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ANNEX

Requirements for social and affordable housing SGEI

1. Social housing as SGEI for the purposes of this Decision, shall meet the following requirements:
 - a. be available to disadvantaged citizens or socially less advantaged groups, including people experiencing homelessness, who due to solvency constraints are unable to obtain housing at market conditions;
 - b. meet the minimum quality standards in force in the Member State;
 - c. access must be provided below market price;
 - d. be available for social housing purposes for a minimum period of twenty years from the beginning of the delivery of the service;
 - e. compensation for social housing SGEI may cover investment costs for the construction of new buildings, including land acquisition, transformation or the renovation of existing buildings (or individual building elements thereof), compliance with accessibility standards for older persons or persons with disabilities, adaptation for climate resilience, as well as operating costs, where necessary for the operation of the service.
2. Affordable housing as SGEI for the purposes of this Decision shall meet the following requirements:
 - a. be available to households that are not able, due to market outcomes and notably market failures, to access housing at affordable conditions.

Housing affordability must be measured on the basis of reliable indicators such as the housing cost overburden rate, a rent-to-income ratio, a mortgage payment to income ratio, a price to income ratio, or years of income to buy a home. Energy costs must be considered as part of the total housing costs, at least for buildings with a low energy performance.

An affordable housing SGEI must benefit households in real need of affordable housing, notably by taking account of the income and composition of the household. Member States must verify, at regular intervals, the eligibility of the beneficiaries of affordable housing and that the beneficiary uses the housing as their actual residence;

- b. must have affordable housing prices or rents for housing, below market prices and determined on the basis of transparent criteria, such as household income, market prices, costs incurred by housing providers. Housing prices or rent may take into account other housing costs such as energy costs;
 - c. housing prices or rents must not be reduced below what is necessary to ensure affordability for the eligible beneficiaries;
 - d. meet the minimum quality standards in force in the Member States;
 - e. be open to all providers able to deliver the service, regardless of their legal status and/or public or private nature;
 - f. be available for affordable housing purposes for a minimum period of twenty years from the beginning of the delivery of the service;
 - g. compensation for affordable housing SGEI may cover investment costs for the construction of new buildings, including land acquisition, transformation or the renovation of existing buildings (or individual building elements thereof), compliance with accessibility standards for older persons or persons with disabilities, adaptation for climate resilience, as well as operating costs, where necessary for the operation of the service.
3. Member States may decide to entrust mixed SGEI covering social and affordable housing in accordance with the following conditions:
- a. where the majority of housing units are dedicated to households who are not able, due to market outcomes and notably market failures, to access housing at affordable conditions (affordable housing) but are not disadvantaged citizens or socially less advantaged groups, the conditions for affordable housing set out in points 2 b. to 2 g. shall apply;
 - b. where the majority of housing units are dedicated to disadvantaged citizens or socially less advantaged groups, who due to solvency constraints are unable to obtain housing at market conditions (social housing), the conditions for social housing set out in points 1 b. to 1 e. shall apply;
 - c. the proportion of social and affordable housing units to be provided must be clearly set out in the entrustment act.