



UEPC's Position on the Proposal for a European Charter for Housing

The European Union of Developers and House Builders, UEPC¹ has read the European Housing Charter presented on 17 November 2005 by the European Parliament's Intergroup Urban Housing-Urban i.

UEPC appreciates the initiative taken by its Vice Chairman, Alain Hutchinson, which should provide a common frame of reference in the housing domain. As the document very rightly stresses, housing is not within the remit of the European Union but the political, economic and financial interactions are considerable. UEPC especially supports article 3 '*Housing: a lever for economic cohesion of the European Union*'.

UEPC suggests:

I. inserting a definition of social housing.

The draft charter uses the words '*housing*', '*social housing*', '*affordable housing*', '*transit housing*' and '*housing for social purposes*'.

UEPC believes that it is vital to insert a definition of 'social housing' to avoid any confusion. It proposes using the definition given in preamble 16 of the Commission's decision of 28 November 2005 (Official Journal 29/11/05): ...'*housing [procured] for disadvantaged citizens or socially less advantaged groups, which due to solvability constraints are unable to obtain housing at market conditions*'.

II. inserting the principle of a social housing market accessible to all operators.

In its resolution of 22 February 2005 on state aid in the form of public service compensation, the European Parliament mentioned the private sector's interest in social housing.

According to UEPC, all private or public sector operators should have the possibility of producing social housing according to the definition quoted under I.

UEPC suggests referring to the European Parliament's resolution in the preamble.

¹ UEPC represents more than 30,000 developing and house building companies, affiliated with its 13 member federations. Directly or indirectly the activities of these developers and house builders represent 10% of gross national product and employment in Europe. Together, they annually build and develop several millions m² of offices and shopping centres as well as more than 1.000,000 new homes.

III. *inserting the principle of equality between operators.*

UEPC believes that all operators wishing to produce social housing should be treated equally, without unfair competition between public or private sector operators. This same principle should also apply to the structural funds which should be allocated through public adjudications.

IV. *stressing the role of the private sector.*

Generally, UEPC believes that document does not stress enough the private sector's role in the housing domain.

V. *extending the scope of reduced VAT.*

UEPC supports paragraph 3 of article 8 on VAT. However, it believes that Member States should have the faculty to apply a reduced rate to all housing. Consequently it fully supports the written declaration – and therefore, the Commission's position - of the MEPs Den Dover and Kathy Sinnott of 28/09/05 (0054/2005) calling for Member States to apply reduced VAT rates in the housing sector: '*...calls on the Council ... c) to support the Commission's position in favour of broadening the Member States' faculty to apply reduced rates (Annex H of the Sixth VAT Directive) to the supply, construction, renovation, alteration, repair, maintenance, cleaning and rental of all types of housing,...*'.

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