

Joint Statement of Belgium, Germany, Luxembourg, Portugal, Slovakia, Spain and the Netherlands on the evaluation of State aid rules on services of general economic interest in relation to the lack of affordable housing. Request to the EC to take further action on the evaluation and to investigate the possibility of amending the SGEI exemption decision to create more room in the decision for affordable housing for middle-income households.

The evaluation of the SGEI Package

In December 2022 a staff working document was published which summarizes the results of the evaluation of the State subsidy rules for health and SGEI, as well as the de minimis regulation for services of general economic interest.¹ Based on consultation activities and other data sources/input, the evaluation concludes that the 2012 SGEI Package as regards health and social services is broadly fit for purpose. However, it also states that a further clarification of certain concepts is conceivable. The focus of stakeholder feedback obtained within the consultation was largely on whether the definition of social housing as defined in recital 11 of the SGEI Exemption Decision is too wide or too narrow. One of the outcomes is that there are rising concerns regarding a growing segment of citizens that do not have the financial means to rent or buy housing on market terms, but are not considered 'disadvantaged citizens or socially less advantaged groups, who due to solvency constraints are unable to obtain housing at market conditions' and are therefore not entitled to social housing funded under the SGEI rules.

Problem statement

The lack of affordable housing for middle-income households is a problem throughout Europe and especially in urban environments. This is reflected by a study from EY, commissioned by the European Commission (EC).² Following this research, written questions were submitted to the EC, signed by 30 members of the European Parliament, requesting to broaden the target group for social housing.³ Back in July 2018, amongst others, the EU cities of Amsterdam, Barcelona, London and Paris declared in a joint statement to the United Nations that the right of citizens to affordable housing is endangered by the growing influence of speculators, investors and mass tourism on the urban real estate market. In 2019 the report 'Future of Cities' by the EC's Joint Research Centre already found that housing affordability is under pressure.⁴ This report raises concerns about the social fabric of a city and who can be held accountable for citizens right to adequate and affordable housing.⁵ The prices in some regions are recovering faster than earnings, and the availability of housing is low.

Request to the EC

We welcome the readiness of the EC to discuss a broader approach of the SGEI exemption decision and call upon the current EC to follow up on the evaluation within their term by investigating the possibility of amending the SGEI exemption decision so that Member States have the option to set up state-aid schemes under the SGEI exemption decision including schemes that benefit middle-income households. A state-aid scheme under the SGEI for those households that are unable to obtain an affordable home in particular in urban environments could contribute to keeping our cities healthy, livable and in social balance. With a state-aid scheme we would be able to further support households with an income that corresponds with the household income of socially engaged professions that are essential in the urban environment, for example teachers, nurses and police officers.

¹ SWD(2022) 388 final

² [Study on market trends in healthcare and social housing and EU state aid implications - Publications Office of the EU \(europa.eu\)](#)

³ EP Parliamentary question to the Commission - E-005093/2021 European Parliament - 'Revision of target group of social housing, 11 November 2021.

⁴ Report, Future of cities, Brussels, 2019: <https://publications.jrc.ec.europa.eu/repository/handle/JRC116711>

⁵ As stated in the Universal Declaration of Human Rights