

FINANCING SOCIAL HOUSING

THE CEB'S EXPERIENCE

CECODHAS, DUBLIN, MAY 2013

The CEB in brief

Development bank founded in 1956 by eight Council of Europe member countries with an exclusively social mandate

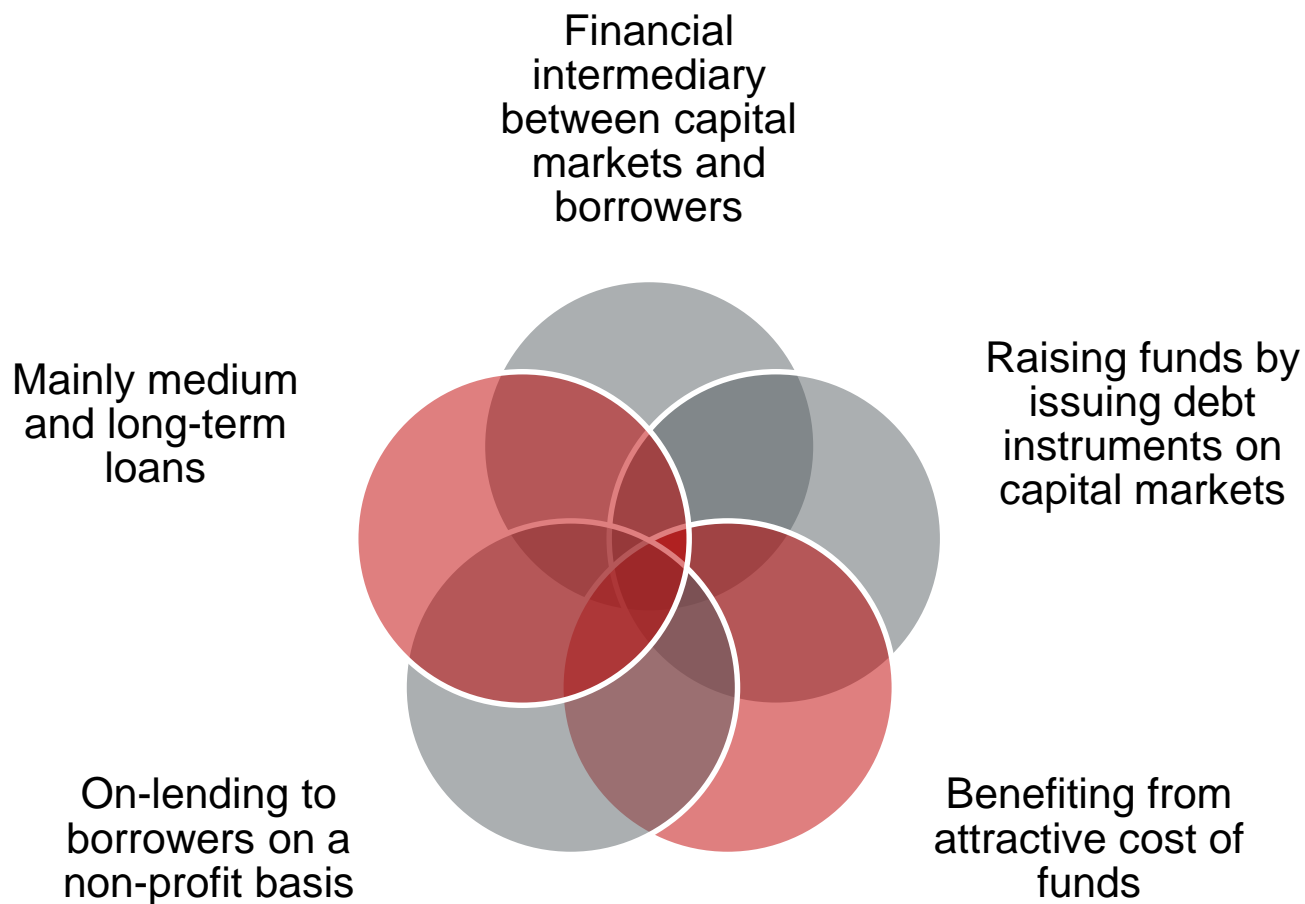
Main objective: to foster social cohesion in Europe

40 Member States – members of Council of Europe

Key Figures

- **Staff 182**
- **Total assets €26 billion**
- **Own funds €6.5 billion**
- **Outstanding loan portfolio €12 billion**
- **€38 billion in projects financed since inception**
- **Rating AAA (Moody's), AA+ (S&P, Fitch)**

Multilateral Finance Institution



Sectoral lines of action

	Sectors of action
Strengthening social integration	<ul style="list-style-type: none"> • Aid to refugees, migrants and displaced persons • Social housing for low-income persons • Creation and preservation of viable jobs • Improving living conditions in urban and rural areas
Managing the environment	<ul style="list-style-type: none"> • Natural or ecological disasters • Protection of the environment • Protection and rehabilitation of the historic and cultural heritage
Supporting public infrastructure with a social vocation	<ul style="list-style-type: none"> • Health • Education and vocational training • Infrastructure of administrative and judicial public services

The CEB in social housing

Social housing represents nearly 50% of the CEB's total lending

Total amount €17 billion

- Housing and housing-related infrastructure (€ 11 billion)
- Cross-sector operations with housing and urban components (€ 6 billion)

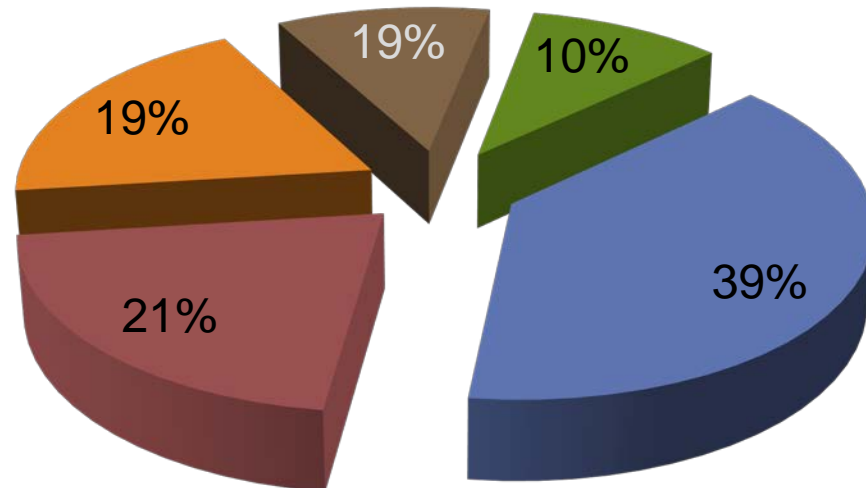
Leverage effect €45 billion

- Loans to housing and associated infrastructure projects mobilized € 45 billion of total investments across Europe

Increasing demand since 2009

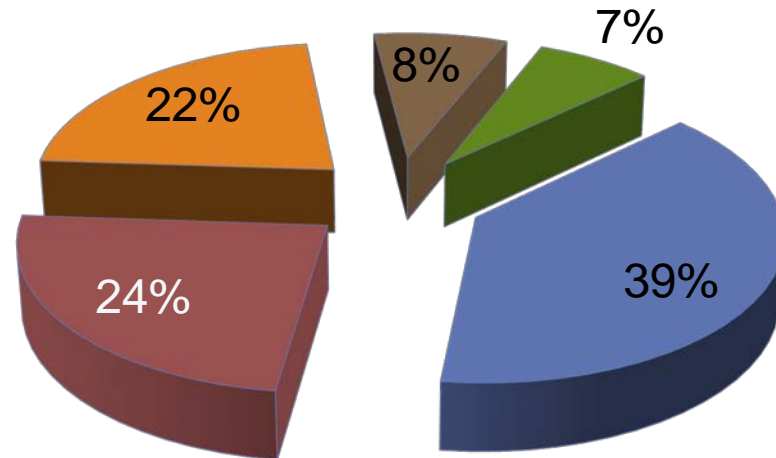
Geographical distribution of housing and urban development support

- Southern Europe
- South Eastern Europe
- Western Europe
- Nordic & Baltic countries
- Central Europe



Sectoral distribution of housing and urban development support

- Low-income persons
- Refugees and migrants
- Reconstruction and urban infrastructure
- Green housing
- Elderly and disabled persons



Eligibility Criteria

Regulatory legislation on publicly funded (social) housing (income, size, cost etc.)

In the absence of legal provisions, CEB criteria

- Income ceiling vs. national average
- Size limit vs. national average
- Occupancy clause

Rehabilitation/conversion restricted

- Publicly funded housing
- Commercial floor area < 20%

Ad hoc project specific criteria

- Housing for priority / vulnerable groups
- EE improvement in housing

Financial means of action

Project specific

Multi-project programmes

- **CEB loan amount** in principle < 50% of total eligible cost(s)
- **Tenor / Grace period** commensurate with project requirements up to 25 years in line with on-lending terms
- Adequate **risk profile** of the counterparty or the guarantor
- **Interest rate** fixed or floating
- **No Commissions or fees**
- **Terms and conditions** for each loan tranche determined separately
- **Disbursement schedule** follows progress of works or absorption capacity

Cooperation partners

**National or regional
government
authorities**

**Social housing
agencies**

**Public bodies
entrusted with
responsibilities in
the field of social
housing**

**Financial
Institutions**

Approches to social housing financing

Access to property

Social mortgage loans

Social properties for purchase

Social rental properties

Refurbishment works

Energy efficiency



Support elements

Technical advice

Advice on energy efficiency measures

Socio-economic advice and follow-up

Examples of Projects

France

Adaption of social dwellings for the needs of elderly and disabled persons

Estonia

Refurbishment of multiple-unit residential buildings

Belgium

Social mortgage and renovation loans

Refurbishment of social housing units

Montenegro

Access to property for low-income households

Hungary

Refurbishments of pre-fabricated panel buildings

Ireland

Loans for local authorities and co-operative housing bodies

Finland

Construction and renovation of rental social housing (including housing for elderly)

FYROM

Construction of rental housing units

European cooperation

Other IFIs


**European
Union**

**United
Nations
Agencies**

World Bank

**National
Development
Agencies**

Forward looking issues

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- Availability of low-priced long-term funds by respecting prudential capital ratios
 - Availability of technical assistance resources
 - Development of grant elements to foster the financial impact
 - Guarantee of quality and implementation of financed projects

Thank you for your attention

CEB

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