

1. DIFFERENTIAL FEATURES AND CHARACTERISTICS OF SPANISH HOUSING POLICY

The principle on which housing policies are based is the need for public action to guarantee all citizens the right to an adequate and dignified home. This is a universal basic right and is an intervention which has proved to be as necessary as it is insufficient. The European Union⁵³, although it has never had a specific directive, encourages the different countries within to implement policies which avoid the effects of social exclusion the housing market may produce, and which is a real threat that has not been eradicated even in countries with a high rate of *Welfare State* (GHEKIERE, 2009).

The intervention models of different countries are developed from the starting point of this basic principle, and adapted to each social and economic context they give rise to specific tools and strategies. Analysis of housing policy as it has been applied in Spain shows some key peculiarities, making up a panorama with distinct differences from what is happening in countries such as France, the UK, Holland, Germany or Italy, and which are also the source of a proven lack of effectiveness in tackling housing problems. The major twists and turns can be summarised in the three following points:

⁵³ Article 34 of the Charter of Fundamental Rights of the European Union, "...recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources..."

- a) Public intervention is focused in financial support to purchase homes.
- b) There is practically no supply of social housing for rental: 1% of the stock compared to 19% in France, 21% in the United Kingdom or 35% in Holland. (WHITEHEAD, 2006:10 and GHEKIERE, 2009:70).
- c) And, in particular, the systematic sale of housing with some kind of protection, which apart from being questionable due to the transfer of gains it implies, is contrary to the necessary strengthening of public land ownership.

To these peculiarities of public policy should be added the high ratio of property per household and the extremely high proportion of empty homes with no use at all.

As this article shows, these basic features of housing policy, which in essence have been practically unaltered over time, are the case of the failure to fulfil article 47 of the Spanish Constitution and, at the same time, an effect of its erroneous interpretation.

As often noted, to "enjoy an adequate and dignified home" does not necessarily mean to own it. On the other hand, as the second paragraph of art. 47 of the constitution shows, to make this universal right effective would require land to be used "in accordance with the general interest to impede speculation". Finally, the third paragraph refers to the abusive privatisation of capital gains. That is, the Constitution does not refer to the home as an economic asset and clearly links the housing issue with two fundamental principles of urban development: the rational use of land and the fair distribution of capital gains, both frequently ignored in practice.

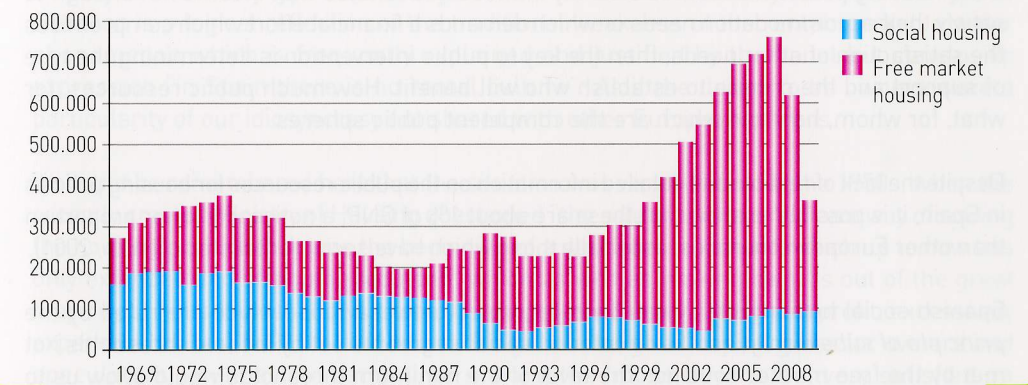
To explain how the basic features of Spanish housing policy came about we need to deepen our understanding of the fact that housing is an outcome of a constructive property process, full of speculative behaviour with an excessive influence on the Spanish economy and which, as well as bringing enormous capital gains to the participating actors, is the main (and in most cases the only) opportunity for savings and investment (*enrichment*) for most households. The building of housing, besides of being a fundamental element in the process of urban growth, is the central axis of the well established developmentalist model, which has been applied since the midst of the past century and includes a certain inertia which is very difficult to counteract (BURRIEL, 2008 and OCAÑA, 2009).

In this context, in Spain housing policy has remained steady in its fundamental aspects throughout the last seventy years. Social and economic changes, including the restoration of democracy and a new political administrative structure of the State, have not until now produced any more than formal changes. The great variability of excessively complex and diverse regulations by administrative spheres which are not always justified has not been appropriate to this purpose. The *noise* made by constant modification to the regulations on technical aspects of housing or on the requirements which households benefiting from policies should meet, creates confusion and, rather than improving the system, generates obstacles for a good management. The beneficiaries of support are selected by means of income limits and conditions of special vulnerability, with typologies marked by a more or less circumstantial acute worsening of certain needs. The scarcity of the supply meets with complicated ranking systems and allocation procedures which are always threatened by the possibility of fraud.

But there is another social factor of great importance: the territory is not valued as common property and a limited and not always renewable resource, which should not be at the service of investment initiatives, only valid in terms of their role as "revitalising the economy" and "generating wealth". The predominating opinion, which is necessary to explain, in a context such as the current one, is that the anomaly is not the so-called 'crisis' of construction but rather the absolutely unsustainable, from all points of view, unbridled rate of property development during years 1998-2007 (Fig.22).

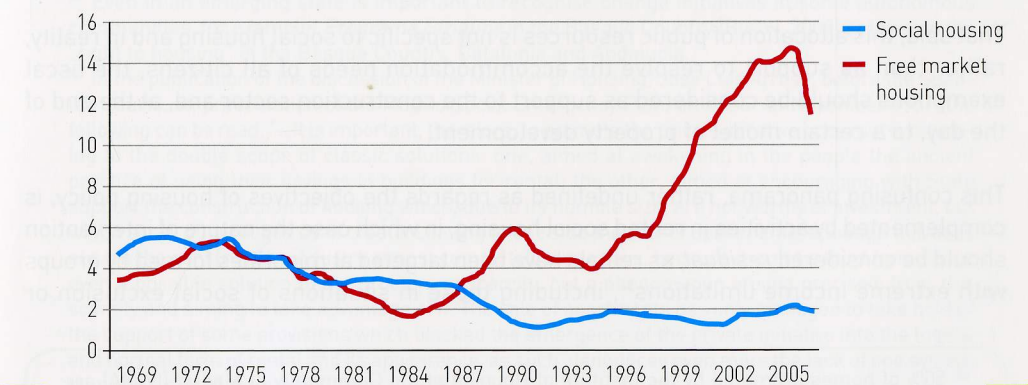
What has also happened is that in period of great property expansion with strong price rises, such as that seen in the last decade, there is usually a weakening in the production of social housing (Fig. 23) and a relaxation of the public promotion of housing and the corresponding budgetary allocations (SÁNCHEZ, 2004). When trend changes, sights shift back to social housing, but more to favour the 'recuperation of the building trade', than to provide an answer to a possible worsening of the 'housing problem'.

Fig. 22. Free market and social housing initiated in Spain (1969 - 2008)



Source: Own creation from data in MOYA & al (2005: 20) until 1991, and later data obtained in June 2008 from <http://www.vivienda.es>

Fig. 23. Properties initiated in Spain (per thousand inhabitants)



Source: Own creation from data from www.ine.es more details in Fig 22

This article provides some reflections on the evolution and permanence of some of the basic elements of housing policy (the prevalence of social housing in sales and the absence of a social housing stock for rent or the use of alternative property transfer systems), of the factors which condition the policies most directly (the lack of information and knowledge on the housing market, the weight of the property sector on the economy or the extreme weakness of the rental market) and on some of the most important consequences (inefficiency of land and housing policies, private appropriation of capital gains, or urban social segregation). Some empirical truths are also provided, to allow comparison and contrast with the assertions formulated and justify the proposed solutions given.

2. BASIC FEATURES OF SPANISH HOUSING POLICY

If the housing problem becomes a reality in those households with income not enough to satisfy their accommodation needs or which demands a financial effort which compromises the satisfaction of other needs, then the key to public intervention is determining the type of support and the criteria to establish who will benefit. How much public resources, for what, for whom, how and which are the competent public spheres.

Despite the lack of reliable and detailed information on the public resources for housing policies in Spain, it is possible to show that these are about 1% of GNP, a noticeably lower proportion than other European countries, especially those which have social rental stock (TRILLA, 2001).

Spanish social housing policy can be categorised between those which are ruled by the *principle of subsidiarity*, as it is directed at social segments set by income thresholds not met by the free market housing. The level of the minimum thresholds would allow us to talk of a generalist intervention when support is not exclusively meant to the most disadvantaged groups. But if we consider that the major part of public resources used in Spain are for tax reductions for the purchase of any home, whether social or free market, we might think that this is a *universalist* intervention model.

That said, this allocation of public resources is not specific to social housing and in reality, rather than as support to resolve the accommodation needs of all citizens, the fiscal exemptions should be considered as support to the construction sector and, at the end of the day, to a certain model of property development.

This confusing panorama, rather undefined as regards the objectives of housing policy, is complemented by activities in rented social housing, in which case the nature of intervention should be considered *residual*, as rentals have been targeted at minorities formed by groups with extreme income limitations⁵⁴, including those in situations of social exclusion or

⁵⁴ 50% of homes promoted by the Institute of Housing of the Community of Madrid (IVIMA) are reserved for Special System (targeted to those cases that have maximum family incomes not more than 2.5 times the Public Multiplier Effect on Index of Revenue (PMEIR)).

marginalisation. More recently, allocating rental housing is being pushed, especially to youngsters, as a temporary solution through the use of the rental with option to buy system.

In what refers to the relevant public bodies, in Spain, after many years of strong centralism, there is currently a mixed system in which the State, Autonomous Communities and Town Councils all take part. However, there is an unequal operation of the different regional administrations⁵⁵ and a generalised and traditional municipal restraint.

2.1 THE "IMPOSITION" OF PURCHASING HOUSING

Facing any type of analysis of social housing in Spain, one of the main objectives ought to be seeking and explanation for, and solution to, the differential fact that nearly all homes developed within any type of public system are for sale. It is usually said that this type of situation is a logical reflection of the traditional weakness of the rental market, a wider phenomenon which is frequently explained and justified by the banal but conclusive expression "in Spain there is no rental culture". As if the desire to be owners were a particularity of our idiosyncrasy not shared with other European citizens.

It should be remembered here that the situation was very different in the 1950s, when the recently created Ministry of Housing questioned "the sale of apartments" as a way of solving the housing problem⁵⁶. It was the beginning of a development model, which up to now has only extended and strengthened itself, which as well as making owners out of the great majority of households, allows property development to sell, at a great profit, excessively expensive houses, built on land which has generated great capital gains for owners and speculators, while at the same time making the house buyers feel very satisfied on observing that the price of their property grows and grows with no effort on their part. The fascination to see how they get rich⁵⁷ thanks to their property investment makes people

⁵⁵ Even in an emerging state is important to recognise change initiatives in some autonomous communities, for example: *Programa Bizigune* in the Basque Country (BURÓN, 2008) or laws on the "right to housing" in the Basque Country, Catalonia and Andalucía.

⁵⁶ In the publication of the discussion of the Minister of Housing, José Luís Arrese, before the Spanish Courts, on presentation of the Madrid Social Emergency Plan, on the 6th of November 1957, the following can be read: "...It is important, therefore, to promote the private initiative once more, returning to the double scope of classic solutions: one, aimed at awakening in the people the ancient practice of using their savings in buildings for rental; the other, aimed at encouraging with State support the construction of housing which, due to its humble size, are not worthy of investment, but which social duty obliges us to create. Leaving to one side the sale of apartments, although this does absorb the construction industry almost completely these days, because it is not a third formula, or even a possible solution to the problem of scarcity, but a phenomenon arising precisely from this scarcity and aiming to take advantage of it. The sale of apartments has only managed to take hold of the support of some provisions which blocked the emergence of the private initiative into the logical and normal form of rental and its appearance, as such, denounces even more the lack of one system than the virtue of the other." (ARRESE, 1959:101).

⁵⁷ Property ownership in housing was in 2001 worth 2.2 billion euros, in 2004 3.5 billion euros, a consequence of a 50% growth in prices and a 5% in built surface (NAREDO & al, 2005).

forget the excessive price they paid and the effort required during the extended financing period.

The system equally satisfies those who buy housing as a savings investment and as a speculative investment, since on the margins of possible oscillations in the economic cycle, the proven solidity of property assets makes them believing firmly that their medium term trends upward trends.

The public administrations also get fiscal and financial advantage from this system, to the point that property development is considered a principal source of financing for local corporations. And, perhaps above all, construction, especially housing, is a fundamental and practically irreplaceable part of employment generation and of the make up of the GDP. Investment in property in 2007 represented 8.8% of GDP, several points above other European countries (ASPRIMA & AFI, 2007).

If the costs and procedures are taken out, a society of property owners, like ours, provides an enviable situation from many points of view, especially when looking to the close future and observing the enormous growth in dependency. The fact that more than 8 out of every 10 homes of older people, with growing needs and dependency, have significant savings tied up in their homes provides a situation which any country would like to see.

Summing up, we are facing a system against which, whatever you say, only those who have not got a "place at the banquet table" would complain about. Once there, for property owners, neither cost of living, nor quality, nor location, nor environmental and land costs will be fundamental questions (VARA & VINUESA, 2007). A system which turns around huge capital gains (not only because of their size but also their opacity) generated in the process of transforming land which, as the object of unequal distribution, influences on housing, seriously disturbing the market and changing the nature of social housing.

2.2. SOCIAL HOUSING FOR RENTAL, STILL ON THE TO-DO LIST

When public authorities take on the housing policy they bring in ideological, political and technical ideas. In relation to the former, there are not usually great divergences in as much as the need for public intervention to respond to a need backed up by an unquestionable basic right. There is usually more political reason than technical basis in decisions made about the size of the contribution from the public purse and the tools used to alleviate the problem. Certainly, on considering the permanence of the support policy to house buyers in Spain, rather than thinking of technical reasons which justify it, it is better the thought of the strong social inertia in favour of this practice. Any change in this model attempting to redirect households towards rental property, rather than being considered the offer of a more reasonable solution, would be interpreted as a worse response by public authorities

who takes away from low income households the opportunity to own their own property, which is the status of more than 85% of homes.

At the same time, the creation of a social housing rental stock, of up to ten times the existing size, would require a great initial investment effort, sustained over a period of time equivalent to several terms of office, and a permanent management effort of dubious political gain. For decades the idea that political gain is made with the "handover of keys" has prevailed. The position of landlord would only mean excessive financial costs and political effort and should be avoided.

It also gives rise to the situation which European countries with a greater rental tradition in social housing are facing, a contraction of the rental market, both free market and social, as stimulus measures for property purchase are increased. But his situation cannot be taken as an argument against the need for a stock of social housing for rental in Spain. What is happening in Great Britain, France, Holland or Germany is actually a rebalancing process in a diverse market, adapting to new needs. In Spain, which doesn't have rental housing, there is no response to the increasingly diverse housing demands, which in itself generates the housing problem. The almost total lack of rental supply also brings other problems with it, such as the lack of geographical mobility of workers, which limits the capacity for relocation of unemployed people.

Due to the strong link with the lack of stock of social housing for rental, it is important to mention here other very relevant particularities of Spanish housing policy, which sets us clearly apart from the main European reference points (CZISCHKE, 2009): the intervention of municipal authorities has been conspicuous in its absence and something similar happens with the participation of private agents in the promotion and management of rental housing stocks, as there are neither tax nor any other type of incentives which would encourage them to make investments in this direction.

3. SOCIAL HOUSING AND LAND POLICIES

Land is the raw material in the process of building urban spaces, necessary for building homes, and this activity is always conditioned by its availability. Land and house prices are both part of the same reality: the maximum expected price of a property determines what can be paid for the land. The importance of land availability at an adequate price, or the fact that property development and construction start with the land, are blatant facts which are not hidden from any of the actors in social housing policy from different areas and fields. In fact, urban legislation has been sensitive to this reality as an extension of the basic principles of guaranteeing the social function of property and the recuperation of the capital gains. However, over time there has been a consistent lack of political will in the fulfilment of the obligation to create municipal land ownership and there has been a clear lack of effective mechanisms for urban legislation to qualify land specifically destined for the building of social housing.

In any case, these land policy measures, necessary to correct scarcity and the failures of the market, are not sufficient to guarantee other objectives, just as important but rarely considered, such as social cohesion (LEAL, 2007: 282). Town planning which tries to correct other negative effects of the market such as special segregation of social housing is in the hands of the planners.

3.1. MUNICIPAL LAND OWNERSHIP: LACK OF POLITICAL WILL

A quick look at urban legislation shows that the existence of municipal land ownership has always been considered an essential tool for urban policy and, in particular, to support social housing actions.

The presence of municipal land ownership can prevent, channel and develop urban expansion for towns of more than 50,000 inhabitants and capitals of province (FARFANTE, 2008). This is the way that municipal land ownership is conceived and treated in the 1956 Land Act⁵⁸ and in the 1976 reform which brought in powerful mechanisms for the strengthening of ownership by compulsory purchase of 10% of the average capitalisation of the sector in development land (art. 84, c). The 1992 Law made the constitution of municipal land ownership compulsory in all municipalities with the Master Plan (art. 276) and established that

“...they should be used for the construction of housing subject to some public protection system or to other uses of social interest, in accordance with the urban plan” (art 280).

Law 6/1998 kept this aspect of the 1992 law as basic state legislation.

Finally, the state Land Act 8/2007, recognising the exclusive competencies of the Autonomous Communities over public owned land, requires greater rigour in the determination of beneficiaries of public owned land and establishes a benchmark between 5% and 15% of transfers made to the competent administration, and earmarked as publicly owned land (art. 16). It annuls the previous and dedicates Chapter II (art 38 and 39) to public ally owned land, with the final use and beneficiaries of these being the same as those in the law of 1992 (FARFANTE, 2008 and RODRÍGUEZ, 2007).

⁵⁸ State Law 56 established as one of the urban competencies in order to the land system “to acquire land and buildings to constitute land ownership” and establishes the obligation for capitals of province and towns of over 50,000 inhabitants, of creating “... their respective municipal land ownership” which would have “the aim of preventing, channelling and technically and financially developing urban expansion” (art. 72). To this end, “the Town Councils... will assign in their ordinary budgets an amount equivalent to 5% of their income during the number of years required by the development of the Plan” (art. 178). To preserve its integrity it establishes that “income obtained through urban management by sale of public land will be used for the conservation and extension of the same” [art 76]. Before, in the preamble, it indicates that it “foresees the direct transfer of plots to fulfil the social aim of facilitating access to property to the financially vulnerable”.

To avoid the undermining of publicly owned land, by possible transfer of it for construction of social housing, there is the possibility of using the *right of use of land*, covered in detail and developed in urban law⁵⁹. But its application has not been more than the exception to the rule. Plan 18,000, initiated in 1998 by the Madrid city council, is a major initiative in this direction. But in 1996, shortly after the first homes were occupied, the demand of house buyers and the interest of the council in increasing its income started a process which ended up in the almost total transfer of the plots. It is, once again, the consummate failure of any action which attempts any other type of transfer than sale and another example of the loss of publicly owned land.

Even where there is no information on the dimensions, characteristics and use of public land, it seems clear that the legislative baggage, valid for over 60 years, has not been as effective as we would have wished. The lack of political will on the side of the town councils, which, to the contrary have systematically undermined the legislative spirit in favour of the constitution, maintenance and development of said lands, brings the social housing policy to a context in which the lack of adequate land is the principal difficulty for the development of housing and one of the main factors in a segregated special configuration. The sale of land obtained for public use is a permanent back and forth which, while transferring the capital gains of public goods to individuals, also turns the scarce availability of land and the use of sites of poor residential quality into structural problems.

3.2. LAND SYSTEM REGULATION A SUPPORT OF DUBIOUS EFFECTIVENESS

The use of public land patrimonies as a necessary tool for various cases of public intervention, and specifically to support social housing actions, is a way of achieving the basic principles on which planning actions are based. LS1956 establishes a fundamental objective of:

“ensuring that land is used in a way consistent with the public good and the social function of property”.

⁵⁹ This idea is already contained in the preamble to the 1956 Land Act: “The encouragement of building does not specify, nor at times advise, the sale of land until the establishment of right of use of land. Foreign experience shows the intense possibilities of this legal concept which, while facilitating construction avoids speculation in buildings and land and reserves the increase in land value for its owner”. Whence the establishment of the right of use of land by public bodies and private individuals is allowed. The laws of 1976 and 1992 maintain and regulate the capacity of local bodies and other public entities to “establish the right of use of land to land owned by it, or that are part of the municipal land patrimony aimed at the construction of housing intended for some kind of protective regime” (LS92, art.287). Land Act 8/2007, in its heading III, refers to “regulation of the right of use of land system aimed at overcoming the current deficient regulatory system of this right, and encouraging its operation to facilitate the access of citizens to housing and, generally, diversify and encourage offer in the real estate market”.

and, more specifically orders:

“the regulation of the land market as a guarantee of the natural subordination of the same to the purposes of building and protected housing (art. 3.2 a. and c.)”.

Art. 153, albeit directly, again frames as its objective support for social housing actions:

“any sale of land on free market of charge or for a price lower than cost must be intended for public cultural aims or extra low cost housing.”

At the beginning of the eighties, some councils, going beyond what set forth in LS1976, used the sale of 10% of buildable land to build social housing. But this was a one off practice, almost totemic, not very widespread and almost limited to the policies of certain political groups in the first years of democracy. This topic has not been studied enough, but it does not seem that any council dedicated the entirety of land transfers to the development of social housing. Beyond the supporting of housing developments, which involved disposing of land, these type of actions aimed to correct the trend towards the “spatial” segregation of social housing which, as theories on the land market teach, is inseparable from the system.

The Master Plan of Madrid in 1985 introduced an innovative tool into the Spanish planning system, with a view to supporting housing policies from their planning stage, categorising land for protected housing. Land reserves for Official Protected Land, only on land categorised as fit for development, took the form of a tool which fixed the maximum and minimum limits of Official Protected Land for each sector, the land division plan being the tool for making land classification a reality.

LS1992 fixed, among the aims and attributions of planning actions, that of “classifying land for the construction of housing subject to certain public protection systems” (art 3.f). It incorporates regulations relating to the valuation of land in such cases⁶⁰. State law 8/2007 establishes the obligation of:

“assigning adequate and sufficient land for productive and residential uses, subject in all cases that part of the land put aside for housing is subject to a public protection system which, at least, makes it possible to establish its maximum price for sale, rental or other forms of access to housing, such as the right of use of land or administrative concession”.

Such a reserve, which had to be determined by regional legislation and planning tools, at least:

“covered the land necessary for the creation of 30 percent of buildable land dedicated for development on land to be included in planning actions” (art.10).

⁶⁰ “If general planning classifies land as intended for official construction or another public protection regime, it will consider this classification as a specific use, assigning the weighting coefficient which, justifiably and in coordination with land registry valuation criteria, expresses its value in relation to the area in which it lies” (art. 98.3).

No systematic information has been produced on land classified for housing subject to certain types of protection, and neither has the corresponding analysis been carried out for the purposes of costs valuation and effectiveness as a tool for social housing policies.

4. INTERVENTIONS IN HOUSING AND THE CITY

The effectiveness of public intervention to guarantee the right to a home for all will be, in the best of cases, extremely limited if it does not start from the recognition of housing as an economic asset and as the main consumer of territory and a way of shaping urban spaces. In Spain there is no planning culture to counteract the “force of economic assets”, which has the result of making the social function of housing secondary and which, supposedly, justifies building housing and the indefinite construction of a portion of the city⁶¹ and the territory. Since the 1960s, during which the taking off of economic development coincided with the most intense phases of the planning process, when in most cities there were more households than housing, the possibility of building housing in a specific ambit was seen as an opportunity, which justified *per se* any planning process. With the scarcity of housing at this time being overcome, the existence of a large and growing stock of empty apartments, with all the social and territorial waste that this involves (VINUESA, 2008 and VINUESA & *al.*, 2008), was not sufficient reason to implement a housing policy aimed at better social and economic use of the existing pool. There was no political will to rigorously measure and categorise housing demand, as an argument to place a limit on new, unnecessary residential developments (RULLÁN & ARTIGUEZ, 2007). As has been sufficiently observed with the passing of time, excess stock in no way contributes to fighting scarcity or rising prices and, however, means an inefficient use of public resources aimed at mitigating housing problems.

Also, the deficient assessment of housing as a portion of the urban space was reflected in the traditional outlying locations, when not marginal, of the new developments, especially of social housing. Protected housing has substantially improved in the technical aspects of design and building standards, to the point of being comparable with the free market housing market, but its position in the city, impacted by the aforementioned land scarcities, still suffers, to a large extent, from the effects of the segregationist trends of urban development.

It should again be emphasised that the shortage and limits of knowledge on the housing pool and its use, as a backbone of the urban and territorial structure, are the cause of an incorrect approach to the problem of housing and, consequently, the inconsistency of many of the measures taken to resolve them.

⁶¹ In the line which looks at the recommendations of the European Parliament from the *European Housing Charter (2006)*, and through the *Andria* report (2007) on housing and regional policy, the following should be included “...housing in the debate on cities and the sustainable development of the regions, and in the program of the interservice group created to coordinate policies which affect the urban dimension” (GHEKIERE, 2009:48).

4.1. AN OVERSIZED POOL WHICH MAKES THE HOUSING PROBLEM MORE ACUTE

The high proportion of empty housing is a fundamental characteristic of the Spanish housing pool. Both in 1991 and 2001, the census found that 15% of housing in the pool was unused. Currently, the excess of construction over the last few years has increased this proportion by four or five points⁶², but conditions for access to housing have worsened, increasing the need for social housing.

This situation, now almost structural, has not prevented the planning and development of large housing developments, supported by two arguments which are still maintained, despite being repeatedly refuted by reality. The first claims that a large amount of urbanized land will increase housing stock and thus reduce prices. The second argument, which also supports and justifies the significant urban development to be taken on, is that this will give a necessary boost to the development of protected housing. In short, it is a case of using the "need" for affordable housing as an excuse to justify any new urban development.

For example, especially significant in terms of its dimension, approach and development, we can look at the operation of Urban Development Plans, which began in the second half of the 1990s in Madrid. These Urban Development Plans were an initiative of the first council to be run by the Partido Popular, with which, according to the arguments put forth, they intended to rapidly increase housing stock, with the subsequent containment of housing prices to meet a large amount of unmet demand forcing people to leave Madrid for lack of suitable housing. A significant proportion of protected housing (55.4%), of debatable kind⁶³ and due to the lack of research on which to base the estimated demand for the municipality and its corresponding modulation according to specific protection systems applicable, served as an excuse to justify huge urban growth, given its social nature. This situation, difficult to explain from a planning dimension, corroborates, as mentioned above, the fact that any type of proposal, no matter how large and how developed, does not need any justification of territorial and planning rationality, and it is sufficient to present it as a solution to an alleged scarcity of land and housing⁶⁴.

The operation involved the construction of a total of 74,537 homes distributed throughout six "new neighbourhoods" or enlargements, with a bipolar north-south territorial structure (Fig. 24), balanced in terms of its dimensions. Effectively, the four Urban Development

⁶² To the 3.1 million recorded in the 2001 census we need to add unoccupied buildings since the date of the census. Research into the housing stock at 31 December 2008, drawn up by the Housing Ministry, gives an estimate of 613,512 homes, so a much larger number of empty or unused housing can be assumed.

⁶³ Housing subject to price control, in the 1992-1995 plan, and according to the interpretive agreement of the MC of 11 March 1993, is free market housing whose price cannot be rated according to the characteristics of the purchaser, for which reason its use, as with Urban Development Plans, for the calculation purposes in the proportion of housing subject to public protection regimes (Art. 110 of law 9/1995 of the MC) is a tool of dubious legality.

⁶⁴ The planning development of this entire residential operation, the largest in the history of Madrid, started out as a mere "modification of the current plan" although, subsequently, it required the legal support of the 1995 Review of the General Plan.

Plans which aimed to "close" the city to the north and north east were contiguous, in terms of land and different types of housing, of approximately the same dimension as the two located in the south (Fig. 26).

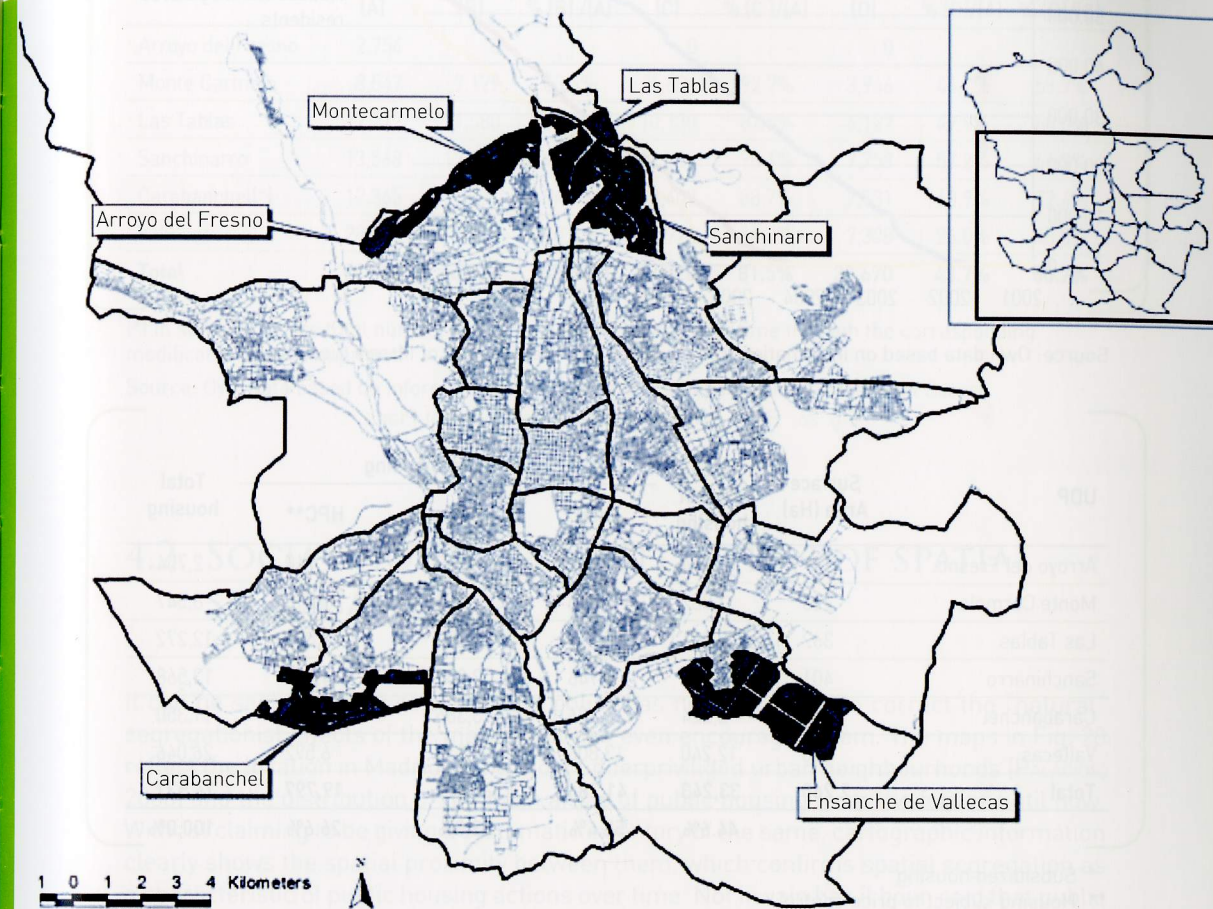


Fig. 24. Location of Urban Development Plans, extensions and north-south counterpoints

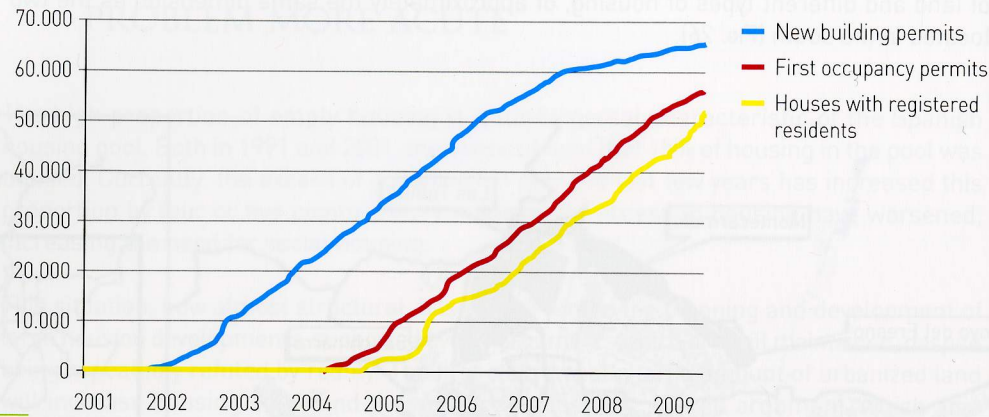
Source: Own data based on information from the Planning Department of Madrid city council

But rather than assessing the consistency of these actions, we should contrast the results obtained, especially in relation to two specific aspects. The first refers to time and the second to the spatial distribution of protected housing.

In terms of the execution time of the process, data by months taken to grant New Building Permits, First Occupancy Permits and Register Census allow a period of 27 months for the construction of housing and 7 months for real occupancy after the obtaining of permits. (Fig. 25).

Also, as can be seen from data (Fig. 27), in March 2009, twelve years after the approval of the 1997 plan, much less than half of the envisaged housing capacity was being used. In

Fig. 25. Timing development of Urban Development Plans



Source: Own data based on information from the Statistics Department of MADRID CITY COUNCIL

Fig. 26. Basic dimensions Urban Development Plans

UDP	Surface Area (Ha)	Free market housing	Protected housing			Total housing
			Total	SH*	HPC**	
Arroyo del Fresno	149	1,254	1,500	760	740	2,754
Monte Carmelo	256	3,882	4,655	2,850	1,815	8,547
Las Tablas	362	5,021	7,251	3,450	3,801	12,272
Sanchinarro	401	5,622	7,946	3,837	4,109	13,568
Carabanchel	356	5,224	6,126	3,386	2,740	11,350
Vallecas	736	12,240	13,806	7,214	6,592	26,046
Total	2,260	33,243	41,284	21,497	19,797	74,537
		44.6%	55.4%	28.8%	26.6%	100.0%

* Subsidized housing

** Housing subject to price control

Source: Own data based on information from the Statistics Department of MADRID CITY COUNCIL

the Arroyo del Fresno action, permits have still not been granted for the construction of any housing. In Vallecas, some 80% of housing has been initiated, of which some 66% can be occupied, but of which 49% is inhabited, meaning that after twelve years most of new expansions planned are at 26% capacity.

In conclusion, the development of these six new "neighbourhoods" (2,260 Ha), established as a means of halting the scarcity and rising prices of housing, and which has generated enormous speculative capital gains from land, and which has absorbed significant infrastructure investments, is in line with a typical model of land promotion encouraged by the public authorities, always justified by the "indisputable" need for new housing, is, as has been shown, in the end clearly inefficient if what is assessed is the generation of a suitable housing stock as a response to the housing problem.

Fig. 27. Development status of Urban Development Plans in March 2009

	Scheduled Housing	New building permits		New Occupancy permits		Registered housing		
		Apartments	% (B)/(A)	Apartments	% (C)/(A)	Houses		
						(D)	% (D)/(A)	% (D)/(C)
Arroyo del Fresno	2,754	0	-	0	-	0	-	-
Monte Carmelo	8,547	7,129	83.4%	6,606	92.7%	3,946	46.2%	59.7%
Las Tablas	12,272	11,580	94.4%	10,130	87.5%	6,127	49.9%	60.5%
Sanchinarro	13,568	12,991	95.7%	11,700	90.1%	7,758	57.2%	66.3%
Carabanchel(*)	12,365	11,731	94.9%	10,409	88.7%	7,531	60.9%	72.4%
Vallecas	28,058	22,595	80.5%	14,975	66.3%	7,308	26.0%	48.8%
Total	74,810	66,026	88.3%	53,820	81.5%	32,670	43.7%	60.7%

(*) In some UDV's the total number of housing has increased over time through the corresponding modifications to the approach

Source: Own data based on information from the Statistics Department of MADRID CITY COUNCIL

4.2. SOCIAL HOUSING, A REFLECTION OF SPATIAL SEGREGATION

It can be said that the social housing policy has not only failed to correct the "natural" segregationist effects of the market but has even encouraged them. The maps in Fig. 28 reflect the location in Madrid of the most underprivileged urban neighbourhoods (PALACIOS, 2006) and the distribution of the main areas of public housing from the forties until now. Without claiming to be giving a systematic inventory of the same, cartographic information clearly shows the spatial proximity between them, which confirms spatial segregation as a characteristic of public housing actions over time. Not in vain has it been said that public housing has configured the social map of the city, being fundamental in explaining its structure (BELLET & MÓDOL, 2008: 370).

Recent decades have seen changes to previous types of intervention, almost always on a massive scale and peripheral, so that in terms of Madrid, there have been significant actions, in some cases involving regeneration (VINUESA & *al.*, 1986), to remedy the shortcomings of many of these neighbourhoods built up over years. The interventions seen in recent years are of a much smaller scale, due to the lower intensity of public intervention, and spread out across more of the urban space, through the distribution of available land on the basis of mandatory classifications and transfers. The new situation could contribute to reducing the "ghetto" effect of previous actions (MOYA, 2004: 128), but, by way of example, the UDP plans of Sanchinarro (Fig. 29), which show the classification of land by type of housing according to their protection system, show a segregationist intention by concentrating all protected housing in the same sector.

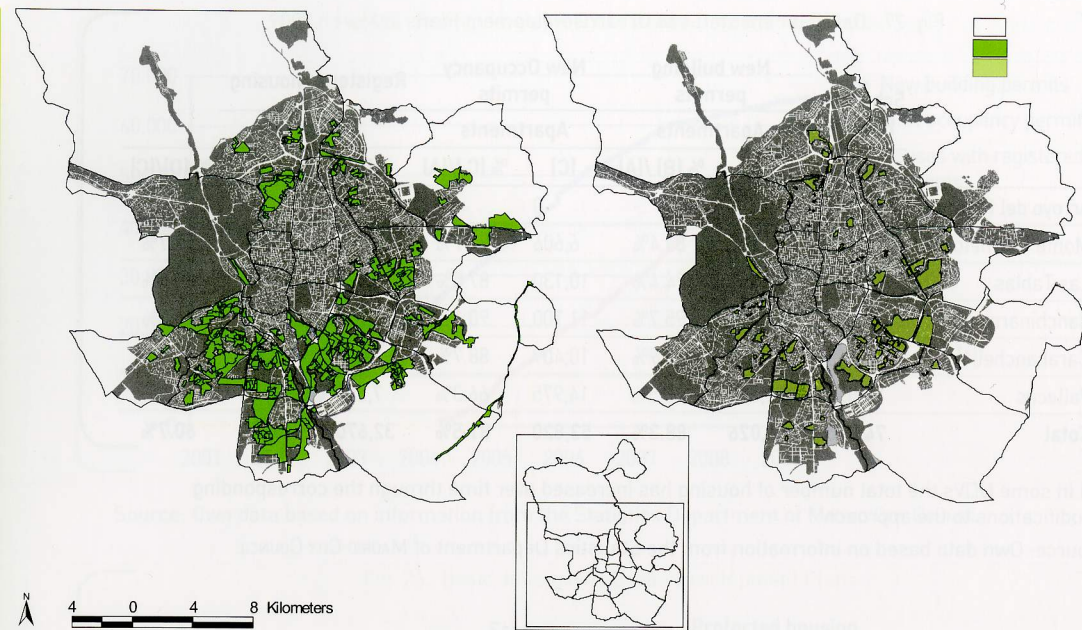


Fig. 28. Underprivileged urban neighbourhoods and the development of public housing
Source: PALACIOS (2006)

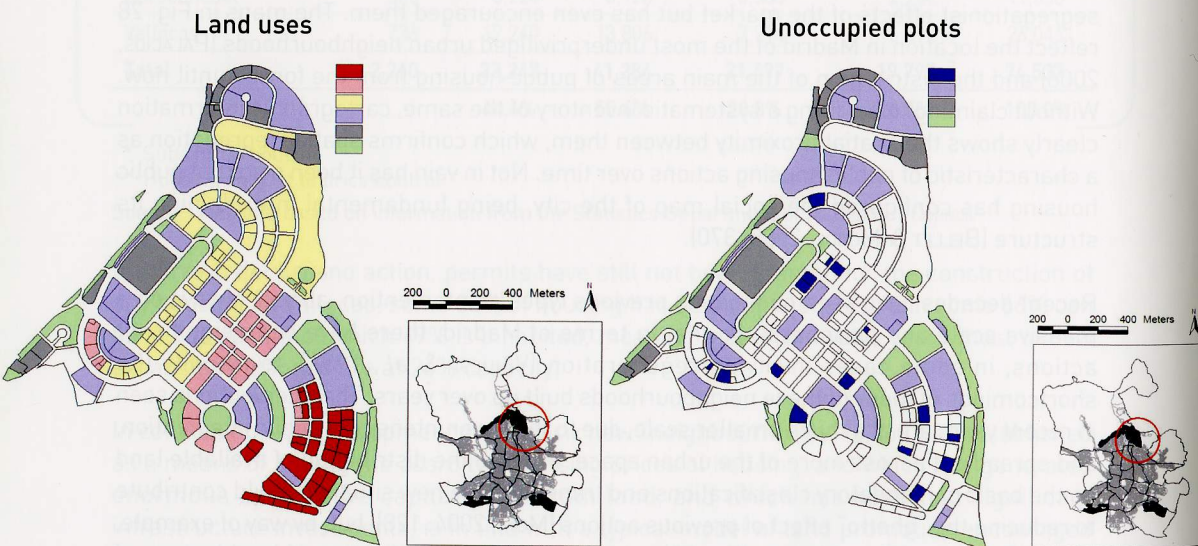


Fig. 29. Land use according to type of housing in the Sanchinarro UDP
Source: Own data based on information from the Planning Department of MADRID CITY COUNCIL

5. CONCLUSIONS AND PROPOSED CHANGES TO HOUSING POLICY

CRITERIA FOR CONSISTENT INTERVENTION REQUIRE GREATER KNOWLEDGE

It is useless to make changes to any productive structure without solid and reliable starting criteria, and this is basically what has occurred in terms of public housing interventions in Spain. For a country as developed as Spain, information on the housing pool and its use and residential housing development processes is scandalously deficient, especially the distribution of charges and capital gains, also on requirements for social and free market housing, public land pools, the purpose and use of the millions of homes constructed with public aid over time... The authorities need to generate the information and research necessary to support their strategies and assess and control the end result of their interventions. They require systematic research into housing demand, draw up and keep updated censuses on housing constructed under some type of public aid and benefitted homes. The lack of information and knowledge is the main obstacle for a change in model.

LAND IS RUNNING OUT AND MUNICIPAL LAND POOLS HAVE NOT BEEN CREATED

It is necessary to insist on the need for land pools, created and conserved over time and used, without transfer of ownership and capital gains, to guarantee the right to dignified housing inseparable from citizens' rights. Getting land for social housing that will be sold and end up as part of the market, as well as progressively hindering housing aid intervention, is a permanent exercise in "chop and change". In the near future of several cities we can envisage a worsening of the difficulty of getting land for social housing, not even in outlying or marginal land, as has been the case to date.

IT IS NECESSARY TO REMOVE SOCIAL HOUSING FROM THE PROPERTY MARKET

We need to get rid of the idea that the only way of meeting housing needs is the purchase of a home, and correct the incongruence that the sale of protected housing gives rise, systematically, to the private appropriation of the capital gains generated with public effort.

An objective of the non disposal of public housing constructed with some type of public aid should be established and, transitionally, control the declassification processes, progressively expanding timeframes.

It is not reasonable for public aid supposedly aimed at meeting the universal right to a home to become in practice the disposal of public property and the transfer of capital gains to private hands on the market. The current use and valuation on the market of housing constructed with public aid in the last fifty years invites to reflection on the scale and destination of the capital gains produced, and the validity of the sales model. The current situation would be extremely different if at least a substantial part of these homes, rather than being sold, were integrated into public rental land pools, or were only transferred as right of use of land, or if, at least, there had been an effective check on subsequent transfers.

SOCIAL RENTAL AS A REAL SOLUTION

The increase, to reach European levels, and the diversification of rented housing, is one of the basic and vital elements for the necessary change to the housing policy model. It is important to favour, through a comprehensive strategy, sustained in the medium term, the development of the rental market, both of free market housing and social housing. For this it is necessary to create pools of social rented housing, promoted and managed by mixed or not for profit companies; giving effect to a progressive transfer of aid from sale to rental; supporting the development of Somici (Real Estate Investment Trust) and introducing legislative changes and changes to the legal system to guarantee the rights of owners and renters.

MORE REGENERATION AND LESS ENLARGEMENT: WE NEED TO OPTIMISE THE USE OF THE EXISTING STOCK

Given the current economic situation, the residential pool could become a source of opportunities. The various types of support to increase the rental market should contribute to reducing the stock of unoccupied housing. The proper use of residential areas requiring regeneration is a clear alternative to new developments which have led to an excessive "consumption" of land. The recuperation of central areas for social housing should also help to diversify offer and compensate for the traditional and segregationist peripheral locations.

TOWARDS A COMPLETE CHANGE OF MODEL

We need to give housing policy the planning dimension it requires. Housing policy will not be able to achieve minimally satisfactory results but begin, within the scope of planning, by guaranteeing the availability of sufficient and adequate land, so we need to separate the social housing policy from the real estate market. It is necessary to modify the current model based on urban development at all costs as an engine of the economy and a generator of large capital gains, but one which eats up territory and is obviously unsustainable.

But it is not only a case of resizing the weight of housing production in the Spanish economy or restructuring the financing of local corporations, it is necessary, above all, to ensure a cultural change which places a greater value on land as a common asset, and a limited and non renewable resource. It is not easy to imagine a change while the idea that land is a mere support for planning activities prevails, and beyond question thanks to its capacity to boost the economy. It will undoubtedly be a difficult task as the President of the Government himself doubts the possibility of changing the speculative and development based inertia generated by market needs:

"It is very difficult to stop rapid growth in boom times, as the whole society is participating. When, in so many municipalities in Spain land multiplies its value by 20, almost becoming oil... you try telling a town to stop building"⁶⁵.

Because also when, like now, boom times come to an end, the solution sought is to return to old habits. "*Manolo, stop the cranes!*", is the recommendation that the ex President of the government Felipe González recently made to Manuel Chaves, still President of the Andalusian regional government⁶⁶, and serves as an example of the value given to construction and real estate development as a vital economic booster. Even when the media recognise the need for a change of economic model in Spain, it should be remembered that "...in the short term, housing and tourism remain the foundations of GDP"⁶⁷.

Without changing this model it will not be possible to escape the failed redistributionist model of housing policies, and much less get them to act as factors of social cohesion in a health urban environment. It is necessary that the whole preponderance of owned property, which feeds the real estate process and which in turn detracts from its role as providing housing, gives way to another policy in which a greater and better offer of rented housing (both social and free market) makes possible to make progress in the actual right to choose in terms of location, transfer systems and type of housing. Only in this way would it be possible to make the legal recognition of the subjective right (enforceable in the courts) to dignified housing, which will put, in the end, the right to housing on the same footing as others already consolidated by the *Welfare State* as the right to education or health.

⁶⁵ "The opinion of the head of the government", EL PAÍS, 27 June 2009: 14.

⁶⁶ Felipe González in his speech to the "Answers to the crisis" summit, organised by the CEA (Confederación de Empresarios de Andalucía), EL PAÍS, 15 March 2009.

⁶⁷ "Depresión inmobiliaria" Editorial, EL PAÍS, 4 June 2009.