Housing in Brussels: diagnosis and challenges

BSI synopsis

Le logement à Bruxelles : diagnostic et enjeux. Note de synthèse BSI
Huisvesting in Brussel: diagnose en uitdagingen. BSI synthesenota

Christian Dessouroux, Rachida Bensliman, Nicolas Bernard, Sarah De Laet, François Demonty, Pierre Marissal and Johan Surkyn

Translator: Jane Corrigan
BSI synopsis. Housing in Brussels: diagnosis and challenges

Translation: Jane Corrigan

**Christian Dessouroux** has a doctorate in geography and is a researcher at Institut de Gestion de l’Environnement et d’Aménagement du Territoire at Université Libre de Bruxelles. He has contributed to several publications on urbanistic policies, urban development, transport and the history of Brussels. His current work with the METROLAB research group focuses on the social challenges of demographic and real estate dynamics in Brussels. He has recently participated in the publication ‘La production d’ensembles résidentiels élitaires (Bruxelles 18e-20e) : des ancrages durables de la domination ?’ (Genèses, 2015). c.dessouroux@metrolab.brussels

**Nicolas Bernard** is a law professor and co-director of Institut de recherches interdisciplinaires sur Bruxelles (IRiB) at Université Saint-Louis—Bruxelles. His work is centred on the right to housing, leases, social housing, urban renewal, etc., from a legal standpoint. He has just published ‘Les politiques du logement en Région bruxelloise’ (Bruylant, 2015). nicolas.bernard@usaintlouis.be

**Rachida Bensliman** is a doctoral student at Centre de Recherche Interdisciplinaire ‘Approches sociales de la santé’ at École de Santé publique and a teaching assistant in the Faculty of Medicine at Université Libre de Bruxelles. Her thesis deals with the promotion of health and well-being at work, in particular the participation and empowerment of professionals in the sector of care provided to seniors. She has published a study report entitled ‘Les enjeux santé et logement en Région bruxelloise : l’exemple de Forest’ (Ed. Pour la Solidarité, 2014). rabensli@ulb.ac.be

**Sarah De Laet** has a master’s degree in geographical science. Within the framework of her doctoral research conducted at the Laboratoire de Géographie humaine at Université libre de Bruxelles, she endeavours to highlight and understand the residential pathways of the working class in Brussels, and in particular the phenomenon of urban sprawl. She focuses in particular on the question of housing and its impact on migratory behaviour. sdelae@ulb.ac.be
Introduction

1. Housing plays an important role in everybody’s life. It is the place where we live, the anchor point of family life, and a private space bearing social and emotional values. Housing is also an economic property which is purchased or rented, and is exchanged on a market influenced by supply and demand. The issue of housing, its financial accessibility and its ability to meet needs lies at the crossroads of these interests, which are not necessarily easy to reconcile.

2. In this respect, the situation on the Brussels housing market is perturbing due to the rise in property prices, the lack of housing accessible to low-income households, and the situations of inadequate housing experienced by more and more households. It is above all associations and the academic world which denounce the housing crisis, which reveals and produces social inequalities and is ascribable primarily to the insufficiently anticipated demographic growth and the uncontrolled explosion in property prices.

3. By focusing on property dynamics as such, another interpretation of the situation emerges: the position of Brussels as an employment hub, capital of Europe and international metropolis has boosted the local property market and has laid the foundations for a new momentum of production and residential renovation, favouring the transformation of part of the existing housing stock into an object of investment and creating a high-end – yet limited – market. The current demographic situation and context of financial investment are thus favourable to prosperous real estate activity – a phenomenon which is echoed amply by the press in supplements dedicated to real estate.

4. Rather than being mutually exclusive, these two dynamics coexist and take into account the contrasting situations on the Brussels housing market, which is recognised as being tense and hierarchical.

5. The political world has not remained indifferent to this evolution. Today, with the so-called ‘demographic’ Regional Land Use Plan (PRAS) and the Sustainable Regional Development Plan (PRDD), housing constitutes an essential – if not first – field of action of regional policy. In fact, after unemployment, housing has become the most important concern for an increasing share of Brussels households. A range of
measures have thus been implemented and policy levers have been put to use to encourage the production of public and private housing. Are these measures sufficient and suitable to overcome the housing crisis and in the end guarantee a decent and affordable dwelling for all of the residents of Brussels? We shall attempt to answer this question by providing an overview of knowledge regarding the offer and the housing needs in Brussels, followed by the main issues and challenges ensuing from these observations.

1. Housing needs and availability in Brussels. An overview

1.1. Beyond the housing demand: estimating the actual needs

6. Measuring the housing needs in order to evaluate their suitability with respect to the offer is not a straightforward exercise. At the most, the official statistics provide a measurement of the expressed demand (the number of households recorded or housing occupied), but hardly allow an evaluation of the satisfaction of actual needs. This implies the knowledge of a broad spectrum of data, including in particular the latent needs related to inadequate housing or non-housing, the residential pathways of inhabitants, transactions and property prices.

7. Currently, the knowledge and statistical tools regarding housing in Brussels are still too under-developed to quantify and qualify precisely the unexpressed demand. It is therefore necessary to refer to a series of indirect indications in order to objectivise the needs as best as possible.

8. Their evaluation must take two factors into account: the needs resulting from demographic growth, on the one hand, and the latent and unsatisfied needs related to the mismatch between supply and potential demand, on the other hand. The political challenge which emerges is to ensure a growth of the affordable housing stock which meets not only the demographic needs, but also the need to reduce the existing shortages – a point which often receives little attention.

9. Let us now review some of the demographic elements which allow these different needs to become visible directly or implicitly.
1.1.1. Demographic surge and rising need for housing

10. The steady demographic growth seen in Brussels today began in the mid 1990s (figure 1). It results from the combined effect of two phenomena: a reinforcement of the positive net migration from abroad and a revived birth rate for Brussels. The population of Brussels has thus increased by 225,000 inhabitants in only 20 years (i.e. on average 11,250 per year), reaching 1,175,000 at the beginning of 2015. During the same period, the number of households has increased by 75,500 units (i.e. on average 3,800 per year). This reversal of the situation with respect to the 1970s and 1980s, marked by a migratory imbalance in favour of peri-urbanisation and a steady decrease in the population, has mechanically reinforced the housing demand and caused a noticeable transformation of the housing market (volume of production, stakeholders involved, housing policy, etc.).

Migratory dynamics

11. Foreign migration contributes very strongly to the dynamics of population renewal, but is not the only element at work. The process of peri-urbanisation beyond the regional boundaries continues at a rate which has even increased since 2000. While Brussels attracts more and more inhabitants, it struggles to keep part of its population in the city on a long-term basis.

12. It must be borne in mind that this apparent contradiction between rapid demographic growth and significant exodus towards the peri-urban area is a constituent characteristic of the migratory dynamics in Brussels. Internal and external migration are closely related. The arrival of many foreign nationals, usually quite young and of very diverse origins, contributes to internationalisation and an underlying trend towards a younger population of Brussels.

13. This is why the typical effects of peri-urbanisation, such as the decrease in the number of young people in the urban population, are not seen in Brussels. While the typical urban exodus results in an ageing of the urban population given that those who leave are always younger than those who stay, the opposite has occurred in Brussels: those who leave are usually replaced by younger newcomers. The influx from within the country (in particular students) also contributes to this phenomenon.

Demographic specificity of incoming and outgoing flows

14. The high level of migration among young people in the past twenty years has resulted in a strong potential for population growth which would not be neutralised instantly by a slowing down of foreign immigration. Even with equivalent incoming and outgoing flows in terms of numbers, the population would get younger and would continue to increase due to the positive natural balance of this population. This differentiates Brussels from the other two Regions in Belgium. While economic migration fluctuates greatly according to economic circumstances and the political context, the birth rate related to the strong presence of young adults and the low death rate contribute in a more stable and structural manner to a population renewal.

Social specificity of incoming and outgoing flows

15. Another important aspect of migratory flows from and towards Brussels is the specificity of their social profile. It is observed that the Belgian middle and upper classes and, more and more, the migrants of foreign origin from previous generations who are already better established, are over-represented among the migrants who leave the Brussels Region, despite the policies of the regional government aimed at keeping these households specifically in the city on a long-term basis. This close connection between upward social mobility and residential pathway outside the city is not, however, specific to Brussels: it is also observed in other metropolises [Catney & Simpson, 2010]. The working class participates in this movement of peri-urbanisation, but is much less represented and chooses specific geographical destinations [Van Hamme et al., 2016]. We shall discuss this below.

16. Let us point out that while the increase in the size of the household (partnership, marriage, children) is a typical reason for moving house (in order for housing to suit the new needs of the household), the search for a more attractive environment, as well as the possibility to own affordable real property are also parameters which lead to the search for housing outside Brussels [De Valk & Willaert, 2012].
17. The migrants who arrive in Brussels also have highly variable income profiles, with the households in the lower income groups being over-represented. They include among others a proportion of exterior migrants, as well as young people who have finished their studies and who are sociologically part of the middle class, but whose income is modest during the phase of professional and financial stabilisation, which has become increasingly long.

18. These socially selective departures and arrivals [De Maesschalck et al., 2015] end in a stagnation in the average income per inhabitant in the Brussels Region, in a context of steadily increasing property prices.

1.1.2. Citizens of Brussels and residents of Brussels

19. As a major (inter)national centre of attraction in terms of social, economic and political life, Brussels attracts a large number of people from diverse backgrounds. The vast majority of these citizens of Brussels are registered in the municipal civil registry (‘de jure’ resident population). But another substantial part is not included in this statistical source, which leads to an underestimation of the de facto resident population, i.e. the one which represents the actual housing demand in Brussels.

20. Among these populations, there is an increasing number of candidate-citizens (including, in particular, asylum seekers or spouses within the framework of family reunification), as well as people in a situation of temporary residence or double residence (students with a flat or foreigners who are not domiciled; diplomats, trainees and other short-term residents for work reasons; owners of a second residence), not including those who choose explicitly to remain under the radar of the administration.

21. Let us look more closely at the two groups of residents who are the best documented among this group, beginning with the asylum seekers registered on the ‘waiting list’. At the turn of this century and shortly afterwards, the number of new requests per year reached more than 40,000 in Belgium, but afterwards this figure decreased to approximately 15,000. In 2015, the number of asylum seekers, mainly from Syria, Iraq and Afghanistan, once again increased significantly.

22. Students represent a second major group. In Brussels, there are 86,000 students registered in the different higher education institutions (universities, colleges and art colleges), including approximately 40,000 who live in a dwelling independently of their parents [Raynaud et al., 2014 & 2015]. Among them, the proportion of students who live in a university or student residence is 33% for university students and 6% for those in the other higher education institutions. One third of stu-
tudents live with a roommate, and the remainder opt for an individual room (in the home of a private individual), studio, flat, house or a rental as a couple/family. Furthermore, it is estimated that one third of students in Brussels are not domiciled officially. They therefore represent a substantial number of uncounted tenants to whom is added a latent demand by students who do not opt for an individual dwelling for financial reasons (35% of university students polled).

1.1.3. Future prospects

23. Bureau fédéral du Plan (BFP) and Direction générale Statistique (DGS) have just published demographic forecasts for the Kingdom and the Regions once again, including forecasts regarding the number of households [Vandresse, 2016]. These forecasts with a very long-term horizon (until 2060) predict a 12.5% increase in the population of Brussels (+ 146,000) by 2030. The demographic growth potential of the population of Brussels described above, means that the natural balance will always remain positive, unlike the other Regions.

24. The trend growth in the size of households continues, which means that the increase in the number of households will be lower than the rate of demographic growth, i.e. 7.5% by 2030.

25. The forecasts for the evolution in the number of households indicate that Brussels will need approximately 40,000 additional housing units by 2030 (i.e. on average 2,800 housing units per year). This minimum only meets the strict additional needs while maintaining the conditions of limited availability of housing which already affect Brussels. Furthermore, the population forecasts which the household forecasts are based on expect a continuation of a very negative net internal migration in favour of the other Regions in Belgium, corresponding to a current social reality likely to evolve in the coming decades. The figures must therefore be considered as a minimalist estimation.

1.2. A residential offer not fully understood

26. The nonexistence of centralised, exhaustive and detailed data on the residential housing stock means that to this day, the existing offer and its evolution are difficult to quantify and qualify with precision [Deny, 2003].

27. This is one of the reasons why, for example, 15,000 to 30,000 empty housing units continued to be used as a figure for a long time. It is very probable that this estimation, which goes back to 2002-2003, is no longer relevant. The strong demand for housing has probably put many formerly empty housing units back on the market. But very little is known about the mechanisms and the extent of this recovery.

28. The same applies to rental and purchase prices for property available on the market, with only partial indications and diachronic series which are limited in scope. Furthermore, a structured data source centred on housing transactions does not exist, with details regarding owners or occupiers, as well as the qualities of their housing. Nevertheless, let us mention the existence of housing surveys conducted by the Observatoire régional de l’habitat at regular intervals, but which do not provide a broad enough picture of the various components of the market on a detailed scale. The socioeconomic survey of 2001 is therefore the only relatively recent source which paints a detailed picture of the residential offer [Vanneste et al., 2007].

29. This shortage of real estate information makes it difficult to have a detailed understanding of the mechanisms of the market, which has an impact on territorial knowledge and management. The study of the residential offer and its evolution presented here is therefore based mainly on the data produced in the framework of the observatory on housing permits.

1.2.1. A residential production method dependent on the urban context

30. Brussels is a densely developed city-region with relatively limited land reserves for development. However, it is not the rarity of suitable building sites which is decisive in this case, but rather the mechanisms for enhancing the value of sites which are fundamentally different from those which prevail in an extra-urban context (figure 3). Certain projects, especially those on a larger scale, reach a level of complexity in the administrative, technical and financial management, which makes the Brussels market less attractive for certain investors, beginning with ordinary lessors and self builders.
Another striking feature is that half of the newly authorised housing involves the reconversion of non residential buildings, demolitions-reconstructions and transformations of existing buildings (subdivisions, extensions). The intervention in the existing urban fabric constitutes an essential component of production. However, this reallocation of buildings as well as new constructions exposes the city to major challenges in terms of physical densification, mobility management, service coverage and public facilities. Furthermore, they nourish a series of demands by citizens and associations concerned about protecting the old built heritage or opposed to housing development in nearby green spaces.

1.2.2. A portrait of the recent residential production

In total, an annual average of approximately 3,800 additional housing units were created in the Brussels Region between 2004 and 2015. This is a significant volume if it is compared to the 1990s, when it scarcely reached 2,000 units [Ananian, 2010]. Among these housing units, two thirds are the work of private companies whose objective is to resell the built property to owner-occupiers, lessors or investors [Romainville, 2015]. One fifth of production is due to private individuals, a minority of whom are owner-occupiers, which contrasts sharply with periurban areas where self build is more common [Halleux, 2005]. Finally, one tenth of housing is created by structures which are dependent on (para) regional or municipal public bodies.

New housing production activity is geographically very unequal on a regional scale (figure 4). The production volume is high overall in the central neighbourhoods and in the inner ring (apart from the office areas in the east of the pentagon) and in a series of more out-of-the-way areas located on either side of the old chaussees. These steady property dynamics in the central neighbourhoods bear witness to a residential (re) appropriation which is the fruit of the appeal of central neighbourhoods among many small households on the rental market [Van Criekingen, 2013], a centring of public action on these neighbourhoods by means of a ‘revitalisation’ policy [Noël, 2009; Lenel, 2013], as well as mechanisms to enhance property and real estate value gains by investors in these neighbourhoods which lost their value long ago.

In the southeast of the ring, apart from Chaussée de Wavre, the potential for development appears to be reduced, on the contrary, despite the existence of a substantial number of land reserves. The mechanisms of land retention, citizen protests regarding the densification of development, as well as the high prices in these affluent neighbourhoods (limiting the number of potential purchasers or tenants) hinder steady construction dynamics.

---

1 This figure is based on the proportion of authorised housing units actually created, which is estimated at approximately 90% (see ‘Observatory on housing permits’).
Figure 4. Authorised housing according to type of operator (2003-2012). Source: Observatory on housing permits, BDU
35. In addition to this spatial variability in production volume, there is a differentiation according to the type of producer: private companies, many of which are property developers, produce housing throughout the Region, above all new housing in the out-of-the-way areas, and more reconversions of production, commercial and office spaces in the central neighbourhoods. Furthermore, it is not uncommon to see these companies in neighbourhoods undergoing gentrification and in the canal area, which was unfamiliar to them fifteen years ago. The partnerships with the public authorities in the framework of operations conducted by CityDev and the various actions for re-enhancing urban value (public spaces, urban marketing, etc.) have made this space attractive and safer in the eyes of investors. It is also a sign of the maturing of the gentrification process. Independent developers and private individuals invest in the same areas, often as ‘pioneers’, contenting themselves with smaller-scale projects (rehabilitation of existing buildings or enhancing the value of small vacant plots).

36. Finally, let us mention the strong presence of public authorities in the old central neighbourhoods, in particular along the canal (in the perimeter of EDRLR - Espace de développement renforcé du logement et de la rénovation). The public authorities focus a large part of their production activity there through an array of programmes fragmented in space and time: ‘neighbourhood contract’ operations, municipal housing, CPAS housing and CityDev housing. Public projects of a larger scope are carried out above all by SLRB (Plan régional du Logement, 2005 and the Alliance Habitat programme, 2013) in the more outlying areas, a choice attributable in part to the availability of large vacant land reserves. Let us specify that the share of additional housing created by or with the support of the public authorities (including private housing) reached 13.5% on average between 2003 and 2012. Among this public housing, only 15% (i.e. 850 dwellings in 10 years) may be considered as social housing (according to the new housing code classification) while the rest is considered as moderate
(24%), average (57%) or open (1%).

2 Please refer to the publications of the ‘Observatory on housing permits’ and the ‘Observatory on offices’ of the Brussels Region for more details on this subject.

3 Moderate housing includes housing treated as social housing (sections 1 and 3 of the neighbourhood contracts, isolated buildings, rental assistance from the Fonds du Logement) and AIS housing. It is situated between social housing in the strict sense and average housing.

2. Brussels and its housing: the challenges of a lasting crisis

2.1. A challenge which is not exclusively quantitative

37. The confrontation between the figures related to the recent increase in the number of private households (in the order of 5,000 units per year between 2001 and 2015), and the housing stock (in the order of 3,800 units per year since 2003) highlights a quantitative gap between the produced supply (situated at a very high level) and the expressed demand, all the more problematic since it is added to a demand which has not yet been met for many Brussels households.

38. Part of the supernumerary demand has probably been reduced over the past fifteen years due to the occupation (in part illegal) of vacant built-up areas, including a substantial stock of vacant housing, as well as the occupation (in part inappropriate) of residual spaces (attics, back houses, basements) for residential purposes.

39. The slowing down which is currently observed at demographic level (the increase in the number of households will only be 2,800 units per year on average until 2030 according to the most recent forecasts) could defuse somewhat the tight situation on the housing market, of course only if a high enough level of production is ensured in future.

2.1.1. The economic dimension of the crisis: the evolution of property prices

40. Of course, the question of housing cannot be reduced to these quantitative considerations. A large enough housing stock can only satisfy all households if it is adapted to their needs and is affordable to them. A social component is added to the condition of adequate numbers.

41. Let us examine this aspect first by looking at the purchase prices. A simple yet imperfect manner of estimating the solvency of the demand, i.e. the ‘real estate purchasing power’ of households, consists in comparing the price of real estate with the income of households. An
increase in the ratio between these two values indicates a relative increase in the price of real property compared with the available income. By tracing the evolution of this ratio between 1975 and 2013 (figure 5), we highlight a clear rise in property prices compared with the evolution of incomes since the end of the 1990s. This recent increase is exceptional due to its extent and duration, all the more so as the effects of the 2008 crisis did not cause a downward adjustment of prices. At the very most, a stabilisation of the ratio is observed.

42. Admittedly, this evolution is not representative of the entire population, but nevertheless leads to the fact that the households with the most modest income suffer most, given that the property prices on the private market are aligned with the ‘purchasing power of potential purchasers with the highest level of solvency’ [Romainville, 2015: 21].

43. There are many reasons for this increase in prices, which can only be touched upon here. Demographic growth obviously plays an essential role in this process: the tension between supply and demand on the market nourishes the rise in prices. This is amplified by a substantial increase in the borrowing capacity for mortgages since the beginning of the 1990s, which results in a significant reduction in rates [Halleux & Strée, 2012], as well as an increase in the terms of loans. To this is added the increasing presence of a clientele with a high purchasing power, often of foreign origin [Hermia, 2015; Van Hamme et al., 2016], who compete with the other households for the purchase and rental of housing.

44. Another inflationist element is the transfer of a proportion of investments in moveable assets (shares, bonds, investment funds) towards residential real estate, either as an answer to the weakening of the pension system, the diminished appeal of bank savings or the lack of options for profitable and secure investments on the market (following the 2008 financial crisis in particular).

45. In addition to this is the often speculative practice of land retention, which has been studied very little, as well as the repercussions of the rise in construction costs, to a certain degree.4

46. It is not only the buyers’ market which has undergone a significant increase in the relative price. A comparable phenomenon has been observed on the rental market: the average rent increased by 2.7% per year on average between 1995 and 2013 [Dery, 2003; De Keersmaecker, 2014], which exceeds the average annual increase of the health index (1.9%) and therefore of the indexing provided for in the legislation.

2.1.2. A less and less affordable housing stock

47. One of the major consequences of the rise in property prices is that the people at the bottom of the social ladder who have a smaller margin for financial manoeuvre are confined to a limited number of dwellings: under the hypothesis that 25% of income is dedicated to rent, only 1% of the housing stock is accessible to 40% of households with the lowest income (four first income deciles). Let us point out that 10% of the housing stock in 2004 and 28% in 1997 was still accessible to this part of the population [De Keersmaecker & De Coninck, 2005; De Keersmaecker, 2014].

48. The result is that households are forced to make a greater financial effort in order to find housing, to the extent that households whose income is lower than €1,500 put 60% of their income towards housing on average, while households with more than €3,000 dedicate only 25% on average [De Keersmaecker, 2014]. This socially contrasted financial effort has been increasing constantly for years and is made at the cost of other expenses (food, healthcare, education, leisure).

49. This evolution highlights the risks resulting above all from a significant supply deficit in the segment of low-priced rental housing [Bauwellinckx et al., 2014], either due to the lack of rental controls on the private market [Bernard, 2014] or to a lack of social housing.5

50. The surge in real estate prices does not, however, only have an impact on the households with the most modest incomes. Those from the middle class also have a more and more limited choice of affordable housing. Strictly speaking, while these households do not live in

---

4 The ABEX construction price index increased by 48% between 2000 and 2015, while the consumer price index increased by only 33% during the same period.

5 Let us point out that as regards owners as well, there are signs of underlying difficulties faced by people who have taken out a mortgage [Duvivier, 2016].

Figure 5. Evolution of the average price of flats/average income per declaration ratio (basis 1975 = 100). Source: DGS
substandard housing, they experience more and more difficulties in adapting housing to their needs according to their family pathway. This difficulty faced by the middle class is probably a determining factor in the approach to the housing issue in political discourse and action.

2.2. Methods of adjustment to an inadequate offer

51. At the end of this synthetic analysis of the situation, one is tempted to shift the focus from a generalised housing crisis in Brussels to an ‘affordable housing crisis’ [Romainville, 2015]. The current difficulty is in effect the fruit of an inadequacy in housing production, and especially in its financial accessibility.

52. A question therefore arises. As the difficulties of integration in the housing market – in particular in the least solvent segment – have not resulted in the significant creation of new housing, how has this specific demand adapted to the slowly growing stock of affordable housing?

53. Several mechanisms have come into play, which we shall discuss below: the increase in the demand for social housing, the delay in moving out of the parental home and the existence of extended families in the same home, the occupation of smaller and/or less comfortable housing, and concessions in terms of location.

2.2.1. Redirecting the demand towards social housing

54. Although it is a well-known reality, let us mention here that the lists of applicants for social housing – either with a Société Immobilière de Service Public (SISP) or an Agence Immobilière Sociale (AIS) – continue to grow year after year [Englert et al., 2015], despite the (relative) increase in the number of social housing units. At the beginning of 2015, there were as many households on the waiting list (taking removals into account) as there were social housing units managed by SISP, i.e. approximately 40,000 units. The waiting periods reach up to ten years for large families, for example. As regards AIS, the number of housing applicants and the waiting periods also increase each year, even though the rental housing stock is increasing and exceeds 4,000 units.

55. This high demand is obviously the result of increasing difficulties to access other sections of the market. It is also nourished by the trend erosion of the residual housing stock or ‘de facto social housing’ (modest private housing, often dilapidated, with affordable rent), following the process of re-enhancing the value of the housing stock in the central neighbourhoods undergoing gentrification in particular.

Figure 6. Evolution of the average size of private households (1991-2014: DGS observations and BFP calculations; 2015-2061: BFP and DGS forecasts)
2.2.2. Delay in moving out of the family home

56. One of the distinctive features of Brussels as regards its demographic evolution is the increase in the average size of households. Despite the phenomenon of family breakdowns and the significant number of small households, the average size has risen from 2 to 2.15 people in 20 years, which goes against the general trend in the other Regions of Belgium, as well as in other European cities.

57. This evolution is not only due to the higher birth rates in households from foreign immigration. Other factors must therefore also be considered.

58. A hypothesis which emerges is that the shortage of affordable housing slows down the formation of households in Brussels, so that the different generations continue to live together longer, and that the size of households is increasing due to an increase in the age of moving out of the family home and an increase in the number of young adults returning to the family home.

59. The analysis of moves between 2002 and 2010 confirms this. Figure 7 shows the evolution since 2002 of the average age at which young people leave the family home. The contrast between Brussels and Wallonia is striking, as is the much more rapid increase in Brussels than in Flanders.

60. Let us specify that this phenomenon of a delay in moving out of the family home varies spatially and socially. Among young men in their early thirties, for example, the tendency to stay in the parental home is twice as high in the ‘poor area’ (disadvantaged neighbourhoods located in the northern and western parts of the inner ring around the city centre) than in the affluent outskirts, while the proportion of higher education graduates is almost twice as low (figure 8).

61. On the whole, it may therefore be said that the young residents of Brussels leave the parental home later and later and that this tendency is much stronger than in the other Regions. While no causal link with the housing situation in Brussels may be established for certain based on this analysis, all of the observations are perfectly in keeping with the difficulties for young residents of Brussels to enter the housing market. There is therefore a substantial latent demand for small housing units accessible to young adults, which is all the more significant as these people tend to stay in the city longer than before [Hermia, 2014; Van Criekingen, 2008].

62. Let us also mention that the recent decrease (at least between 2012 and 2015) in the number of one-person households and the increase in households composed of several family units or adults, including joint tenancy and grouped settlements, also contribute to an increase in the average size of households. These are symptomatic of the difficulties experienced by certain people to cover the costs of housing alone or in a family. The sharing of certain housing costs (rent, heating, etc.) in the framework of a joint tenancy, for example, allows a reduction in the costs which each person has to pay. This way of living – which is very common among students – tends to appeal to more people nowadays.

2.2.3. A restructuring of the use of existing housing stock leading to an increase in overcrowding

63. Apart from the delay in leaving the parental home, other mechanisms contribute to explaining a more intensive use of the existing housing stock. Let us mention, for example, the growing proportion of elderly people living in retirement homes. This evolution is all the more likely to lead to a densification of housing units as elderly people who stay in their dwellings have a stronger tendency to under-occupy them. This is true regardless of the type of neighbourhood, even if the proportion of elderly people who under-occupy their dwellings is significantly higher in the affluent neighbourhoods [Surkyn et al., 2007].

64. But it is among the low-income populations that the tendency towards overcrowded housing is without a doubt the most pronounced. This was already the case fifteen years ago. But it is very likely that this tendency has become accentuated. In recent years, low-income households have experienced the highest growth, while the creation of

---

6 The 2013 Observatory on Rents specifies that joint tenancy is a phenomenon which is just developing (9% of rental housing is occupied by joint tenants compared with 5% in 2012), for budget reasons above all (35% of answers).
Figure 7. Average age* at which young people leave the family home in the three Regions. Source: DGS, Interface Demography calculations (VUB)

*Average age of people who have left the family home for the first time in the same calendar year (between 2002 and 2009) to live elsewhere, independently, for all people who were still part of a household with their parents in 2001.

Figure 8. Proportion of young people who still live in the parental home, according to age, gender and geographical area (2001) (in %) – Method: economic indicator attributing to a young person who lives in the parental home at age 15 the probabilities of moving out at each age thereafter according to the probabilities calculated at these ages in 2001. Source: DGS, IGEAT (ULB) calculations.
new social housing has remained very slow, and almost all of the housing units on the free market built since the 2000s are beyond their means.

65. We have already mentioned the delay in moving out of the parental home among young adults, including those who have finished their studies. But several other mechanisms may contribute to an amplification of overcrowding:

- The financially limited choice at the moment a household is formed of a dwelling whose size is not adapted to the size of the household;
- The difficulty to adapt the size of a dwelling at a later time to the needs of a growing household;
- The necessity for a proportion of low- or middle-income households seeking to purchase real estate to divide their dwelling and to rent part of it temporarily in order to cope with the cost of reimbursing a loan or to increase income. The proportion of dwellings let by a lessor who lives in the dwelling is thus significantly higher in the poor area than in the rest of the Region;
- The concentration of foreign newcomers in over-divided housing.

66. Beyond the link with income, we notice that several of these mechanisms affect families with children more specifically. In Brussels, children and adolescents are therefore affected most by overcrowded housing, all the more since children of well-to-do families, who are at low risk, tend to live in the outskirts of the Region. The people of reproductive age are also often concerned, but less significantly, because only part of them are indeed parents. At these ages, women are more at risk than men on average, to the extent that they represent the overwhelming majority of parents who live in a single-parent household, in which the income tends to be lower. Overcrowding affects more than one third of people who live in a single-parent household, and almost half when the parent has a low level of education.

An existing stock still largely under-used

67. Among the elderly and adults past the age of being parents, the risk of overcrowding is much lower. On the contrary, under-occupation is common. This tendency is mainly explained by parents remaining in a dwelling adapted to the former size of the household once the children have moved out. Not surprisingly, generally speaking, this situation is more common among owners and in high-income households able to access bigger dwellings than necessary according to the (comfortable) standards of social housing.

68. The tendency towards an intensification of the use of the existing stock is therefore observed only in part of the housing stock, and many situations of overcrowding exist alongside many situations of under-occupation. While in 2001, 10% of households and 20% of the population lived in overcrowded housing, many dwellings were under-occupied (according to social housing occupation standards): 63% of two-bedroom dwellings; 74% of three-bedroom dwellings, 83% of four-bedroom dwellings and 89% of dwellings with five bedrooms or more.

69. The rates of overcrowding which are by far the highest are observed in the poor area (figure 9), where income is low on average, families with children are common, and elderly people are under-represented.

70. The high rates of under-occupation observed in certain neighbourhoods contain a substantial theoretical potential for residential intensification. Allocated according to needs (in terms of the size of households), the existing housing stock would accommodate all Brussels households, at least according to social housing standards. This of course is only a theoretical calculation, but it highlights a problem inherent in the current structure of a market lacking in rental housing and marked by a sharp asymmetry as regards mobility rates. The latter are higher among overcrowded households than among households which under-occupy their housing, except in social housing somewhat. Residential inertia therefore tends to reinforce under-occupation, and as a result, overcrowding. This inertia is very strong overall for owner-occupied housing, and weaker in private rental housing, where mobility is much higher.
71. The mechanism of the portability of registration fees, as practised in Flanders, would in any case be a possible means to favour real estate transfers and thus allow the buyers’ market to have better reactivity. New forms of living together for elderly people and young adults could also be encouraged. Furthermore, it may be useful to consider housing with a modular design (for example in social housing), with a fixed core made up of shared rooms and household appliances, to which rooms could be added easily according to the changing needs of the household.

2.2.4. A reconfiguration of residential geography

A redistribution of social uses of the residential stock in Brussels

72. The tensions related to the dissociation between, on the one hand, the rising demand for affordable housing and, on the other hand, the relative stagnation of the corresponding supply, do not only lead to a more intensive use of housing. They also contribute to a reconfiguration of residential pathways, and to a reorganisation of the position of different neighbourhoods in the urban social space. This reorganisation may be schematised roughly as follows.

73. There is a growing financial inaccessibility of a large proportion of neighbourhoods in the southeast outer ring. For the past ten years, the development of blocks of luxury flats intended for very wealthy households only has become more prominent in the moderate supply of new housing. And a growing share of the demand by the middle class tends to be transferred to the eastern part of the city centre, causing a rise in real estate prices.

74. Based on a concentration in the entire eastern inner ring, the demand by the relatively disadvantaged middle class – for example young graduates who have not yet become settled in their professions – therefore tends to be more concentrated in the few neighbourhoods which have remained the most affordable. In parallel with the narrowing of possibilities for integration in the eastern part of the centre, this demand has gradually moved towards the poor area in the west, mainly along the edges, supported by social mix and urban renovation policies, among others. Seconded by the public authorities, private developers play an active role in these transformations of the eastern part of the city centre. Despite a housing market which has become more socially selective, the area is nevertheless quite heterogeneous. To a lesser extent, it continues to receive a share of new migrants arriving from poor countries. In this respect, it must be underlined that the rental income obtained from dividing a building into small housing units occupied by young disadvantaged adults, or into very small housing units overcrowded by recent migrants, may compete with the rent received in the case of occupation by a mid-
dle- or even high-income single-family household. These different rental segments may therefore live side by side in the eastern part of the inner ring and the gentrified neighbourhoods.

75. The poor area is faced with different types of pressure. It continues to be home to ‘captive’ low-income households which have less and less possibilities to move towards other types of neighbourhood, or which are forced to leave due to gentrification. More than the eastern part of the city centre, it continues to be the place where new immigrants from poor countries live when they first arrive. It has a stronger natural growth than average. And particularly along the eastern edge, it is becoming an alternative for middle class households which can no longer find housing adapted to their income. While some of them find somewhere to live in average housing newly created with the support of public policies for social mix, others move into the existing stock using renovation subsidies. The share of the private rental segment which is able to play the role of *de facto* social housing is therefore getting smaller, without social housing taking over. In a context of a growing population, there is then an inevitable rise in the overcrowding of existing residential stock, whose quality is often already insufficient. In absence of a solvent clientele, developers invest little, and the unfulfilled needs do not lead to a new private offer.

76. Except for the high income deciles, the households which leave the poor area for other neighbourhoods in Brussels move almost exclusively to the west of the Region. This is the case with the middle class, including those who are part of a process of upward social mobility within the poor area. But a deconcentration towards the west is also observed among low-income households, with preferential (but not exclusive) movements towards the immediate edges of the poor area, i.e. the more outlying social housing neighbourhoods (figure 10). Let us underline, however, that the residential movements of low-income households remain by and large confined to the poor area itself.

77. For a long time, the neighbourhoods in the west and northeast of the Region have remained less connected to the changes in the housing market in the eastern part of the city, henceforth receiving newcomers from everywhere in the region, clearly extending beyond the western quadrant. In this respect, the comparison sheds light on the movements of middle-income households which leave the poor area, and those which leave the eastern part of the city centre (figure 11). The former move towards the west (including outside the Region) and very little towards the east. They therefore remain locked in the western quadrant. On the contrary, the latter move in their own eastern quadrant, as well as towards the west beyond the poor area. This symptomatic asymmetry testifies to the increasingly closed eastern housing market to low- and middle-income households. Through residential mobility, this closure leads to a distinct reinforcement of the east/west du-
alisation, including beyond the central areas. While the socioeconomic level in the southeast outer ring tends to keep rising, its western counterpart, on the other hand, is getting poorer (all the more so as peri-urbanisation continues). Generally speaking, the restructuring of social inequalities in the city tends to be spatialised, confirming and reinforcing the major inherited territorial differentiations. These tendencies, including the gentrification of the eastern part of the city centre, are in keeping with the continued socioeconomic shifts callused by interior migrations observed since the 1990s (figure 12).

Figure 11. Neighbourhoods of destination of intra-Brussels mobility from the ‘poor area’ (on the left) and of the eastern inner ring (on the right), between 2005 and 2013 (4th, 5th, 6th and 7th income deciles). Source: BCSS, IGEAT (ULB) calculations
Residential migrations outside Brussels: a very partial response to the saturation of the Brussels housing market

78. As we have seen, Brussels has a significant migratory surplus resulting from the arrival of many migrants from abroad. As regards internal migrations, however, the loss of inhabitants continues, with a constant volume in the long term (figure 1). Not surprisingly, these internal outward migrations are dominated by peri-urbanisation movements of middle- or high-income households. But they are far from slowing down. And several elements suggest that a proportion of these migrations correspond to the search for more affordable housing by low-income households.

79. The average socioeconomic profile of outward migration from the Brussels Region has dropped overall since the 1990s, with respect to the profile of interior incoming migration.

80. The geography of places of arrival of outward migration of a low socioeconomic level shows locations where housing remains more affordable (figure 13). A proportion of it is directed well beyond the outskirts of Brussels, towards the poor municipalities of the former industrial area in Wallonia or towards municipalities which have seen a decline in local industries, and where former workers’ housing still exists (textile in Renaix or the Dendre valley, quarries in Lessines, etc.). Nevertheless, most of the outward movements are directed towards nearby Brabant. In the municipalities in the prolongation of the industrial valley of Brussels, such as Sint-Pieters-Leeuw and Drogenbos upstream or Vilvoorde and Machelen downstream, the existence of a residual fabric of former workers’ housing probably explains some of these locations. Elsewhere, distinctive features on a larger scale probably explain the appeal among low-income households, such as the small size of housing, its low quality or that of its immediate environment, or its out-of-the-way location with respect to communications, shops and services. In these spaces which are less strongly structured by real estate than in major urban centres, the costs of housing may show a high level of local variability.

81. These migrations outside the Brussels space, however, do not constitute a sufficient quantitative response to the growing difficulties for integration in the Brussels housing market. On the one hand, these outward flows are compensated at least in part by symmetrical incoming flows. On the other hand, these flows are not new, and were already observed with a comparable extent, at the beginning of the 1990s.

82. Finally, the fact that the population of Brussels is growing quickly shows that the adaptation of the demand to the slowly growing supply does not take place mainly via residential migrations outside the Brussels space.
2.3. Social and health challenges

83. One of the main symptoms of the housing crisis is the marginalisation of a growing proportion of the population, forced to choose a dwelling which does not correspond to their personal or family needs. Very often, this is combined with poor housing conditions and a precarious status of occupation.

84. This situation clearly raises the question as to the social challenges of housing in connection with health and welfare issues, still insufficiently documented and studied in Brussels at present.

2.3.1. Fitness for habitation and impact on health

85. There are convincing data which show the interactions between housing conditions (density of occupation, interior air quality, size and household equipment, insulation) and the state of health of the occupants [Thomson et al., 2002]. Inadequate housing represents a determining factor of a major social dimension, which affects the physical health and the psychological and social well-being of the population. The literature also explains that this problem is exacerbated among the most disadvantaged populations at socioeconomic level [Braubach & Fairburn, 2010].

86. As regards Brussels, the new Brussels housing code (2013) defines in Art.4 the minimum requirements for compliant housing in terms of safety and salubrity. While the legal framework imposes standards to comply with, the rare existing surveys show that a significant proportion of the population of Brussels live in a dwelling which is unworthy, squalid and of poor quality.7

---

87. The survey conducted in the framework of the 2013 observatory on rents [De Keersmaecker, 2014] revealed in effect that 34% of people interviewed feel that their housing is in a ‘very poor’ to ‘average’ state. This figure reached 36% in 2008, indicating a negligible improvement in the fitness for habitation in this housing segment in recent years.

88. The 2013 national health survey [Charafeddine, 2015] shows in a comparative perspective that 21% of the residents of Brussels are faced with a lack of comfort (over-crowding, difficulty keeping warm enough, moisture or mould problems) in their housing, compared with 7% in Flanders and 13% in Wallonia. Furthermore, the report confirms that the households with a low socioeconomic status and single-parent families face more housing problems than owner households or those whose reference person has a high level of education.

89. Other sources testify to the extent of the problem:

- Not less than 577 complaints regarding squalor and 204 bans on renting were registered in 2013 alone by Direction de l’Inspection Régionale du Logement (DIRL) [Goblet et al., 2013]. The number of complaints received under-estimates the actual number of squalid housing units due to the fact that a very high number of tenants who are often very needy at economic and psychosocial level do not make complaints to DIRL, as they are worried that they may end up without housing.

- The number of Allocations de Relogement (formerly ADIL) granted by the Region to financially disadvantaged tenants who leave an inadequate dwelling to live in a new one which is often more expensive but meets the standards for size, salubrity and safety increased from 1,083 in 2008 to 1,451 in 2013.

- The Cellule Régionale d’Intervention en Pollutions Intérieures de Bruxelles-Environnement (CRIPI) indicates a marked increase in complaints related to health problems (respiratory, digestive, dermatological and neuro-psychological problems) between 2000 (date of implementation of the intervention mechanism) and 2006 [CRIPI, 2007].

90. These indicators and available survey data are insufficient to show precisely the extent of the phenomenon of squalor in Brussels, and even less to compare the neighbourhoods and municipalities even when the differences are notable. They nevertheless reflect a very worrying trend of inadequate housing. Finally, let us underline that the stakeholders in the field reveal that the problem of squalor is reinforced by the dishonesty of slum landlords who misuse and rent out unworthy

---

Figure 14. Proportion of households reporting problems related to the comfort and quality of their housing. Source: Institut Scientifique de Santé Publique, Health Survey 2013.
housing to vulnerable populations illegally. There is no study to date which allows this phenomenon to be objectivised, but it must be the object of greater attention, control measures and stricter sanctions.

2.3.2. Financial accessibility and social and health impact

91. We have seen that the rise in property prices forces households to devote an increasing share of their family budget to rent, thus drastically reducing financial accessibility to the quality rental housing stock, all the more so for the most disadvantaged populations. In addition, there are energy costs and other possible expenses which also represent a significant amount: for 25% of the poorest families, the percentage of the budget devoted to heating, electricity and water represented 7.8% in 2012 in Brussels. Although there are federal measures which propose social tariffs in order to meet the rising costs of energy, the total costs result in a general weakening of purchasing power, resulting in a postponement in using healthcare services [Englert et al., 2015].

92. The national health survey [Demarest, 2015], reveals that 22% of Brussels households have declared that they have had to postpone the use of healthcare services for financial reasons during the 12 months preceding the survey. This proportion is highest among single-parent families (36%) and households in the lowest income quintile (39%, compared with 7% in the highest quintile). Inadequate housing compounded by a greater exposure to health risks reinforce social inequalities in terms of health.

2.3.3. From housing to living conditions, a widening of the focus of the analysis

93. Apart from health problems related directly to housing in its material configuration, we must not underestimate the elements related to the local urban environment which affect the quality of life of inhabitants and their psychological and social well-being: for example, the availability of services and facilities, neighbourly relations and the general state of the natural and developed environment [Shaw, 2004].

94. In this respect, the study by Belspo on social inequalities in terms of health shows that these ‘contextual’ variables have a strong influence on the subjective health of individuals and that ‘the environmental impact, the low social capital of the neighbourhood and the economic precariousness of the neighbourhood increase the risk of poor subjective health, independently of individual socioeconomic status’ [Lorant, 2010: 93].

95. The national health survey has shown that 26% of the population (aged 15 and up) complain about a significant volume of traffic, 21% about the high speed of traffic, 27% about litter, 24% about vandalism, graffiti or deliberate destruction of property, and 11% about a lack of access to parks or other public green or recreational spaces. Once again, in the poorest quintile, the inequality is very marked, with 20% suffering from a lack of green and recreational spaces compared with 3% in the most well-off quintile [Charafeddine, 2015].

96. In order to compensate for the worsening of the social and health situation of the most disadvantaged and the growing social inequalities in terms of health, many initiatives have been implemented in recent years:

- At regional level, apart from the specific actions of the vacant housing unit and DiRL, Bruxelles Développement Urbain supports the projects of ‘Réseau Habitat’ and ‘Insertion par le logement’, which work with a disadvantaged public providing renovation advice and assistance with the search for housing.

- At municipality and CPAS level, a series of projects, services, units and working groups in the area of housing have been implemented in order to meet the needs of vulnerable populations.

- At community level, many Brussels associations work to defend the rights of tenants, raise awareness and inform them about health risks, expose the glaring problems in the field to the public authorities, and plead for an improvement in the living and housing conditions of vulnerable populations.

97. Despite these multiple initiatives which are very useful but rarely long lasting due to a lack of financial resources, the stakeholders in the field struggle to meet the needs of their target public, with such a significant and growing demand for rehousing.
98. At the end of this section devoted to housing challenges, an observation emerges: the housing crisis is many-faceted and is combined in various ways according to the geographical, family and social situation of the household. It is more insidious than a quantitative shortage, affecting above all a population which does not have enough resources to enter a more and more competitive and unequal housing market.

3. A comparative reading of the housing policy and urban policies

99. We have seen that a substantial proportion of Brussels households are faced with significant challenges in terms of housing. Given the socially discriminating and penalising nature of the situation, we need to examine the role and the means of action of public authorities in order to make up for deficiencies in the market.

100. We shall do so first by discussing the regulatory, financial and fiscal measures implemented in the framework of the Brussels housing policy. We shall then discuss the links – either synergistic or contradictory – between the objectives of the housing policy and those of the city’s policies.

3.1. A housing policy which is above all remedial

101. Under the combined pressure of rapid demographic growth and social insecurity, the Brussels authorities are revising their intervention plans in the area of housing. The movement is not always visible – in particular as it is a product of isolated actions rather than an overall decision – but it is nevertheless tangible, gradually becoming a basic trend which we shall discuss by distinguishing several lines of action.

3.1.1. Leitmotif 1: help people with a low income access affordable housing

102. In an attempt not to compensate for the shortage of affordable housing but rather to reduce it somewhat (at the very best), in 2004, the public authorities launched a plan aimed at the construction of 5,000 social and medium-sized housing units, which continues today supported by a new financing programme called ‘Alliance Habitat’ (which aims to build 6,720 social and medium-sized housing units). Finally, the municipality of Brussels-City has made its contribution by initiating (successfully) the ‘Plan 1.000 logements’, supported by the ‘Plan Logements 2013-2018’.

103. Beyond the extension of the financially affordable stock, this vast undertaking has a virtuous effect: to reduce the discrimination experienced by households in need of social housing (and therefore forced to live in the private stock, which is twice as expensive on average) whose income levels are similar to those of households which have been lucky enough to obtain one.

104. This being said, it is also possible to decrease the housing budget of households by granting them a rent allowance, which is a monthly financial complement to help households pay their rent. This measure has been applied in neighbouring countries (France, The Netherlands, Germany), and was given its first legislative backing in 2008; it was then reserved to individuals who were living in a municipal dwelling, before going on to include the CPAS housing stock. As direct recipients of regional financial aid, the local authorities only make marginal use of the measure, in particular as they must deduct the amount received from the requested rent. In parallel, a measure which is similar overall was just implemented in 2014 to assist households in the private stock, which must be registered on the waiting lists for social housing (and with a certain number of priority points). There is a risk, however, that due to this increased solvency of lessees, the cost of rent will rise, with the (pernicious) effect that public aid will be received in the end by the lessors.

3.1.2. Leitmotif 2: favour access to home ownership

105. Due to the cultural characteristic of a need for security, Belgium has always favoured access to home ownership, with the Brussels Region in the lead. In addition to the old federal incentives (tax deduction/reduction of mortgage interest — the ‘housing bonus’, applicable to mortgages taken out between 2005 and 2016), Brussels allows part of the purchase amount to be exempt from registration fees (60,000 euros or 75,000 euros, according to the neighbourhood until 2017; 175,000 euros as of 2017 for all dwellings whose value is less than 500,000 euros), finances an institution which provides mortgages at a low rate (Fonds du logement) and, in neighbourhoods undergoing urban reno-
107. As a counterpoint, let us mention that the sixth state reform provides Brussels with the unique opportunity to elaborate a tax policy for access to home ownership which is more in keeping with its objectives — social in particular (maximum income, adjustment of support according to resources, increased financial advantage for first-time buyers, primary market support, etc.). Furthermore, these different aid mechanisms may also be combined so that in certain situations, approximately 75% of the purchase price is paid (directly or indirectly) by the public authorities. Let us also point out that the cost of home ownership support measures is €150 million per year (2011-2014 average), i.e. more than the €134 million per year devoted to social housing [Romainville 2014].

106. This proactive policy, however, raises questions at four levels at least. Firstly, despite steady public commitment, the rate of home ownership has not exceeded 45% in the Brussels Region, whereas counterparts in the south and north have reached approximately 70-75%. It is therefore uncertain as to whether this aid constitutes the deciding factor for households wishing to purchase a home, which would not have done so otherwise. A very marked overrepresentation of middle-income households is observed among the beneficiaries; on analysis, these households probably did not need this financial assistance and would have become home owners with or without support ("the windfall effect"). Furthermore, it must be noted that with respect to rental (which is the object of little or no aid, neither from the point of view of the lessor nor of the lessee), home ownership receives obvious preferential treatment by the public authorities; tenants are not entitled to deduct rent from their income tax, which is an example among many others. Finally, it is impossible not to point out the ambivalence of a Region such as Brussels, with 40% of its own tax revenue coming from registration fees (and with tax revenue financing the Region up to 39%). It is therefore worthwhile to maintain a certain vitality in its property market (if the social impact is ignored): high selling prices increase its tax base and subsequently reinforce its capacity to meet the challenges it faces today, above all rapid demographic growth.

109. A significant normative modification intervened in this context: the Brussels government decree of 26th September 2013 also subject the activity of housing construction to the payment of such charges. In other words, the residential sector no longer escapes this tax, as long as the project is extensive enough (a minimum of 1,000 m²). However, it is possible for the permit applicant to escape it by agreeing instead to build supported and/or subsidised housing for 15% of the project. The former is rented or sold to a public housing operator or a social housing agency; the latter is rented or sold by the developer to private individuals directly, but under social conditions (in terms of rent as well as selling price). The benefit of this measure is that housing with a social character is disseminated throughout the urban fabric, including the most affluent neighbourhoods. It must be noted that the construction of such housing (supported or subsidised) is exempt from charges, which could prompt private companies into embark on this activity. The reconversion of offices into housing also benefits from the same regime.

110. In this case as well, at least three questions emerge. Firstly, would we not see a decrease in the volume of new projects (of less than 1,000 m²), only for the purposes of avoiding this new measure? Secondly, will the maximum selling prices imposed by the new decree be sufficient in order to ensure profitability for builders (especially in the areas with significant real estate pressure)? Failing that, the latter will

3.1.3. Leitmotif 3: getting the private sector to participate in the construction of affordable housing

108. The public authorities feel that they are not able to meet the demand for social housing alone (which is growing steadily). By following the Flemish example, the Brussels Region therefore decided to associate the private construction sector with this "war effort", in a coercive manner. In fact, for a long time, the Region has imposed planning permission charges (of a financial nature) on office developers, intended to "compensate" for the expansion of this activity, with respect to the inhabitants (and their quality of life). As the issuing authorities for the majority of planning permits and thus the main beneficiaries of these charges, the municipalities have allocated the profit to the construction of facilities, the renovation of social housing, the improvement of surroundings, etc.
opt mainly for cash settlements, which contradicts somewhat the objective of social mix described above. This being said, another noteworthy evolution is that the profit from financial charges — on housing — must be allocated by the recipient to the building, transformation or renovation of housing, which must be either supported or subsidised. Finally, at this stage, nothing is preventing private individuals who purchase subsidised housing from reselling it at a high price and to pocket the profit, which is generated directly by the actions of the public authorities.

3.1.4. Leitmotif 4: support private production

111. There is a carrot at the end of the stick. One of the means considered by the public authorities to stimulate private production and thus reduce the tensions on the housing market consists in lifting certain restrictions which are a burden on the supply side, in particular professional developers. The discussions held for several years between the representatives of the real estate sector (in particular, Union professionnelle du secteur immobilier, UPSI-BVS) and the public authorities have thus identified a series of actions: relax the planning and urbanistic orders related to the ‘housing’ function (PPAS, RRU\(^8\)), grant identical tax benefits to private investors/developers who are willing to place the same housing as CityDev on the market, apply a decrease in the VAT, and make the administrative procedures related to the planning permit application more efficient in terms of waiting periods and less heavy in terms of content. At this stage, none of these measures have materialised.

112. For the moment, the Region is attempting to increase the mobilisable land potential nevertheless lead to the question as to whether they will cause a significant increase in the production of housing, including affordable housing for the low-income population. Accompanying measures are essential so that this new land potential does not become a missed opportunity.

3.1.5. Leitmotif 5: regulate the private market

114. Unable to access home ownership due to financial reasons, the vast majority of the less well-to-do residents of Brussels find themselves in the rental sector. However, the sector is characterised by an absence of regulated rental prices, which are thus high (with an average rent of 695 euros in 2013). As a prelude to a possible intervention, in 2012 the Brussels government elaborated an indicative table of rental prices [Bernard, 2014], which was able to provide the average rental value of a housing unit according to objective characteristics (surface area, equipment, location, etc.); however, it was not able to establish the use (fiscal, in particular) to attribute to it. In this case as well, the sixth state reform opens new perspectives, as tenancy is now under the remit of the Regions. It must nevertheless be ensured that a regulation of rental prices does not turn away investors in the rental sector, which would contribute to damaging the housing stock.

\(^8\) One of the proposals consists in relaxing the standards for fitness for habitation, in particular by decreasing the minimum surface area of rooms in order to decrease the average size of flats, and thus the price.
115. In view of regulating rental prices, the mode of taxation of real estate income could be modified. Currently, it is based on a fee, i.e. the cadastral income, which was elaborated in 1980 according to values from 1975, and should have been equalised every five years but never was. Instead, it was subject to indexing (in 1989), which has two disadvantages: the evolution of real estate prices is significantly faster than the index and, furthermore, the latter is linear, whereas certain neighbourhoods experience a greater increase (or decrease) in value than others. Calls have been made to tax the rents which are actually charged instead. A threefold benefit may be expected: the fear of moving into a higher income bracket should stop owners from increasing rents; there is an incentive for owners to renovate, as the actual costs are deducted from income in the tax system; and, finally, the necessity to declare possible works (in order to deduct them) will conveniently reduce undeclared work. However, the current regime is under the remit of the federal authorities and not of the Brussels Region (in spite of the sixth state reform).

3.1.6. Leitmotif 6: fight against squalor and residential vacancy and promote alternatives to ‘typical’ housing policies

116. The complete overhaul of the housing code in 2013 has reinforced the public means of action and intervention in the area of housing. As regards salubrity, the legislator has significantly reinforced the repression of slum landlords (fines increased, inspection services permitted to enter and inspect homes, etc.), however with a certain amount of flexibility. Indeed, the ultimate goal of a policy of this type is not to close housing, but rather to put it back on the market (once it has been renovated). In addition, housing with minor flaws will not necessarily be closed, owners are allowed more time to carry out required works, etc.

117. The fight against real estate vacancy is also being reinforced, in particular by granting social housing agencies the right to the public management of empty housing – a sort of soft requisition which has been the prerogative of the public authorities up to this point. Furthermore, housing transformed illegally into offices is now subject to code sanctions (fine, and if it is not paid, forced sale of the property), despite the fact that they are occupied – but not as housing.

118. Since legislation as fundamental as the code is not simply a collection of technical and coercive orders and must also be a melting pot for social innovations, the legislator promotes different types of alternative and emerging housing, such as socially cohesive housing (living with at least one socially disadvantaged person), community land trust (in the form of a division of ownership rights), intergenerational housing (living with a senior) [Bernard, 2008] and collective savings groups (pooled savings in view of helping each person in the group in turn to make a down payment for a purchase). In addition to this is the concrete possibility for a subsidy.

3.2. Urban and housing policies: which city for which population?

119. At the end of this brief discussion of housing support mechanisms, certain inconsistencies in the public housing policy emerge. They are seen in particular in the contradictions between, on the one hand, the delegation of most of the residential production to the private sector and, on the other hand, a certain will to deal with a series of market dysfunctions. The result is an apparent ambivalence of the housing policy, as regards the objectives to meet and the target public. This ambivalence does not fail to show through in urban policies in general.

120. The demographic PRAS (2012) and the PRDD project (2013), for example, place housing at the top of the list of priorities and make an explicit link with the demographic challenge and sociospatial fragmentation. The objectives of the aforementioned plans in the area of housing are ambitious, but imply that bridging the social divide and reducing the inequalities of access to housing can only take place by making certain concessions (social mix and urban renovation carried out ‘top-down’, the reallocation of major land reserves in view of development by private real estate, etc.) with unlikely effects. The notions of ‘sustainable development’ and ‘revitalisation’ raise questions, in particular, regarding what is said and written about the urban future.

3.2.1. The rhetoric of ‘sustainable development’

121. The Brussels public authorities put forward the reference of sustainable development as a guide for the construction of an exemplary
city project, which is supposed to favour a process of ‘gentle’ densification, promoting the quality of the living conditions implemented. In this undertaking, housing constitutes a fundamental lever (among others) for the public authorities.

122. This forecast of an ‘ideal city’ as envisaged by the Brussels-Capital Region raises many questions, in particular regarding its link with the objective announced by the public authorities to provide decent and affordable dwellings to as many people as possible. Here, we shall outline a general reflection which echoes the emerging concerns in academic circles as well as among stakeholders in the field in Brussels society [Curado, 2013].

123. Firstly, while the Region insists on the importance of the articulation of the three constituent pillars of sustainable development (economic, social, environmental), it nevertheless appears that priority is given to environmental and economic dimensions but that often, the social pillar is explored little or is taken for granted. Thus, we may question in particular the ways in which the Region designs and implements mechanisms intended to be participative in the realisation of certain urban projects for which joint action with the inhabitants and the local associations would be welcome and even necessary.

124. By focusing on the political rhetoric regarding the idea of a city project for Brussels, a certain type of spatialist thinking may be detected, which may give the impression that the social issue will be dealt with automatically through the creation of adequate living conditions based on mainly technical solutions. This leads us to wonder whether the rhetoric of sustainable development is somewhat consensual, with the effect of pushing the question of inequalities into the background (including those related to housing) and of making urban tensions and struggles invisible [Pattaroni, 2011].

125. Furthermore, besides the regulations regarding technical elements such as requiring the passive standard for new constructions, the Brussels-Capital Region is not clear with respect to the shared responsibility of private stakeholders (mainly property developers) in the construction of a city which meets the different requirements for sustainable development. In the case of major private real estate projects which have the capacity to modify the physical as well as social land-scape of a neighbourhood, is it not necessary for substantial and coherent work in the field to be carried out with the inhabitants (or users)?

126. If the Brussels-Capital Region truly wishes to provide the means to carry out a relevant project for a sustainable city – and not limit itself to a mere announcement effect using a term, which admittedly seems fashionable at the moment, but may prove to be an empty shell serving purposes of attractiveness first of all – it will have to clarify the way in which it plans to articulate the three pillars of sustainable development and think about the methods of building this project with the private stakeholders from the area of urban renovation and civil society.

3.2.2. The rhetoric of ‘revitalisation’

127. Furthermore, with the diagnosis of a form of – mainly social – ‘decline’ of the city, for the past fifteen years, the Brussels-Capital Region has used ‘revitalisation’ vocabulary in its rhetoric. In this framework, the city – and more precisely at neighbourhood level – has become a front door for answering the social question. In this undertaking to fight against sociospatial inequalities, the principle of social mix was identified as a major solution because it would allow the (re) creation of cohesion and ties [Lenel, 2013].

128. Guided by this idea of the city, the Brussels-Capital Region has listed the areas and neighbourhoods which must receive special attention (in particular the areas of priority development such as the canal area, etc.) with respect to the challenges of social mix and cohesion, and considers housing as a major lever of intervention in its urban revitalisation project.

129. But as with sustainable development, it is not always easy to perceive the project which – through the reference system of social mix – is truly put forward by the Region, beyond the rhetoric. This notion as well as the proposed concrete means of action are never defined precisely. We therefore have the right to wonder whether this rhetoric serves first of all as a tool to legitimise urban action and then to renew the attractiveness of some of the most disadvantaged neighbourhoods in the eyes of target populations – the middle and upper class – in an approach which is more like a form of urban marketing, at national and
international level, than a will to build a city whose space is less structured by social segregation.

130. While it is true that housing – in particular through the management of the public stock, the promotion of innovative citizen initiatives or a control of property speculation – constitutes a considerable lever to work in favour of a decrease in sociospatial inequalities, it also constitutes an anchor for the same inequalities when it leads to insecurity due to insolvency, the deterioration of living conditions, exclusion from the property market or forced residential migration. This clear observation must be at the heart of every housing policy, and above all, the question which must be asked – at political level – is that of the possibilities offered to the most disadvantaged populations to continue to live decently in a city such as Brussels. The position of the Brussels-Capital Region, through its proactive policy of the revitalisation of targeted working-class neighbourhoods, is not yet very clear. The link between the effects of these major orientations of urban policies and the objectives of social equality in terms of access to decent and affordable housing, should be reconciled by the Region in future.

Conclusion

131. For the past twenty years, residential dynamics have been reinforced in Brussels – a corollary of its demographic vitality. The significant number of new or renovated residential surfaces which result constitute a powerful vector in the transformation of the urban space, at spatial as well as social level. It is through real estate operations that the modes of action of the various groups of stakeholders (public authorities, developers, owners, tenants, etc.) are read in the urban space and that their capacity to appropriate the city is revealed.

132. At the end of our overview of the housing situation in Brussels, it should be noted that the housing market is very hierarchical and operates like a true social filter. In opposition to those who are able to find a dwelling which corresponds to their needs, a growing proportion of households do not have or no longer have the necessary financial resources to enter or evolve freely on the property market.

133. Given the continuing shortage of public housing – all the more so social housing – and the lack of regulation of the private segment, the Brussels market is currently unprotected against the growing inequalities of access to housing, which mainly affects the most disadvantaged households.

134. While households today are forced to spend more on housing (and therefore reduce their other expenses), more and more of them must also make concessions in terms of comfort, size or location of their housing. This has increased the phenomenon of overcrowding and has reinforced certain alternative or restrictive ways of living together, such as joint tenancy, grouped settlements, living in someone else’s home, squats (temporary occupation of empty buildings), not to mention various other situations of inadequate or non-existent housing. While the phenomenon affects the city as a whole to varying degrees, this lack of fitness for habitation tends to be spatially concentrated in the ‘poor area’ and, to a lesser extent, in the west of the city. This contributes to the reinforcement of a territorial housing disparity within the regional space. For some people, leaving Brussels is the only possible alternative in order to escape the high prices and poor living conditions.

135. In view of this worrying finding, the perspectives for public action in the area of housing must be questioned.

136. The first element has to do with territorial knowledge. One of the major concerns encountered during our analyses is the lack of objective and structured data – in particular of a diachronic nature – on the housing situation in Brussels. Apart from the regional observatories which provide limited data on housing, there is no mechanism for the follow-up or systematic evaluation of housing policies, the characteristics of the rental and purchase markets, residential vacancy and real property transactions. This fragmented knowledge of the housing market makes it more difficult to conduct a detailed analysis of the existing supply, the needs and their evolution. Consequently, it also complications the implementation of a firmly based prospective approach. An integrated vision of the housing problem in the long term nevertheless proves necessary in view of the current challenges.

137. The second element has to do with social and territorial equity. Today, the inequalities of access to housing are the object of public debate. While the action of the public authorities has been reinforced
and diversified over the past fifteen years in the area of housing, the private stakeholders nevertheless continue to play an essential role in the supply and thus in the spatial division of the property market. In addition to the lack of control which the public authorities have of this free market in terms of prices or production volume, a geography of the new supply has been observed, which is very dependent on parameters of economic profitability. Considering this situation, public management of insufficiently solvent segments of the demand is necessary. In fact, the number of public initiatives and concrete measures has increased in recent years, but they are still much too hesitant and lacking in innovative procedures to meet the urgent need for affordable housing.

138. Apart from the question of the degree of involvement of public authorities in the general effort of housing creation, it is necessary to question the current arbitration between the different types of public assistance for housing. In keeping with the objective to ‘develop, without taboos, a policy to hold back the urban exodus of middle income households’ (Déclaration de politique régionale, 2014), the public authorities position themselves openly in favour of the development of moderate and average housing (according to the categories of the new housing code). A very substantial budget share is allocated in particular to aid for access to private ownership (via CityDev public-private partnerships, Fonds du Logement low-interest mortgages and the housing bonus, which will be replaced in 2017 by an increased tax allowance for registration fees). This choice raises two issues: most average housing is not part of the public housing stock on a long-term basis and in the end will have become part of the private market; the aid is accessible to a wide public which includes many people who do not necessarily need it in order to become home owners.

139. At the end of this discussion, one finding emerges: in spite of consensual declarations regarding the necessity to act in order to resolve the problems of access to decent and affordable housing, it must be concluded that the means fall short of the ambitions and especially of the needs. Moreover, there is a need for innovation and even experimentation in the area of targeting public investments, the implementation of mechanisms for market control, collaboration of stakeholders and land use regulation to meet the many sociodemographic challenges involved in housing.

Bibliography

ANANIAN, Priscilla, 2010. La production résidentielle comme levier de la régénération urbaine à Bruxelles. Thèse de doctorat en Art de bâtir et urbanisme. Louvain-la-Neuve: PUL.


Financial support

*Brussels Studies* gets published with the support of:

- **Innoviris**, the Brussels Institute for Research and Innovation
- University Foundation
- **Fonds international Wernaers pour la recherche et la diffusion des connaissances**
- **Fonds de la Recherche scientifique**

This synopsis is based on a study which was carried out with the support of:

- **Matexi group.**

Links

Other versions of this text are available

ePub FR: [http://tinyurl.com/BRUS99FREPUB](http://tinyurl.com/BRUS99FREPUB)
ePub NL: [http://tinyurl.com/BRUS99NLEPUB](http://tinyurl.com/BRUS99NLEPUB)
ePub EN: [http://tinyurl.com/BRUS99ENEPUB](http://tinyurl.com/BRUS99ENEPUB)
pdf NL: [http://tinyurl.com/BRUS99NLPDF](http://tinyurl.com/BRUS99NLPDF)
pdf EN: [http://tinyurl.com/BRUS99ENPDF](http://tinyurl.com/BRUS99ENPDF)

The videos published in *Brussels Studies* can be watched on the *Brussels Studies* Vimeo channel, available here:


To cite this text