

EIB support to Social & Affordable housing in the EU

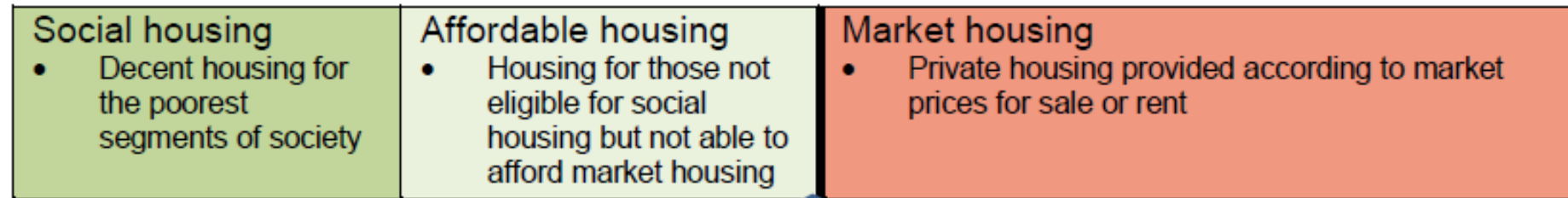
Kamil DÖRFLER, Lead Urban Specialist

EIB Urban Lending - What we do and don't finance

Key Objective	Key Criteria	Example of Investments	
		Eligible	Ineligible
Urban regeneration	Based on integrated urban regeneration plan / strategy	<ul style="list-style-type: none"> <input type="checkbox"/> Multi-sector city investment programmes <input type="checkbox"/> Area-based regeneration <input type="checkbox"/> Sustainable urbanisation <input type="checkbox"/> Urban shopping centres in a regeneration plan 	<ul style="list-style-type: none"> <input type="checkbox"/> Speculative property <input type="checkbox"/> Urban sprawl <input type="checkbox"/> Temporary facilities for mega events
Social inclusion	Public policy orientation	<ul style="list-style-type: none"> <input type="checkbox"/> Social and affordable housing <input type="checkbox"/> Student accommodation <input type="checkbox"/> Assisted living 	<ul style="list-style-type: none"> <input type="checkbox"/> Pure market-based housing
Climate action	EIB climate policy	<ul style="list-style-type: none"> <input type="checkbox"/> Urban drainage <input type="checkbox"/> Social housing retrofit <input type="checkbox"/> Urban heat islands <input type="checkbox"/> Urban adaptation programmes 	<ul style="list-style-type: none"> <input type="checkbox"/> Non-integrated investments (eg. out of town shopping centres)
Enhanced community resilience	Respond and adapt to immediate challenges	<ul style="list-style-type: none"> <input type="checkbox"/> Refugee accommodation <input type="checkbox"/> Earthquake-proof housing <input type="checkbox"/> Informal settlement / in situ slum upgrading 	<ul style="list-style-type: none"> <input type="checkbox"/> Urbanisation of flood planes
Smarter development	Using technology and innovation in an integrated, citizen-focused way	<ul style="list-style-type: none"> <input type="checkbox"/> Adaptive social housing <input type="checkbox"/> Mixed-use districts <input type="checkbox"/> E-government solutions 	<ul style="list-style-type: none"> <input type="checkbox"/> IT-led development <input type="checkbox"/> Top-down solutions with limited consultation

Social and affordable housing sector: principles

- EIB supports only SOCIAL AND AFFORDABLE RENTAL HOUSING (i.e. municipal rental housing for those in need with public support)
- Rental housing, solid framework and transparent selection system and criteria for potential clients.



- Dividing line varies by country, region or city
- Typically defined through public policy or regulation
- May relate to income, disability, key worker or other criteria

- New buildings, reconstructions and energy saving measures

Which projects are eligible for EIB financing?

Yes



Social and affordable rental housing



Refugee accommodation/reception centres, associated infrastructure and start-up costs



Student accommodation/accommodation for apprentices



Care homes, assisted living



Ownership, military, key worker housing with clear public policy linkages and project targets market failures



Energy efficient affordable housing outside EU

No

Unplanned housing development, urban sprawl



Purely market-based housing that does not address specific public policy goals or a market gap



Barracks or similar housing

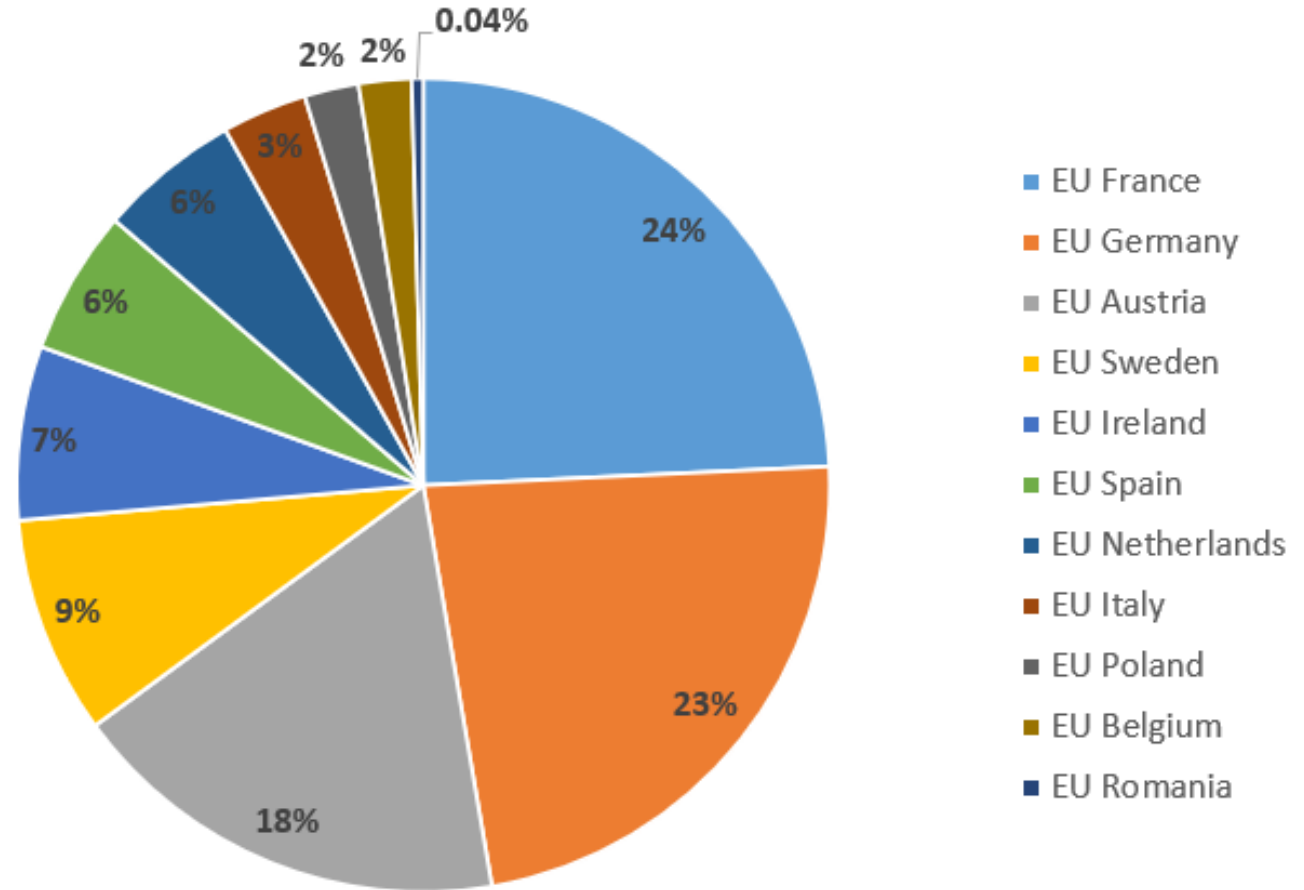


Speculative housing development





EIB housing financing in the EU 2018-2022



2018 – 2022: EIB lending volumes in EU-27 (Total € 6.6 bn)

EIB financing available for local clients



Product:

Investment Loans

Investment:

Financing of individual investment, project implementation period of usually of 3 - 5 years.

Size:

The EIB covers up to 50% of project implementation cost, a minimum amount of EUR 15m.



Framework Loans

Financing of an investment programme consisting of various and often multisector sub-schemes; usually with an implementation period of 3 - 5 years.

The EIB covers up to 50% of total implementation cost of multiannual investment programme, a minimum amount of EUR 15m.



PPP / off-balance structures / Equity / Funds

Specially prepared structure of the project with a long-term cash-flow perspective.

The EIB covers up to 50% of project implementation cost, a minimum amount TBA.

Infrastructure funds dedicated to urban development or brownfields

EU financing:

EIB financing is compatible with EU grants – up to 90% of the project cost in cohesion regions and 70% outside of them.

Intermediated financing:

Small investments maybe supported through a local banks (promotional or commercial)

MANNHEIM SOCIAL AND AFFORDABLE HOUSING, Germany

Direct Investment loan

- **Description:** 454 newly built and additional 2,058 retrofitted housing units across the City of Mannheim. The project also includes the construction and upgrade of associated infrastructure (particularly kindergartens), including adaptation to an aging population and improved accessibility, parking, etc.
- **Project cost:** EUR 343.8 m. **EIB financing:** EUR 150 m. **Maturity:** 22 years / 3-year grace (econ. life 35y).
- **Borrower and Promoter:** GBG UNTERNEHMENSGRUPPE GMBH (Municipal housing holding company, Ltd.), 100% owned by the City of Mannheim. GBG Mannheim has 3 subsidiaries operating in the areas of urban development, school infrastructure and digital infrastructure and services. GBG owns and partially operates also 264 facilities mostly kindergartens, apprentice accommodation, old people's home, etc.
- **More info:** <https://www.eib.org/en/projects/all/20190404>



POZNAN SOCIAL HOUSING INVESTMENT FACILITY, Poland

Within Poland Social and Affordable Housing Programme

- ❖ **Description:** 1,050 new housing units in several locations in the City of Poznan. The project also includes the refurbishment of existing dwelling units, community healthcare centres, associated open space and provision for local amenities such as shops and services.
- ❖ **Project cost:** EUR 85 m. **EIB financing:** EUR 42 m. **Maturity:** 25 years.
- ❖ **Borrower and Promoter:** Zarząd Komunalnych Zasobów Lokalowych sp. z o.o. (ZKZL), municipal company 100% owned by the City of Poznan, responsible for the management of the municipal housing stock and the provision of social and communal housing. Loan to ZKZL without guarantee from the City, supported by EFSI. ZKZL benefitted from advisory services from European Investment Advisory Hub (EIAH).
- ❖ **Video Case Study:** <https://eiah.eib.org/videos/poznan-social-housing-investment-facility>
- ❖ **More info:** <https://www.eib.org/en/projects/pipelines/all/20160894>



SZCZECIN AFFORDABLE HOUSING INVESTMENT PLAN, Poland

Within Poland Social and Affordable Housing Programme

- ❖ **Description:** 110 new housing units and additionally refurbished residential premises, 11 commercial premises, underground parkings.
- ❖ **Project cost:** EUR 31 m. **EIB financing:** EUR 12 m (in PLN) - decreased.
Maturity: 30 years, 4-year grace.
- ❖ **Borrower:** Szczecinskie TBS (Towarzystwo Budownictwa Spotecznego, Social Housing Company)
- ❖ **Promoters:** STBS and TBS Prawobrzeże, both 100% owned by the City of Szczecin, owning together over 8,500 residential units, also commercial retail units, garages.
- ❖ **More info:** <https://www.eib.org/en/projects/all/20180811>



BGK Social and Affordable Housing (Poland) Intermediated framework loan

- ❖ Brokered loan to the Polish National Development Bank (BGK)
- ❖ Construction of 4,000 social and affordable apartments across Poland
- ❖ The project selection system favoured the revitalisation of the territory concerned
- ❖ EIB loan: EUR 266 m, 50 % of the total cost
- ❖ Beneficiaries: municipal societies / associations (established to create and manage social and affordable housing)



HFA Social and Affordable Housing Programme (Ireland)

- Construction of new and modernisation of existing social and affordable housing over a period of 4 years
- EIB loan: EUR 200 m, 50 % of total costs
- Borrower: State-owned non-profit company established for the construction and development of rental housing, student accommodation, etc. (Housing Finance Agency)
- Promoter: municipalities and 'residential companies', which are private non-profit companies responsible for social housing



EIB Advisory Support for Cities

Activity	EIB contribution
EIB Advisory Hub - URBIS	<ul style="list-style-type: none"> • Advice on project development to support urban investment
JASPERS	<ul style="list-style-type: none"> • Advice to support better project preparation for European Structural and Investment Fund projects, Pillar 1 of Just Transition Fund, IPA, CEF • JASPERS support to resolve horizontal questions affecting a sector or projects • JASPERS Networking Platform building a knowledge base
EIB advisory instruments benefiting cities	<ul style="list-style-type: none"> • EPEC – European PPP Expertise Centre • ELENA – European Local Energy Assistance • FI-Compass to support development of urban development funds / financial instruments • FELICITY – Facility for Energy Efficiency in cities • UPFI – Urban Projects Finance Facility for Med-WB region
Cities Climate Finance Gap Fund	<ul style="list-style-type: none"> • EIB co-leads implementation with the World Bank • Support for early stage project preparation outside EU • Launched 09/2020 with funding from DE, LU, in partnership with GIZ
New instruments via Invest-EU Advisory Hub	<ul style="list-style-type: none"> • C3-CETAF for Circular Cities circular economy support; • support to Pillars 2 & 3 of Just Transition Fund; • ADAPT for climate adaptation; gender facility