

Case Study of Social Housing: Barcelona, Spain

By Nora Masler and Damaris Fernandez-Sierra

For Fall 2021 ARCH5115: Anti Displacement Studio

Northeastern University (Prof. Lily Song)



Modernization program of Franco

1950-1975

Marked the start of the housing plan in Barcelona

2004-2008

The City Council and the Catalan Government (Generalitat) set up the **Housing Consortium**, produced a change in housing management that allowed the promotion of **renovation grants and rent subsidies.**

2008-2016

Marks the period of the ensurance that housing serves a **social function** and that the building of public housing service goes on par with the best practices in other european cities.

2016-2024

● **Franco mass market tourism and expansuon of private homeownership 1960**

● **Financial Crisis 2008**

● **Airbnb established 2009**

● **Government begins siezing empty apartments and Aprop housing established 2016**

● **Cohousing enacted 2018**

● **Airbnb banned Youth rental assistance announced 2021**

Cultural reverberations

For 35 years of the dictatoship there was a paternalistic program in place to encourage homeownership.

Similar to the US and Ireland there was a massive building boom, mortgages were going from 100% to 100% plus.

Under the dictatorship, the economic model was built around construction and tourism.

There's still a prevailing attitude about homeownership left by the dictatorship's emphasis on homeownership. But now mortgages are extremely hard to get.



Nou Barris

US context

Northeastern city of Barcelona, this area was consolidated during the dictatorship. It used to be known as a red neighborhood due to the residents efforts to secure better housing in the 1960s. It is about 40 minutes by transit to the rest of the city which by Barcelona's standards, is a very far distance.



Like certain neighborhoods in the US Nou Barris was disinvested and left without transit.

Densely housed area. Most of these properties were bought up by companies like Blackstone who bought defaulted properties and negotiated with families who were in debt. There is no personal bankruptcy in Barcelona.

These companies were offering mortgages with extremely bad conditions and at overvalued prices when the housing bubble burst. With the crisis at hand, people stopped paying their mortgages as they had recently lost their jobs due to a lack of construction in the area.

Nou Barris provides clear insights into the causes of eviction as a result of the financial crisis.



During the crisis this area was nicknamed evictionville. It was the area of Barcelona with the most recorded evictions.

This neighborhood according to a 2014 study is among the poorest of the city. City Council statistics also show the Nou Barris has one of the highest levels of unemployment (19%), double that of the city as a whole.

Most people who lived in this neighborhood were immigrants from southern Spain but by 2000 they were retiring and sold their properties Latin American and Moroccan immigrants.



The Nou Barris neighborhood also demonstrates disinvestment in a community with significant immigrant populations, relevant to many US cities.

There was a huge issue with vacant housing, some of the housing in the area was luxury but most of the issue came from lower quality housing that was bought in bulk.

Most people who lived in this neighborhood were immigrants from southern Spain but by 2000 they were retiring and sold their properties Latin American and Moroccan immigrants.



Rental

Renter makes monthly payments to a landlord for a given amount of time (typically at least a year).

Rent with **guarantees** by the city.



Leasehold

Properties are leased (or rent) for **far longer than the tenants usual one or two year timeframe**

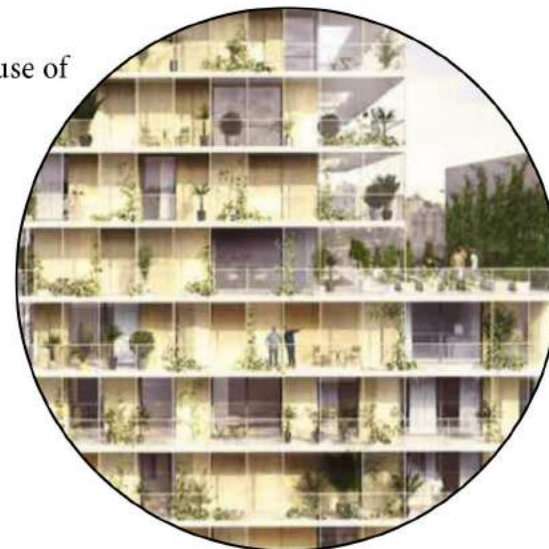
Involves **public ownership of land**



Cohousing

A form of access to housing that allows a **community** of people to live in a building **without being the owners or leasers**, for a long period of time, from 50-100 years, and at a price lower than a market price.

Residents pay a deposit and monthly installments for the use of their dwelling.



APROP

A program which aims to prevent gentrification (displacement??) by providing **temporary accommodation** while more permanent but slower housing solutions develop.





Government Structure of Spain



Constitutional Monarchy

Felipe VI: King by "hereditary right" Ceremonial head of state.



Executive President

Prime Ministers and other ministers.

Democratically elected



Legeslative Parliament

Congress of Deputies
Senado (Senate)

Elected by province and Parliament



Judicial

Tribunal Supremo
and General Council

General Council is **appointed by a 3/5 vote in parliment.**

Tribunal Sumpreo is **nominted by the General Council.**

17 Autonomous communities (Estado de Las Autonomias)

Andalucía, Aragón, Asturias, Islas Baleares, Islas Canarias, Cantabria, Castile and León, Castile-La Mancha, **Cataluña**, Extremadura, Galicia, La Rioja, Community of Madrid, Region of Murcia, País Vasco, Comunidad Valenciana, Navarra) and two autonomous cities (Ceuta and Melilla).

Responsibility of Local Government

- Individual elected parliaments
- Governments
- Public Administration
- Budgets
- Resources



Catalonia and Barcelona

Barcelona is the capital of Catalonia (Cataluña)

Three governing bodies in Barcelona

- **Municipal Council**
- **The City Government Commission**
- **The Mayor**



US Context

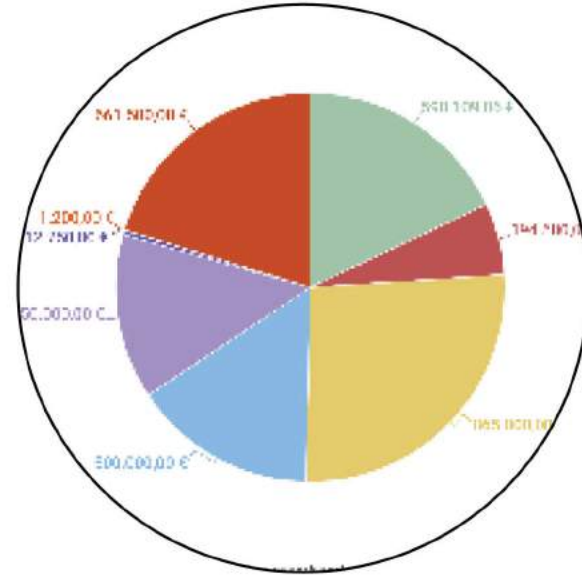
Similar national government structure to the US.

Autonomous communities analogous to states.

Similar to the US, policy can be adopted at the state level and rejected at the federal level.

Cohousing: La Borda

- Grant of Use - residents are **cooperative partners**



Land

- Leasehold- **public ownership** of land
City Council or private owner **assigns property** or abandoned site to a co-operative for building on
- State subsidized house- allows for a **maximum fee** to be charged for housing use

US Context

- Example of residents working as cooperative partners enabling deeper participation in housing decisions.
- Example of participatory design.
- Example of state subsidized housing allows for a maximum fee to be charged for housing

Program details

- **Shared services and common spaces**

Established 2018

Decision making

- **Participatory design**



Barcelona Property Expropriation for Social Housing

2008

Financial Crisis

2009 Post-2008

Following the 2008 crisis, a huge wave of evictions occurs, impacting many neighborhoods in Barcelona, giving Nou Barris (a largely immigrant neighborhood on the outskirts of Barcelona) the nick-name "Evictionville."



Financial crisis also occurs in the US leading to evictions and foreclosures.

The **grassroots movement, Platform of Affected by the Mortgage (PAH)** is founded with the intention of giving a public voice to those who have been affected by mortgages and crying out against banks claiming debt, even after losing mortgage holders lose their homes.



By 2011

3.5 million apartments in

Spain were empty. Following evictions, lower quality housing was bought in bulk by large financial institutions as prospective investments. Upper class residents owning multiple properties also leave properties vacant for fear of renters and squatters.



February 2013

Representing PAH in a Spanish parliamentary hearing about the housing crisis, housing activist **Ada Colau calls** Javier Rodriguez Pellitero, the deputy general secretary of the **Spanish Banking Association, a criminal** for causing the housing crisis.



Example of housing activists mobilized and the capacity of media to gain attention for social housing issues.

July 2013

Ada Colau is photographed in Barcelona being dragged away by riot police while protesting against a bank for refusing to negotiate with an evicted family.



2015

Ada Colau is elected Mayor representing Barcelona en Comú, a new leftist "citizens' movement (and the July 2013 image goes viral).

Example of housing activists gaining political power.



2016

Catalan, seeking solutions to the housing crisis and distinction from the national Spanish government, passes Law 4/2016 allowing municipalities in the Catalonia region to **take control of properties** if certain criteria are met (e.g. the property is in areas where there is demonstrable high demand for housing). The cities can then rent them as affordable housing for between four and ten years before returning to owner's control.

2018

Rent increases by 40% since 2014.

Through not as dramatically, many US cities see rent increases in this time period.

2019

Act 4/2016 is used to carry out the first expropriation of the usage rights for an



2019

Barcelona passes DL 17/2019 creating further consequences for unjustifiably unoccupied properties and expands the power to buy apartments that are left vacant outright by compulsory purchase, at 50% of market rate.

Example of aggressive social housing policy being passed and acted upon.

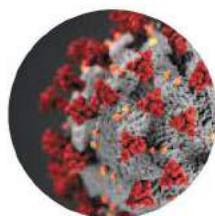
2020

Colau warns 14 Property-owning groups that if their properties remain vacant they will be expropriated at half the market price, and potentially face fines between €90,000 and €900,000. The bank SAREB, owns more than 100 of these properties.



2020

Covid 19 further highlights needs for housing and economic difficulty as many in Barcelona rely on tourism



Covid exacerbating housing issues globally and tourism income is impacted in many US destination cities like New York and Los Angeles.

2021

The Spanish Constitutional Court partially annuls Catalan Decree-Law 17/2019 on housing, removing consequences for vacant properties.

Demonstrates legal tension between the right to property and the right to housing and need for careful attention to constitutional law when making local policy.

Prospective investments also occur in the US altering housing stock.

APROP Housing - Cuitat Vella (Gothic Quarter)

Ownership

Run by municipal administration

Not run directly by tenants

Land

Built on **vacant lots**

Modular design for maximum **affordability** and **quick execution**

Municipally owned land

Program details

Result of **competition**

42 more dwellings underway in **wealthy arts districts**

On its groundfloor it hosts the extension of a nearby **sanitary facility** and on its upper floors it has a total of 12 accommodations



Decision making

Federation of Neighborhood Associations of Barcelona

Technological Institute of Construction of Catalonia

Habitat3 foundation

Social Housing Council of Barcelona

Entities of Amsterdam and Munich

Currently expanded by the **Municipal Housing Institute of Barcelona**



US Context

- Modular design is a useful tool for quick execution and keeping costs low. Modular design (in this case the use of shipping containers) also reduces neighborhood disruption throughout construction - particularly useful in dense urban areas.
- First floor sanitary facilities provide use to displaced individuals beyond immediate residents.
- The use of competition promotes high quality design while limiting costs.

US Context

Example of housing subsidies provided by the government

Similar issues of gaps between wage and rent in Los Angeles

Similar US system which benefits homeowners while homeownership increasingly out of reach for many

Example of government that is aware of the financial context and crisis which has impacted younger

Policy may be supported by a deep understanding of the interpersonal and psychological aspects of the housing market, as well as an understanding of political aims and timing.

Announced October 2021: Rent Subsidies for Young Spaniards

The Spanish government will be providing young people 250 euros (\$289) a month for rent.

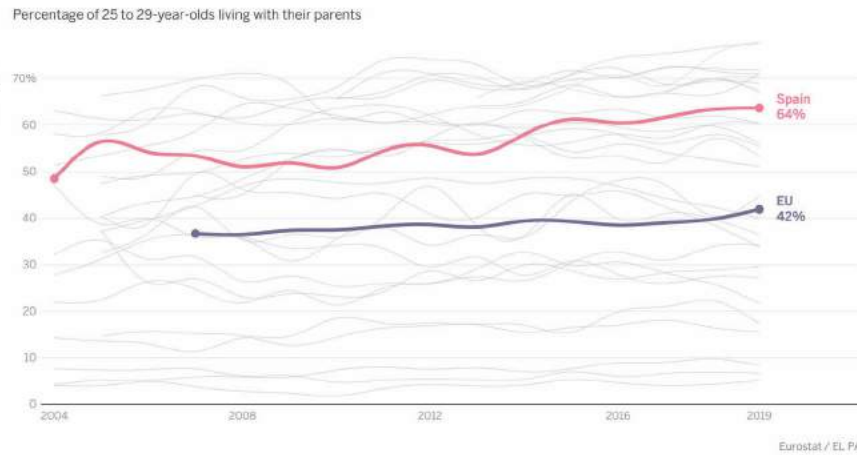
Eligibility

People age 18 and 35 years old, earning less than 23,725 euros a year.

Vulnerable families may be offered additional subsidies covering up to 40% of their rent.

Statistical Context:

People in Spain moved out of their parents' house at **30 years old** on average, four years later than the typical age for the whole of the European Union (see graph to the right)



One-bedroom apartment in Madrid cost around **1,000 euros a month** to rent in 2020. A single person without children in Spain earned around **21,241 euros**.

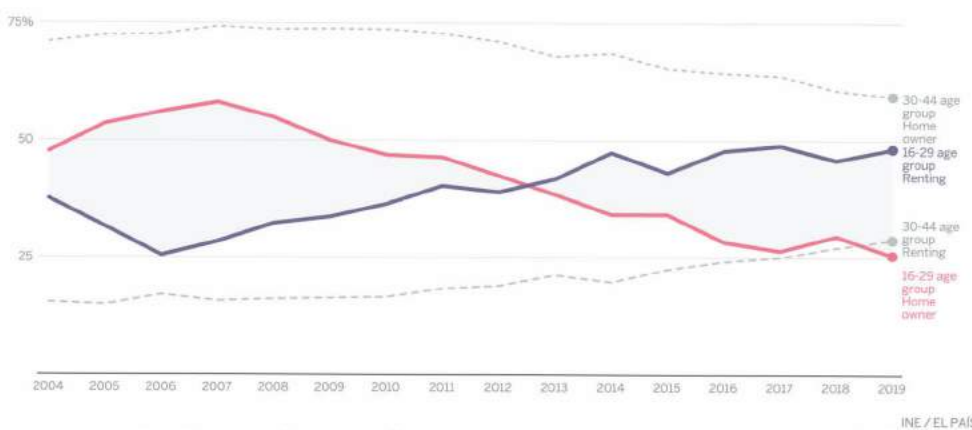
Over 50% of income would go to rent.

75% of young people cite lack of economic stability as the reason for not moving out.

34% of independent 25- to 29-year-olds are at **risk of poverty**.

Rent vs. Ownership

Renting or buying among young households (%). For both groups, according to the main breadwinner.



Strong policy bias toward homeownership in Spain results in only **1/4 households renting** their homes. However, ownership can be prohibitively expensive for many people and purchasing homes has decreased significantly for ages 16-29 years old relative to the early 2000's (see left).

Prior to the financial crisis of 2008, mortgages were given at 100+%, following the crisis, **mortgages become much more difficult to acquire**, making it harder for individuals to gain mortgages, especially for individuals with lower incomes. However, a study of focus groups evaluating young people's attitudes toward housing, indicated most still feel a **desire to own**, perhaps intertwined with cultural values attached to owning, established during the dictatorship of Franco.

Recent Government Response to the Situation of Young Spaniards



Spain's minister for labor and the social economy: **Yolanda Diaz**

"Young people have been suffering the most from the economic crisis in the 1990s, from the debt crisis in 2010, and now again, from the coronavirus crisis. We can no longer solve our problems on the backs of young people."

Possible Policy Motives

Beyond the awareness of the difficulties facing Spanish millennials, resulting in the altruistic aim of supporting young people who have been affected by a number of crisis, the two motives below may have supported subsidies. The rental market is characterized by small scale landlords. Because of the bend towards home ownership often of those who can afford to have invested in a second property, many of which now remain empty due to fears around squatters and vandalism. It is possible that subsidizing rent for people ages 18-35 who now live with parents would ease potential landlord fears by **creating a more trusted reliable renter base**.

It is also likely that the Pedro Sanches, Spain's prime minister and representative of the Spanish Socialist Workers' Party announced this subsidy hoping to demonstrate socialist ideas and **gain support from young voters** with re-election in sight.





REFERENCES

Acceder a Una Vivienda De Protección Oficial | SR ..<https://www.srpmotors.com/portfolio/vpo-proteccion-oficial-barcelona/>.

“Access a Social Housing Home.” SR Promotors Barcelona, <https://www.srpmotors.com/en/portfolio/vpo-proteccion-oficial-barcelona/>.

Acn. “High Poverty Levels in Spain a Political Choice Says UN Special Rapporteur.” Catalan News, Catalan News, 7 Feb. 2020, <https://www.catalannews.com/society-science/item/high-poverty-levels-in-spain-a-political-choice-says-un-special-rapporteur>.

“Branches of the U.S. Government.” USA Gov, <https://www.usa.gov/branches-of-government>.

“Public Housing Stock.” Housing, 12 May 2021. <https://www.habitatge.barcelona/en/access-to-housing/public-housing-stock>.

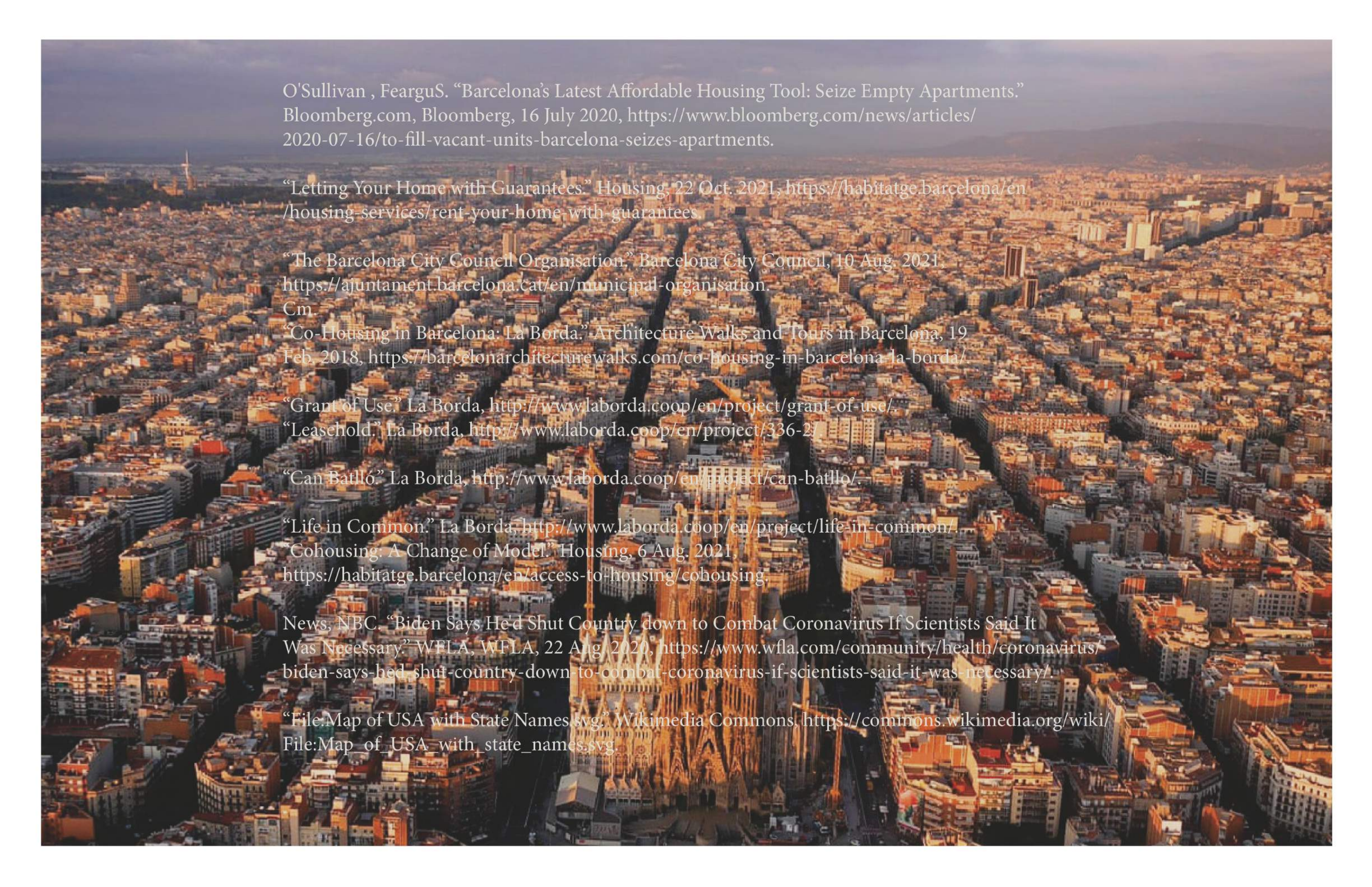
“Spanish Government Commits to Controlling Rental Prices.” Reuters, Thomson Reuters, 23 Feb. 2021, <https://www.reuters.com/article/us-spain-property-rent/spanish-government-commits-to-controlling-rental-prices-idUSKBN2AN241>.

Council, Barcelona City. “Info Barcelona.” First APROP Temporary Homes in Ciutat Vella Ready to Tackle the Housing Emergency | Info Barcelona | Barcelona City Council, https://www.barcelona.cat/infobarcelona/en/tema/social-services/first-aprop-temporary-homes-in-ciutat-vella-ready-to-tackle-the-housing-emergency_893737.html.

Cipolla, Ariel. “Is the Spanish Monarchy at Risk of Extinction?” Latin American Post, 15 Oct. 2021, <https://latinamericanpost.com/34257-is-the-spanish-monarchy-at-risk-of-extinction>.

“Spanish President.” Catalan News, <https://www.catalannews.com/news/tag/Spanish%20President/2>.

New European Bauhaus. https://prizes.new-european-bauhaus.eu/sites/default/files/uploaded-reports/C06_Report_Costa%20Nostrum.pdf.



O'Sullivan, Feargus. "Barcelona's Latest Affordable Housing Tool: Seize Empty Apartments." Bloomberg.com, Bloomberg, 16 July 2020, <https://www.bloomberg.com/news/articles/2020-07-16/to-fill-vacant-units-barcelona-seizes-apartments>.

"Letting Your Home with Guarantees." Housing, 22 Oct. 2021, <https://habitatge.barcelona/en/housing-services/rent-your-home-with-guarantees>.

"The Barcelona City Council Organisation." Barcelona City Council, 10 Aug. 2021, <https://ajuntament.barcelona.cat/en/municipal-organisation>.
Cm.

"Co-Housing in Barcelona: La Borda." Architecture Walks and Tours in Barcelona, 19 Feb. 2018, <https://barcelonarchitecturewalks.com/co-housing-in-barcelona-la-borda/>.

"Grant of Use." La Borda, <http://www.laborda.coop/en/project/grant-of-use/>.

"Leasehold." La Borda, <http://www.laborda.coop/en/project/336-2/>.

"Can Batlló." La Borda, <http://www.laborda.coop/en/project/can-batllo/>.

"Life in Common." La Borda, <http://www.laborda.coop/en/project/life-in-common/>.

"Cohousing: A Change of Model." Housing, 6 Aug. 2021, <https://habitatge.barcelona/en/access-to-housing/cohousing>.

News, NBC. "Biden Says He'd Shut Country down to Combat Coronavirus If Scientists Said It Was Necessary." WFLA, WFLA, 22 Aug. 2020, <https://www.wfla.com/community/health/coronavirus/biden-says-hed-shut-country-down-to-combat-coronavirus-if-scientists-said-it-was-necessary/>.

"File:Map of USA with State Names.svg." Wikimedia Commons, https://commons.wikimedia.org/wiki/File:Map_of_USA_with_state_names.svg.



Brown, Tom. "Catalonia Law Puts RMBS Performance at Risk." GlobalCapital Securitization, GlobalCapital Securitization, 20 Feb. 2020, <https://www.globalcapital.com/article/b1kczdrdssm1bz/catalonia-law-puts-rmbs-performance-at-risk>.

Schrandt, Lydia. "Explore Beautiful Barcelona on This Photo Tour." 10Best, USA TODAY 10Best, 7 May 2020, <https://www.10best.com/interests/explore/see-barcelona-spain-on-stunning-photo-tour/>.

"The Industrial Revolution of Affordable and Sustainable Housing." Drupal, <https://atri.city/en/blog/industrial-revolution-affordable-and-sustainable-housing>.

Luco, Andreas. "Aprop Ciutat Vella Emergency Housing / straddle3 + Eulia Arkitektura + Yaiza Terré." ArchDaily, ArchDaily, 25 May 2020, <https://www.archdaily.com/940066/aprop-ciutat-vella-emergency-housing-straddle3-plus-eulia-arkitektura-plus-yaiza-terre>.

"US Congress Divided about ISIL Operation." Anadolu Ajansı, <https://www.aa.com.tr/en/politics/us-congress-divided-about-isil-operation/121521>.

"Aprop Ciutat Vella." APROP Ciutat Vella | NEW EUROPEAN BAUHAUS, <https://prizes.new-european-bauhaus.eu/et/node/269384>.

"United States Department of State." Wikipedia, Wikimedia Foundation, 8 Oct. 2021, https://en.wikipedia.org/wiki/United_States_Department_of_State.

"Flag of Spain." Encyclopædia Britannica, Encyclopædia Britannica, Inc., <https://www.britannica.com/topic/flag-of-Spain>.



“Flag of the United States of America.” Encyclopædia Britannica, Encyclopædia Britannica, Inc., <https://www.britannica.com/topic/flag-of-the-United-States-of-America>.

Whereismap. “Where Is Catalonia Located in Spain Map? Who Are the Catalans?: Where Is Map.” Where Is Map | Where Is Located on the World Map, 21 Dec. 2018, <http://whereismap.net/where-is-catalonia-located-in-spain-map-who-are-the-catalans/>.

Published by Statista Research Department, and Sep 17. “Evictions: Distribution by District in Barcelona 2016.” Statista, 17 Sept. 2016, <https://www.statista.com/statistics/772747/records-from-evictions-managed-by-district-barcelona/>.

Nou Barris Nord: Community Resistance in a Highly Vulnerable Context. https://www.researchgate.net/publication/326934063_Nou_Barris_Nord_community_resistance_in_a_highly_vulnerable_context.