European countries

Since the collapse of socialism the transition has involved fundamental changes in countries such as **Poland**, the **Czech Republic** and **Hungary**, with many social and economic institutions having to be created or recreated. Economic transition has brought a degree of social disruption and homelessness has emerged as an issue to be tackled in all three of these countries.

Social rented housing

Size of sector

We identified 'social rented housing' by two essential characteristics, namely that it is normally let at below market rents and is allocated by administrative means, as opposed to price. Social rented housing played an important role in many countries' housing systems, but nowhere is it the sole instrument of housing policy, and in many countries it is a comparatively unimportant part of the housing system.

The English speaking countries in the survey have small social rented sectors – ranging from 3.2 per cent in the US to 7 per cent in Canada. In contrast the Netherlands has the largest social rented sector in Europe (35%), and although many Swedes are reluctant to use the term, their social rented sector is still important (18%) – a similar to proportion to France and England.

Housing policies in the central European countries have followed different directions. Hungary privatised virtually all of its remaining social rented housing and has attained an extraordinarily high level of home ownership, while Poland and the Czech Republic have retained significant social rented or rent-controlled sectors of around 15 per cent.

The social rented sector no longer performs the role of meeting housing shortages to any great extent, and it is usually in slow relative decline due to the low level of new build. However, large absolute (hence also relative) falls in its size have occurred only where policy has aimed to achieve this, either through privatisation (Hungary and England) or where properties pass into the market sector once subsidised loans have been repaid (Germany).

Ownership of social rented housing

Social rented housing is owned by a variety of landlords. The model of local authority ownership is found in each of the transition economies, as well as in England. Municipal housing companies own virtually all of the social housing in Sweden and their boards are usually appointed by local authorities. Public housing authorities are the traditional form of social housing in the English speaking countries, although they are by no means the only providers. The French social rented sector is made up mostly of public corporations which are a weaker form of municipal housing company or public housing authority, in that the boards represent a broader range of interests.

Housing associations are the dominant providers of social rented housing in the Netherlands, while private landlords or developers are providers in several countries, notably Germany.

Demand

In all of the countries surveyed there was evidence of strong demand for social rented housing at the national level, although low demand is a problem in some areas. Moreover, there is compelling evidence that much of the excess demand for social rented housing reflects genuine underlying housing need that is not being met by the market.

Security of tenure

Social rented housing normally provides security of tenure – that is, the lease is not time-limited and may be terminated by the landlord only on specified grounds such as rent arrears. The main exception is in two Australian states which offer fixed-term tenancies. These are different from 'introductory' tenancies in England because, while they may be renewed, they do not become indefinite leases.

In many countries social landlords are reluctant to house very low income households, or other vulnerable groups who are regarded as being poor

risks. These people are often housed in a sub-sector of the social rented sector, which is generally cheaper and of lower quality than the mainstream sector, and lacks security of tenure (see excluded groups, below).

Eligibility

Eligibility rules are generally set at a national level, while allocation policies are determined locally. National eligibility rules are often vague and certainly fall far short of the requirement for English local authorities to treat all applicants (except certain categories of persons from abroad and those guilty of 'serious unacceptable behaviour') as eligible.

Most countries employ an income ceiling for eligibility to social rented housing. It is set at a relatively low level in the US, but at a much higher level in west European countries, such as Germany, France and the Netherlands. Eligibility is lost when incomes rise above the threshold and households may have to leave the sector in some countries (eg US), but not in others (eg Germany, France and the Netherlands). Sweden and England are unusual in not applying an income limit.

Complex rules relate to the eligibility of immigrants and asylum seekers, and even among EU citizens a right to reside in another member state does not necessarily translate into eligibility for social rented housing.

Allocation policies

Allocation policies play the most significant role in systems where eligibility is broadly drawn. Thus they are comparatively unimportant in the US where eligibility is generally tightly defined and the terms of specific housing programmes heavily prescribed. In this system, date-order is the predominant method of allocation employed among eligible households.

In Australia and Canada, households with special needs account for significantly over half of allocations and the proportion has been rising. In England allocations are predominantly needs-based, and although there is no income ceiling, tend to correlate strongly with low incomes. In contrast, elsewhere, allocations are determined by a mix of queuing and need, although, as noted below, households with the greatest needs may be excluded or diverted to less desirable sub-sectors.

In countries where local authorities sponsor social rented housing they tend to have a major influence over allocation policies. They may also have nomination rights, although these are in decline in Sweden and Germany.

Income mixing

A variety of methods are employed to encourage income mixing, ranging from the demolition of the 'worst' estates and the dispersal of the tenants in the US, to the introduction of income mixing or mixed tenure estates for new build or when estates are redeveloped (eg Australia, Canada and Germany). Other instruments employed to secure income mixing include spot purchases from the private sector, the transfer of allocation rights between old and new stock (Germany), and the planning system. Social landlords in the Netherlands can now set relatively high minimum income requirements to prevent a concentration of low income households in particular areas.

Excluded households

As noted above, various groups of households are often excluded from mainstream social housing. These include people with rent arrears, or who seem likely to have difficulty in paying the rent, people with addiction or other behavioural problems, people with criminal records, and (in some countries) people with mental health problems.

In many countries social landlords are also reluctant to house very low income households, or other vulnerable groups who are regarded as being poor risks. These people are often housed in a sub-sector of the social rented sector, which is generally cheaper and of lower quality than the mainstream sector, and lacks security of tenure. Examples of this include 'very' social housing in France, 'secondary' housing in Sweden, 'social' (as opposed to 'council') housing in Poland, holobyt (shelters) in the Czech Republic, and 'emergency units' in Hungary. Households gaining access to social rented housing in the Netherlands under the 'priority card' provision within the choice-based lettings system are often allocated to dwellings in a cheaper part of the sector.

Homelessness

Scale, nature and causes of homelessness

The only countries with reasonably credible data on the scale of 'homelessness' (as they define it) are the US, Australia, France, Spain, Sweden and (parts of) Germany (along with England). But there are significant limitations of all these data sets, and none are directly comparable because they measure different things over different time scales. Most surveyed countries use some variant of 'literal homelessness' – rough sleeping and emergency accommodation use – as their definition for research and statistical purposes, but Australia, Germany and Sweden, as well as England, employ wider definitions of homelessness in generating at least some of their published statistics.

Only in Germany and England has there been a reported decline in levels of homelessness. Elsewhere, increasing levels of homelessness are reported (Sweden, the Pomerania region of Poland), there is broad stability in numbers (Australia), or the trend data is inconclusive (eg US). Most countries which lack trend data nevertheless report a consensus that it is on the rise (for example, Canada, Czech Republic and Hungary).

Everywhere except England, single unemployed men (especially immigrants and ethnic minorities) dominate the enumerated homeless population (albeit that the proportion of single women and families is rising in some places). This may reflect the lower level of protection offered to single men than families by welfare and housing systems; it is also likely to relate to the tendency for research and statistics in most countries to focus on the more extreme forms of homelessness, such as rough sleeping and emergency shelter use.

The underlying 'structural' factor usually said to be driving homelessness is a shortage of affordable rented accommodation, though in Germany and Sweden there is a greater emphasis on access than on supply. In the US and Canada, this was accompanied by a concern about the weak welfare protection for poor groups, while in the central European countries and France the impact of unemployment was cited. The main 'immediate causes' of homelessness in most countries appear to be relationship breakdown or eviction (mainly due to rent arrears). However, in some countries emphasis was also placed on institutional backgrounds, drug, alcohol or mental health problems, or other personal vulnerabilities.

A right to accommodation?

England is highly unusual in providing, for some homeless groups, a legally-enforceable right to 'suitable' temporary accommodation which lasts, in most cases, until 'settled' housing becomes available. However, legislation has recently been passed by the French Parliament (March 2007) which attempts to establish a legally-enforceable right to housing for those who have experienced 'an abnormally long delay' in being allocated social housing.

Legally-enforceable rights to emergency accommodation for homeless people are more common than rights to settled housing, but these are still confined to a minority of countries, all of

them in Europe. Immigrants who are legally resident in these countries are generally entitled to emergency accommodation on the same basis as national citizens. A single jurisdiction within the US – New York City – also provides a legally-enforceable right to accommodation in certain circumstances.

In all instances of emergency accommodation entitlements, either the formal definition, or the nature of the emergency accommodation duty, implies that 'homelessness' is restricted to the threat of rough sleeping. On the other hand, the entitlement usually applies to all those accepted after investigation as homeless people (there are no 'priority' groups), and there is no test of whether they are 'intentionally homeless'.

In a number of European countries, including Spain and Sweden, there is a 'right' to housing contained in the constitution, but no legal mechanisms are provided to enable homeless individuals to enforce these rights.

State-funded homelessness programmes

While there are no legally-enforceable individual rights in most countries, legal obligations or government programmes exist to assist homeless people. In fact, there is state-funded housing assistance available to homeless people to a greater or lesser degree across all of the surveyed countries¹.

Municipalities are generally the key strategic players and 'enablers' of homelessness provision, with central/federal government usually establishing a national strategic and/or legal framework, and providing financial subsidies for homelessness services. Most direct provision is undertaken by non-governmental organisations (NGOs). Targeting and prioritising who receives these services is normally left to the discretion of municipalities, NGOs and other local service providers.

West European countries generally offer reintegrative homelessness services as well as emergency provision, though the 'staircase' model upon which this is sometimes based – with homeless people obliged to spend time in emergency accommodation and then social rented sub-sectors (see above) before they have any possibility of accessing mainstream housing – came in for criticism. All of the English-speaking countries have major, often sophisticated, federal or national programmes on homelessness, but in the US at least this is compensating for a very weak mainstream safety net. Among the central European countries, homelessness provision is far more basic and crisis-focused, but things do seem to be changing, with rapidly expanding provision and the development of more strategic approaches.

Strengths and weaknesses of systems of homelessness assistance

The English speaking and west European countries provide the key examples of strengths in the system of assistance for homeless people. In particular, the emphasis on prevention in Germany, and now in England, is a significant positive measure which appears to be succeeding in reducing homelessness.

Elsewhere, it is difficult to discern positive outcomes for homeless people, although the low rates of reintegration into mainstream housing reported in a number of countries (including Sweden and the three central European countries) are indicative of negative outcomes for many. There is evidence from a five-year longitudinal study in New York City that the provision of subsidized housing was by far the most successful intervention in promoting the long-term residential stability of formerly homeless families.

¹ 'State-funded' is defined to include funding from central, regional or local government.

Conclusions

While the homelessness data reviewed in this project was not systematically comparable, it is suggestive of a link between weak welfare states, low levels of affordable housing and high levels of homelessness.

The rules governing access and prioritisation, as well as the sector's overall size, is important in defining the role that social renting plays in addressing homelessness.

A key benefit of the English (and wider UK) homelessness legislation, alongside the rules relating to eligibility and 'reasonable preference' in allocations, is that they counter the tendency to exclude the poorest and most vulnerable households from the mainstream social rented sector. The downside to this approach is that while it produces relatively good housing outcomes for low income households, it comes at the cost of spatial concentration, arising from the tendency of social rented housing to be geographically concentrated. Similar problems are encountered in the (much smaller) social rented sectors in the other English-speaking countries; and also in Sweden, although there it takes the form of intra-tenure polarisation. This problem is hardest to tackle in the countries, including England, with high levels of poverty and inequality.

About the Research

The research was carried out by Professors Suzanne Fitzpatrick and Mark Stephens of the Centre for Housing Policy, University of York, working with experts in 11 countries. Country experts were asked to complete a detailed questionnaire on homelessness and social housing policy and to provide supporting data in the autumn of 2006. The draft report was circulated to the country experts to check for errors of fact or interpretation, and with requests for additional information. The authors remain responsible for the contents of the final report and this summary, and for any remaining errors of fact or judgement.

Further information is contained in the full report *An International Review of Homelessness and Social Housing Policy* which is available on the Communities and Local Government website.

www.communities.gov.uk

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