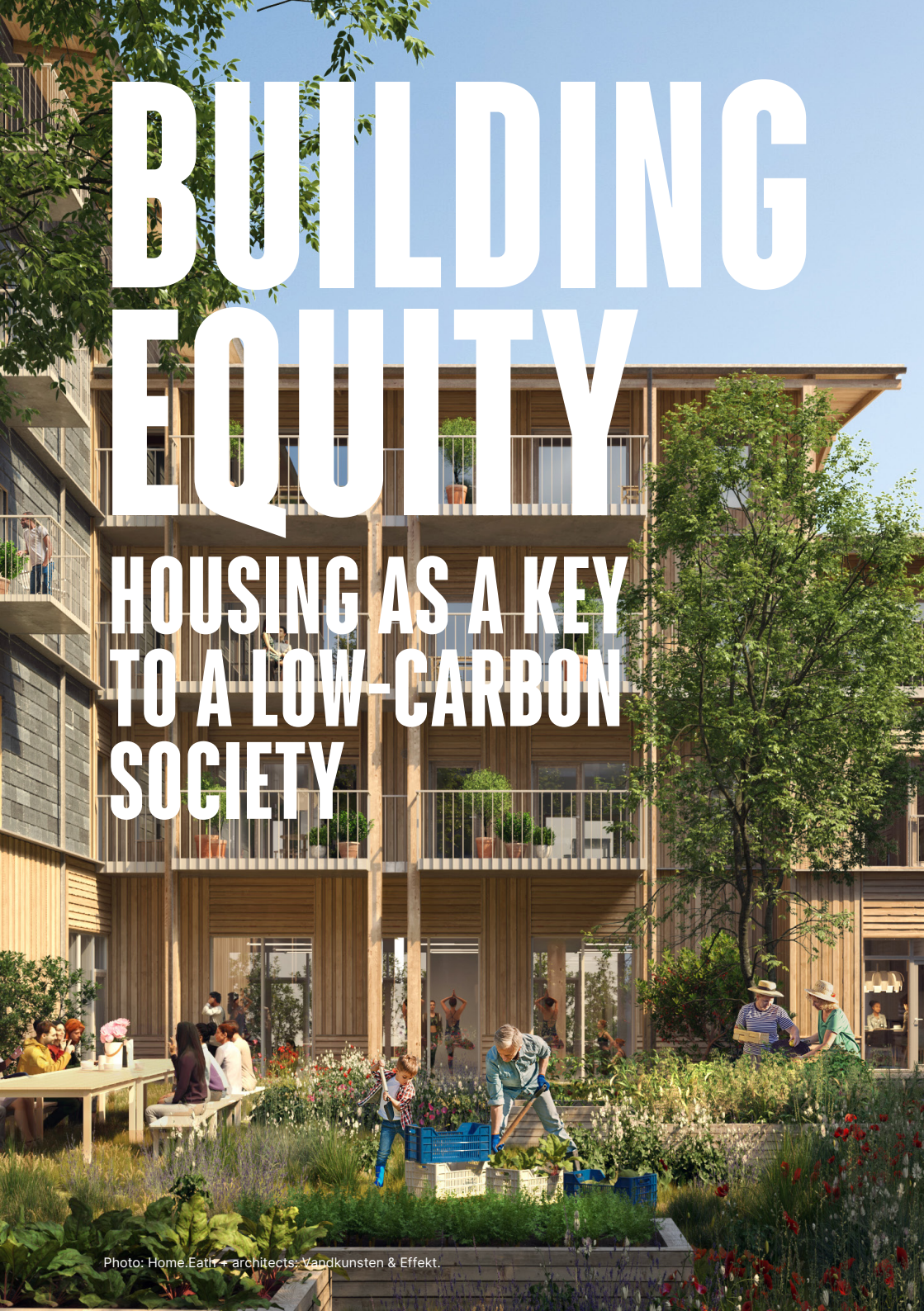


BUILDING EQUITY

HOUSING AS A KEY
TO A LOW-CARBON
SOCIETY



EUROPE FACES THE URGENT CHALLENGE OF DECARBONIZING ITS BUILDING STOCK WHILE ENSURING AFFORDABLE HOUSING AND WELL-BEING FOR ITS CITIZENS. ACHIEVING THIS REQUIRES A COLLECTIVE VISION AND COLLABORATION TO FOSTER INNOVATION AND CO-RESPONSIBILITY, EMPOWER ACTION, AND CULTIVATE SYSTEMIC CHANGE ULTIMATELY BREAKING DOWN BARRIERS TO PROVIDE SAFE, SUSTAINABLE HOMES FOR ALL WHILE DECARBONIZING EUROPE'S BUILDING STOCK.

This report has been developed under the leadership of BLOXHUB, with The Shift as contributing partner. The initiative Unlocking Social Value in Housing is funded by the Laudes Foundation.

This initiative aims to collect barriers and opportunities from the industry and provide the initial foundation for a larger effort dedicated to unlocking social value within the real estate industry. By doing so, we seek to empower stakeholders across the sector to lead by example.

Thank you for sharing your insights.



ENDORSEMENTS

"ONE OF THE BEST KEPT SECRETS IS THE ROLE THAT HOUSING PLAYS IN SOCIO-ECONOMIC INEQUALITY AND CLIMATE CHANGE. BLOXHUB NOT ONLY PULLS BACK THE CURTAIN TO EXPOSE IT BUT ALSO OFFERS HUMAN RIGHTS AS A STANDARDS-DRIVEN PATH FORWARD FOR PUBLIC AND PRIVATE ACTORS ALIKE. BRAVO!"

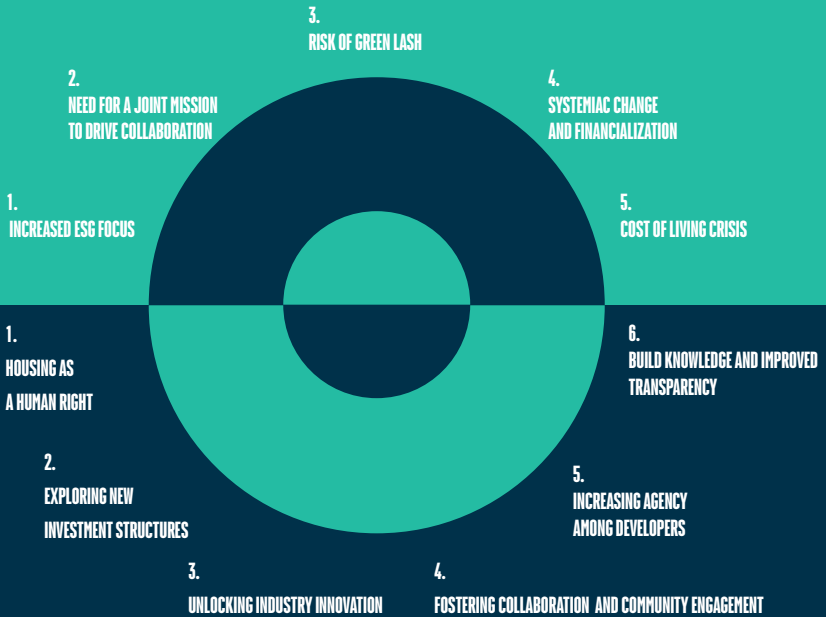
— LEILANI FARHA, GLOAL DIRECTOR, THE SHIFT

"HOMES PROVIDE THE FOUNDATIONS FOR HEALTHY, FULFILLING LIVES, AND WE NEED A NEW, COLLECTIVE APPROACH TO ENSURE THEY ARE SUSTAINABLE AND EQUITABLE. IT'S GREAT TO SEE THE RIGHT TO ADEQUATE HOUSING PLACED AT THE HEART OF THIS VISION, DRIVING NEW INVESTMENT STRUCTURES AND UNLOCKING INNOVATION THAT WORKS FOR PEOPLE AND PLANET."— GIULIO FERRINI, HEAD OF BUILT ENVIRONMENT, INSTITUTE FOR HUMAN RIGHTS AND BUSINESS.

"EUROPE'S FUTURE DEPENDS ON ENSURING PEOPLE CAN LIVE WITHOUT RENT BURDEN AND IN CLIMATE-FRIENDLY HOMES. THE PRIVATE SECTOR HAS AN IMPORTANT ROLE TO PLAY, WORKING ALONGSIDE PUBLIC AGENCIES AND CIVIL SOCIETY, TO ENSURE DELIVERY OF THE FULL BREADTH OF HOUSING OPTIONS NEEDED AND SCALING CLIMATE INNOVATIONS."— JESSE SHAPINS, DIRECTOR, URBAN PARTNERS

"CLIMATE, SOCIAL AND NATURE CRISES ARE ALL INTERWOVEN — AND YET WE PURSUE A STRATEGY OF SILOS. THE DRIVE TO DECARBONIZE HOUSING, WHILST EUROPE IS IN THE MIDST OF A HOUSING CRISIS, ARE TWO FORCES WHICH RISK CLASHING. WE NOW NEED INDUSTRY VISIONARIES TO FORM NEW COALITIONS TO DELIVER A BETTER HOUSING PRODUCT FOR BOTH PLANET AND PEOPLE; TO STEER A COURSE BETWEEN SOCIAL AND CLIMATE NEEDS. WE COMMEND THE WORK OF BLOXHUB TO BUILD THIS NEW INDUSTRY VISION."— JAMES DRINKWATER, HEAD OF BUILT ENVIRONMENT, LAUDES FOUNDATION

WHY THE TIME IS NOW



THE WAY AHEAD

**LOOKING FOR INSPIRATION
WITHIN REALIZED INITIATIVES,
UMBRELLA ORGANIZATIONS AND
NETWORKS, NATIONAL AND
CITIES EFFORT'S OR
DECARBONIZATION CASES?**

***SEE THE LONG LIST OF BEST
PRACTICES ON PAGE 38.***

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INTRO

MOVING TOWARD A COLLABORATIVE VISION

Europe faces the urgent task of decarbonizing its extensive building stock while ensuring affordable housing and well-being for citizens. By no means an easy task and success relies on collaboration to drive innovation and ensure the necessary speed and scale. To unlock the potential industry plays a key part. Hence, this document aims to empower action by recognizing the need for systemic change while highlighting the valuable work already being done by NGOs and pioneering industry players with the purpose of activating innovation capabilities and nurturing a culture of social value creation to catalyze transformative change within the housing sector.

The housing sector significantly impacts economic prosperity, health outcomes, and well-being. Yet, in today's urban context, housing as a basic human right is often overshadowed by market dynamics, regulatory hurdles, and socio-economic disparities. By 2023, 10,6% of Europeans in cities were overburdened by housing costs (Eurostat, 2023), and with a heightened awareness from the political system and increasing demand for solutions from citizens, it is clear there is an urgent need for new approaches. Compounding these

challenges, the EU's carbon budget for the built environment is critically low, with just ten years left at current emission rates to limit global warming to 1.5°C. With research suggesting that to meet the Paris Agreement targets, the carbon content of new buildings must be reduced by up to 94% by 2050 (Dark Matter, 2023).

Addressing these intertwined issues requires immediate, coordinated action, and the EU must tackle the rising cost of living while pursuing environmental goals. Because the ongoing cost-of-living crisis, exacerbated by increasing interest rates, material prices, and other economic pressures, makes affordable housing more critical. However, if successful, the housing sector has the potential to lead Europe's transition to a sustainable, decarbonized future while tackling housing affordability, providing not just shelter but the physical surroundings for children and citizens at large to live, learn, and thrive.

So, throughout the first six months of 2024, we have convened pan-European industry voices, as well as leading NGOs and collected their perspective on both barriers and opportunities and compiled and combined them with inspirational cases in this whitepaper to empower

action within the context of the current realities — such as investor responsibilities, increased interest rates, and increasing material prices. While both barriers and opportunity where many, the need and prospect for collaboration between public and private stakeholders was omnipresent.

A WAY FORWARD

Solving the challenge of adequate housing for all while decarbonizing the European building stock requires embracing both the complexity of the problem and the urgency of delivering solutions. With a steady belief that a just transition lens can potentially accelerate the pace of decarbonization by engaging politicians and citizens at large rather than being a barrier, our aim is to enable and celebrate action within the practical context of today's industry. Collaboration, innovation, and a commitment to housing as a human right are essential to building a more equitable, sustainable, and inclusive housing landscape. Values based public-private partnerships along with community engagement that explore co-responsibility are central to this vision. The public sector can offer things such as regulatory support, funding, and policy frameworks, while the private sector brings innovation, efficiency, and investment.

By demonstrating best practices, we aim to show that while the problem seems big and agency limited, there are many emerging innovative solutions ready for further advancement and adaptation. We strive to provide cracks of light in the existing system, highlighting that a just transition is not only necessary but possible.

In short, this whitepaper highlights housing's untapped potential, aiming to inspire industry stakeholders to innovate and drive change. Co-responsibility and cross-sector collaboration can accelerate the development and implementation of sustainable housing solutions, ensuring these efforts are scalable and sustainable in the long term. By unlocking innovation capabilities and fostering a culture of social value creation, we can catalyze transformative change within the housing sector and build a future where housing is a beacon of hope and opportunity for all. So, it's time to join forces across the private and public sectors by finding common ground. We can provide the just transition for residential real estate by debunking myths and working together.

By Ditte Lysgaard Vind, Chief Innovation & Science Officer, BLOXHUB, October, 2024



Papirøen, Boligselskabet AKB, København, Photo: KAB



METHODOLOGY

This report summarizes the results of the initial phase of the initiative *Unlocking social value in Housing*. The initiative aims to mobilize the European real estate industry and empower the industry to partake in unlocking social value in housing.

This methodology outlines the process of gathering, analyzing, and synthesizing insights from presentations, roundtable discussions, and interviews concerning the industry's role in Europe's decarbonization transition within the housing sector. Data collection involved comprehensive note-taking during presentations, group reflections from roundtable discussions, and interviews with industry experts. Thematic and comparative analyses were then employed to identify key challenges, strategies, and reflections. Findings were synthesized to highlight necessary building blocks and best practices. Limitations included scope constraints and potential biases. Overall, the methodology aimed to provide a systematic and insightful understanding of the topic while contributing valuable insights to inform future endeavors in the field.

Our methodology involved a multi-faceted approach to gather insights and perspectives from various stakeholders within the housing sector, which included:

- **Comprehensive literature review:** We conducted an extensive review of existing research, reports, and publications related to housing, social value, and innovation.
- **Expert interviews:** We interviewed industry pioneers, practitioners, policymakers, and academics to gain diverse perspectives on the challenges and opportunities within the housing sector.
- **Industry workshops:** Three industry engagement workshops were conducted, bringing together stakeholders from across the housing ecosystem to discuss key issues and brainstorm solutions.
- **Global perspective:** We sought insights from global practitioners and thought leaders to understand best practices and innovative approaches implemented in different contexts.

The data collected from these sources

were analyzed thematically to identify key challenges, emerging trends, and opportunities for improvement within the housing sector.

SHORT OVERVIEW OF INDUSTRY ENGAGEMENT WORKSHOPS.

As part of the initial phase of the initiative, three industry engagement workshops across Europe were conducted. These workshops brought together participants from the broad value chain within the real estate sector across local and European levels to ensure diverse perspectives on key challenges, emerging trends, and opportunities.

We engaged with the industry around the following questions:

- What must we do and stop doing to unlock the right to housing from a developer's perspective?
- What are the key drivers of agency and barriers to unlocking the right to housing?
- What opportunities do you see to transform existing business models and how do we go about it?
- What opportunities do you see in structuring housing as an infrastructure investment, and how do we go about it?

WORKSHOP 1:

Copenhagen - kick-start & scoping

In early February, the first workshop was held at BLOX in Copenhagen. The aim was to begin the initiative by bringing together stakeholders from the housing ecosystem. The participants engaged in a discussion focused on identifying key

barriers while exploring opportunities within the industry.

A key takeaway was that a value-driven approach based on human rights is needed to ensure accountability and social equity. Furthermore, a key takeaway was the limited agency within the segment of real estate developers driven by current investor demands, regulation, and the socio-economic context. The possibility for the industry to include within its focus on profit as a recognition that social value is also a financial asset and can be achieved by adjusting return on investment requirements to a longer horizon with steady returns was also highlighted.

WORKSHOP 2:

MIPIM - exploring key drivers of agency

The second workshop took place in mid-March in Cannes and focused on exploring key drivers of agency within the real estate industry. The discussions centered on reforming housing systems to be more sustainable, affordable, and equitable.

A key takeaway was that the private sector is crucial in driving the just transition, given its role to innovate and create solutions. However, a strong partnership with the public sector is essential, as the public sector is needed to curate the field and facilitate a just transition.

WORKSHOP 3:

ULI Europe conference - how to move forward

In mid-July, the third workshop

took place as part of the ULI Europe Conference in Milan, focusing on exploring how to move forward with actionable solutions. The participants delved into new business models and explored the opportunities in structuring housing as an infrastructure investment.

A key takeaway was that equity and decarbonization are mutually reinforcing; leaving people behind could lead to instability and delays, which undermines climate action. Prioritizing people can accelerate the transition to a sustainable

built environment, benefiting everyone, but it requires a mutually beneficial collaboration between the public and private sectors.

Each workshop featured inspirational talks from human rights real estate experts, aimed at increasing awareness and agency among participants. Participants explored key barriers through interactive sessions and were encouraged to create actionable solutions. The session aimed at fostering a collaborative environment to address the complex challenges of the real estate sector.

CONTRIBUTORS WHOSE PERSPECTIVES WERE INCLUDED



Figure 2. Characteristics of the right to housing



Each of these components is key to a home being adequate, and without even one of them quality of life significantly declines. For more information on the characteristics of adequate housing, please refer to the UN committee of economic, Social & Cultural Rights General Comments No. 4 and No. 7.

**Sustainability has recently been recognised by the UN Special Rapporteur on the right to housing, but is not included in the definition under international human rights law.*

This figure I created based on figure 1 from the report, The right to housing - A mission-oriented and human rights-based approach by The Shift and UCL Institute for Innovation and Public Purpose

WHAT WE LEARNED

ACTIONS, DRIVERS AND BARRIERS

From economic priorities driven by return on investment to political decisions shaping urban development, stakeholders face critical barriers in aligning commercial responsibilities with societal needs. Cultural perceptions, systemic rigidity in construction practices, and a lack of awareness further compound these challenges, hindering efforts to prioritize housing as a human right.

There is a great deal of interest in increasing social value in housing from industry, and integrating human rights into business practices offers significant advantages, including risk mitigation and an enhanced corporate image, which appeals to increasingly conscientious investors and shareholders with an increasing number of pioneering projects being built on a small scale. However, the industry's core ability to innovate is crucial for kick-starting new product categories that emphasize social value while delivering commercial value to achieve the necessary speed and scale. Throughout the project, we heard from best practice cases highlighting that human rights-compliant housing often results in more secure

tenancies, reducing costs associated with tenant turnovers, strikes, and protests, thereby, happy and secure tenants contribute to a stable and profitable business environment.

The convergence of housing affordability and decarbonization efforts highlights a dual challenge and opportunity for sustainable development. While decarbonizing housing — through energy-efficient design, green building materials, and renewable energy integration — can significantly reduce carbon emissions. These measures often come with increased upfront costs. This can strain housing affordability, particularly in communities already facing economic hardship.

However, addressing these two issues in tandem offers potential synergies. For instance, energy-efficient homes lead to lower utility costs, which can enhance affordability over the long term by reducing residents' monthly expenses. Retrofitting existing housing stock with green technologies like solar panels, insulation, and heat pumps may involve significant initial investments. However, it can also create long-term savings that benefit lower-income households,

ultimately supporting both economic and environmental sustainability.

Financing mechanisms and policies that balance the short-term costs of decarbonization with the need to keep housing affordable must be explored. This could include subsidies, tax incentives, or public-private partnerships that encourage sustainable development without increasing housing costs. At this cross-section, it becomes clear that a comprehensive approach to housing policy must integrate both affordability and environmental responsibility. By doing so, we can create homes that are not only affordable but also contribute to the broader fight against climate change.

What was also made clear throughout the engagement with the industry is that EU regulations act as powerful drivers of change, creating urgency for innovation and demand for new solutions to deliver a just transition. This aligns with the overall ESG trend, indicating a growing need for innovative solutions. Policies such as the EU Taxonomy, Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), and European Performance of Buildings Directive (EPBD) are vital

in aligning climate and social outcomes. These policies can unlock more socially responsible business models. Clear sightlines into future social regulations allow businesses to mobilize capital, reduce risk, and develop innovations that maximize pre-competitive advantages. The Corporate Sustainability Reporting Directive (CSRD) has initiated this process in Europe, but construction sector-specific standards must be developed as part of the European reporting standards (ESRS). Furthermore, there is optimism around the fact that proptech and digitization, along with the advancement and scaling of decarbonization solutions, can significantly reduce transition costs. However, ensuring these benefits reach both inhabitants and investors is essential.

By addressing the barriers and leveraging these drivers, the industry can unlock substantial social value in housing, fostering a more equitable and sustainable future. So, before going into the longer list of emerging solutions, please look at this overview of key findings touching upon firstly **why** the time to act is now and **how** we move forward from here.

WHY THE TIME IS NOW

1

INCREASED ESG FOCUS

The housing sector has a growing emphasis on environmental, social, and governance (ESG) factors. However, to be effective, the heavy reporting burden must align with EU regulations to ensure compliance and efficiency. Integrating ESG principles into housing development promotes sustainability, ethical practices, and social responsibility. It also attracts conscientious investors and stakeholders committed to long-term positive impacts, driving the housing industry toward more sustainable and equitable practices.

2

NEED FOR A JOINT MISSION TO DRIVE COLLABORATION

Collaboration is essential to harness industry capabilities and drive the just transformation of housing at the necessary speed and scale. A unified mission that brings together public, private, and third-sector stakeholders is crucial. Without a coordinated approach, the momentum required for decarbonization and social equity in housing will be lost. This joint effort ensures that resources, expertise, and innovations are pooled effectively to create a sustainable and inclusive housing future.

3

**RISK OF
GREEN LASH**

There is a growing concern for green lash among European citizens accelerated by the cost-of-living crisis. Hence, decarbonization strategies must be inclusive to prevent community pushback and ensure widespread support for climate action. Designing policies and initiatives that mitigate inequalities during the transition process is crucial. Inclusive decarbonization ensures that all communities benefit from cleaner, more efficient housing and that vulnerable populations are not disproportionately burdened. This approach mitigates risk while promoting social cohesion and accelerates the adoption of sustainable practices.

4

**SYSTEMIC CHANGE
AND
FINANCIALIZATION**

The broader context of financialization affects the housing sector significantly. Increasing agency and action within the existing system by highlighting tangible solutions can drive change, balancing immediate improvements with long-term goals. Systemic change involves reevaluating financial priorities to support social value and sustainability. We can foster a more equitable and resilient housing market by addressing financial barriers and creating conducive environments for investment that create human rights outcomes.

5

**COST-OF-LIVING
CRISIS**

The urgency to tackle the cost-of-living crisis is clear: 15 million Europeans struggle with housing costs, and since 2010, European house prices have risen 47% and rents 18%, while investor-owned housing increased 700%. In some regions, over 20% of households now spend more than 40% of their income on housing. Hence, tackling the cost-of-living crisis is essential to prevent further financial strain on households, reduce inequality, and ensure that affordable, secure housing is accessible to all, promoting long-term economic stability and well-being.

THE WAY AHEAD

1. HOUSING AS A HUMAN RIGHT

Housing should be recognized for its fundamental dimensions — its social value as a place for human well-being, raising a family, community building, and civic participation. It is a cornerstone of society, providing stability, security, and a sense of belonging. Recognizing housing as a human right emphasizes the need to ensure access to safe, affordable, and adequate housing for all, fostering inclusive communities and promoting social justice with user-centric value creation at its core. By ensuring housing for all, we promote social justice, build inclusive communities, and strengthen both the economy and society as a whole.

2. EXPLORING NEW INVESTMENT STRUCTURES

To unlock housing's potential, several innovative models should be explored. Structuring residential real estate as an infrastructure investment can attract long-term, de-risked capital. Housing as its own product category encourages innovative design and affordability. Profit-sharing models allow tenants to benefit financially while including residents as shareholders fosters community engagement and stability. Community land trusts (CLTs) ensure long-term affordability and empower local control. Together, these approaches highlight the opportunity to explore new ways of structuring housing to promote innovation in housing design, sustainability, and financial inclusion, driving transformative change across the housing sector.

3. UNLOCKING INDUSTRY INNOVATION

Industry innovation is crucial to deliver social value within safe planetary boundaries. A diverse array of solutions is necessary to meet housing demands sustainably. Encouraging innovative practices and technologies can lead to the creation of resilient, energy-efficient, and affordable housing. Unlocking innovation involves supporting experimental projects, scaling successful business models, and continually seeking new ways to enhance housing delivery and environmental performance.

4. FOSTERING COLLABORATION AND COMMUNITY ENGAGEMENT

Collaboration between the public and private sectors, along with community engagement, is essential for transformative change in the housing sector. Understanding and addressing local housing challenges require active participation from all stakeholders. Effective collaboration can ensure housing solutions are tailored to community needs, leveraging local knowledge and resources. This collaborative approach fosters resilient, affordable, and sustainable housing systems that benefit all members of society.

5. INCREASING AGENCY AMONG DEVELOPERS

Developers often feel constrained in their ability to pursue innovative and socially responsible housing projects. By highlighting best practices and successful, real-world examples, we can show developers that sustainable and socially valuable housing is not only feasible but can also be profitable. Clear examples, combined with targeted support, can break down perceived barriers and cultivate a proactive development culture. With the right encouragement, developers can leverage their expertise and resources to create high-quality, sustainable housing that addresses both market demands and societal needs, positioning themselves as leaders in the transformation of the housing sector.

6. BUILD KNOWLEDGE AND IMPROVE TRANSPARENCY

Increasing knowledge about and transparency in delivering social value in European residential real estate is crucial for fostering sustainable communities. It ensures that developers and investors consider the long-term impact of their projects. Transparency helps align real estate developments with broader social goals, such as affordability and accessibility, which can mitigate housing inequalities. Enhanced knowledge and openness about social value can drive more informed decision-making, encouraging practices that benefit both people and the environment.

These key findings emphasize the need for a balanced approach that combines immediate action with long-term strategic planning, fostering innovation, collaboration, and a commitment to housing as a fundamental human right.

TAKEAWAYS FROM ULI EMERGING TRENDS REPORT

Each year, the Urban Land Institute (ULI) publishes the Emerging Trends in Real Estate report, providing an outlook on European real estate investment, development trends, capital markets, and the broader built environment, drawing on insights from over 1,000 industry leaders.

The 2024 edition emphasizes the increasing importance of social value in housing, driven by several key factors:

- Interconnected challenges: Housing affordability, social equity, and mass migration are identified as interlinked social and political issues, seen as potential catalysts for social unrest and political instability.
- Increasing focus on social value: 57% of respondents expect social value to become a key factor influencing real estate decisions in the coming years.
- Affordable Housing as a priority: 54% of respondents highlight affordable housing as a pressing concern, emphasizing the need for real estate strategies to address social inequality and affordability. It ranks as the fourth most significant theme shaping real estate decisions and strategic planning (Figure 1).

Survey respondents of the 2024 edition expect that the social impact of real estate will be a key issue over the next five years, and efforts are needed to address the challenges. A global investor, ULI Europe, encapsulates this shift →



Figure 1: Top 5 themes which will drive real estate investment decisions and strategic planning, ULI Europe, 2024

“THE ‘S’ (SOCIAL) REQUIRES A PARADIGM SHIFT. WHILE THE ‘E’ (ENVIRONMENT) OFTEN IMPLIES THINKING ABOUT ASSETS IN ISOLATION, THE ‘S’ IS ABOUT CREATING PLACES. I THINK THIS WILL ALSO CHANGE HOW WE APPROACH ENVIRONMENTAL MATTERS.”

QUOTE BY ULI EUROPE TREND REPORT 2024



Demohouse of Circle House developed by Failestegnestuen. Photos by Tom Jersø

THE EMERGING SOLUTIONS

The industry can play a crucial role in the just transformation of Europe's building stock, delivering affordable housing while reducing carbon emissions. This requires focusing on key areas such as knowledge creation, measurements and target setting, culture and mindset, investment and business models, and governance.

Through this project, we identified the following solutions, which were categorized into new building practices, business model innovation, policy innovation, financial innovation, and community innovation with cases for each section. Some will be less difficult to implement, while others will require greater effort and collaboration across the entire value chain. Not all can be driven by the industry, but the industry can nonetheless help drive the transformation by bringing the value chain to the table and setting a joint vision. Hence, before diving into the longer list of solutions, here is first a deep dive into the opportunity to unlock social value in housing via creating a collaborative vision for residential real estate in Europe and the case for Cross-sector alliances between the public sector, private sector and the

affected communities to achieve the desired vision, and both has emerged as necessary in order to successfully drive the transformation via the continuous stakeholder engagement (see the above section on methodology) and unlock several of the detailed solutions.

A COLLABORATIVE VISION FOR RESIDENTIAL REAL ESTATE IN EUROPE

A joint mission across the industry and the public sector is essential for European real estate to meet human rights objectives and climate goals, driving decarbonization at the necessary speed and scale. Governments, industries, and investors must collaborate to create housing systems that serve people and the planet.

The right to housing is defined as “the right to live in a home in peace, security, and dignity, which includes security of tenure, availability of services, affordability, habitability, accessibility, appropriate location, and cultural adequacy.” Providing adequate shelter is crucial not only for living in peace and well-being but also for enabling individuals to participate and contribute to society, including education, business, and culture.

The right to housing, included in the United Nations Universal Declaration of Human Rights and many international treaties ratified by European countries, is also enshrined in the European Pillar of Social Rights, which affirms that access to social housing and housing assistance of good quality is to be provided for those in need. However, the EU's primary responsibility for housing policies lies with the Member States. The EU has no direct competence in the area of housing and only a limited scope of action to address social issues. Certain EU rules, such as the right to housing and assistance for the homeless (principle 19) and the right to housing assistance (Art. 34.3), directly impact housing policies.

The future of residential real estate in Europe should set the collective ambition of creating inclusive, sustainable, and resilient housing systems. By working together, we can respect different stakeholders' unique capabilities and contexts, ensuring a collaborative approach to achieving these goals.

This joint mission is about addressing the housing crisis and leveraging the opportunity to decarbonize at scale. We can build a sustainable and equitable housing landscape by aligning efforts across governments, industries, and investors. This collective effort is vital to meet climate targets, drive innovation, and uphold the fundamental human right to housing for all.

Businesses that embrace this mission will not only contribute to social value

but also gain competitive advantages through enhanced corporate reputation, risk mitigation, and access to new markets driven by ESG trends. Together, we can ensure that every individual has access to safe, affordable, and dignified housing, enabling them to live in peace and contribute meaningfully to society while accelerating the transition to a low-carbon future.

CROSS-SECTOR ALLIANCES

Public, private, and third-sector partnerships are essential as neither the public, private nor the third sector can independently solve the housing and climate emergencies. An all-in approach is needed to tackle these challenges effectively.

Participants have highlighted that securing long-term financing for housing requires guaranteeing a stable revenue stream to attract private capital. Governments play a pivotal role in ensuring this stability through consistent support mechanisms. Effective change necessitates political leadership to prioritize affordable housing in land sales and urban development, alongside robust collaboration between industry and policymakers. Governmental pressure is crucial for the industry to prioritize social value and integrate social responsibility into financial models.

Public-private partnerships (PPPs) offer a collaborative effort to address these needs. Throughout industry engagement, it has been clear that both the public sector and institutional investors play a

crucial role in delivering a just transition. Partnerships that further shared goals, pool complementary resources, and share risks and rewards are essential. This collaborative approach ensures that the benefits of market shaping are realized positively, incentivizing the proper behavior through fast-tracking permits, guarantees, and subsidies.

Governments can address demographic movements causing urban depopulation by incentivizing economic activities in smaller cities and towns, encouraging people to move back to these areas, and utilizing existing building stocks. Economic incentives, such as tax-free activities, can be implemented without significant costs while creating jobs and educational institutions in these regions, further attracting residents and businesses, reducing the carbon footprint, and leveraging existing infrastructure.

Market fixing as a solution benefits no one; instead, innovative market shaping can deliver value for all through collaborative efforts between the public sector, investors, and the industry. The public sector and investors define problems and goals, while the industry creates solutions that deliver on the mission. Incentive structures ensure speed and scale, making EU projects an obvious focus.

The industry can drive innovation and create new solutions, but the public sector and investors need to achieve scale. Sharing risks and rewards in partnerships can help achieve this.

CASE: JERNBANEBYEN, COPENHAGEN



The development of Jernbanebyen (The Railway District) was initiated by DSB Property Development and Freja Ejendomme A/S. In 2021, the Baneby Consortium, consisting of Nrep (Urban Partners), Novo Holdings, and Industriens Pension, acquired the southeastern part of Jernbanebyen. Today, the district is being developed by DSB Property Development, Freja Ejendomme A/S and Nrep, representing the Baneby Consortium. Jernbanebyen has been designated as a global pilot project aimed at showcasing the way forward for future sustainable cities. The vision is to create a green, healthy, and diverse neighborhood. It is expected that approximately 4,500 homes will be built in Jernbanebyen. The project partners view close collaboration with Danish social housing organizations as pivotal to realizing their vision of a diverse neighborhood with adaptable housing options for residents in various life stages. As part of the development process, the project partners invited expressions of interest from different social housing organizations for involvement in the project. The project partners believe involving partners as early as possible in the development process provides the best foundation for collaboration. The project partners have partnered with three social housing organizations, which will play an active role in the development of the area. 25% of the housing will be social housing, which is a zoning requirement for all new developments in Copenhagen. (Jernbanebyen, n.d.)

Policies such as a reduction roadmap can positively affect policy implementation. Moving across silos is necessary to capture the return on social value, as costs might lie differently than where value is created. For instance, Livingplaces.earth showcases how policy can guide financial flows to benefit all stakeholders.

Successful PPPs demonstrate that most radical, revolutionary innovations trace their early, capital-intensive investments back to the state. An entrepreneurial state is one that is unafraid to take the lead, bold in its willingness to innovate and learn, and capable of directing change and engaging multiple stakeholders.

A concerted effort between governments, industries, and investors is essential to unlock social value in housing. We can create a sustainable and inclusive housing system that benefits everyone by fostering partnerships that

share risks and rewards, leveraging existing infrastructure, and implementing effective policies.

IDENTIFIED SOLUTIONS

NEW BUILDING PRACTICES

- **Regenerative design principles:** Regenerative design principles go beyond sustainability to actively restore and enhance ecosystems. By adopting regenerative approaches to housing development, stakeholders can mitigate environmental damage, promote biodiversity, and foster resilient communities.
- **Thorough local analysis:** Conduct detailed studies of local housing needs to tailor solutions effectively. Understanding specific community requirements ensures that housing developments meet actual demand and are more likely to succeed and gain community support.
- **Increasing density:** Develop strategies to increase urban density

CASE: BARCELONA PDHB PLAN + HABITATGE METROPOLIS BARCELONA

Since 2016, Barcelona City Council has aimed to guarantee the right to access decent housing through the Right to Housing Plan (PDBH), which is valid from 2016 to 2025. One of its strategic targets is to increase the number of affordable flats. The goal is to build 8,000 new units, with 33% being delivered in partnership with the private and third sectors. As part of this initiative, the joint enterprise Habitatge Metropolis Barcelona was established as Spain's first public-private housing operator to transform rental housing into a mixed

economic society. The joint enterprise aims to build 4,500 homes with affordable rental housing on public land (leasehold) over eight years, with construction starting in 2022. This joint enterprise is based on a strategic partnership and alliance: co-investing, co-designing, and co-managing, with the public sector holding 50% and the private sector holding the other 50% in the development and construction of affordable housing. This strategic partnership ensures that responsibility, risks, and rewards are shared equally, similar to a shared governance structure (IMHAB, 2022).

without sacrificing quality of life. Higher density can provide more housing options and make better use of existing infrastructure, reducing urban sprawl and preserving green spaces.

- **Utilizing existing building stock:** Repurpose underused buildings, including those outside major cities, to meet housing needs. Public-private partnerships can make these areas

attractive by improving infrastructure and creating job opportunities, as seen in projects transforming hospitals and other facilities no longer in use for its original purpose.

- **Flexible living spaces:** Create adaptable living spaces in urban areas that cater to various needs, such as co-living and shared spaces. These spaces can offer affordable housing solutions while fostering a sense of

CASE: LONDON CLT



London Community Land Trust (CLT) is an independent non-profit organization governed by its members. Anyone who lives in London can buy a share for £1.22 to become a member. London CLT operates with an affordability model for their homes, where home prices are set according

to local average earnings. When residents move out, they must sell at a similar level, giving new local families a chance to buy an affordable home. London CLT builds homes either with a development partner or as direct development. In January 2023, London CLT finalized its first direct development

project, Citizen House, a community-led, affordable 11-home housing development in Sydenham. Citizen House was created by the community using the London CLT affordability model, and the house was co-designed by the community to foster community ownership (London CLT, 2022).

REFERENCE: Citizens House, Lewisham, developed by London CLT. Visuals by French + Tye.

community among residents.

- **Downsizing:** Promote downsizing to optimize housing resources and meet the needs of smaller households. Encouraging residents to move to appropriately sized homes can free up larger properties for families and improve overall housing efficiency.

BUSINESS MODEL INNOVATION

- **Structure residential real estate as an infrastructure investment:**

Identify what the private sector needs from the public sector to engage in long-term, de-risked investments. New assessment methods should incorporate public value created by various stakeholders, promoting accountability and quality outcomes.

- **Establishing real estate as a major product category:** Unlock the industry's potential to innovate not only in financial products but also in delivering final housing solutions. This can attract new investment and drive advancements in housing design and sustainability.

- **Profit-sharing with tenants:** Implement models where tenants share in the profits of housing developments. Home.Earth, for example, increases tenant investment and satisfaction by allowing residents to benefit financially from the success of their housing projects.

- **Residents as shareholders:** Include residents as shareholders in housing developments to increase their stake and involvement. This approach fosters a sense of ownership and responsibility, enhancing community stability and satisfaction.

CASE: HOME.EARTH



Home.Earth is a Danish evergreen real estate company inspired by the doughnut economy model. Their mission is to provide healthy, affordable living within planetary boundaries, with a strong focus on social foundations. The doughnut economy model is central to Home.Earth's operations, aligning stakeholders' interests and transforming the tenant-landlord relationship. By adopting an Evergreen time horizon, Home.Earth ensures long-term investment returns with a target of a 10% ROI over ten years, contrasting with the typical 3-4-year industry timeline. To create affordable housing, Home.Earth implemented a profit-sharing scheme where tenants receive around 15% of the return to encourage longer tenancies. They also devised a credit system to eliminate the need for large deposits, making renting more accessible. Additionally, Home.Earth designs units to minimize move-out costs to further enhance affordability (Home.Earth, nd).

CIVIC SQUARE, BIRMINGHAM, UK



Civic Square is an innovative community-led initiative in Birmingham's Ladywood district, demonstrating neighborhood-scale civic infrastructure that fosters social, economic, and environmental sustainability. Spearheaded by a collective of local residents, artists, and activists, the project engages extensively with local stakeholders to design a space that caters to the community's diverse needs. It organized around three interconnected neighborhood system demonstrators: 1) the Neighbourhood Doughnut, a compass for creating ecologically and socially just neighborhoods 2) Neighbourhood Transitions, a street-based systemic demonstration of carbon, energy, and ecologically built environment transitions and 3) Neighbourhood Public Square democratizing access to spaces and resources for a distributed and regenerative transition. The initiative utilizes various

funding sources, including grants, crowdfunding, and social investment, to support its development. Civic Square has become a central hub for community activities and innovation, strengthening the social fabric of Ladywood. The project has garnered interest from investors focused on sustainable and socially responsible property development, demonstrating the value of incorporating community input into urban planning (TK Property Group, nd).



REFERENCE: Computer-generated designs by Civic Square

POLICY INNOVATION

- **Rethinking government roles:** Governments must stay true to the collective mission of upholding housing as a human right and monitor progress towards housing goals. Transparent governance and regular reporting are essential for maintaining public trust and achieving mission objectives.
- **Fast-tracking permits:** Streamline the approval process for housing developments to accelerate construction. Cities like Chicago have successfully implemented fast-tracking for decarbonization initiatives, demonstrating that similar approaches can speed up housing projects and reduce bureaucratic delays to achieve the collaborative vision and deliver on social value goals.
- **Mixed socio-economic demographics:** Integrate affordable housing within private developments to create diverse communities. Projects like Jernbanebyen show that public requirements for affordable housing can coexist with profitable developments, making mixed-income neighborhoods the norm rather than the exception.
- **Incentivizing best practices:** Offer regulatory and financial rewards to developers who exceed building code requirements and deliver on the collective mission toward a just transition of the build environment. This encourages innovation and higher standards in the industry.
- **Multi-level, long-term governance:** Establish strong governance structures that integrate regional

and city-level plans with national decarbonization rights-based housing strategies. Long-term planning provides policy certainty, fostering responsible public and private investment.

- **Promoting energy-efficiency retrofits:** Provide incentives for homeowners to improve energy efficiency through tax deductions, subsidies, and special pricing with energy companies. Ensure these benefits are shared with tenants to prevent rent increases post-renovation.
- **Protecting against renovations:** Implement measures such as rent caps, bans on no-fault evictions, and longer rental contracts to protect tenants during renovations. Tie retrofit loans to future energy savings to safeguard affordability and social housing status.

FINANCIAL INNOVATION

- **Impact investment frameworks:** Impact investment frameworks offer a promising avenue for aligning financial interests with social and environmental goals. By integrating metrics for social impact alongside financial returns, investors can drive positive change within the housing sector while still generating competitive returns.
- **Blended finance models:** Set incentives for blended finance in social housing, such as state credit guarantees or attractive interest rates, requiring both environmental and social sustainability. This can

attract diverse funding sources and lower the cost of capital for socially responsible projects.

- **Government-guaranteed rent products:** Attract long-term investments and lower risks through government-backed rent guarantees. Such products can provide financial security to investors while ensuring stable and affordable rents for tenants.
- **Patient, long-term public finance:** Deploy patient capital focused on long-term human rights outcomes and sustainable development. This approach supports mission-driven projects that prioritize social impact over immediate financial returns.
- **Rent-to-own schemes:** Implement rent-to-own schemes to facilitate

homeownership for low-income households. These schemes allow tenants to gradually acquire ownership, providing a path to stability and equity building.

- **Alternative investment criteria:** Include energy efficiency and affordability as criteria for investments, which encourages funding for projects that meet high environmental and social standards, promoting sustainable development.

COMMUNITY INNOVATION

- **Community Land Trusts (CLT):** Community land trusts provide a community-based alternative to traditional land ownership models. By holding land in trust for the benefit of the community, CLTs enable residents to access affordable housing while retaining democratic control over land use decisions.
- **Cross-sector alliances outside cities:** Collaborate with public entities to revitalize areas outside major cities, making them attractive for living. Utilizing existing building stock through transformation projects can provide affordable housing options while enhancing local economies.
- **Community retrofit hubs:** Partner with civil society and businesses to create community hubs offering guidance on decarbonizing existing buildings. These hubs can be especially valuable for marginalized communities, providing access to expertise and resources.

CASE: SUSTAIN SOLUTION

SustainSolution specializes in climate-optimizing properties and provides consulting, design, financing, and execution services for green projects throughout Denmark, aiming to simplify the green transition. In one of their projects, they collaborated with the Danish Green Investment Fund and the housing association FOB Kalundborg to improve energy efficiency in the association's buildings. FOB Kalundborg agreed to more than double their energy savings to receive funding. Funding for the additional green initiatives came from PKA's Green Energy Fund, managed by SustainSolution and the Danish Green Investment Fund. This investment paved the way for substantially improved energy efficiency in the buildings (Sustain, nd).

REFERENCE: Computer generated green space in Jernbanebyen, COBE



NAVIGATING THE PATH FORWARD

As we transition from best to next practice, collaboration and innovation will be the key drivers of change. By embracing these innovative methodologies and advocating for systemic reforms, industry stakeholders can pave the way for a more equitable, inclusive, and sustainable housing landscape. Together, we can harness the transformative potential of housing to create thriving communities for generations to come.

MOVING FROM BEST TO NEXT PRACTICE

- **Exploring “what if” scenarios:** Expand planning horizons with scenarios that envision shared missions across public sectors, investors, and industry, rooted in EU principles. These scenarios can help solve core problems and increase coherence within the union.
- **Identifying systemic challenges and proposing strategies for transformation:** Adopt a triple-bottom-line approach and integrate human rights principles into housing policies. This holistic view balances social, environmental, and financial outcomes, driving sustainable development.
- **Engaging industry stakeholders in collaborative initiatives:** Initiate capacity-building efforts to shift cultural and mindset norms toward more socially responsible practices. Collaboration among developers, investors, and policymakers can create a unified approach to housing solutions.
- **Exploring innovative financing mechanisms and business models:** Develop and implement financing strategies that prioritize social value

while ensuring financial viability. This includes blended finance models, rent-to-own schemes, and government-guaranteed rent products.

- **Advocating for policy and regulatory reforms:** Push for changes that incentivize sustainable and equitable housing practices. Policies should hold industry players accountable for social outcomes and support the integration of ESG criteria into business operations.

Unlocking social value in housing is imperative for building inclusive and sustainable communities. Industry stakeholders can drive meaningful change by embracing the principles outlined in this report and taking proactive steps to move from best to next practice. This involves creating housing systems that prioritize human rights and social impact, fostering innovation, and ensuring a commitment to social responsibility. Collaboration and a forward-thinking approach are essential for realizing the full potential of housing as a catalyst for positive change in society.

The future of European residential real estate should prioritize creating inclusive, sustainable, and resilient housing systems. By working together, we can respect different stakeholders' unique capabilities and contexts, ensuring a collaborative approach to achieving these goals. This joint mission will ensure that every individual has access to safe, affordable, and dignified housing, enabling them to live in peace and contribute meaningfully to society while accelerating the transition to a low-carbon future.

NOTES

NOTES

LOGLIST OF BEST PRACTICE

Across Europe, various innovations, projects, and business models are emerging intending to improve social impact in housing. The following sections describe best practices from realized initiatives, umbrella organizations and networks, national and city-level efforts, and decarbonization efforts.

REALIZED INITIATIVES

Cases of realized projects or business models aiming to improve social impact in real estate.

5.1.1 PRIVATE SECTOR

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Almenr is a commercial enterprise that functions as a platform to support the design, finance, and establishment of co-housing communities. Their vision is to enhance diverse, sustainable, and socially conscious housing based on residents' needs. Almenr currently oversees eight co-housing communities, including owner-occupied, rental, and vacant properties.

Country: Denmark

Link: <https://almenr.dk/omos>

—

DSB Property Development and **Freja Ejendomme A/S** work together with the **Baneby Consortium**,

consisting of Nrep, Novo Holding, and Industrien Pension, on the Jernbanebyen project with the aim of developing a global pilot project for sustainable cities. The vision is to create a green, healthy, and diverse neighborhood with approximately 4,500 homes. The project partners work closely with Danish public housing organizations to provide affordable housing, aiming for 25% public housing within the housing stock.

Country: Denmark

Link: <https://jernbanebyen.dk/>

—

CPH Village uses recycled shipping containers to build student housing and provide affordable accommodation with minimal resource use. Due to a lack of capital to buy land, they rent unused land for temporary student housing with 10-year leases,

after which the housing can be relocated. 5% of the student housing is reserved for individuals on the edge of the housing market, including young homeless people and public housing residents needing temporary shelter.

Country: Denmark

Link: <https://www.cphvillage.com/>

—

Commune Co-living offers turnkey co-living housing specifically designed for single-parent families. Their goal is to simplify life for parents and children in need by fostering a thriving community. Commune provides a practical and essential housing solution that streamlines parental responsibilities and prioritizes the well-being of children.

Country: France

Link: <https://commune.house/en/about/#story>

Home.Earth, a Danish real estate company inspired by the doughnut economy model, aims to provide affordable, healthy living within planetary boundaries. They target a 10% ROI over ten years with long-term investments. To foster affordability, they introduced a profit-sharing scheme where tenants receive 15% of returns and a credit system to eliminate large deposits. Their unit designs also reduce move-out costs, making renting more accessible and affordable.

Country: Denmark
Link: <https://www.home.earth/>

Omplim is a low-profit real estate development company that handles every step of property projects for impact investors, partners, or communities. They focus on improving building methods and making housing more accessible while staying committed to inclusivity, sustainability, and quality.

Country: Catalonia
Link: <https://omplim.cat/en/>

Tetriis is a real estate company that covers the entire value chain from development to construction to asset management and aims to develop affordable, sustainable, and high-quality assets tailored to customer demands, building for a greener future.

Country: Denmark
Link: <https://tetriis.dk/>

Velux, a windows company, launched the Living Places project to demonstrate how buildings can address global climate and health challenges through sustainable solutions and practical actions. Through Living Places, Velux strives to ensure that housing is healthy, affordable, and accessible for the average Danish family beginning with pricing comparable to public housing levels.

Country: Denmark
Link: <https://buildforlife.velux.com/en/livingplaces>

5.1.2 COOPERATIVE

Bovieran Helsing is cooperative housing for seniors with residences tailored to the needs of an active senior lifestyle

Country: Denmark
Link: <https://www.ab-bovierenhelsing.dk/DK.aspx>

Cooperative 1892 builds and manages the affordable housing estate, Nettelbeckplatz, in Berlin. They aim to enhance sustainability and revitalize the community while maintaining affordable rent for tenants.

Country: Germany
Link: <https://1892.de/>

Genossenschaft Kalkbreite manages two projects: Kalkbreite, completed in 2014 with 97 residential units and commercial spaces, and Zollhaus, completed in 2021 with 56 residential units and commercial areas. Their mission is to prioritize residents' needs and well-being by offering accessible

facilities, affordable rents, and adaptable housing options. They collaborate closely with the local community, authorities, and stakeholders to meet local needs effectively.

Country: Switzerland

Link: <https://www.kalkbreite.net/>

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La Borda is a cooperative housing project organized by its members, offering stable, non-speculative housing with 28 units on public land secured under a 75-year lease. La Borda seeks to innovate the collective housing paradigm by prioritizing sustainability and placing its residents at the forefront. The community model of La Borda is defined by principles of self-governance, ensuring that cooperative members oversee and drive the development process

Country: Spain

Link: <http://www.laborda.coop/en/>

—

La Ciguë is a student housing cooperative managing nearly 740 rooms, with approximately 60% of these in shared flats leased from public bodies and private owners. The remaining 40% are in eight properties developed by La Ciguë. The operating expenses are covered by the cooperative's rental charges.

Country: Switzerland

Link: <https://cigue.ch/the-cigue-presented/>

—

Mas Coop provides affordable housing through a cooperative model that blends ownership and rental for low and middle-income households. Residents manage the cooperative, sharing values like non-speculation, solidarity, and environmental awareness. The cooperative acquired land and construction through a state-subsidized social rental loan, retaining ownership. Residents purchase shares and pay a monthly fee to cover expenses, ensuring affordability over time. The shares do not accrue capital gains and are refunded upon members leaving.

Country: France

Link: <https://mascoop.eu/>

—

Mehr Als Wohnen is a cooperative housing funded by fifty small co-operatives, who got together to support the project. The project contains 395 dwellings, 35 retail spaces, and shared care and community facilities. 10% of the apartments are allocated to charities and not-for-profits, including an orphanage.

Country: Germany

Link: <https://www.mehralswohnen.ch/>

—

New Ground cohousing is a community-led housing

scheme for women aged 50-plus - run and created by the residents. There are 25 affordable flats as they are let at social rent rates. They enable the community feeling through shared communal facilities and gardens, managed on cohousing principles.

Country: United Kingdom

Link: <https://newgroundcohousing.uk/>

—

"Wohnprojekt GLEIS" is an association that developed the co-housing project Gleis 21 under the motto "Setting the course together". The project was designed in a participatory manner with input from future residents to meet their needs, and also allowing flexibility for future reuse. Gleis 21 is based on a socio-critical approach, emphasizing community over individual ownership. The residents collectively own, operate, and manage the project.

Country: Austria

Link: <https://gleis21.wien/>

—

The Living for Future association developed an affordable housing project designed for three-time-Horizons; year 1) focusing on adapting lifestyles, year 10) modifying living units and tenant structures, and year 100) preparing for future climate change. To reduce costs, the association partnered with a sponsor

to cover half of the rental expenses. Their financing strategy, inspired by the habiTAT model, involves bank loans, municipal housing loans, subsidies, and private loans to sustainably fund their housing initiatives.

Country: Austria

Link: <https://living-future.org/>

Vindmøllebakken is a housing community that follows the Gaining by Sharing (GP) concept, which emphasizes sharing rather than owning privately. It includes 40 co-housing units, 4 townhouses, and 8 apartments, designed based on the Gaining by Sharing principles. Affordability is a key focus of the community, which is achieved by reducing private spaces and providing shared facilities such as a communal kitchen, workshops, library, and guest apartments.

Country: Sweden

Link: <https://helenhard.no/work/vindmøllebakken/>

Stories is a socially conscious property developer focused on creating sustainable, long-term value. They operate as a principal developer, development manager, or advisor. One of their projects involves converting the Bunns Lane car park in London into a residential area, with half of the homes designated as affordable housing. The build-to-rent development will

operate under a sale and leaseback model, with Barnet Council owning and managing the homes to provide secure rental agreements. Stories will work closely with local stakeholders and community groups throughout the project.

Country: United Kingdom Link:

<https://www.stories-partners/about-us>

5.1.3 NONPROFIT

London CLT is a nonprofit organization where all London residents can become members by purchasing a share for £1.22. Their initial development, Citizen House in Sydenham, features 11 affordable homes co-designed by the local community, ensuring residents have a say in key decisions. Home prices are set to be affordable for average incomes in Lewisham. When residents move out, they must sell at a similarly accessible price, offering local families a chance to buy affordable homes.

Country: United Kingdom Link:

<https://www.londonclt.org/>

Mayday Saxonvale is a not-for-profit social enterprise with the objective of developing the Saxonvale site for the social, community, and economic benefit of Frome. The vision is to create a balanced, sustainable, and community-oriented area. They aim to generate local employment,

provide affordable and high-quality housing, foster community spirit with public spaces and amenities, preserve the landscape and natural environment, and respect the historical heritage of the area. The plan includes developing 209 housing units, with 40% designated as affordable housing.

Country: United Kingdom Link:

<https://maydaysaxonvale.co.uk/>

LivingPlaces is a social enterprise focused on driving an inclusive transition to net zero. By uniting communities, government, businesses, social landlords, and financial institutions, they promote collaboration on neighborhood-scale projects that build healthier, more resilient communities. Through innovative design, development models, and funding strategies, LivingPlaces ensures that the journey to net zero benefits people and the planet.

Country: United Kingdom

Link: <https://livingplaces.earth/>

5.1.4 FINANCE

— **CBRE** specializes in commercial real estate services and investments. They manage the CBRE GI UK Affordable Housing Fund (CBRE GI UK AHF), an unlisted, open-ended core fund pioneering large-scale social impact investing. Their goal is to meet institutional investors' increasing demand for attractive risk-adjusted returns while making a positive social impact.

Country: Operating 100+ countries.
Link: <https://www.cbre.com/insights/articles/the-case-for-affordable-housing>

— **Bouwinvest** offers affordable housing and stable returns to stakeholders through investments in mid-market rental homes. They implement moderate rent increases and consider income criteria for housing allocation. Their approach emphasizes a long-term investment horizon and community engagement.

Country: The Netherlands
Link: <https://www.bouwinvest.com/real-value-for-life/affordable-homes/>

— **Inclusio** is a regulated real estate company and social investor focused on providing decent, affordable, long-term housing for people or communities

who cannot afford market-rate rents.

Country: Belgium
Link: <https://www.inclusio.be/en/over-ons>

— **M&G** plans to invest in the Shared Ownership sector to build over 2000 new, sustainably designed, affordable homes. This investment will occur over the next 18-24 months through the M&G Shared Ownership Fund. M&G has formed a long-term strategic partnership with Hyde Housing to develop 2000 homes in London and Kent, allowing Hyde to reinvest capital in other affordable housing projects.

Country: United Kingdom
Link: <https://www.mandg.com/news-and-media/press-releases/mandg-investments/2023/04-10-2023>

UMBRELLA ORGANIZATIONS AND NETWORKS

Cases of Umbrella organizations or networks working with affordable housing

Almennet serves as a knowledge hub specializing in social housing and residential areas. Their mission is to future-proof social housing areas for the benefit of residents, housing associations, and society at large. They undertake diverse development projects aimed at enhancing residential areas with added value.

Country: Denmark
Link: <https://www.almennet.dk/>

— **Habitat** is a collective dedicated to supporting and facilitating self-organized, socially connected affordable housing projects.

Country: Austria
Link: https://habitat.servus.at/?page_id=1533

— **Mietshäuser Syndikat** forms a network of self-organized housing projects dedicated to solidarity. They offer a platform for shared knowledge and financial support for existing and new projects.

Country: Germany
Link: <https://www.syndikat.org/en/>

— **MOBA** is a European Cooperative Society with a cooperative housing model based on affordability, stable and long-term investment, collective ownership, and management. The Society aims to join forces and collaborate on gathering expertise, capacities, and (financial) instruments to build pilot projects.

Countries: Serbia, Hungary, Slovenia, Czech Republic and Croatia.
Link: <https://moba.coop/moba-housing-sce/>

— **Sdilene Domy** is a network organization with a housing

model focused on affordable, community-based housing under collective ownership. Their model draws inspiration from the Miethäuser Syndikat and Habitat Austria. The organization has developed its initial housing project, with funding from a loan from German foundations, combined with contributions from residents and supporters. Repayment will be covered by rent payments from residents.

Country: Czech Republic
Link: <https://sdilenedomy.cz/en/about-our-project-2/>

—
Sostre Civic advocates for cooperative housing as an alternative housing model. They support cooperative groups in acquiring and developing buildings, often on municipal land. In these housing projects, the property remains collectively owned, and residents pay an initial contribution, refundable upon leaving, as well as a monthly fee comparable to rent, which covers ongoing expenses and isn't affected by real estate market fluctuations.

Country: Spain
Link: <https://sostrecivic.coop/en/>

NATIONAL AND CITIES EFFORT

Cases of regulations and/or initiatives by governmental structures impacting affordable housing

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In 2016, the **Barcelona City**

Council implemented the Right to Housing Plan (PDBH) to ensure access to decent housing. The aim is to build 8,000 affordable flats, with 33% developed with private and third sectors. **Habitatge Metropolis Barcelona**, established under the PDBH and as Spain's first public-private housing operator, aims to build 4,500 affordable rental homes on public land over eight years, starting in 2022. This partnership entails an equal 50% investment and focuses on co-investing, co-designing, and co-managing housing projects, sharing responsibilities, risks, and rewards equally.

Country: Spain
Link: <https://www.habitatge.barcelona/en/strategy/right-to-housing-plan>

—
The Camden Council aims to increase the affordable housing supply and enhance existing affordable units under the current Camden Local Plan. They've set a target of 5,300 additional affordable homes from 2016 to 2031. The council plans for a mix of housing types: 60% social-affordable rented housing and 40% intermediate housing, catering to households unable to access market housing.

Country: United Kingdom
Link: <https://www.camden.nsw.gov.au/assets/Uploads/FINAL-LHS-Website-Version.PDF>

In 2015, the **Danish government** passed a law enabling municipalities to mandate up to 25% of the housing in new residential areas as public housing, applying to privately and publicly owned land. Municipalities are responsible for setting these requirements in their local plans. The purpose of the 25% rule is to encourage diverse communities in new residential developments. Initially a 10-year trial, the 25% rule will undergo review in 2025 to assess its impact.

Country: Denmark
Link: <https://jurainfo.dk/artikel/aendring-af-planloven-optil-25-almene-boliger-i-nye-lokalplanomraader>

—
In 2020, **The City of Prague** launched the Prague Development Company to create 6,000 to 8,000 public, affordable housing units by 2030. The company has been allocated 70 hectares of land, previously owned by various public agencies, and has initiated ten projects aimed at providing high-quality, energy-efficient rental homes. These homes will be affordable for key workers, single-parent families, and seniors living independently.

Country: Czech Republic
Link: <https://pdspraha.eu/en/>

DECARBONIZATION CASES

Decarbonization cases as inspiration for a just transition

—

The Reduction Roadmap, led by Artelia, Cebra, and EFSEKT, focus on where we are today, where we need to go, and the pace at which we must reduce our emissions in the Danish building industry to meet the Paris Agreement. The reduction roadmap has become a movement and calls for politicians accountable and future building legislation to reflect climate science. It also aims to unify the Danish building industry around common goals. The initiative demonstrates industry readiness for stricter environmental standards and has gained support from over 600 Danish companies, organizations, and municipalities.

Country: Denmark

Link: <https://reductionroadmap.dk/>

—

SustainSolution specializes in climate-optimized properties, providing consulting, design, financing, and execution services for green projects in Denmark to facilitate sustainability transitions. In one project in collaboration with the Danish Green Investment Fund and FOB Kalundborg, they enhanced energy efficiency in the association's buildings.

To secure the funding, managed by SustainSolution and the Danish Green Investment Fund, FOB Kalundborg had to commit to doubling its energy. This investment significantly improved energy efficiency in the buildings.

Country: Denmark

Link: <https://sustain.dk/english/>

APPENDIX

SUMMARY OF INDUSTRY ENGAGEMENT WORKSHOPS

As part of the Unlocking Social Value in Housing initiative, three industry engagement workshops were conducted to bring together stakeholders across the housing ecosystem. These workshops aimed to discuss key issues and brainstorm solutions for unlocking social value in housing.

The following sections provide a summary of the three workshops, presenting an overview of the key findings and takeaways from inspirational talks, and workshop sessions.

The workshops featured talks by from human rights experts to real estate experts, emphasizing the urgent need to rethink our housing and economic systems to tackle affordability, security, and sustainability challenges. During the workshop sessions, participants engaged in interactive discussions, allowing them to share their experiences and collectively identify the barriers to affordable housing. These discussions focused on how to unlock

social value in housing from different angles within the real estate and development sectors. These sessions also encouraged participants to co-create actionable solutions, fostering a collaborative environment to address the complex challenges of the real estate sector.

- **The first workshop, *Initial Event in Unlocking Social Value in Housing*:** Focused on what developers should start or stop doing to unlock social value in housing.
- **The second workshop, *Unlocking Industry Action to Drive Social Value Creation*:** Examined what drives progress and what barriers hold back the realization of social value in housing.
- **The third workshop, *ULI Forum: Social Value in Residential*:** Explored how business models can transform housing into infrastructure investments with stable, long-term returns.

INITIAL EVENT ON UNLOCKING SOCIAL VALUE IN HOUSING INTRODUCTION TO THE EVENT

The first workshop was held on February 5th at BLOX in Copenhagen, aiming to kick-start the initiative and bring together stakeholders from the housing ecosystem to discuss key issues and opportunities. The workshop began with a presentation of key takeaways from prior stakeholder introduction interviews, highlighting initial perspectives on the barriers obstructing the realization of affordable housing as a fundamental human right. This was followed by an inspirational talk by The Shift, emphasizing the urgency of rethinking economic and housing systems to deliver equitable outcomes. Participants then engaged in group discussions focused on unlocking social value in housing from a developer's perspective. The discussions highlighted the importance of integrating human rights, fostering community partnerships, and shifting from short-term profit motives to long-term value creation.

Agenda of the workshop:

- Welcome and introduction
- Inspirational insights on The Right to Housing Mission by Leilani Farha, Global Director, and Julieta Perucca, Deputy Director of The Shift.
- Workshop excise part 1: Must so & must stop to unlock social value housing.
- Workshop excise part 2: Discussion and categorization – impact and implement ability
- Group presentation
- Dinner and Networking

CONTRIBUTORS

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- ULI
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- LLOH
- Redevco
- Home.Earth
- The Danish Institute for Human Rights
- Tetriis

INITIAL PERSPECTIVES ON KEY BARRIERS TO UNLOCKING SOCIAL VALUE IN HOUSING

This session introduced the key takeaways from the prior introduction interviews of the stakeholders' initial thoughts on key barriers to unlocking social value in housing. It was highlighted that the pursuit of affordable housing in the built environment presents significant challenges. From economic priorities driven by return on investment to political decisions shaping urban development, stakeholders face critical barriers in aligning profit-driven agendas with societal needs. Cultural perceptions, systemic rigidity in construction practices, and a lack of awareness further compound these challenges, hindering efforts to prioritize housing as a human right.

Key takeaways from introduction interviews

Economic prioritization and ROI focus:

The private sector prioritizes financial returns over social value, with the social housing sector often included too late in decision-making processes. The industry's focus on price and profit, driven by capitalist economics, must shift towards recognizing social value as a financial asset.

Political responsibility and industry-policy collaboration:

Effective change requires political leadership to prioritize affordable housing in land sales and urban development, alongside a strong collaboration between the industry and

policymakers. Governmental pressure is crucial for the industry to prioritize social value and integrate social responsibility into financial models.

Knowledge and awareness gaps: There is a widespread lack of understanding and data on fulfilling social responsibilities and perceptions of social housing. This knowledge gap sustains the status quo and hinders behavioral changes necessary for appreciating the importance of social value in housing.

Perception and cultural barriers: Social value is often narrowly associated with housing for low-income or socially vulnerable populations. Overcoming ingrained social and cultural barriers requires broadening this perception to include diverse and inclusive housing solutions.

Housing inequality and access: Economic disparities create housing inequality, limiting ownership and rental options for those without financial means. Renovation requirements and rising rent prices exacerbate this issue, raising questions about equitable cost distribution.

Commercial incentives and sustainable practices: The real estate sector's commercial nature offers limited incentives for adopting socially responsible practices compared to incentivized decarbonization efforts. Broader discussions are needed to engage the industry in sustainable and socially valuable practices.

Human rights vs. ROI: The systemic view of housing as an investment object conflicts with prioritizing housing as a human right. There is a need for discussions on reasonable profits within the real estate

sector in the context of human rights and social responsibilities.

Systemic change and financial systems:

A conversation about systemic change is necessary to determine the roles and responsibilities within the financial system. Entities often serve the financial system rather than prioritizing social value, necessitating a reevaluation of who serves whom within this framework.

INSPIRATIONAL INSIGHTS ON THE RIGHT TO HOUSING MISSION BY THE SHIFT

Leilani Farha, Global Director, and Julieta Perucca, Deputy Director of The Shift emphasized the urgent need for a transformative approach to our current economic and housing systems, as they fail to deliver positive outcomes for people and the planet. They argued that these systems produce poor housing results as unaffordability and insecurity and exacerbate climate issues, leading to unnecessary CO2 emissions and overbuilding.

The Shift emphasized that a new approach, driven by a mission rooted in human rights values, is essential to create better outcomes for people. These values, universally agreed upon in international treaties, provide a global consensus for the foundation of equitable and sustainable communities. The Shift called for a right-to-housing mission that is 1) bold and inspirational, 2) targeted and measurable, 3) ambitious yet realistic, 4) cross-disciplinary and inclusive, and 5) flexible and bottom-up.

The Shift highlighted four key attributes of this mission:

- 1. Shape the housing market, don't Tinker:** we need a fundamental overhaul of housing and financial systems to address housing needs and achieve equitable,

sustainable outcomes. Resources must shift to support marginalized communities and promote fairness.

2. **Public, Private, and third-sector partnerships:** solving housing and climate crises requires joint efforts from the public, private, and third sectors. Governments must lead by fostering purposeful partnerships across all sectors.

3. **Public value-driven financing and taxation:** industries benefiting from public subsidies should give back by creating social value and protecting people's rights. This includes ensuring that retrofitting doesn't lead to evictions or higher rents.

4. **Monitoring and accountability:**

We need strong systems to hold governments and industries accountable for their human rights obligations, with real public involvement to identify and solve housing problems.

The Shift acknowledged significant barriers to succeeding in such a mission. They argued the main barriers could be categorized into two groups 1) the systemic functioning of the financial and housing systems, and 2) the societal paradigms that support them. They emphasized the need for moving away from wealth maximization towards producing social value and sustainability and strong leadership from governments to create a human rights-based economy

Lastly, The Shift highlighted overcoming these barriers requires a comprehensive and collaborative effort from governments, industries, and civil society. This effort must focus on creating a human rights-based housing system that promotes sustainability and equity, transforming current practices and addressing the root causes of the housing crisis.

WORKSHOP SESSION: DO'S AND DON'TS TO UNLOCK THE RIGHT TO HOUSING

Following the inspirational talk by The Shift, the participants engaged in group discussions to identify actions we must do and stop doing to unlock the right to housing from a developer's perspective. The groups categorized the identified actions based on their impact and implementation ability and explored needed actions from other stakeholders in the industry. The discussions highlighted the importance of integrating human rights, fostering community partnerships, and shifting from short-term profit motives to long-term value creation.

Group 1 reflections

For easily implementable, high-impact actions, Group 1 emphasized integrating human rights into business practices and suggested allocating a portion of housing units to social or affordable housing.

Projects should be based on local needs through thorough analysis. They also recommended treating housing as a long-term infrastructure investment, citing Home.Earth's and Urban Partner's approach as examples.

To succeed, they urged governments to create specific interventions to reduce housing cost burdens, similar to Denmark's Reduction Roadmap. Group 1 also stressed that developers should stop resisting tenant protections and viewing governments as adversaries.

For more challenging but impactful actions, they suggested incorporating Environmental, Social, and Governance (ESG) metrics into business models and developing social impact metrics based on human rights, inspired by Canada's Natural Housing Advocate. They also

recommended following Finland's example in making social impact a condition for planning approvals and joining government efforts to implement the right to housing.

To ensure accountability, Group 1 argued developers should not receive public subsidies without delivering social returns. They proposed a social taxonomy, with clear accountability based on human rights principles, led by governments committed to resisting investor pressure.

Group 2 Reflections

For easily implementable, high-impact actions, Group 2 emphasized a people-centered approach in housing design and management that prioritizes community needs over profit. They urged developers to involve affected communities through public-private partnerships and to perform double materiality assessments to identify shared value across stakeholders. Reporting on Environmental, Social, and Governance (ESG) metrics, particularly the social component, and showcasing best practices to guide policy were also key recommendations.

For more challenging but impactful actions, Group 2 advocated embedding human rights into business practices with clear accountability for impacts. They also recommended shifting investor expectations toward long-term returns, similar to infrastructure investments, and creating low-carbon housing to generate social value without sacrificing quality. Examples like Octopus' low-carbon homes and Nightingale's affordable housing in Melbourne were highlighted.

Group 2 urged developers to stop prioritizing short-term profits and setting high ROI expectations that make housing

unaffordable. They also called for an end to projects driven by short-term trends with little long-term value.

To make these changes work, Group 2 stressed that governments and civil society must hold developers accountable. Pension funds should explore alternative business models with lower profit expectations, drawing inspiration from projects funded by the Villum Foundation, such as Living Places and CPH Village.

Group 3 Reflections

For easily implementable, high-impact actions, Group 3 stressed the need to create diverse housing options that reflect real living conditions. They recommended conducting human rights impact assessments to evaluate potential negative effects and advocated for long-term, low-risk investments. Promoting diversity within housing projects was also seen as essential.

For more difficult yet impactful actions, Group 3 suggested working with community-led models like Community Land Trusts (CLTs) to provide affordable, community-focused housing. They emphasized designing housing based on tenant affordability and redistributing wealth across the supply chain, possibly involving residents as shareholders. They stressed the importance of applying existing frameworks, ensuring human rights are respected, and engaging expert advisors. Government regulations and long-term capital were seen as key to supporting new models and raising standards.

Group 3 urged developers to stop focusing on short-term profits at the community's expense, such as using renovations to maximize financial returns. They called for a long-term approach to housing development and planning.

CONCLUSION

In conclusion, the groups collectively highlighted the need for a balanced approach that integrates human rights into business practices, promotes collaboration between developers and governments,

ensures accountability through well-defined social impact metrics and governance structures, and focuses on long-term value creation. These strategies are essential to fostering an equitable and sustainable built environment.

ROUNDTABLE: UNLOCKING INDUSTRY ACTION TO DRIVE SOCIAL VALUE CREATION.

The second workshop was held on the 12th of March in Cannes, aiming to explore key drivers of the agency, including inspirational talks and group discussions centered on reforming housing systems to be more sustainable, affordable, and equitable.

The workshop began with a presentation of highlights from the initial event in Copenhagen, emphasizing that while it is difficult to change it is not impossible. Instead, industry can lead a just transformation of Europe's building stock delivering affordable housing while reducing carbon emissions. Highlighting knowledge, measurements and target setting, culture and mindset, investment and business model, and governance as the necessary building blocks to do so.

This was followed by inspirational talks by Julieta Perucca and Rasmus Juul-Nyholm underscored innovative approaches to address pressing challenges in the European real estate sector. Afterward, the participants engaged in group discussions focused on key drivers of agency and barriers to unlocking social value in housing. The discussions highlighted barriers such as regulatory complexities and the need for longer investment horizons, advocating for stronger collaboration between the public and private sectors to achieve meaningful housing reform.

Agenda for the workshop:

- Welcome and highlights from the initial event in February
- Inspirational insights into The Shift's work and their ambition for the industry by Julieta Perucca, Deputy Director of the Shift.
- Inspirational insights into the journey of Home.Earth by Rasmus Juul-Nyholm, co-founder of Home.Earth.
- Roundtable discussion of the key drivers of agency and barriers to unlocking social value in housing.
- Sum-up and future directions

CONTRIBUTORS

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- ULI
- Laudes
- The Shift
- Home.Earth
- European Community Land Trust Network
- CBRE
- Redevco
- Castella Residential
- Deloitte
- Hines
- MOME
- WBCSD
- Revive
- Rising tide
- BLOXHUB

INSPIRATIONAL TALKS

Inspirational insights into The Shift's work and their ambition for the industry

Julieta Perucca addressed the urgent need to reform our current housing systems, which are failing those most in need. She highlighted key challenges in Europe, such as housing affordability, homelessness, and energy poverty, emphasizing that our current systems do not provide sustainable value for industries, governments, or communities.

Perucca empathized that these challenges also present a significant opportunity for transformation in the industry. By breaking the status quo, governments, industry actors, and communities can reshape housing systems to be resilient, affordable, and sustainable. This requires innovative policymaking that fundamentally transforms housing markets rather than making marginal changes. She called for stakeholders to ask critical questions about how to transform housing and financial systems to meet housing needs and achieve value-based outcomes.

To change the status quo, Julieta advocated for a value-driven approach centered on human rights and stressed human rights as a framework for accountability and social equity. Julieta advocated that human rights should be embraced by industries as well, as they can be part of a profitable business model. Integrating human rights into business practices offers advantages like risk mitigation and enhanced corporate image, appealing to increasingly conscientious investors and shareholders.

Perucca also explained that adopting a human rights-based approach to housing would lead to more consistent and developed client commitments.

Furthermore, Perucca noted that human rights-compliant housing often results in more secure tenancies, which can reduce costs associated with tenant turnovers, strikes, and protests, thereby attracting new business. Happy and secure tenants contribute to a stable and profitable business environment.

Lastly, Perucca called for governments, industries, and investors to work together to achieve human rights objectives and climate goals, creating housing systems that work for everyone and the planet.

Inspirational insights into the journey of Home.Earth

Rasmus Juul-Nyholm from Home.Earth shared insights into the company's innovative approach to real estate, emphasizing a business model that integrates social value and affordability. Home.Earth, based in Copenhagen, was founded with a triple-bottom-line approach: people, planet, and profit. However, this framework proved challenging to operationalize. Inspired by the doughnut economic model, Home.Earth redefined its mission to provide healthy, affordable living within planetary boundaries, focusing on social foundations.

Juul-Nyholm explained the doughnut model became central to Home.Earth operations, aligning interests among stakeholders, and transforming the tenant-landlord relationship. By adopting an Evergreen time horizon, Home.Earth ensures long-term investment returns, contrasting with the typical 3-4-year industry timeline.

Juul-Nyholm emphasized Home.Earth's approach is not entirely new but combines traditional long-term investment strategies with modern sustainability goals. Their planetary choices, while requiring time,

have proven to yield a return on investment (ROI) within 8-12 years, demonstrating that sustainable practices can be profitable. Home.Earth targets a 10% ROI over ten years, proving that a doughnut economy-based business model can thrive financially.

To create affordable housing, Home.Earth implemented a profit-sharing scheme where tenants receive around 15% of the return, encouraging longer tenancies. They also devised a credit system to eliminate the need for large deposits, making renting more accessible. Additionally, Home.Earth designs units to minimize move-out costs, further enhancing affordability.

Lastly, Juul-Nyholm highlighted that, restate companies can strategically balance profitability with social and environmental responsibility. By fostering long-term investments, tenant engagement, and community-focused design in the industry, we can set a new sustainable and just standard for housing development.

Roundtable discussion of the key drivers of agency and barriers to unlocking the right to housing.

Following the inspirational talks, the participants engaged in group discussions to explore the key drivers of agency and barriers to unlocking social value in housing. The discussions underscored the necessity of fostering collaboration between the private and public sectors, redefining investment timelines, and focusing on tenant well-being to drive meaningful change in the industry.

Group 1 reflections

The main barriers identified by Group 1 revolve around regulatory challenges and systemic issues. Navigating regulations across Europe is complex, especially when

attempting to deploy long-term strategies. Building codes, particularly regarding isolations between different parts, also pose significant challenges, especially in the context of private and public partnerships. The group also highlighted the tension between climate change and social affordability, questioning how pressing climate agendas impact affordability. They stressed the cost of inaction, noting that while part of this cost falls on owners, the larger burden ultimately lands on the public sector and the community. A critical observation was that pension funds despite being long-term investors, are not acting accordingly. To address these issues, the group emphasized the need for effective storytelling alongside pragmatic solutions. They concluded that while the private sector is key to driving the just transition, given its role to innovate and create solutions, a strong partnership with the public sector is essential as we need the public sector to curate the field to facilitate a just transition.

Group 2 reflections

Group 2 highlighted the need to build trust between the private and public sectors, emphasizing the public sector's crucial role in facilitating action. They questioned the current return on investment expectations, advocating for a longer time horizon similar to Home.Earth with a 10-year horizon. The group pointed out that current affordable housing is not truly affordable, as it is based on market rates rather than income. They stressed the importance of looking beyond affordability to consider the role of real estate companies in supporting tenants' growth and security, which in turn benefits the broader community. They stressed the need for a more tenant-centered approach in real estate and ended by raising the question: what would it look like if real estate companies cared for their tenants as much as they do for their investors?

ULI FORUM: SOCIAL VALUE IN RESIDENTIAL

The third workshop was held on the 11th of June in Milan as part of the ULI Europe Conference, aiming to explore how to move forward with new business models and structuring housing as an infrastructure investment. The workshop began with two inspirational talks. The first talk was done by Giulio Ferrini of the Institute for Human Rights and Business emphasized the imperative of a just transition in the built environment, underscoring the need to mitigate social impacts while advancing decarbonization initiatives. Following this, Tomas Jandorf from Tetriis highlighted their work in community-centered living for seniors.

Afterward, the participants engaged in group discussions, exploring new business models and structuring housing as a structured infrastructure investment. The discussion highlighted the critical role of governments in providing stable frameworks and support mechanisms to attract long-term investments in housing infrastructure. Participants also recognized the importance of fostering livable environments outside major urban centers.

AGENDA

Introduction and highlights of the initiative: Unlocking industry action to drive the just and inclusive transition in housing
 Inspirational insight into Advancing Just Transition in The Built Environment by Giulio Ferrini, Head of Built Environment, IHRB
 Inspirational insights into social value in residential development by Tomas Jandorf, Co-founder, Tetriis

Workshop: How to move forward?

- Deep dive into new business models and housing as infrastructure investments
- Plenary session: Presentations of group reflections
- Sum-up and Future Directions

CONTRIBUTORS

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- Institute for Human Rights and Business
- Tetriis
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- Jones Day
- OTEREA S.r.l.
- Disruptive Urbanism
- University College London
- Urban Land Institute - Europe
- Hococo
- Green Generation
- Schroder Real Estate France SAS
- ESSEC Business School
- DeA Capital Real Estate
- APG Asset Management
- CMS Hasche Sigle PG von RA's und Stb. mbB
- Assael Architecture Limited
- Metrovacesa, S.A.
-

INSPIRATIONAL TALKS

Inspirational insights into Advancing Just Transitions in The Built Environment by IHRB

Giulio Ferrini, Head of Built Environment at the Institute for Human Rights and Business (IHRB), discussed advancing a just transition in the built environment, highlighting IHRB's recent research on the social impacts and decarbonization initiatives. Over the past two years, IHRB has examined how new building codes, subsidies for retrofits, and eco-friendly urban projects affect city residents.

Ferrini emphasized the need for an equitable transition to a low-carbon economy, ensuring that vulnerable communities and workers do not

disproportionately bear the costs. The research involved deep dives in eight global cities, revealing significant disparities in the baseline data for EU states. Key trends include urbanization, touristification, rising living standards, and housing commodification, which exacerbate social impacts.

Ferrini stressed that a major issue is renovations, where landlords increase rents after retrofitting properties, displacing tenants. For instance, Prague's New Green Savings program and Greece's Exoikonomo program benefit wealthier homeowners, increasing socio-spatial inequalities.

Despite challenges, many initiatives aim to provide sustainable, affordable homes. Governments are leveraging recovery funds to increase public housing stock, with Prague and Portugal leading efforts. Cities like Paris are repurposing vacant properties, and innovative housing cooperatives and community land trusts are emerging. Tenant protections are also strengthening, with regions like Flanders implementing rent controls.

Lastly, Ferrini concluded that equity and decarbonization are mutually reinforcing. Leaving people behind leads to instability and delays, undermining climate action. Prioritizing people can accelerate the transition to a sustainable built environment, benefiting everyone.

Inspirational insights into social value in residential development by Tetriis
Tomas Jadorf, Co-founder of Tetriis, presented Tetriis' work in creating social value in residential developments, focusing on their project Agorahaverne. Tetriis, which covers the entire value chain from development to construction to asset management, aims to develop affordable, sustainable, and high-quality assets tailored

to customer demands, building for a greener future.

Tomas emphasized that Agorahaverne addresses the growing segment of seniors, tackling loneliness and underserved demand. The project targets community-based living for individuals aged 50 and above, fostering a safe and homely environment that enhances the quality of life through engagement and community participation.

Agorahaverne is a modern community built on traditional values. The design features apartments surrounding a large, covered green atrium, creating a community-centric atmosphere. This setup balances private and shared spaces, encouraging interaction and active, vibrant neighborhoods.

Community building and tenant engagement are central in Agorahaverne. Tetriis provides a specialized senior community concept, an organizational structure for management, basic economic support for tenant associations, and an 18-month facilitation program.

Tomas stressed that an important aspect of Agorahaverne is encouraging the tenants to take responsibility for building their community, discussing and agreeing on values and rules of behavior, learning to live closely despite disagreements, and increasing their influence over their lives. This approach not only improves daily life and life expectancy but also instills pride in presenting their community to potential new tenants.

WORKSHOP SESSION: NEW BUSINESS MODELS AND HOUSING AS INFRASTRUCTURE

Following the inspirational talks, the participants engaged in group discussions to explore opportunities to transform

existing business models and structure housing as infrastructure investments with long-term and stable returns. The discussions underlined the significant challenges and potential solutions in the pursuit of affordable housing. Economic priorities centered on return on investment, political decisions shaping urban development, and cultural perceptions were identified as key barriers.

Group 1 reflections

The group explored transforming existing business models using modular construction techniques to reduce costs and build time, inspired by Italy's pre-fabrication practices. They highlighted the potential of adaptive reuse of vacant retail plots and public-private partnerships to access funding and mitigate financial risks. Emphasis was placed on integrating sustainability and green technologies to attract eco-conscious investors and developing mixed-use developments to diversify revenue streams. Co-living spaces were identified as an opportunity to provide affordable options for young professionals through flexible living arrangements with shared amenities. Additionally, the group discussed leveraging digital platforms for streamlined property management and tenant engagement. They also saw increased density as key to finding affordable solutions and suggested value-added investments in housing infrastructure, emphasizing the need for government incentives and subsidies to attract long-term investments. They proposed promoting housing bonds as stable investment vehicles for institutional investors and advocated for a regulatory framework that classifies housing as infrastructure investment. Building partnerships with social impact investors to align financial returns with community benefits was another recommendation.

Group 2 reflections

This group proposed a mixed housing model that combines social, public, and private housing to create diverse and vibrant communities. They suggested older people downsizing from large homes could invest in affordable housing projects and stressed the importance of using existing buildings outside major cities, supported by economic incentives and government assistance.

They saw opportunities to address urban depopulation by encouraging people to return to smaller cities through incentives like tax-free activities. These areas could be revitalized by creating jobs, schools, and businesses, while reducing the carbon footprint by leveraging existing infrastructure. They also proposed renovating old, unused buildings across Europe as a cheaper alternative to new construction, suggesting rent-to-own schemes to make homeownership more accessible.

The group recommended a government-backed rent product to attract long-term investments, offering stable but lower returns. They noted that this approach might not suit the stock market but could work for community-focused investment strategies.

Group 3 reflections

The group emphasized better utilization of existing and underutilized buildings, suggesting the redesign of oversized apartments to create more flexible living spaces. This would cater to changing demographic needs and promote sustainable development. They also discussed addressing cultural issues related to downsizing and relocation to improve livability.

The group noted the potential of using Modern Methods of Construction (MMC) for retrofitting and reducing energy costs, with savings potentially used to pay back retrofit costs. They stressed the need to

understand who benefits from reducing energy costs and discussed the cultural challenges associated with moving seniors.

They also reflected on what constitutes a 'good life' in terms of housing and how to change societal outlooks on this issue. Downsizing was seen as an important strategy, and the group suggested that designing buildings with flexibility from the outset could embed longer-term thinking in the housing stock.

Plenary Discussion:

The participants highlighted that to secure long-term financing for housing, guaranteeing a stable revenue stream is essential to attract private capital. Governments play a pivotal role in ensuring this stability through consistent support mechanisms.

It was emphasized that there are significant opportunities in utilizing existing building stocks outside major cities for affordable housing. However, for these areas to thrive, well-connected infrastructure in larger cities is crucial to make living outside urban centers attractive. City councils can enhance these areas by securing job opportunities, improving infrastructure, and ensuring access to essential services like supermarkets, thereby creating a holistic environment conducive to residential attractiveness.

The participants acknowledge that while subsidies have a role in specific contexts, there is a notable trend where developers prioritize building even in situations requiring a percentage of affordable housing units without heavy reliance on subsidies. For instance, in Denmark, developers successfully integrate affordable housing into their projects without extensive subsidies. During discussions, participants reflected on the cultural dynamics of shared living

spaces, noting that only a small fraction currently resides in such accommodations. This prompted introspection on personal choices and the need to reconsider space utilization. There is a growing preference for smaller, well-located residences with access to quality shared amenities or green spaces, suggesting potential strategies for developing attractive affordable housing solutions. Utilizing existing building stocks in zones outside the large cities and optimizing infrastructure connections to urban centers were proposed as viable approaches.

The session concluded with the recognition that there is no singular solution to the housing crisis. Instead, a comprehensive ecosystem of solutions involving various stakeholders and innovative approaches is necessary to address the diverse challenges and aspirations related to affordable housing.

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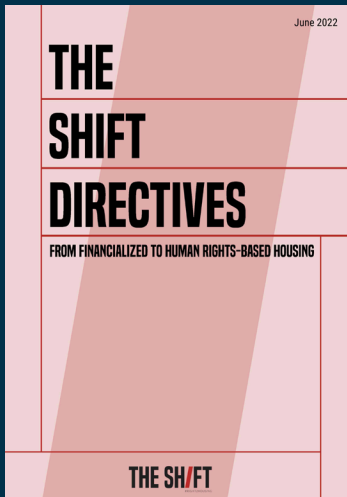
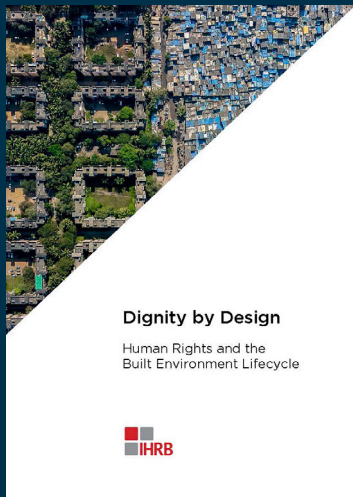
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EXISTING REPORTS RELATED TO HOUSING, SOCIAL VALUE, AND INNOVATION



Investment Guidelines: Aligning Residential Real Estate with Human Rights and Social Values by The Shift: <https://make-the-shift.org/investor-guidelines/>

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