

# **A HOUSING PLAN TO LIVE BETTER**

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## **Housing to live better**

High housing prices, for both renting and buying, have a series of negative consequences across society and the economy. As a result of the Partido Popular's policy of neglect, more and more people in Madrid are trapped. This is the “neither-nor” generation: they can neither buy, nor rent, nor leave their parents' home — and when they do leave, it is often in precarious conditions they did not choose.

Lack of access to housing is a democratic deficit, but it is also an economic and productive burden: it discourages productive investment, reduces disposable income, depresses consumption among those with the highest propensity to consume, and limits the potential of everyone who is shut out of housing.

To begin to tip the balance towards housing as a human right and a guaranteed service, rather than a financial asset for speculation, public authorities must remove the obstacles that restrict the freedom of the people of Madrid and intervene by adopting the rules needed to guarantee the right to housing.

Más Madrid has a comprehensive housing plan for our region that stands on two pillars: on the one hand, increasing the supply of public and affordable housing by every possible means and in a sustained way; and, on the other, curbing housing speculation by every possible means. Budget, political will and legislation.

## **1. Proposals to increase public and affordable housing**

Madrid urgently needs to increase its housing supply — but not just any supply, since increasing market supply does not stabilise prices. Only by diversifying the rental market and introducing two actors that are currently marginal, public and affordable housing, and

by combining this with other measures such as rent regulation, is it possible to bring prices down and make housing accessible. Supply can be increased in several ways: construction, purchase, bringing empty homes into use, renovation and regulating tourist accommodation, among others.

**Public purchase of 10,000 homes.** The Community of Madrid will purchase 10,000 homes to expand its public housing stock.

**Raising the regional housing budget to 4%.** Spending on housing policy is currently very low, not even reaching 1% of the budget. We will gradually raise it to at least 4% of the total budget and use it to expand the public housing stock.

**An intergenerational pact for public housing.** The Community of Madrid will acquire the bare ownership of homes in which older people live who need liquidity to pay for care in their own home. This allows owners to remain in their home for as long as they wish while having the financial resources they need. Once the home joins the public housing stock, it creates a virtuous circle: the rents obtained from its tenants are reinvested in further expanding public housing.

**An affordable housing revolution.** Inspired by the successful model of limited-profit housing associations (*Gemeinnützige Bauvereinigungen*) in Vienna, we will drive an affordable housing revolution. These limited-profit associations are key to creating a supply of affordable housing at regulated prices for broad sections of the population. They receive social developer certification and, in return for providing affordable housing, the administration supports them with low-interest loans, land, technical support and advice to ensure that investment and operating costs are covered. They are required to reinvest their profits in further expanding affordable housing and in maintaining their buildings. In the first term of office we will deliver 8,000 quality affordable homes at rents of between €300 and €600 a month.

**Energy renovation of empty homes in exchange for temporary transfer of use.** We will offer small landlords an agreement with the public administration whereby, in exchange for the energy renovation of their empty home and a share of the rent, they temporarily transfer its use for rental at a regulated price. This creates a pool of affordable rental housing in which the owner, the tenant and the administration all win.

**Public “peace-of-mind” rental service (*Tranquiler público*).** We will offer small landlords a public service to let their home, covering everything from finding tenants and guaranteeing monthly rent payments to repairs and all administrative procedures. In return, the administration lets the property at a regulated rent. The administration increases the affordable housing supply, tenants gain access to affordable housing, and landlords enjoy a guaranteed income at a much lower cost than private agencies offering similar services.

**Regulation of tourist accommodation.** We will regulate tourist rentals within designated tourist saturation zones, limiting their number in balance with the resident population. We also propose a substantial increase in inspection staff to enforce existing rules and ensure that tourist rentals hold the municipal licence required for them to be legal. Tourist rentals

push up rents, reduce the supply of rental housing, disrupt community life and turn neighbourhoods into lifeless stage sets.

**A tax on speculation.** We will introduce a package of measures to discourage transactions aimed at inflating housing prices, in three parts: (1) a tax on owners whose homes have been empty for more than two years; (2) a new tax on legal entities that buy housing and sell or rent it above the National Statistics Institute (INE) reference price within the first four years; and (3) a personal income tax surcharge on individuals who buy housing and sell or rent it above the INE reference price within the first four years. Changes of primary residence, renting or selling to close relatives, and inherited homes would be exempt.

**An affordable housing operator.** We will create a large affordable housing operator in the Community of Madrid, through which the public sector encourages the private sector to shift its investment priorities. We will steer public, mixed and private operators towards the affordable rental market, creating the conditions for balanced public–private partnership based on low-risk, stable, secure and long-term investment.

**Promoting ecological and modular housing.** We will support eco-housing models and the use of new sustainable materials, and introduce modular housing as an additional way of expanding the public and affordable housing stock.

**Expanding public housing with SAREB properties.** We will demand that the properties held by SAREB [the Spanish “bad bank” created after the 2008 crisis] become a large public rental housing stock that can never be declassified or sold.

## 2. Proposals to make better use of land

Land is not a conventional market: it is a finite and limited resource, it is not homogeneous, it varies greatly from area to area, and its value depends on planning, environmental and other criteria. Land policy must take into account a range of externalities — waste management, various impacts and congestion — that shape land-use planning. Regulating and zoning land is therefore inevitable and inherent to urban planning. Más Madrid believes that land regulation is essential to guarantee citizens’ access to public and affordable housing.

**A Madrid Land Bank.** Inspired by Vienna’s land bank (*Wohnfonds Wien*), Madrid needs a Madrid Land Bank to facilitate the creation of affordable housing. It must be able, on the one hand, to zone all available public land and transfer it to non-profit or limited-profit organisations or municipal housing companies, and, on the other, to pursue a policy of acquiring private land. The Land Bank will follow the “four pillars” model — architecture, ecology, economy and social sustainability — and will be responsible for providing land for good-quality affordable housing projects.

**Guaranteeing land reserves.** Public land zoned for residential or community use must be devoted entirely to public rental housing or to affordable housing with permanent protected status. In land for new development or unconsolidated urban land, 50% of the protected housing reserve must be for affordable rental housing with permanent protected

status. In consolidated urban land undergoing major redevelopment, 30% must be for affordable rental housing with permanent protected status.

**Rights of pre-emption.** We will establish the legal instruments needed to regulate the public right of first refusal and pre-emption over plots and single-owner buildings, with the aim of increasing public rental housing and public land.

**Supporting local shops with affordable premises.** We will acquire and offer commercial premises owned by the Social Housing Agency to support local shops, renting them below market prices so that businesses priced out by rising rents can access them.

### 3. Proposals for legislation and policy instruments

The Community of Madrid lacks the instruments and legislation that would allow public authorities to understand and respond better to housing problems — from the most basic, such as the data needed to map Madrid's housing stock, to the most incomprehensible: the absence of a Housing Law guaranteeing citizens' access to housing. Legislation and institutions are two fundamental pillars of any housing model fit for the twenty-first century.

**A Housing Law for the Community of Madrid.** Madrid is one of the few Spanish regions without a Housing Law. This prevents the administration from having the legal instruments it needs to increase affordable housing. A housing law makes it possible to bring empty homes into use; to apply rights of pre-emption to prevent properties falling into the hands of investment funds or to prevent evictions; to guarantee an enforceable right to housing; and to protect the public status of protected housing permanently, among many other matters.

**Safeguarding protected housing.** We will prohibit by law the sale of public protected housing and make its protected status permanent.

**Tenants' Support Office.** We will reform the Community of Madrid's Housing Office so that it serves tenants of protected, social and private housing. It will provide immediate assistance — to landlords as well — on any housing-related issue, including information on contracts, advice and support, and help with clauses, regulations or bills.

**A Housing Observatory.** We will create a Housing Observatory to provide the diagnosis needed to design plans and policies that meet citizens' needs. It will produce a census of empty homes and of the composition of the rental market, collect and analyse data, and set up working groups with the relevant stakeholders.

### 4. Proposals to combat housing exclusion

According to organisations such as Cáritas, around 400,000 households in Madrid are left in severe poverty after paying their housing costs. The share of people living in insecure housing has tripled, from 3% to 11%, and housing problems now affect a quarter of

Madrid's population. The Partido Popular government of the Community of Madrid applies a policy of neglect towards the most vulnerable, leaving thousands of families officially recognised as being in special need on a waiting list that has become chronic. The region needs to expand its public housing stock and be able to respond swiftly to housing emergencies.

**An Anti-Eviction Unit.** We will set up a unit similar to the one in Barcelona to stop evictions, through three tools:

- *Prevention, advice and support:* a dedicated legal, administrative and coordination team acting as the single specialised point of contact with the courts, obtaining information on eviction proceedings from the outset in order to act preventively.
- *Mediation:* one of the main reasons evictions are suspended. It spares families the trauma of eviction by finding solutions that benefit all parties — whether through payment of rent arrears or by gaining time through an extension that allows families to be rehoused by the Community of Madrid.
- *Support for those affected:* where the administration cannot offer alternative housing, it can provide financial assistance based on a sufficient-income indicator.

**Temporary local housing (APROP).** We will develop temporary local housing units (*Alojamientos de Proximidad Provisionales*, APROP), similar to the Barcelona project awarded the European Commission's New European Bauhaus prize: fast, decent housing that responds to families in special need.

**An enforceable right to housing.** We will introduce the enforceable individual right to housing that already exists in the Basque Housing Law: the right of every person in a situation of social exclusion to access decent housing. If no housing is available at the time and the applicant has a rental contract, a financial benefit is provided to help pay the rent. This right obliges the administration to offer a housing solution to the families concerned; it is binding on public institutions and can even be enforced in court.

**A plan to end homelessness.** The simplest way to end homelessness is also the most effective: providing social housing unconditionally to people experiencing homelessness, following the Housing First approach, which is achieving excellent results. Guaranteeing access to housing not only improves these people's quality of life; all the evidence shows that it also generates significant savings in health, social and psychiatric services.

**Preventing the housing poverty trap.** The United Nations recently condemned Spain in the case of a couple with young children who, after years of applying for social housing from the Community of Madrid, were forced to occupy an empty home owned by a financial institution. Such families must not be doubly excluded by the administration: households accredited as vulnerable will remain eligible for social housing even if they have been forced to occupy an empty home owned by a legal entity.