

4:00-4:10 **Welcome and Introductions**
4:10-4:30 **Rob Weiner – Existential Meaning of Home and Key Terms in U.S. Housing Policy**
4:30-5:15 **Montse Pareja – Housing Conditions and Challenges in Spain, Catalunya, and Barcelona**
5:15-5:30 **Break**

5:30-6:15 **Joaquim Clusa / Mur&Clusa – Inclusionary Housing Policies and Experiences in Spain, Catalunya, and Barcelona**

6:15-6:45 **Rob Weiner – Housing Conditions and Strategies in California**
6:45-7:00 **Montse, Joaquim, Rob – Group Discussion.**

UB - Aula 117, Diagonal Avenue, 690, from 16:00 to 19:00.

It is really great to be back in Barcelona and Catalunya!!!

I have some catching up to do to become more familiar with the changes in housing policy and urban development since my last class in 2011.

I'm looking forward to hearing your presentations

**STUDY VISIT TO BARCELONA OF STUDENTS
FROM UNIVERSITY OF CALIFORNIA DAVIS**

**2010 PROSPECTS IN CALAVITA AND MALLACH Lincoln Institute of Land Policy book
INCLUSIONARY HOUSING IN A INTERNATIONAL PERSPECTIVE.**

Affordable housing, social inclusion and land value recapture

Chapter on international perspective on inclusionary housing - Nico Calavita and Alan Mallach

Inclusionary housing is a means of using planning system to create affordable housing and foster social inclusion by capturing resources created through the marketplace.

The term refers to program, regulation, or law that requires or provide incentives to private developers to incorporate **affordable or social housing** as part of the market driven- developments, **either by incorporating the affordable housing into the same development** , building it elsewhere, or contributing money or land for the production of social or affordable housing in lieu of construction.

In most cases a developer, either as a condition of approval or in return for incentives such as densities bonuses, **selling or renting to households whose incomes fall below specified income ceiling at prices or rents that they can afford.**

The economics of Planning Gain (p. 135 England)

Jowel (and Keogh 1985) has defined *planning gain* as *the achievement of a benefit t the community that was not part of the original (planning) application (and was therefore negotiated) that was not of itself normally commercially advantageous to the developer*

The Housing bubble

A further impetus for IH in both Europe and the United States was the dramatic rise in market driven housing production and prices that **began late in the 1990s and continued until the bubble burst in 2007**. During this period, particularly in England, Ireland and Spain, houses prices created affordable problems for struggling middle class families and young people on a scale not previously seen in these countries....

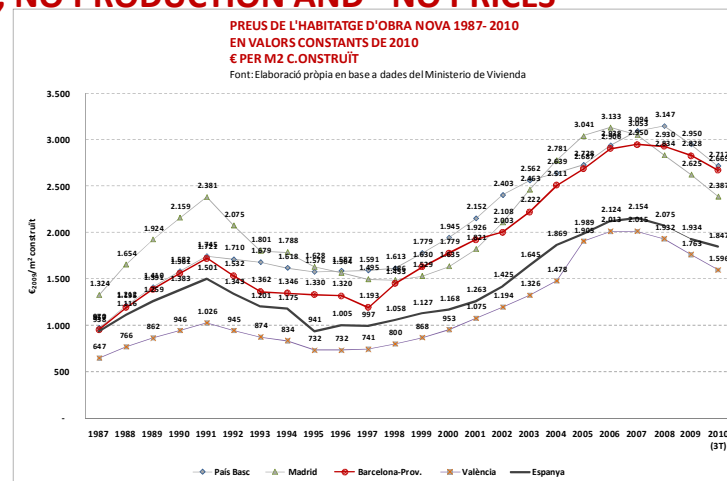
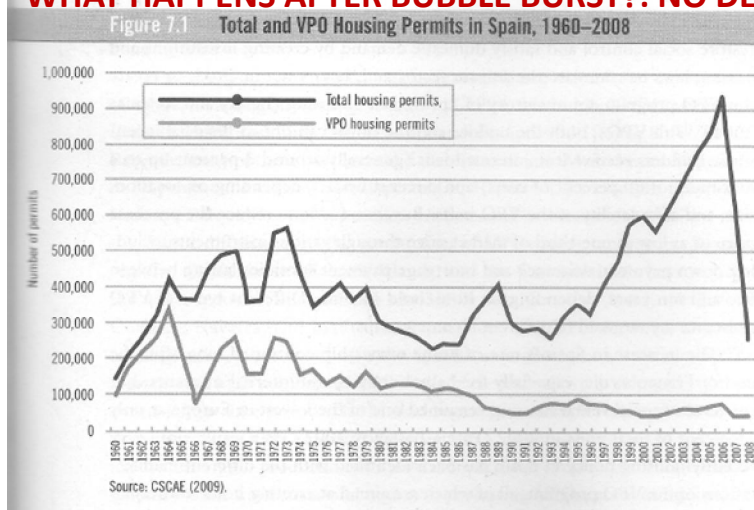
It must be recognised that the housing bubble promoted the use of IH as a vehicle for creating affordable housing..

...Two countries mandate IH (Ireland and Spain)... (a minimum percentage)..30%
MINIMUM IN SPAIN

WHAT IS A HOUSING BUBBLE?: HIGH PRODUCTION, HIGH PRICES, AND HIGH DEMAND HELPED BY CHEAP (AND UNRESPONSIBLE) MORTGAGES BY THE BANKS.

A BUBBLE IS A DREAM OF BEING RICHER THAN WE REALLY ARE

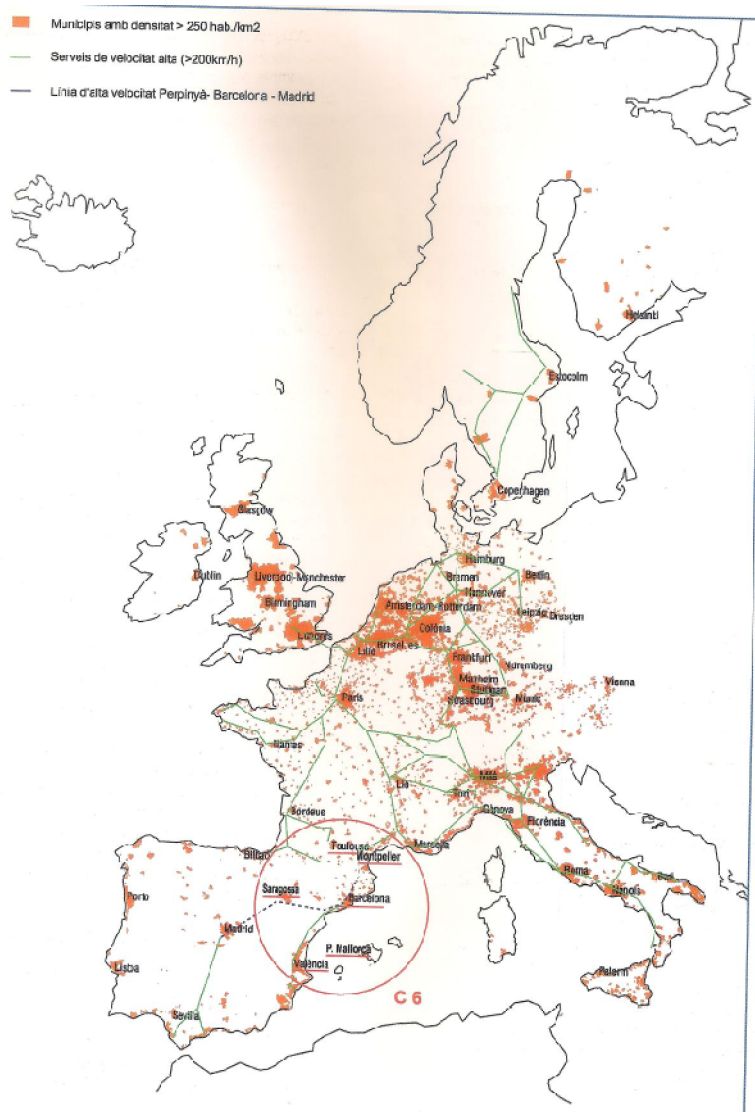
WHAT HAPPENS AFTER BUBBLE BURST?: NO DEMAND, NO PRODUCTION AND * NO PRICES*



Main questions and main answers

- How important is important?
- **Affordable housing to achieve housing needs /demand?**
(Tarragona municipal plan 2001-2012 as a case study) – 52% demand needs affordable housing and 22% of the families can not pay affordable and IH housing
- **IH in the new urban developments to achieve the objectives and needs of affordable and social housing?**
(Barcelona Housing Plan 2009- 2016 as a case study) – 45% of affordable housing comes from new developments and production 2009- 2016 reaches 35% of the objectives
- **How does it work in crisis time after the housing bubble burst** (Barcelona development plans 2000- 2030, as a case study)- hardly

PROFESSIONAL EXPERIENCES: BARCELONA (3), TARRAGONA IN CATALONIA VALENCIA, VIGO AND SAN SEBASTIAN IN SPAIN



Una regió econòmica de 16,5 milions d'habitants en l'àmbit d'influència de Barcelona, estructurada per el tren d'alta velocitat.

Barcelona's hinterland covers 15.5 million inhabitants and is structured by the High-Speed Train network.

EUROPEAN UNION TODAY:

507 m inhab (28 member states)
in 4,3 m km²
(USA: 319 m inhab – 9,8 m km²)

SPAIN: 45 m inhab in 500.000 km²

CATALONIA:

7,5 m inhab in 32.000 km²

BARCELONA METROPOLITAN REGION:

5,2 m in inhab in 3.300 km²

BARCELONA MUNICIPALITY:

1,6 m inhab in 100 km²

TARRAGONA MUNICIPALITY:

120.000 in inhab 45 km² -

Affordable housing to achieve
housing needs /demand?
(Tarragona municipal plan 2001-
2012 as a case study)

Tarragona municipal zoning plan

- **Free market prices in 2012, both new housing and rental, produces exclusion of 52% of households (71% with prices of 2007). Regional Government considered that 60% of the new buyers needs some kind of public support (2007 Law Foreword) at the actual prices.**
- The **average rent free market**, however, produces between 22% to 38% exclusion, depending on statistics available
- Social housing (dotacional- Land obtained free) is the only public scheme that produces no exclusion, considering the average incomes. The production of social housing, however, is limited to 5% of the land qualified of public equipment/ social facilities (5% of gross land approx in a new development).
- The affordable housing in general and special schemes presents still a possibility of accessing housing at prices lower than the open market, **providing there is funding available through mortgages and families occupaied (20 unemployment).**
- **22% of households can not access the conditions of the affordable housing special regime and therefore this demand has to be achieved with social housing or other instruments of social policy.**

INCOME RANGES AND MAXIMUM HOUSE PRICES FOR AFFORDABLE AND SOCIAL HOUSING (VPO) IN BARCELONA 2010

(Calavita & Mallach 2010, pag. 254 and own elaboration)

AFFORDABLE HOUSING CATEGORY (DEVELOPERS IN THE FREE MARKET)	1,22		70		3,00%		
	Maximum price m2 *useful* (€)	Maximum price m2 *built* (€)	Maximum price for 70 m2 flat (€)	Maximum household income (€)	Montly payment for a 30 years mortgage	Annual payment for a 30 years mortgage	% Anual payment / Maximum Income
Especial (Special) General	1.705	1.398	119.500	17.445	508	-6.097 €	35%
	1.940	1.590	135.834	31.293	578	-6.930 €	22%
Concertado (Agreed?) Concertado Catalan (abolished)	3.001	2.460	210.118	45.282	893	-10.720 €	24%
	4.000	3.279	280.000	52.115	1.190	-14.285 €	27%

Note:
70 *useful* m2 are
85,4 *built* m2 - 4 living pieces

SOCIAL-PUBLIC HOUSING / *DOTACIONAL* (land free)	1.262	1.000	53.000	8.000	225	-2.704 €	34%
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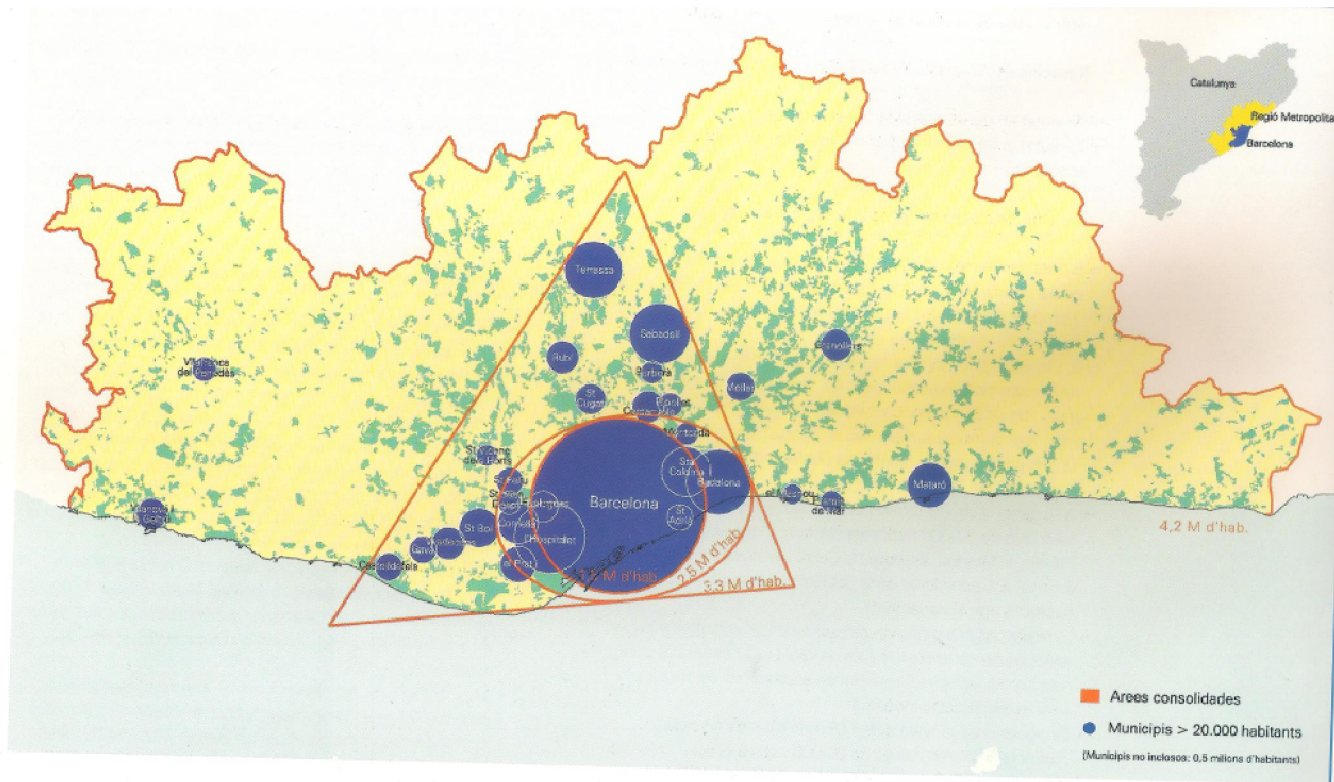
53 m2 *built*
42 m2 *useful area*

INCOMES LEVELS IN CATALONIA AND TARRAGONA: 22.000 € /YEAR

Ingressos nets anuals de la llar 2010. Catalunya i estimació per Tarragona

Coeficient ponderador sobre el número de llars			3,22%	TGN/CAT
	Mitjana interval ingressos - Milers €/any- CAT	Mitjana interval ingressos - Milers €/any- TGN	% Llars	% Llars acumulat
fins a 9.000 euros	4.500	4.645	10%	10%
9.001 - 14.000	11.501	11.871	12%	22%
14.001 - 19.000	16.501	17.032	15%	38%
19.001 - 25.000	22.001	22.709	15%	52%
25.001 - 35.000	30.001	30.967	19%	71%
35.001 i més	40.000	41.288	29%	100%
no hi consta	-	-	-	
Total	24.828	25.628	100%	
http://www.idescat.cat/pub/?id=aec&n=412				

**IH in the new urban
developments to achieve the
objectives and needs of
affordable and social housing?
(Barcelona Housing Plan 2009-
2016 as a case study)**



La regió metropolitana de Barcelona està formada per un sistema de ciutats mitjanes amb potencial endògen de creixement, capacitat d'estructuració territorial e història industrial.

The Barcelona Metropolitan Region comprises a group of medium-sized cities with future growth potential and a long industrial history. These cities are in a position to make a valuable contribution to the area as a whole.

CATALONIA:

7,5 m inhab in 32.000 km²

BARCELONA METROPOLITAN REGION:

5,2 m in hab in 3.300 km²

143 councils (25 km² / city council!!)

BARCELONA MUNICIPALITY:

1,6 m inhab in 100 km²

Major development operations in Barcelona 2000- 2030:

1.182 Ha and 11,4 M m2 GFS (excluding social facities- including parking facilities)
60.000 housing units, 40% affordable and social housing- 30.000-, 150.000 jobs,
balance of 125.000 jobs, specially because 22@)



Planol base: Barcelona Sagrera Alta Velocitat
Dades: elaboració pròpia

BARCELONA HOUSING PLAN 2009-2016**Approved in May 2009**

	Hypothesis Min	Hypothesis Max
2009 - 2016		
Demand	150.000	163.000
Units / 1000 inhab /year	11	12
Supply (new developments, vacants...)-Potential	108.000	127.000
Units / 1000 inhab /year	8	10
% Supply / Demand	72%	78%
Migration needs to other municipalities	28%	22%

Free housing potential (new developments)	38.000	43.000
Units per year	4.750	5.375
Affordable housing potential (new developments)	24.000	27.000
Units per year	3.000	3.375
Social housing potential (new developments)	6.000	7.000
Units per year	750	875

Total New developments potential	68.000	77.000
Units per year	8.500	9.625
New developments potential / Total supply potential	63%	61%
% Affordable +Social H in new developments	44%	44%

	Production 2009-2014 (Units)			Objectives		
	Affordable	Social	Total	Affordable	Social	Total
2009	739	486	1.225	3.375	875	3.750
2010	926	372	1.298	3.375	875	3.750
2011	1154	390	1.544	3.375	875	3.750
2012	1036	720	1.756	3.375	875	3.750
2013	172	570	742	3.375	875	3.750
	4027	2538	6565	16.875	4.375	18.750
				24%	58%	35%

BARCELONA HOUSING PLAN 2009- 2016: OBJECTIVES AND RESULTS

-High demand, because expected migration (without crisis)
11 units / 1000 inhab /year

-Potential supply meets 72% of the expected demand
and 28% will have to be located in other municipalities

-New developments potential would meet 61% of the
potential supply (including urban land and vacants)
-New developments will locate most of Affordable and
Social housing: 44% of total housing potential

OBJECTIVES REACHED AND PRODUCTION 2009- 2013

24% OF AFFORDABLE HOUSING OBJECTIVES
(because crisis has reduced free market production)

58% OF SOCIAL HOUSING OBJECTIVES
(because municipal investment capacity)

35% OF AFFORDABLE + SOCIAL HOUSING OBJECTIVES
(poor results)

**How does it work in crisis time
after the housing bubble burst**

HOUSING PRODUCTION IN BARCELONA PROVINCE (5,5 M, INHAB.)

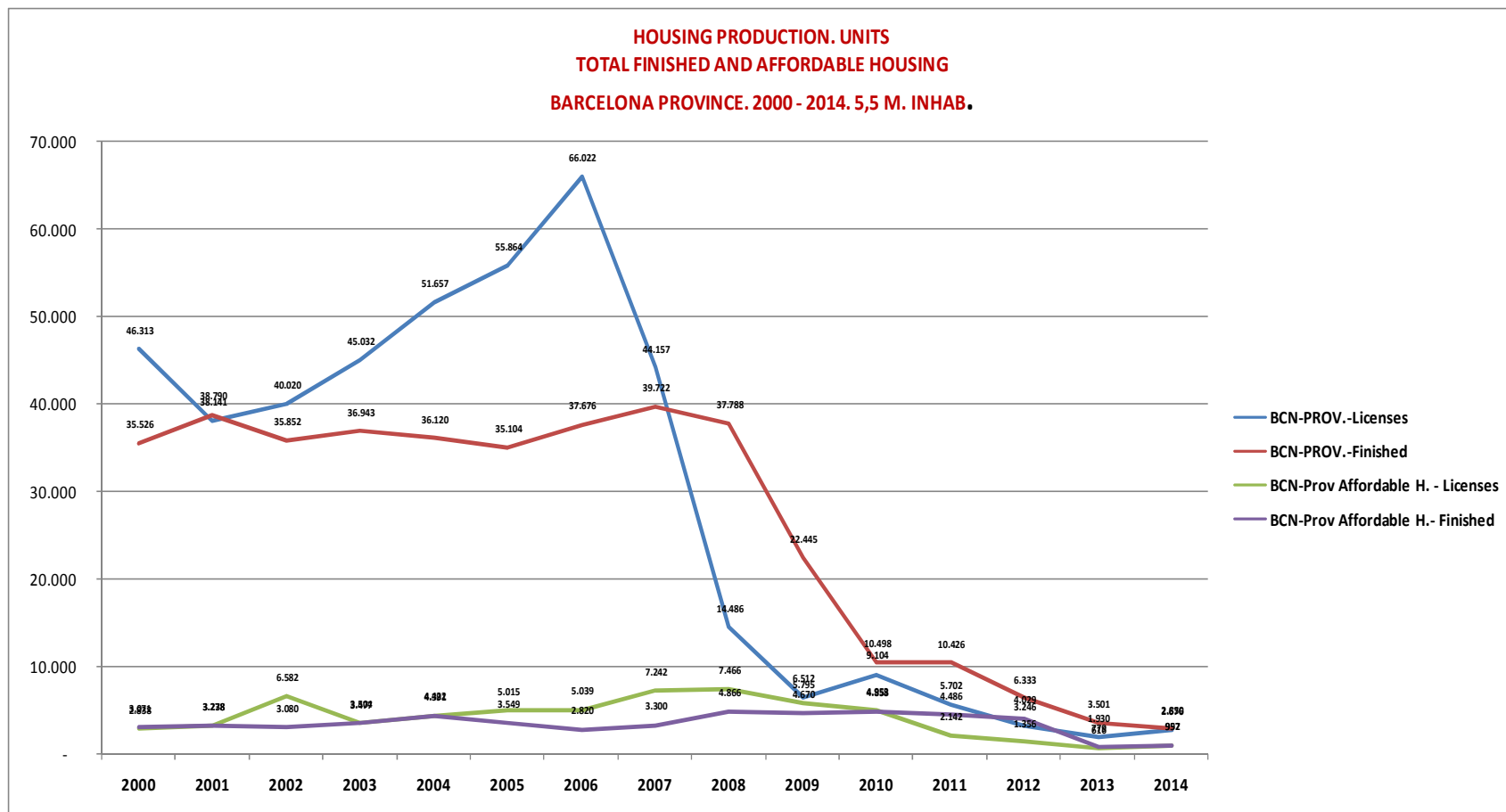
LICENSES: FROM 66.000 TO 2.800 PER YEAR

FINISHED: FROM 40.000 TO 2.900 PER YEAR

AFFORDABLE HOUSING

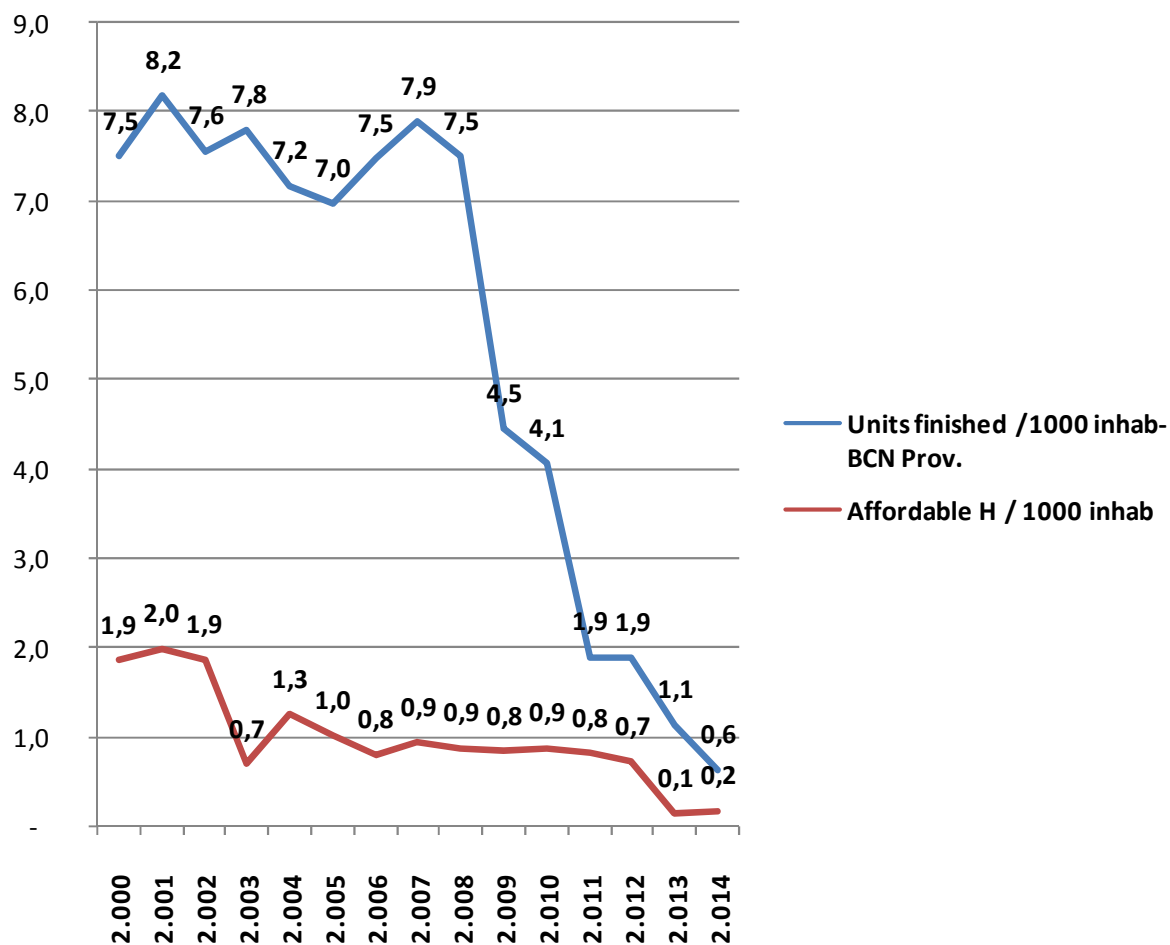
LICENSES: FROM 7.700 TO 100 PER YEAR

FINISHED: FROM 4.900 TO 1000 PER YEAR

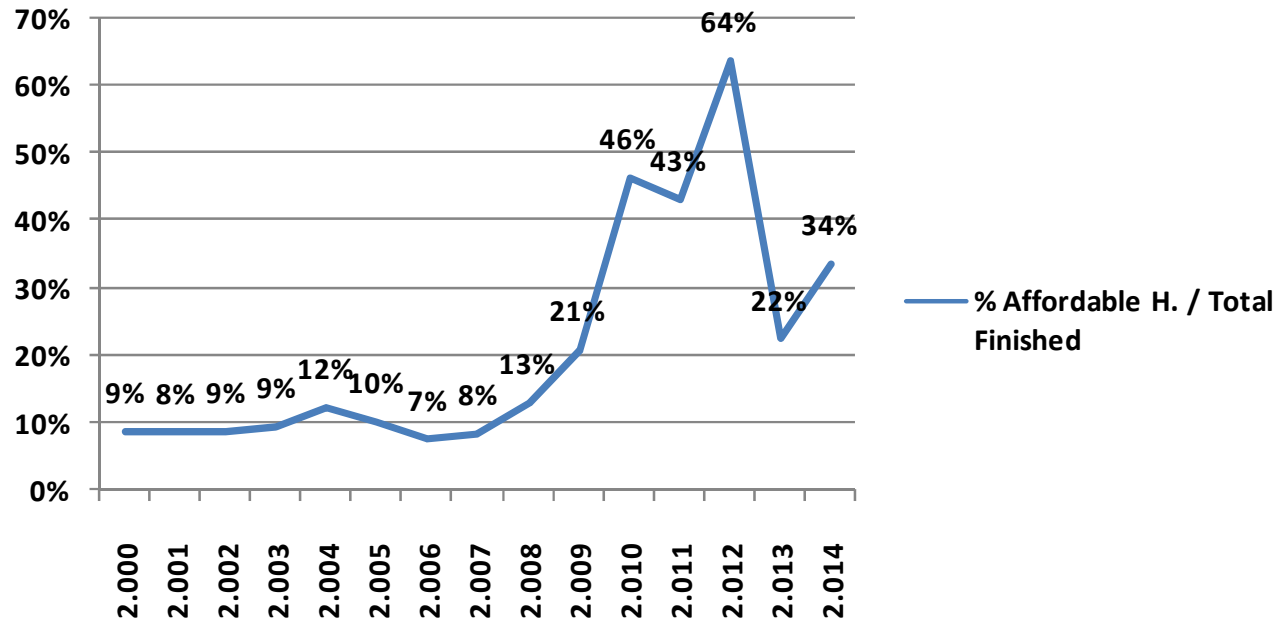


NEEDS: 4-5 UNITS PER 1000 INHAB/YEAR

**HOUSING PRODUCTION. UNITS PER 1000 INHAB.
TOTAL FINISHED AND AFFORDABLE HOUSING
BARCELONA PROVINCE. 2000- 2014 5,5 M. INHAB.**

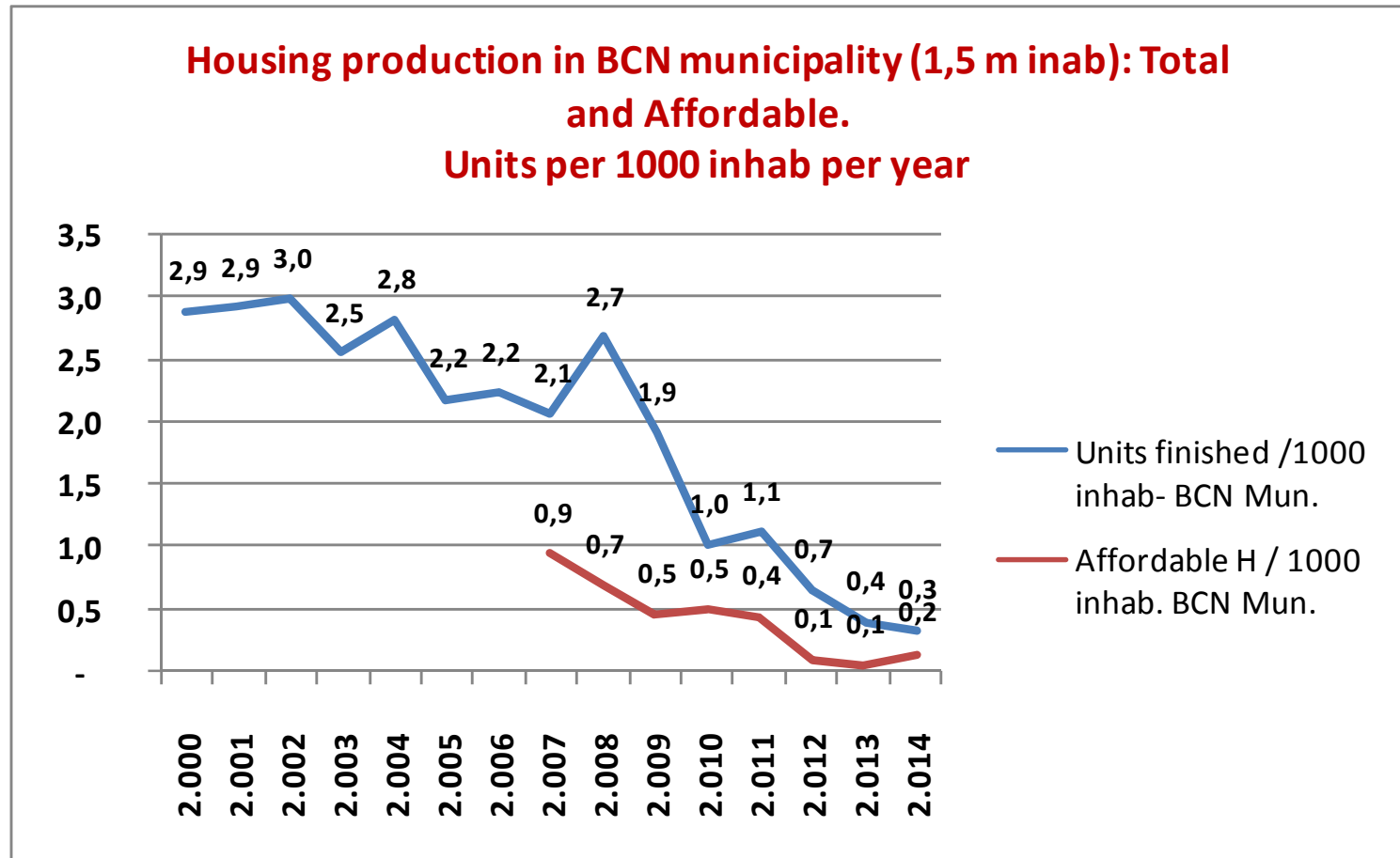


BARCELONA PROVINCE % Affordable H. / Total Finished



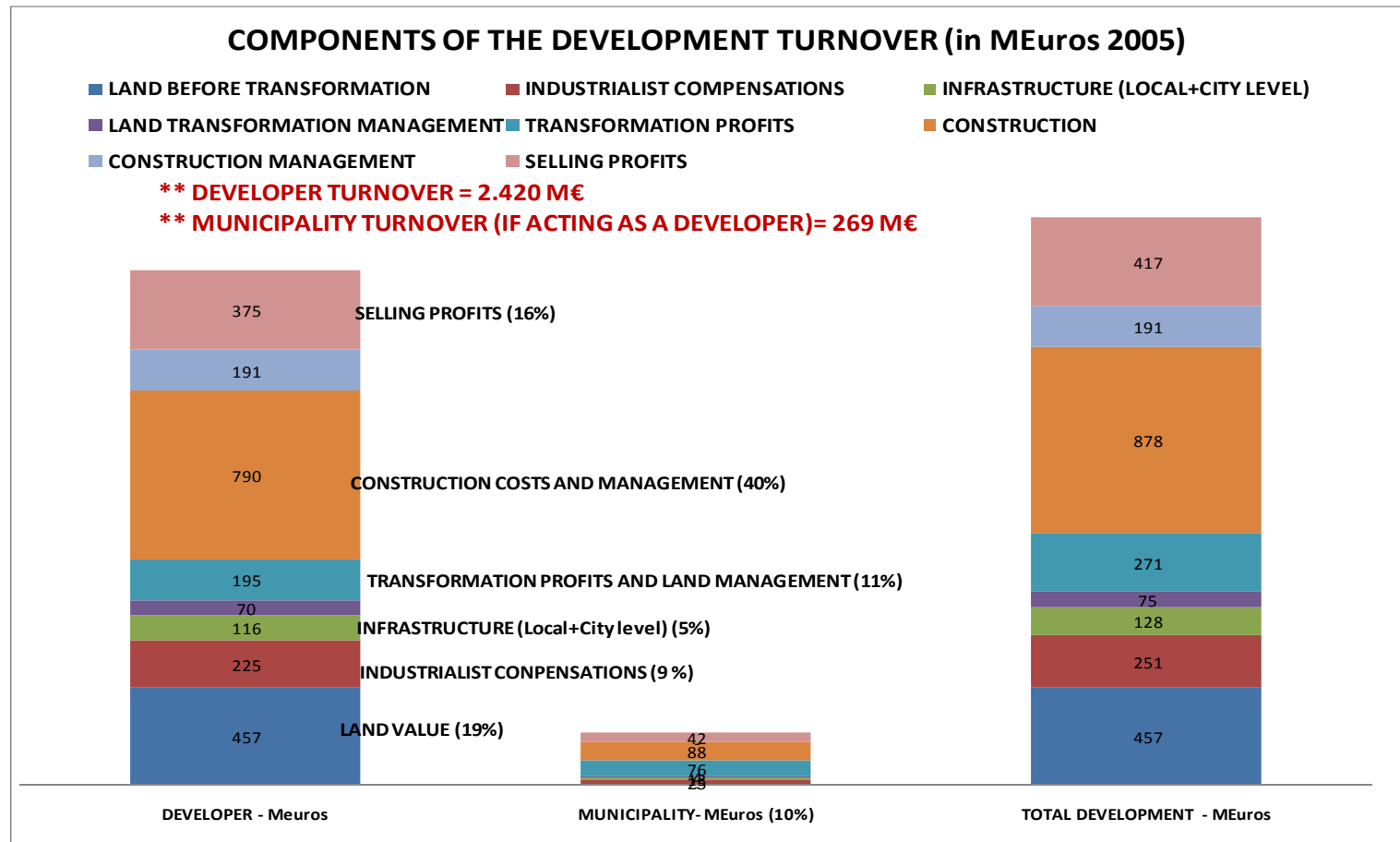
**We trusted on affordable housing to provide housing supply during the crisis
but it does not work because it also depends on jobs availability and bank mortgages**

BARCELONA HOUSING PRODUCTION



MARKET CAN AFFORD IT- ALSO IN 2014?

- LAND IS WORTH BY ITS DEVELOPMENT POTENTIAL LESS URBANISATION AND COMPENSATION EXPENSES
- TOTAL PRIVATE TURNOVER COMES FROM THE SELLING OF 70% FREE MARKET + 30% AFFORDABLE HOUSING
- IF LAND RESIDUAL VALUE < MANUFACTURING LAND VALUE, THE OPERATIONS WORKS- MAIN REQUIREMENT
- IF THE SELLING PROFITS ARE AROUND 15% OF THE TURNOVER, THE OPERATION WORKS
- WE DO NOT AGREE TO REDUCE IH RESERVES TO IMPROVE DEVELOPER ECONOMIC FEASIBILITY, BECAUSE LAND RESIDUAL VALUE CAN GOES DOWN UNTIL RURAL PRICES ,EXCEPT IN MANUFACTURING RENEWAL OPERATIONS.



Major development operations in Barcelona 2000- 2030:

ONLY 22@ AND PLAÇA EUROPA ARE IN PROGRESS



Planol base: Barcelona Sagrera Alta Velocitat
Dades: elaboració pròpia

Urbanisme

Salt - 07 Juliol 2015 02.00

El govern compra 26 pisos a Salt que eren de Bankia

És la primera fase d'un pla de la Generalitat per invertir al municipi del Gironès uns 2,5 milions per comprar un centenar d'habitatges que formaran part de la borsa de lloguer social

<http://www.elpuntavui.cat/territori/article/6-urbanisme/874105-el-govern-compra-26-pisos-a-salt-que-eren-de-bankia.html?cca=1>



El govern compra 26 pisos a Salt que eren de Bankia

És la primera fase d'un pla de la Generalitat per invertir al municipi del Gironès uns 2,5 milions per comprar un centenar d'habitatges que formaran part de la borsa de lloguer social

Blocs de pisos al passatge de la Sagrada Família de Salt, en una imatge d'arxiu

A POSSIBILITY FOR THE NEAR FUTURE:

REGIONAL GOVERNMENT PURCHASES TO BANKS FLATS COMING FROM EVICTIONS AT 25.000 E PER UNIT – 500 €/M2 USING A PRIOR RIGHT TO PURCHASE

Main conclusions

- 52% demand needs affordable housing and 22% of the families can not pay affordable housing
- 45% of affordable housing comes from new developments and production 2009- 2016 reaches 35% of the objectives
- Housing policy, affordable housing and LH works hardly during the crisis (still 3 difficult years ahead)