Inspire Policy Making with Territorial Evidence

ESPON Workshop//
Housing in border regions

ESPON Seminar 2022 – 01st June 2021

Agenda & Participants

1. Greetings

2. Presentation on Project results

3. Panel Discussion 1: Findings

4. Discussion with Audience I

5. Panel Discussion 2: Towards the Future

6. Discussion with Audience II

1. Andreu Ulied (MCRIT)

2. Franziska Sielker (Uni of Cambridge/ TU Wien)

3. Luis Falcon (InAtlas)

4. Jorge Luis, Vega Valle (Spain)

5. Marco Kellenberger (Switzerland)

Presentation

Housing in border regions

findings from ESPON data and maps updates Lot 4 Updating and Integrating Big Data and Housing

Franziska Sielker, University of Cambridge / TU Wien

ESPON Seminar 2022 – 01st June 2021

Structure

- Goals of the Project

- Conceptualization of Cross-border Housing Markets

- Methodology Used and Indicator Development

- Overview of Case Studies

- Findings

- Presentation followed by Discussion
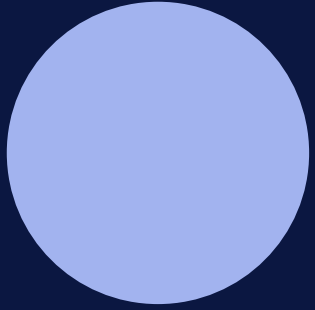
Project Goals

2

Conceptualisation of Cross-border Housing Markets

Specificities of Housing Markets

- Housing is expensive relative to incomes and the requirement for independent accommodation (inconvenient time in the life span)

- Borrowing influenced by interest rates

- Houses are durable and have a value for generations

- Houses are consumer goods and investments

- Housing supply is inelastic: no quick changes in supply is possible due to building time

- Housing stock is immobile

- Land as a scarce resource

- Housing is a necessity (people cannot opt out of consumption)

Cross-border Housing Markets are…

housing markets in which a critical mass of activity has achieved minimum integration where both jobs and residences are distributed across a border.

Characteristics

- Integrated labour markets

- Cross-regional residential migration

- Varying income levels across borders

- Land value differences based on location

- Shared cross-border services

- Cross-border commuting

- High levels of worker mobility

- Liberalised market conditions

3

Methogology and New Indicators

Methodology

Context information on case Studies

- Summary of Background data through the development of a Fiche

- Review of legal, decision-making and governance frameworks

- Review of legal and policy documents

- Identification of housing market trends

- Interviews

Data Analysis

- Traditional Data

- Web Scrapping

- Data Cleaning

- Data Processing

- Data Analysis

Data Interpretation

Indicator Selection

Advertised Price of Residential Property for Sale

Advertised Price of Residential Property for Rent
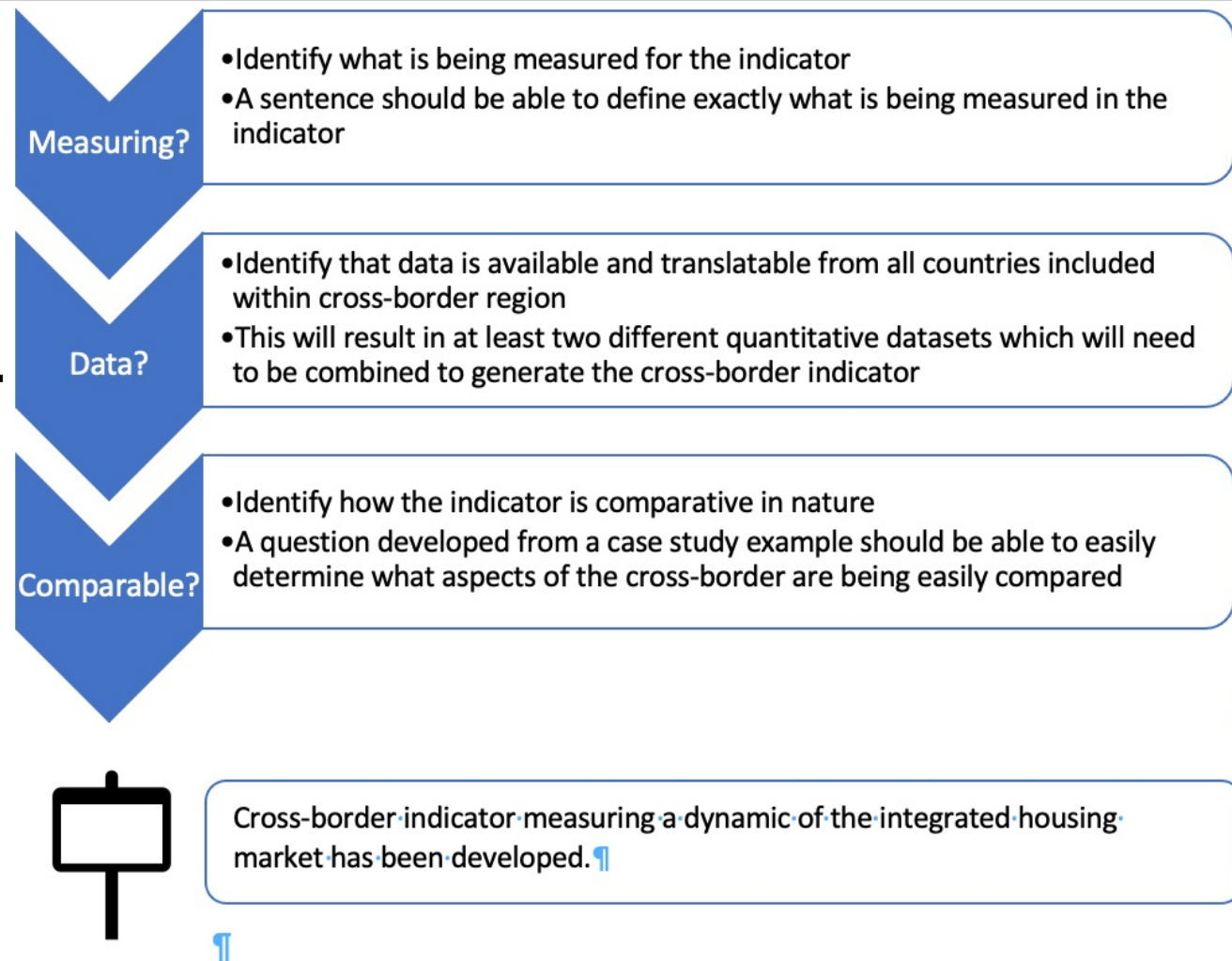
PPP (at NUTS3)

Sales Price Affordability

Rental Price Affordability

Number of Offers on Advertised Dwellings per Municipality across the real estate market

Rental Profitability

New Indicator development

- **Measuring?**
  - Identify what is being measured for the indicator
  - A sentence should be able to define exactly what is being measured in the indicator

- **Data?**
  - Identify that data is available and translatable from all countries included within cross-border region
  - This will result in at least two different quantitative datasets which will need to be combined to generate the cross-border indicator

- **Comparable?**
  - Identify how the indicator is comparative in nature
  - A question developed from a case study example should be able to easily determine what aspects of the cross-border are being easily compared

Cross-border indicator measuring a dynamic of the integrated housing market has been developed.¶

Figure 3: Graphic Displaying Three-Step Process for Developing Cross-Border Indicators for Housing

Indicator Selection

Advertised Price of Residential Property for Sale

Advertised Price of Residential Property for Rent

PPP (at NUTS3)

Sales Price Affordability

Rental Price Affordability

Number of Offers on Advertised Dwellings per Municipality across the real estate market

Rental Profitability

Mean Difference in Income Affordability to Purchase 1sqm

Mean Difference in Income Affordability to Rent 1sqm
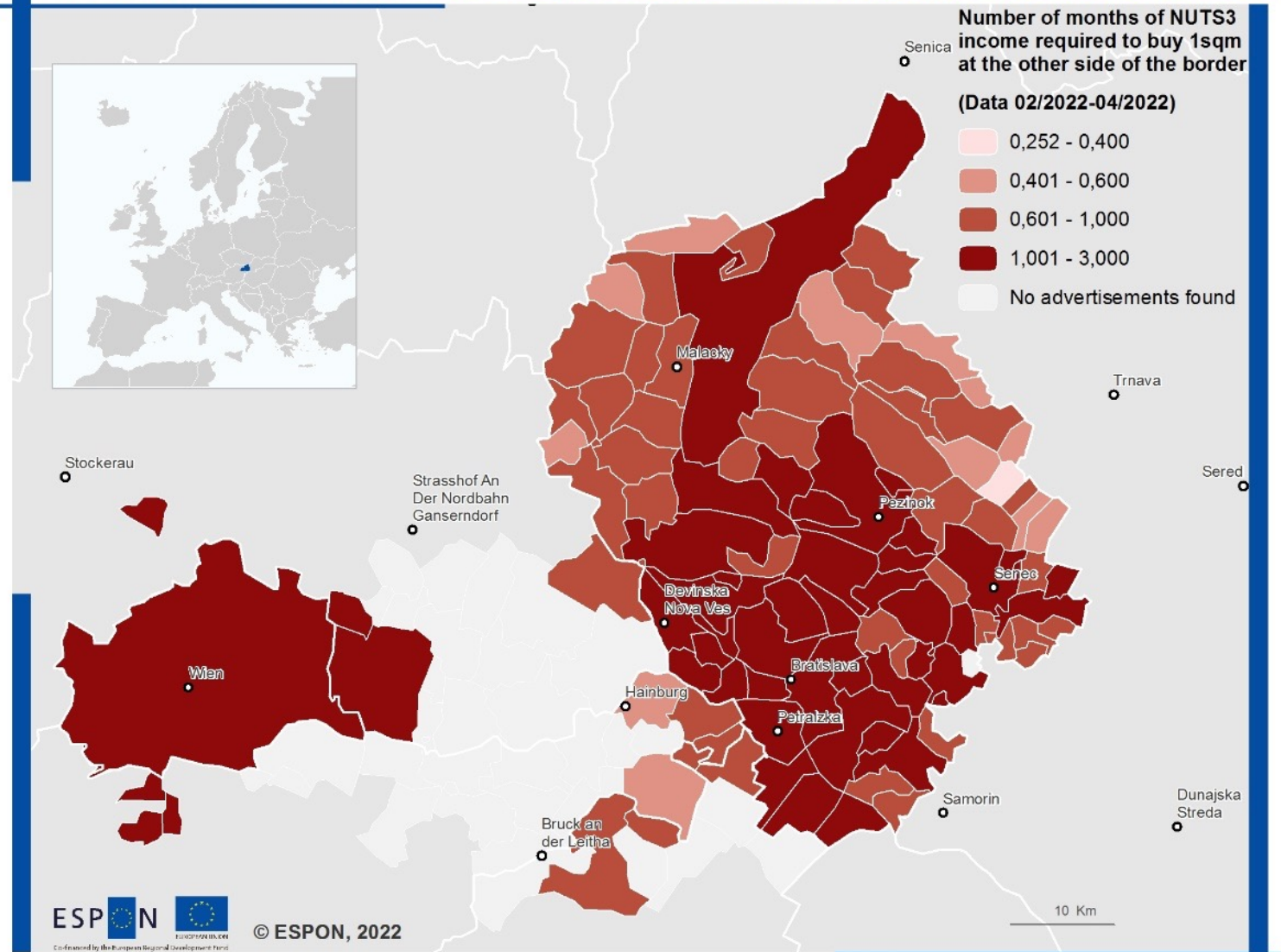
Housing Type

Length of Advertisement Posting

Accessibility to SGIs

Accessibility to Public Transport

Accessibility to Employment Centre

Example

The Austrian-Slovakian border: Sales price affordability-buying at the other side of the border

Number of months of NUTS3 income required to buy 1sqm at the other side of the border

(Data 02/2022-04/2022)

- 0,252 - 0,400
- 0,401 - 0,600
- 0,601 - 1,000
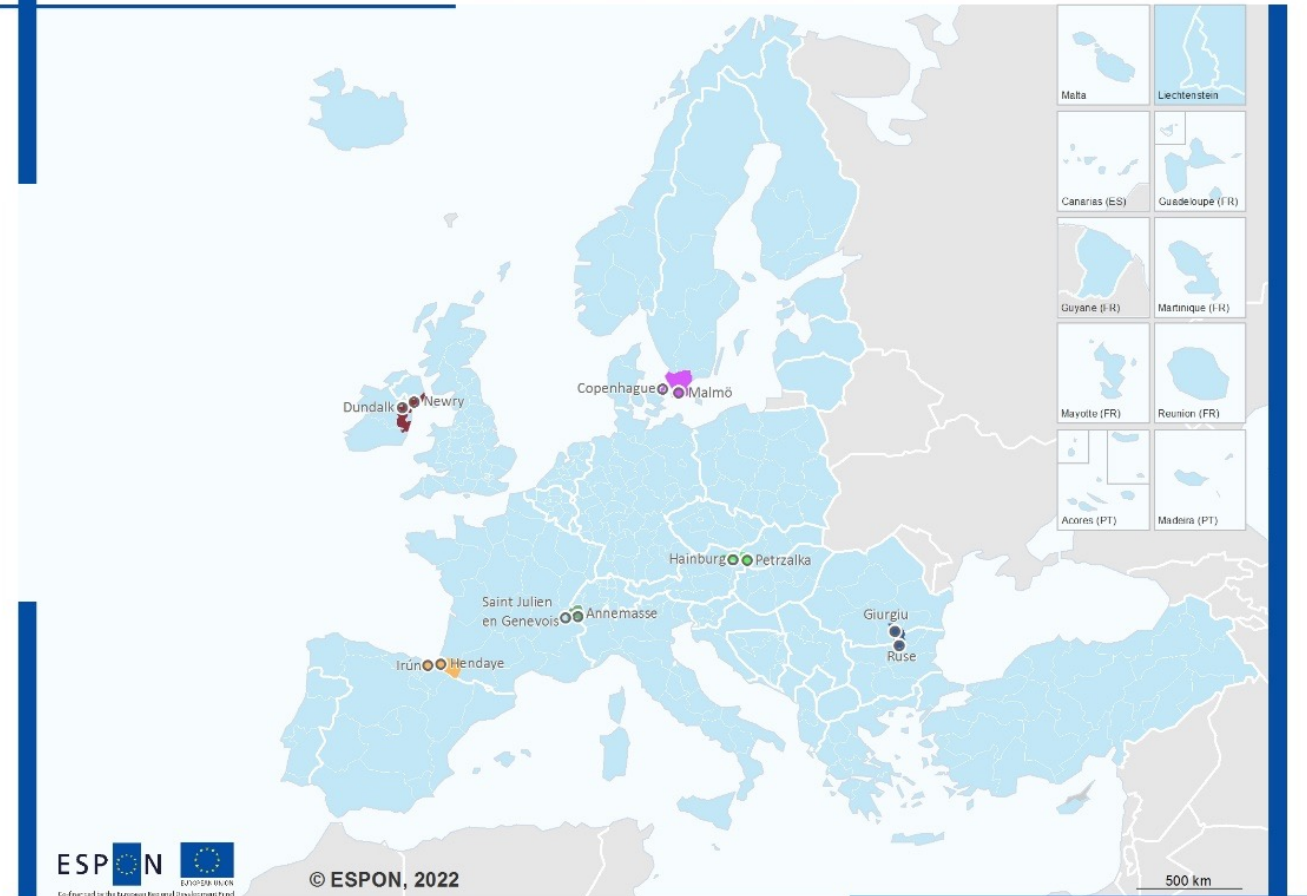- 1,001 - 3,000
- No advertisements found

© ESPON, 2022

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022/EUROSTAT,2018
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4

Overview of Case Studies

Case studies

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Case Study 1: Switzerland – France: Geneva – Annemasse – Annecy
Case Study 2: Denmark – Sweden: The Greater Copenhagen Region
Case Study 3: The Belfast – Dublin Economic Corridor: Newry – Dundalk
Case Study 4: Romania – Bulgaria: Ruse – Giurgiu
Case Study 5: Austria – Slovakia: The Vienna-Bratislava Corridor
Case Study 6: Spain – France: The San Sebastián – Bayonne Corridor: Irún – Hondarribia – Hendaye

Characteristics of Case Studies

Characteristics	Case Studies
Large Cities with Large Commuter Belts	Denmark – Sweden (Greater Copenhagen Region) Ireland – Northern Ireland (Belfast – Dublin Corridor) Geneva
Corridor Development with a Smaller Level of Integration at the Border	Ireland – Northern Ireland (Belfast – Dublin Corrdior) Spain – France Slovakia – Austria (Bratislava and Vienna)
Rural Border Regions	France – Switzerland (southern parts of the case study) Bulgaria – Romania Parts of the Ireland – Northern Ireland Border
Touristic Impacts on Housing Markets	Spain – France Sweden – Denmark (Skåne County)

5

Findings

1. Switzerland-France
2. France- Spain
3. Austria-Slovakia
4. Ireland – Northern Ireland

5

Findings

1. Switzerland-France
2. France- Spain
3. Austria-Slovakia
4. Ireland – Northern Ireland

The French - Swiss border: The Geneva - Annecy Corridor

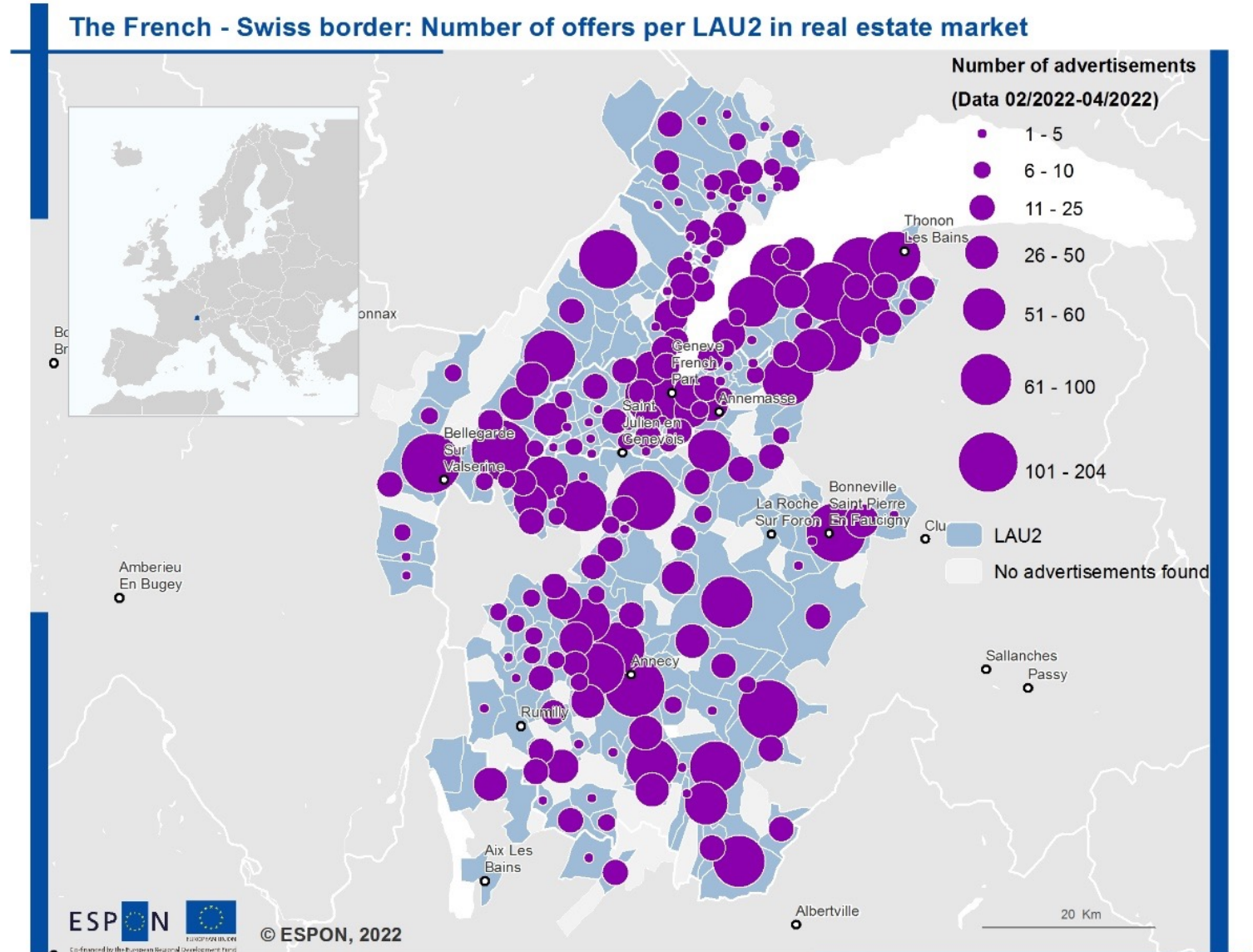Geneva-Annecy corridor

© ESPON, 2021

Territorial level: LAU2 (version 2011)
Source: <activity>, <year>
Origin of data: <data source>, <year>
University of Geneva for administrative boundaries
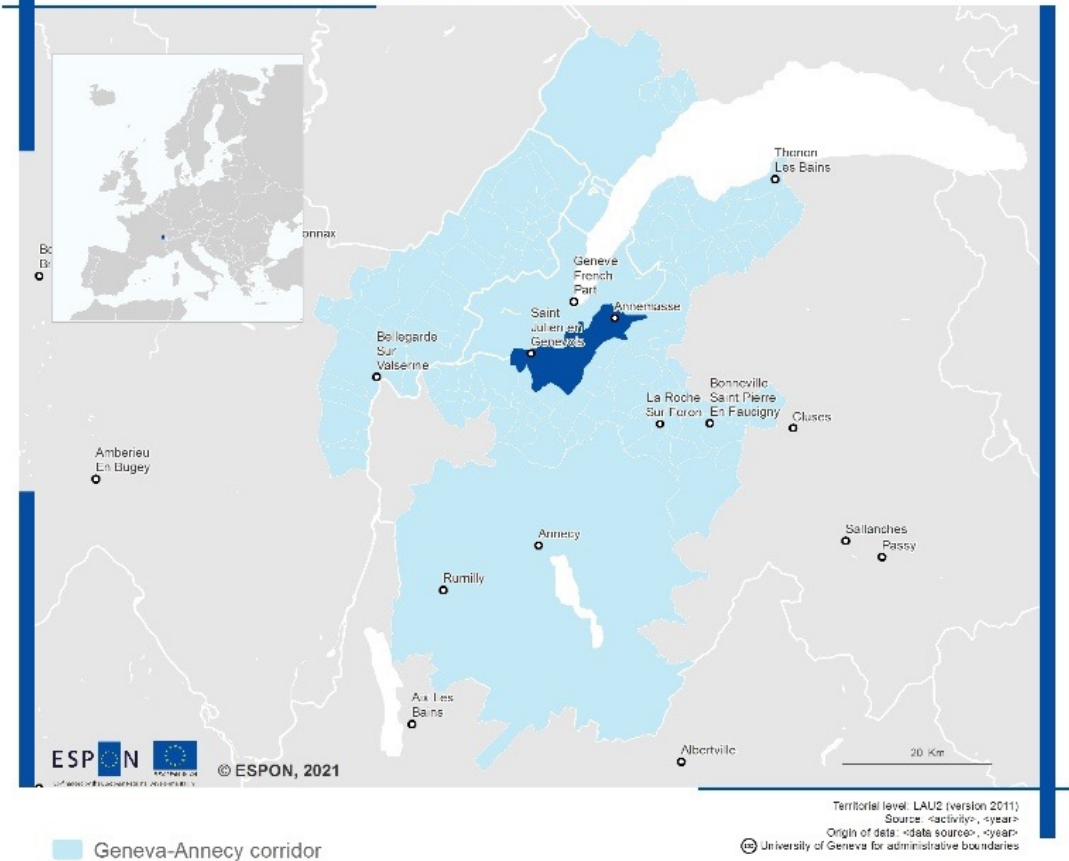
1 Scenario

Box 1: Genevan Household Scenario

Remy and Giovanni have been renting their one-bedroom apartment in Central Geneva since they moved in together ten years ago. As a young couple, the centrality of their apartment suited both their work and social needs given its proximity to the city centre, the financial centre and the UN offices. Giovanni is employed in the financial sector while Remy works with an international NGO based near UN Geneva. Having recently married, the couple is seeking a larger home as they wish to adopt and become parents. Given the high price of housing in Geneva within both the rental and owner-occupied sector, the couple has decided to buy across the border in France as housing prices are significantly less there. This allows them to 1) become homeowners as they can afford a mortgage in France and 2) continue to live comfortably as the additional expenses required of raising a child are offset by the lower price of housing. While Remy was at first hesitant to move across the border given the longer commuting times, investments in cross-border transport allowing for faster direct connections to the city centre has assuaged his fears of being too disconnected from Central Geneva. In fact, while the couple are moving across borders, they do not consider their upcoming transition to be a move outside of Geneva but just a relocation to another part of the Genevan metropolitan region which allows them to start a family without stretching their budget to thin.
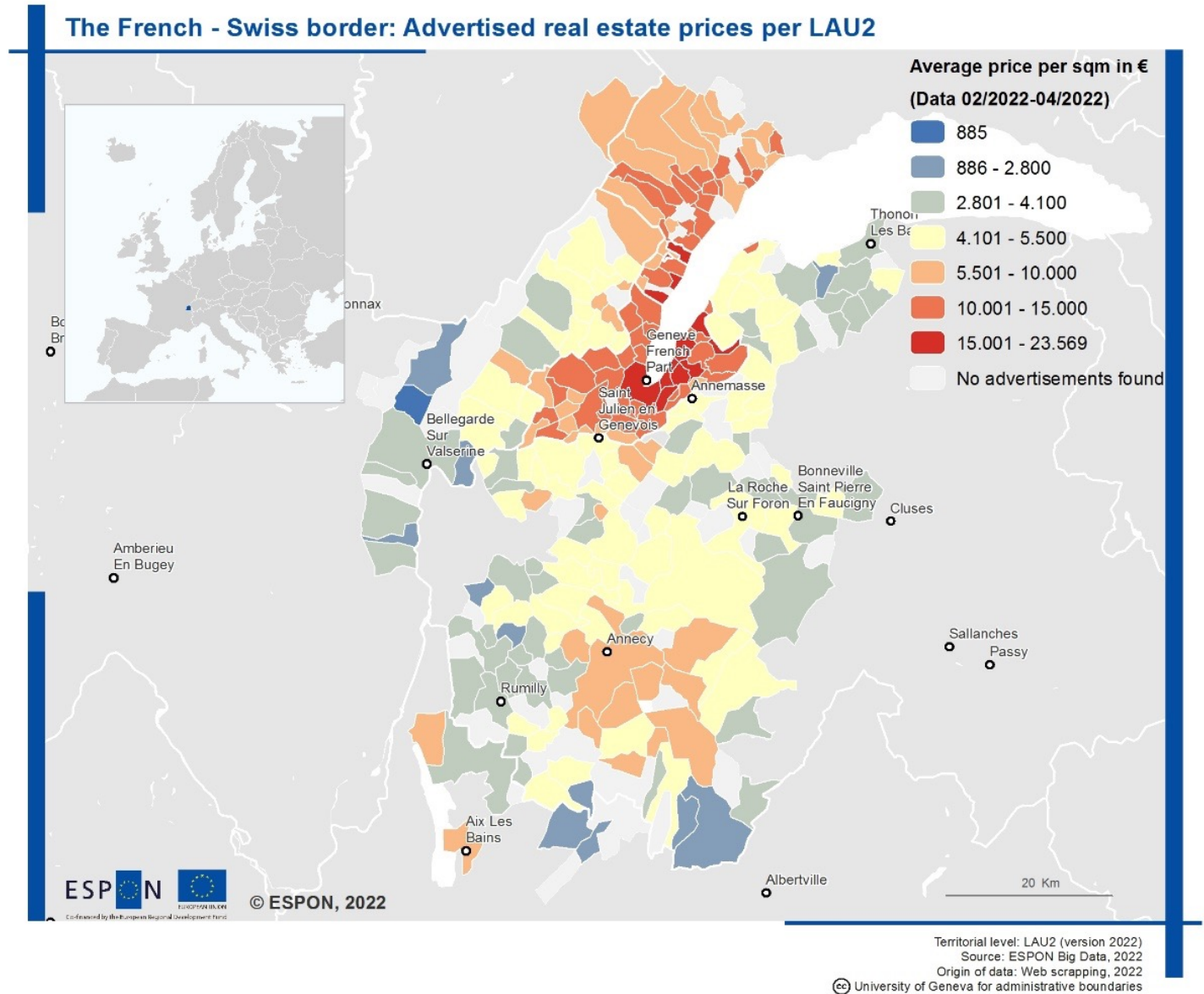
2.Policies

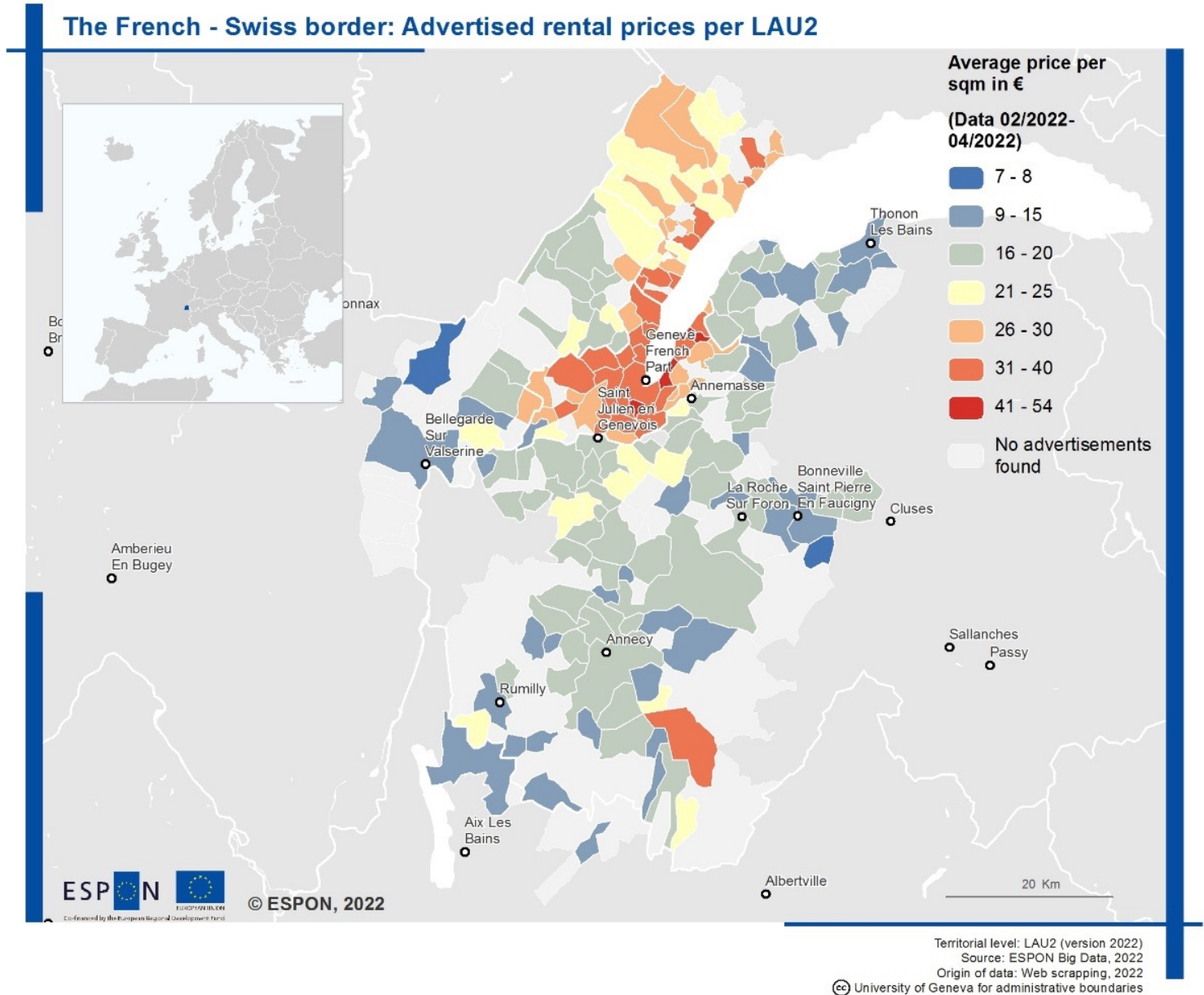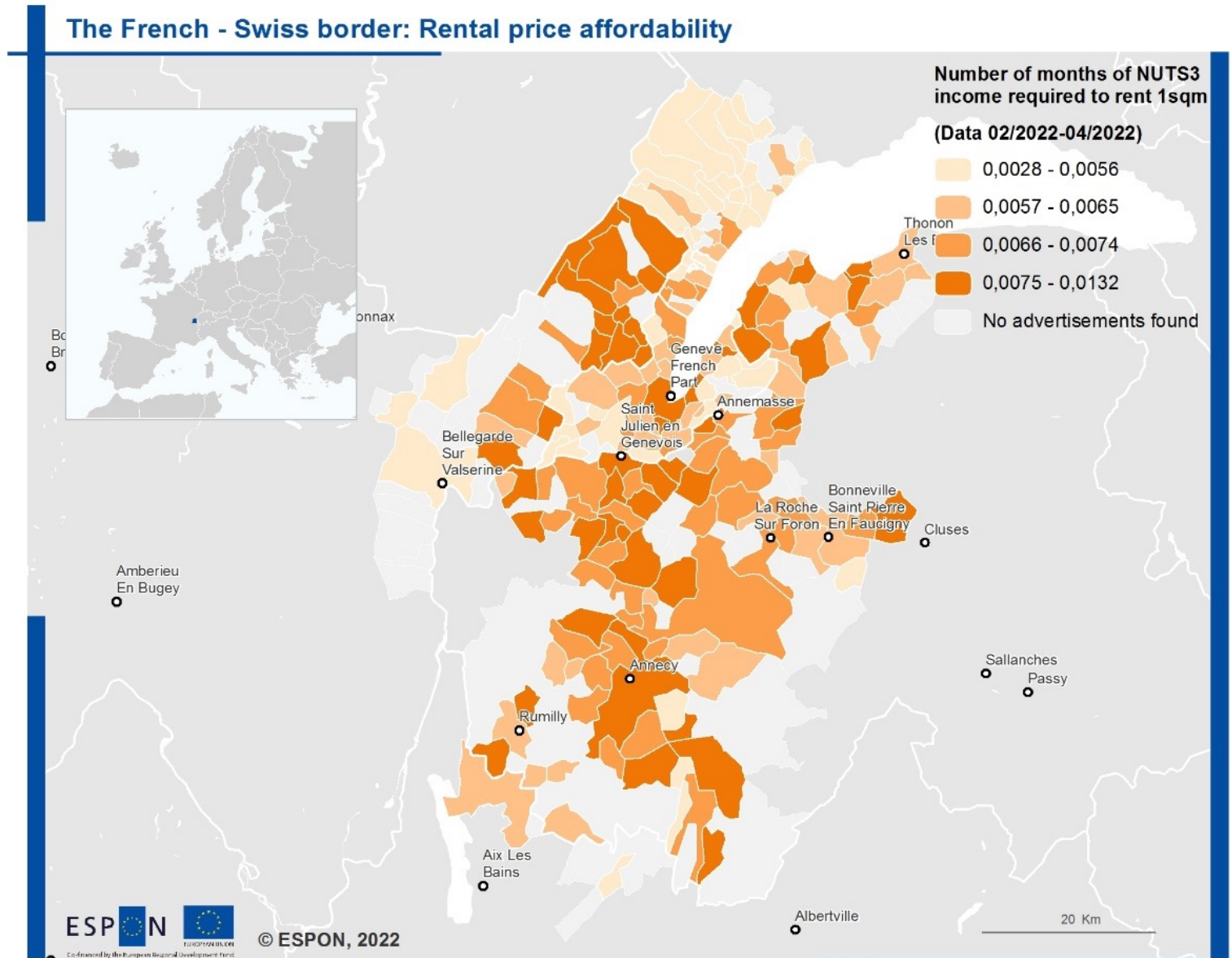| Typology	Switzerland	France
Statutory	- Le Plans Directeur Regional/Cantonal – Spatial planning strategies - Second Homes Act 2015 - Lex Koller Law 1983 – restricts foreigners from purchasing - Spatial Planning Act (LAT/LaLAT) - Le Loi générale sur les zones de développement(LGZD) – Genevan law regulating housing & development - General Housing and Tenant Protection Act (Geneva) 1977	- DATAR – national spatial planning legislation setting out frameworks - Le SCOT & PLU – locally enforced spatial planning strategies - SRU – stipulates that 25% of housing in urban communes are reserved for HLM stock - ALUR – places penalties on communes missing 25% HLM residential stock - ELAN – housing reform legislation modernising planning system
Fiscal	- Price Controls on Housing Markets - LDTR – price control on renovated housing - Opening a Home Savings Account with State Bank - LAPI - State-backed Guarantee System - Registration Fee Reductions - Repayable Advances & State-Backed Loans - Surcharge placed on subsidised housing tenants who exceed income level	- Caisse des Depots et Consignations – public investment banks providing low-cost loans - Tax exemptions/reductions for landlords commanding lowered rental rates - Rent controlled zones - Housing Savings Plans (Compte Epargne Logement) - Regulated Loans for Owner-Occupied & PAS ownership - PTZ – 0% subsidised loans from - Tax rebate for new PRS construction - ANAH Grants – for landlords upgrading property
Public	- HBM – affordable housing blocks owned by public utility real estate agencies - HLM – low-income social housing - HM – mixed housing intended tenants on subsidy - LUP – public utility housing within category of HBMs	- HLM – low-income socialised housing owned by public companies or municipalities - Subsidised affordable housing
Universal	- Housing Allowance - Subsidized Housing - Non-profit Housing Cooperatives	- APL – universal rental assistance payment - PAH – home improvement subsidy for low-income owner occupiers

Number

The French - Swiss border: Number of offers per LAU2 in real estate market

Number of advertisements
(Data 02/2022-04/2022)

- 1 - 5
- 6 - 10
- 11 - 25
- 26 - 50
- 51 - 60
- 61 - 100
- 101 - 204

LAU2
No advertisements found

© ESPON, 2022

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
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Prices

The French - Swiss border: Advertised real estate prices per LAU2

Average price per sqm in €
(Data 02/2022-04/2022)

- 885
- 886 - 2.800
- 2.801 - 4.100
- 4.101 - 5.500
- 5.501 - 10.000
- 10.001 - 15.000
- 15.001 - 23.569
- No advertisements found

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
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Prices

The French - Swiss border: Advertised rental prices per LAU2

Average price per sqm in €

(Data 02/2022-04/2022)

- 7 - 8
- 9 - 15
- 16 - 20
- 21 - 25
- 26 - 30
- 31 - 40
- 41 - 54
- No advertisements found

© ESPON, 2022

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
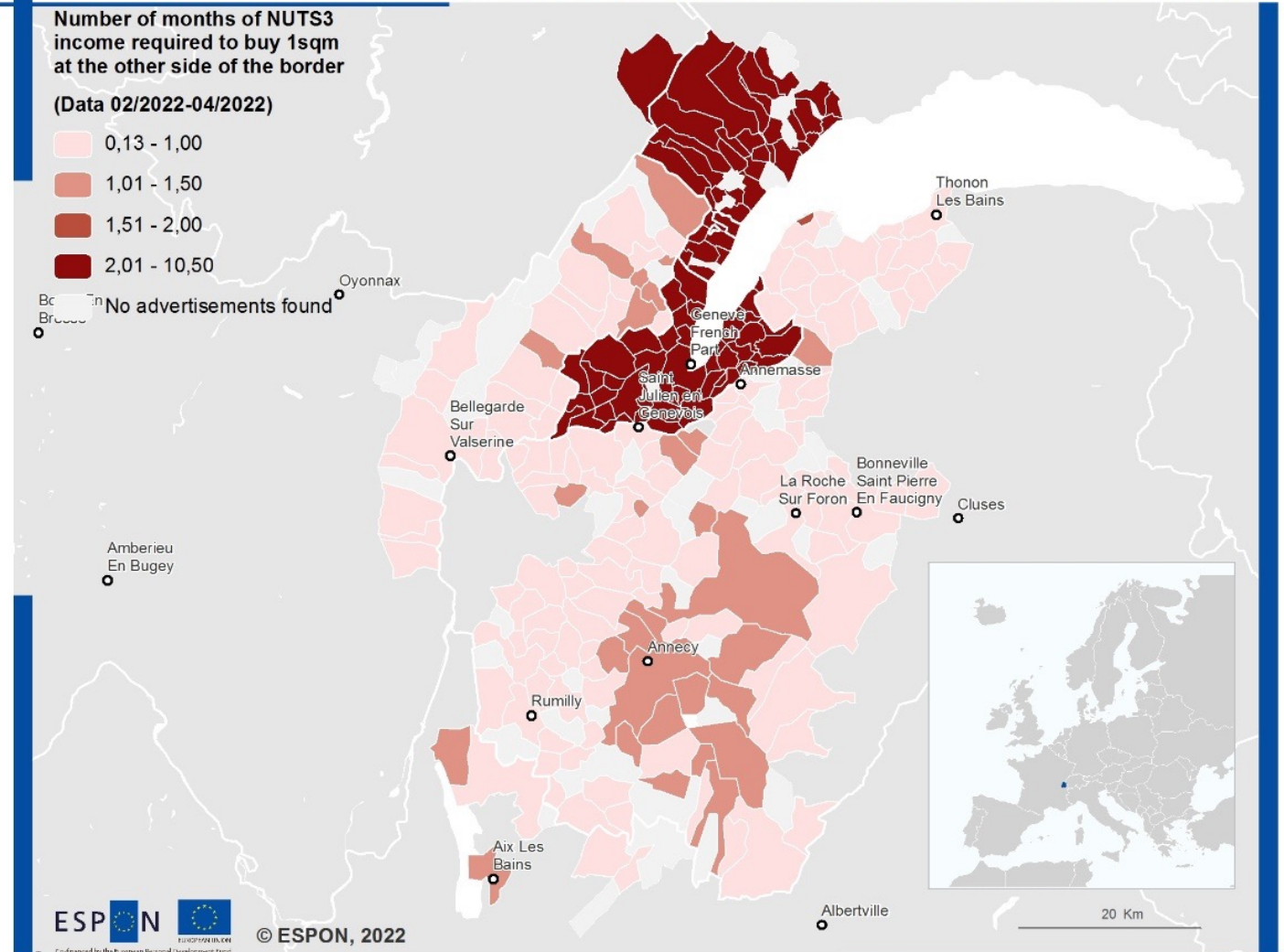University of Geneva for administrative boundaries

Affordability

The French - Swiss border: Rental price affordability

Number of months of NUTS3 income required to rent 1sqm

(Data 02/2022-04/2022)

- 0,0028 - 0,0056
- 0,0057 - 0,0065
- 0,0066 - 0,0074
- 0,0075 - 0,0132
- No advertisements found

© ESPON, 2022

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022/EUROSTAT,2018
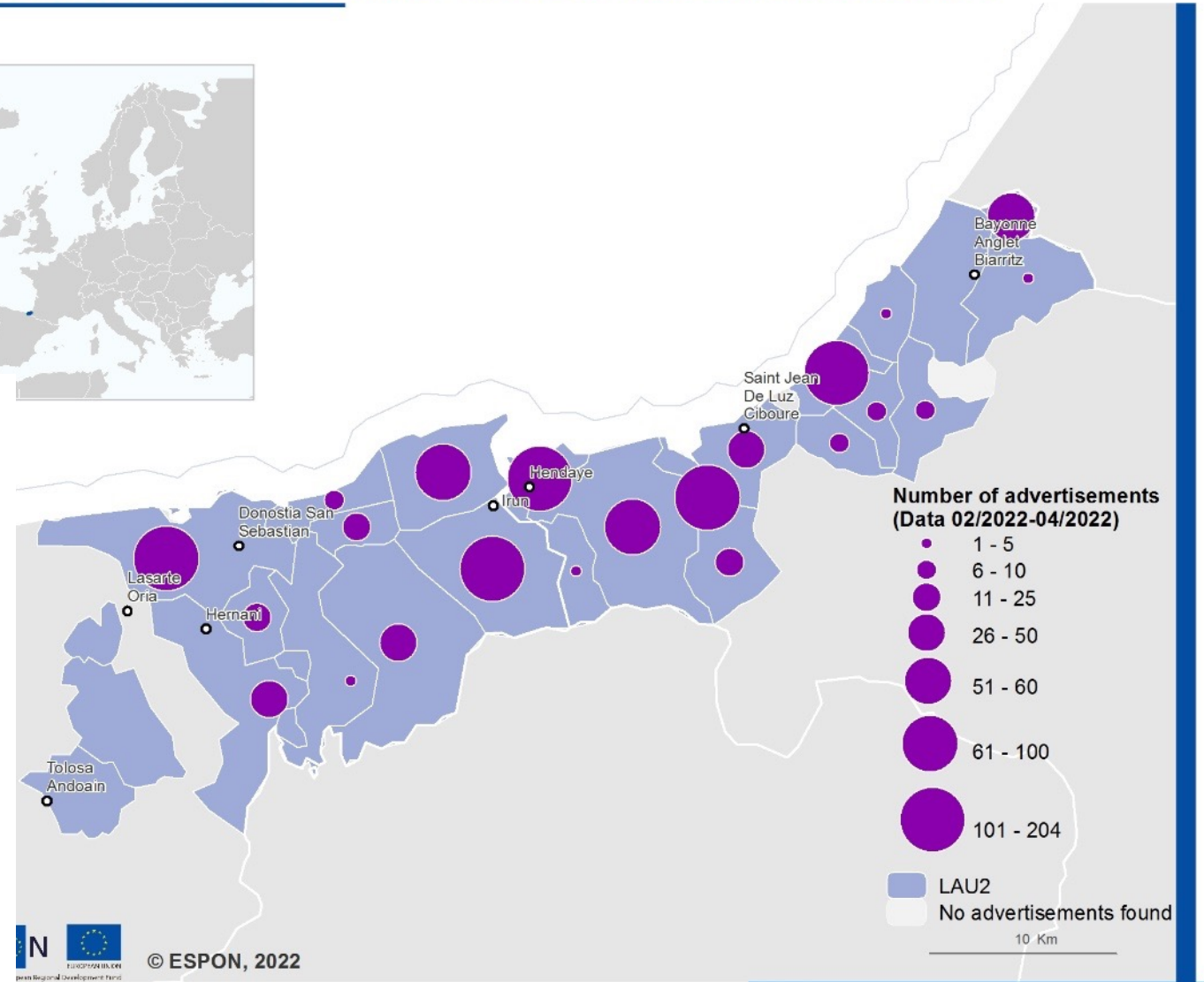University of Geneva for administrative boundaries

Affordability

5

Findings

1. Switzerland-France
2. France- Spain
3. Austria-Slovakia
4. Ireland – Northern Ireland

The Spanish-French border: The San Sebastian - Bayonne Corridor

© ESPON, 2021

Territorial level: LAU2 (version 2011)
Source: <activity>, <year>
Origin of data: <data source>, <year>
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○ UMZ

San-Sebastian-Bayonne corridor

1France- Spain
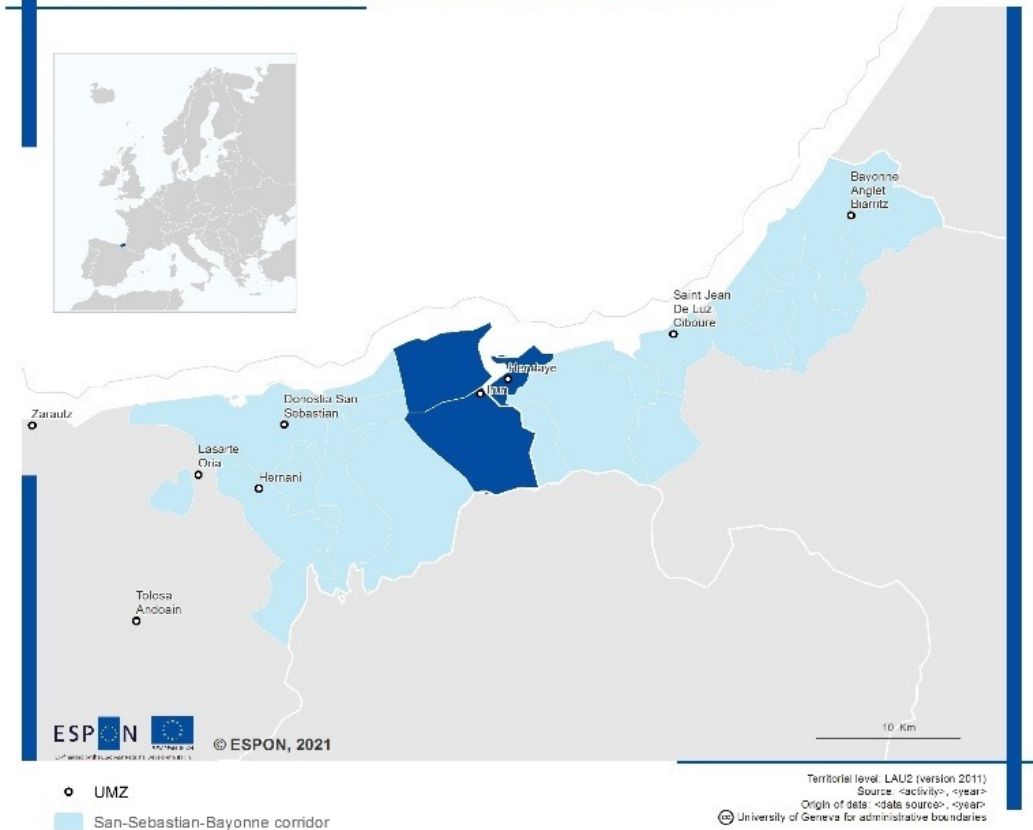
Offers

The Spanish-French border: Number of offers per LAU2 in real estate market

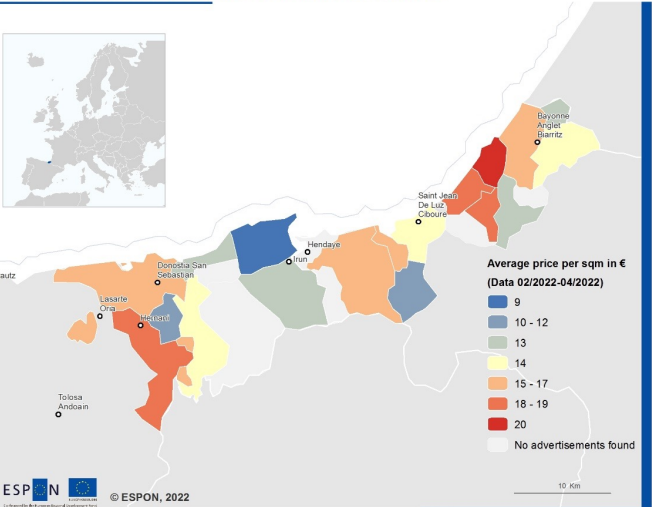The Spanish-French border: Number of offers per LAU2 in rental market
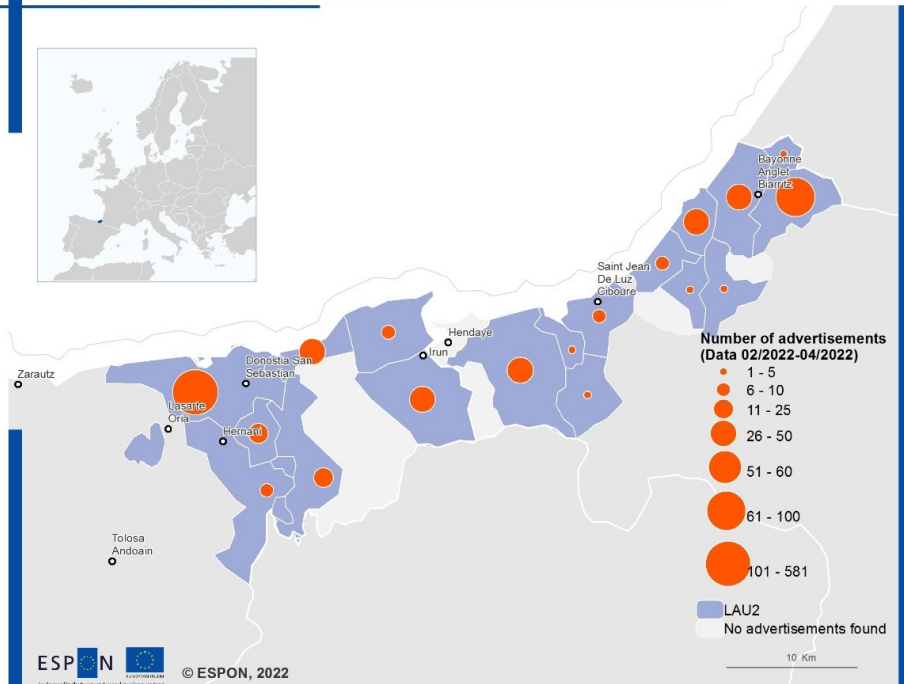
Prices

The Spanish-French border: Advertised rental prices per LAU2

The Spanish-French border: Advertised real estate prices per LAU2

Average price per sqm in €
(Data 02/2022-04/2022)

- 2.525 - 2.600
- 2.601 - 2.800
- 2.801 - 3.500
- 3.501 - 5.000
- 5.001 - 6.300
- 6.301 - 6.900
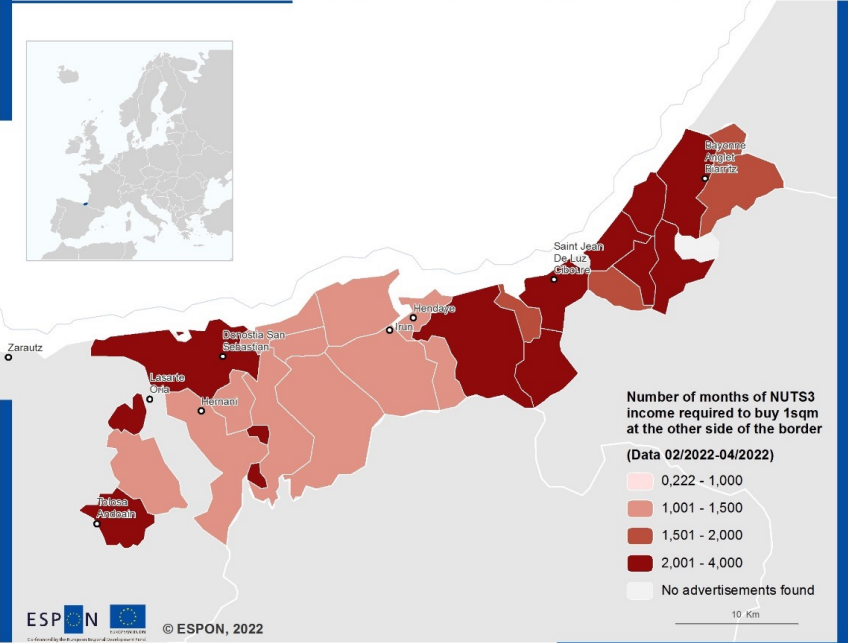- 6.901 - 8.182
- No advertisements found
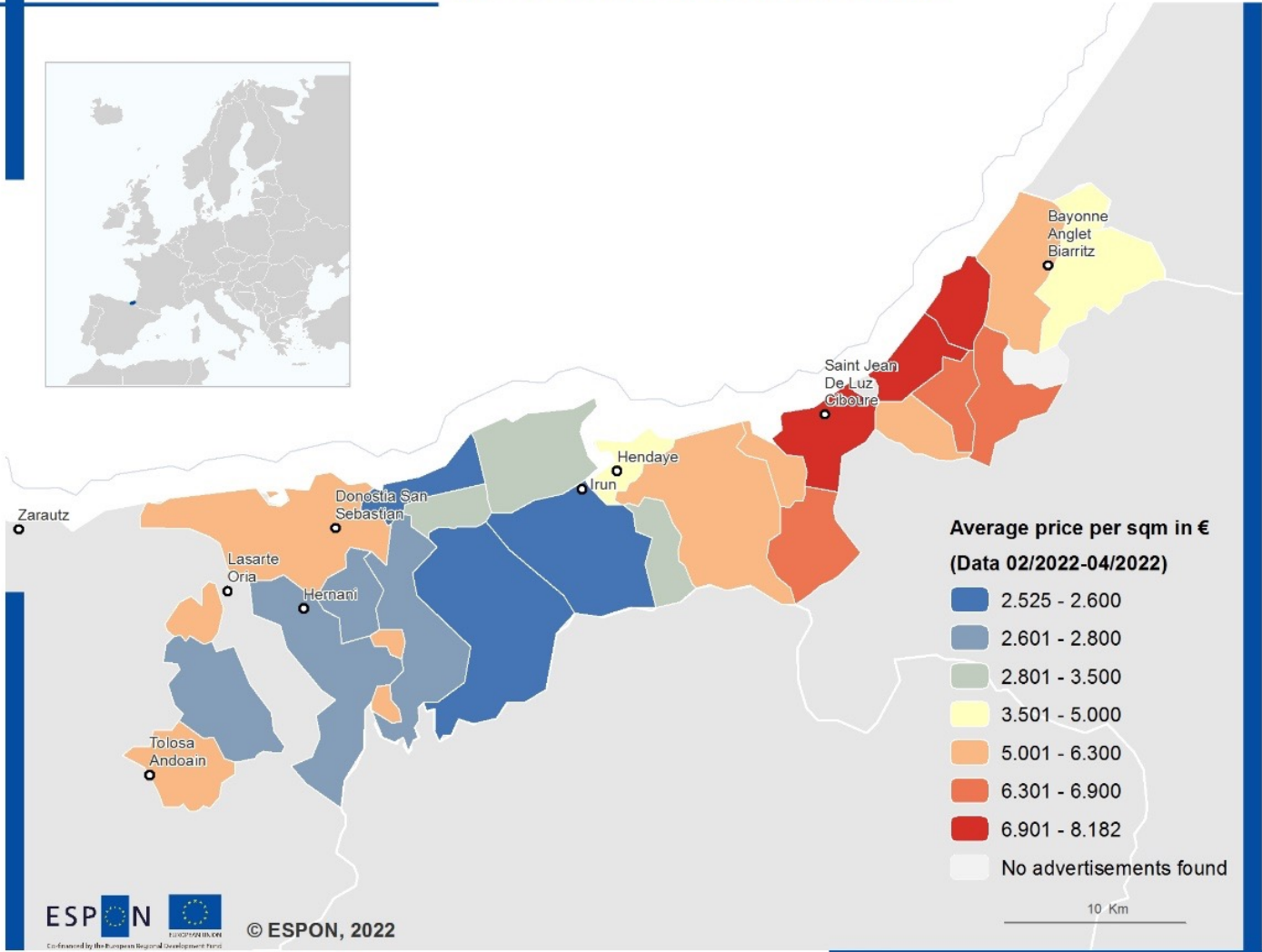
© ESPON, 2022

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
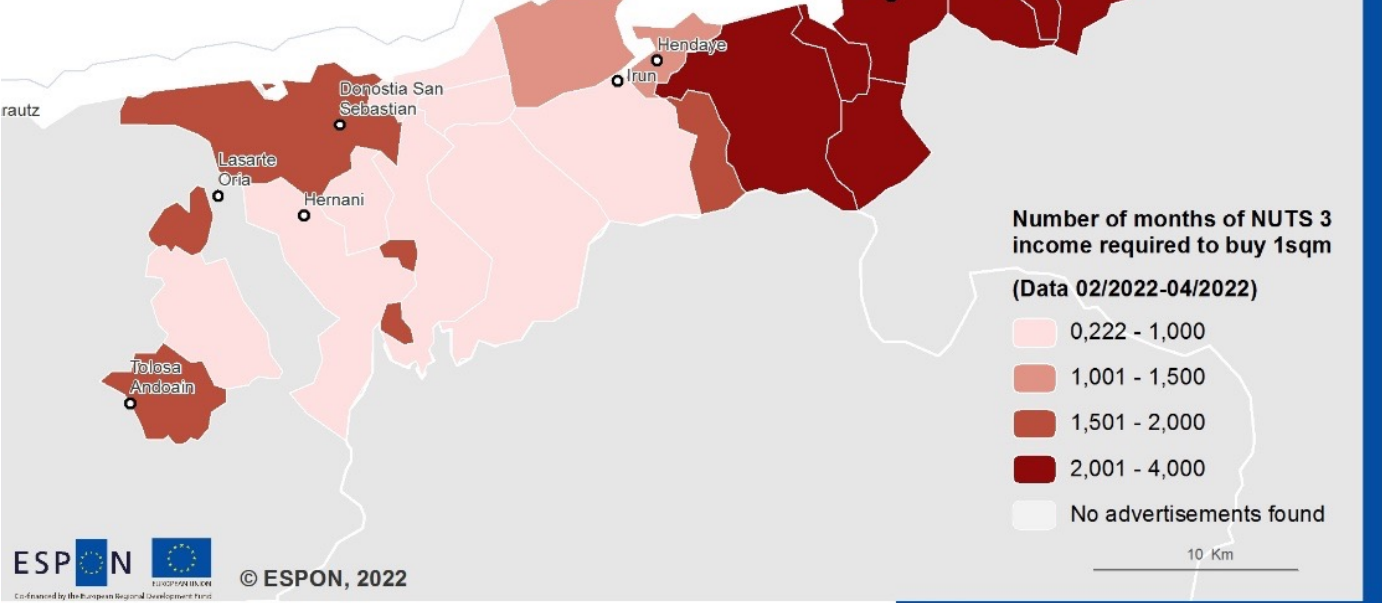University of Geneva for administrative boundaries

Prices

The Spanish-French border: Sales price affordability

The Spanish-French border: Sales price affordability- buying at the other side of the border

Number of months of NUTS 3 income required to buy 1sqm

(Data 02/2022-04/2022)

- 0,222 - 1,000
- 1,001 - 1,500
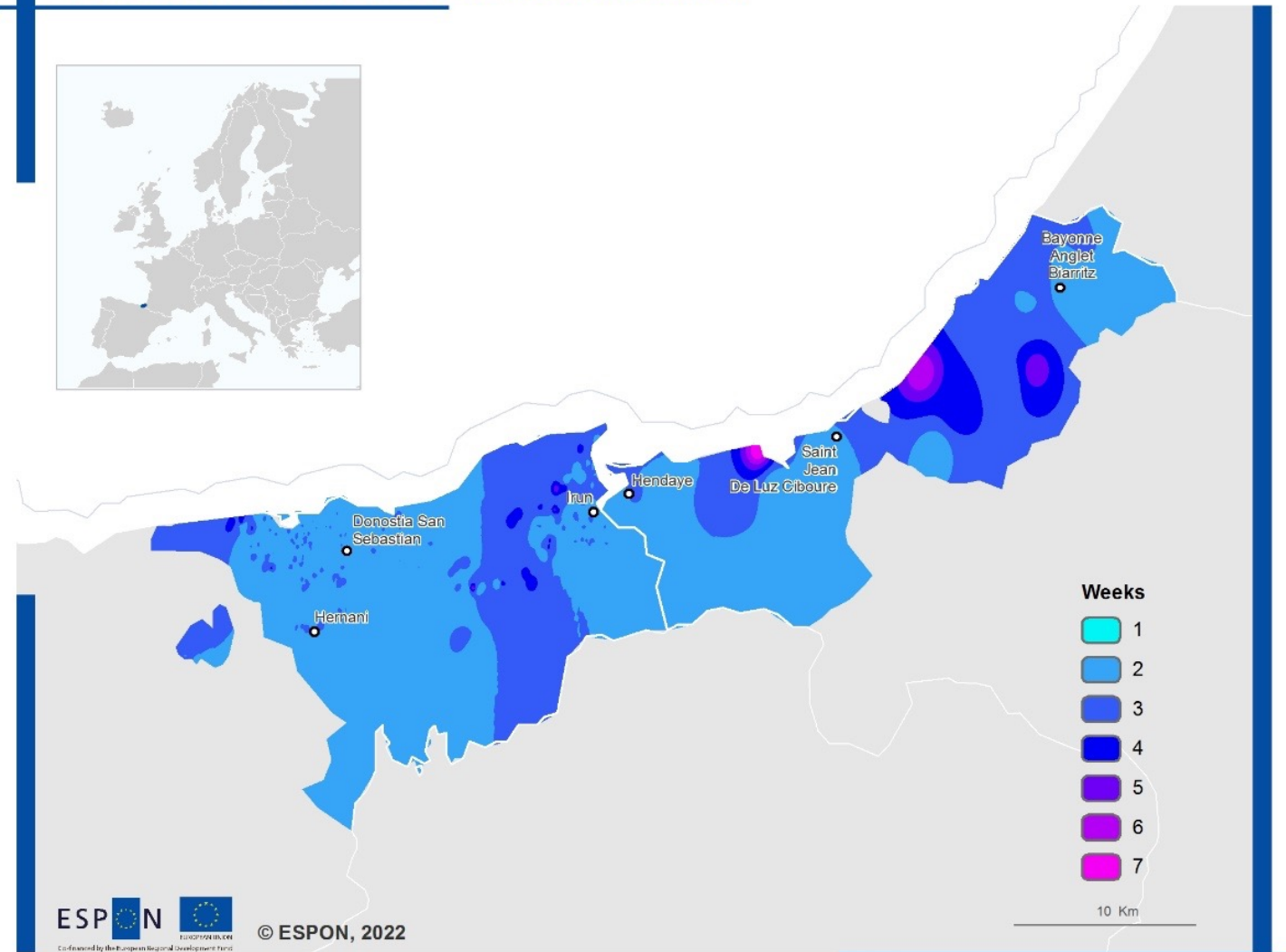- 1,501 - 2,000
- 2,001 - 4,000
- No advertisements found

10 Km

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022/EUROSTAT,2018
University of Geneva for administrative boundaries

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Duration

The Spanish-French border: Advertisement duration

Weeks
- 1
- 2
- 3
- 4
- 5
- 6
- 7

10 Km

© ESPON, 2022

Territorial level: LAU2 (version 2020)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
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The Austrian-Slovakian border: The Vienna-Bratislava Corridor

5

Findings

1. Switzerland-France
2. France- Spain
3. Austria-Slovakia
4. Ireland – Northern Ireland

The Austrian-Slovakian border: Rental profitability

Advertized prices for properties (€/sqm 2022) over Advertized rental prices (€/sqm 2022)

- 155 - 200
- 201 - 250
- 251 - 300
- 301 - 650
- No advertisements found

Territorial level: LAU2 (version 2022)
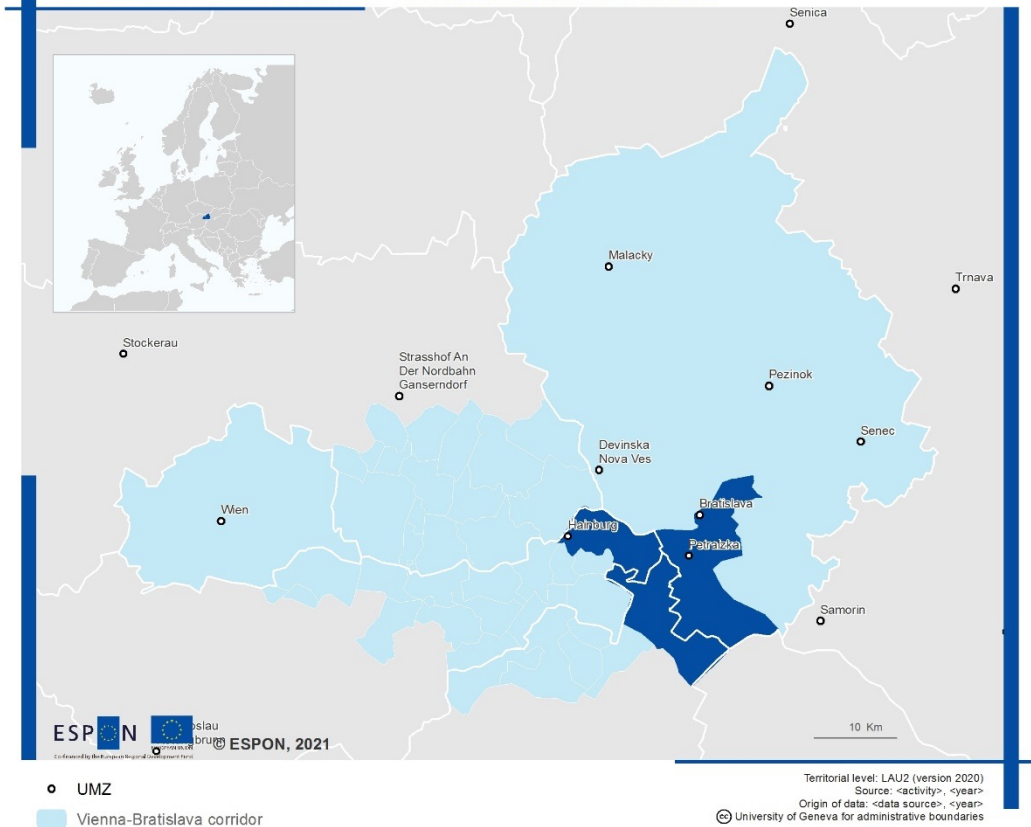Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
University of Geneva for administrative boundaries

© ESPON, 2022
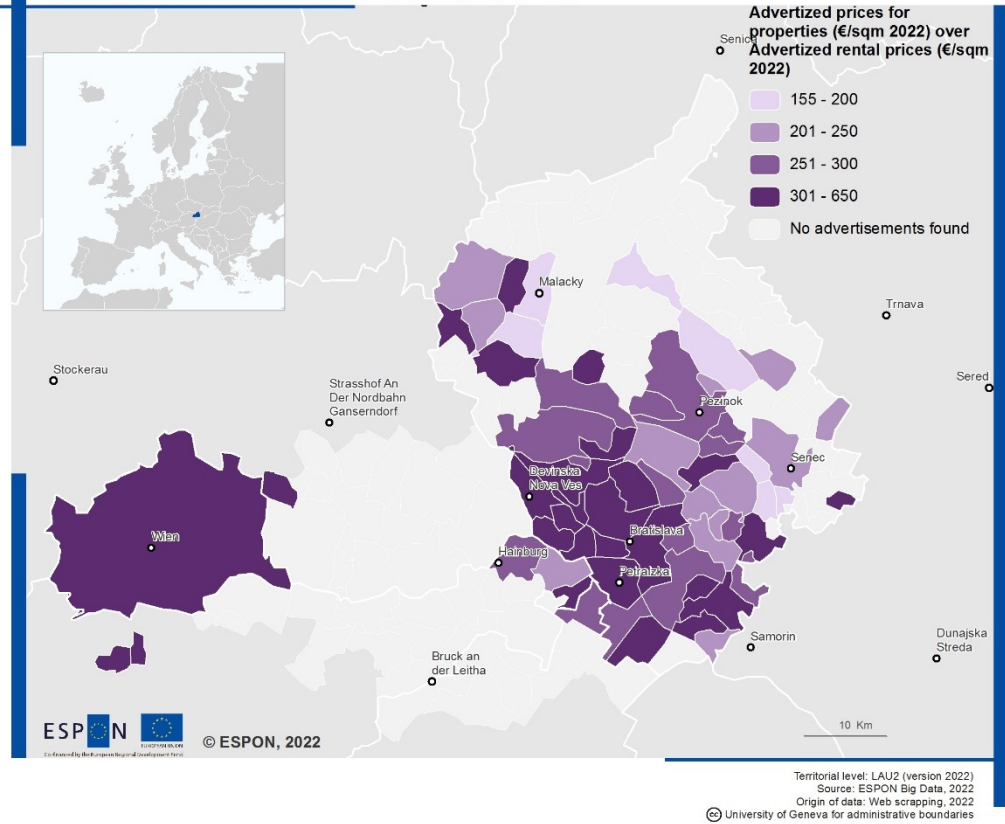
The Austrian-Slovakian border: Rental price affordability-rental at the other side of the border

Number of months of NUTS3 income required to rent 1sqm at the other side of the border
(Data 02/2022-04/2022)

- 0,0012 - 0,0020
- 0,0021 - 0,0040
- 0,0041 - 0,0050
- 0,0051 - 0,0078
- No advertisements found

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022/EUROSTAT,2018
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The Austrian-Slovakian border: Number of multi family dwellings (apartments) advertised per LAU2

The Austrian-Slovakian border: Advertisement duration

5

Findings

1. Switzerland-France
2. France- Spain
3. Austria-Slovakia
4. Ireland – Northern Ireland

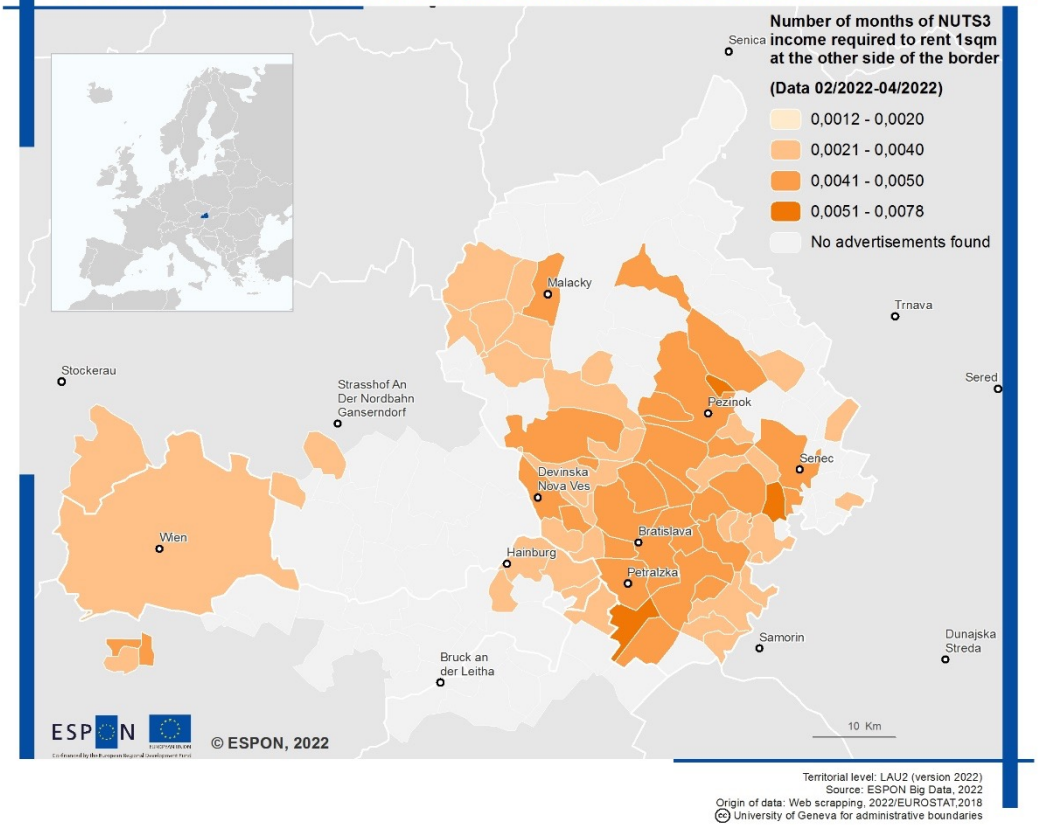The Ireland - Northern Ireland: The Dublin- Dundalk - Newry- Belfast Corridor

Scenario
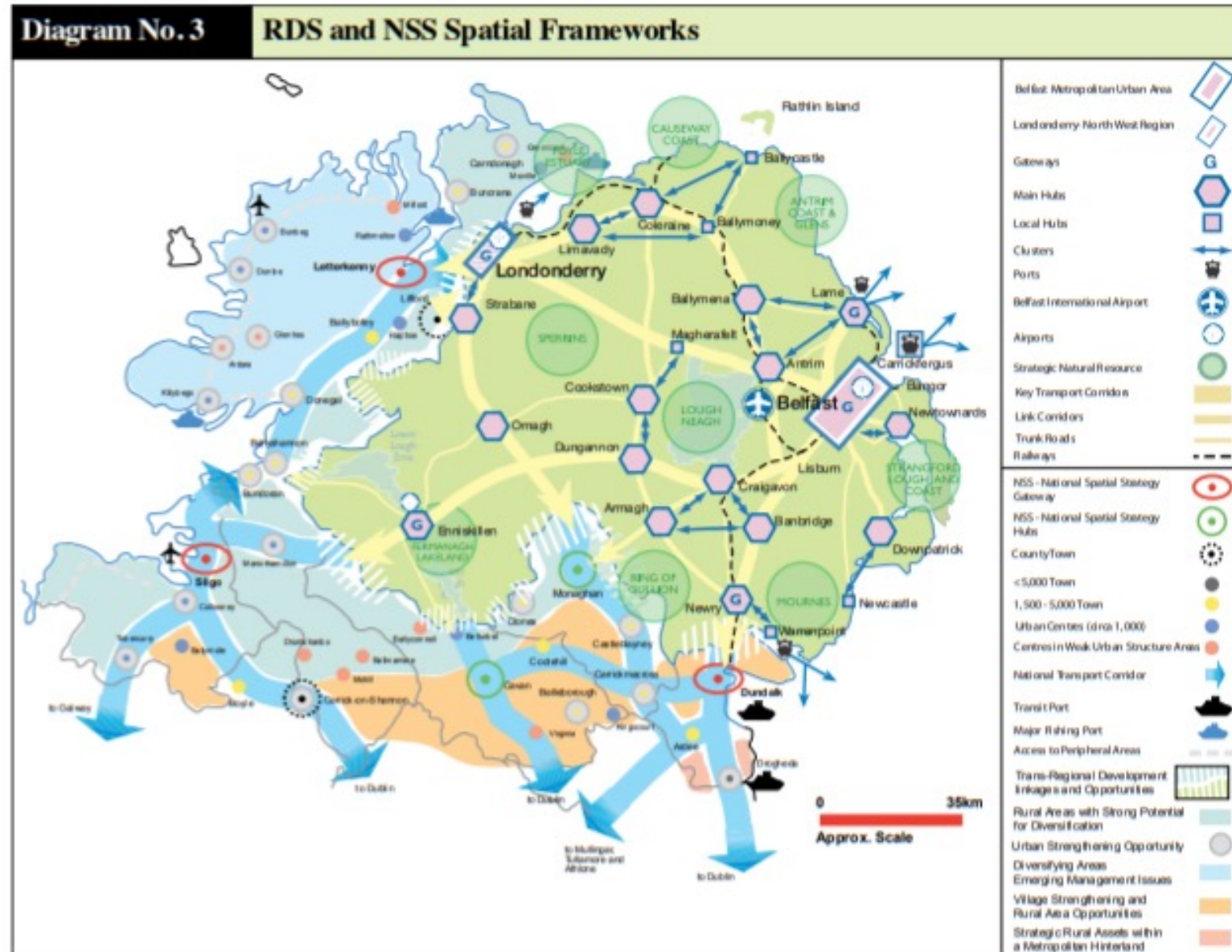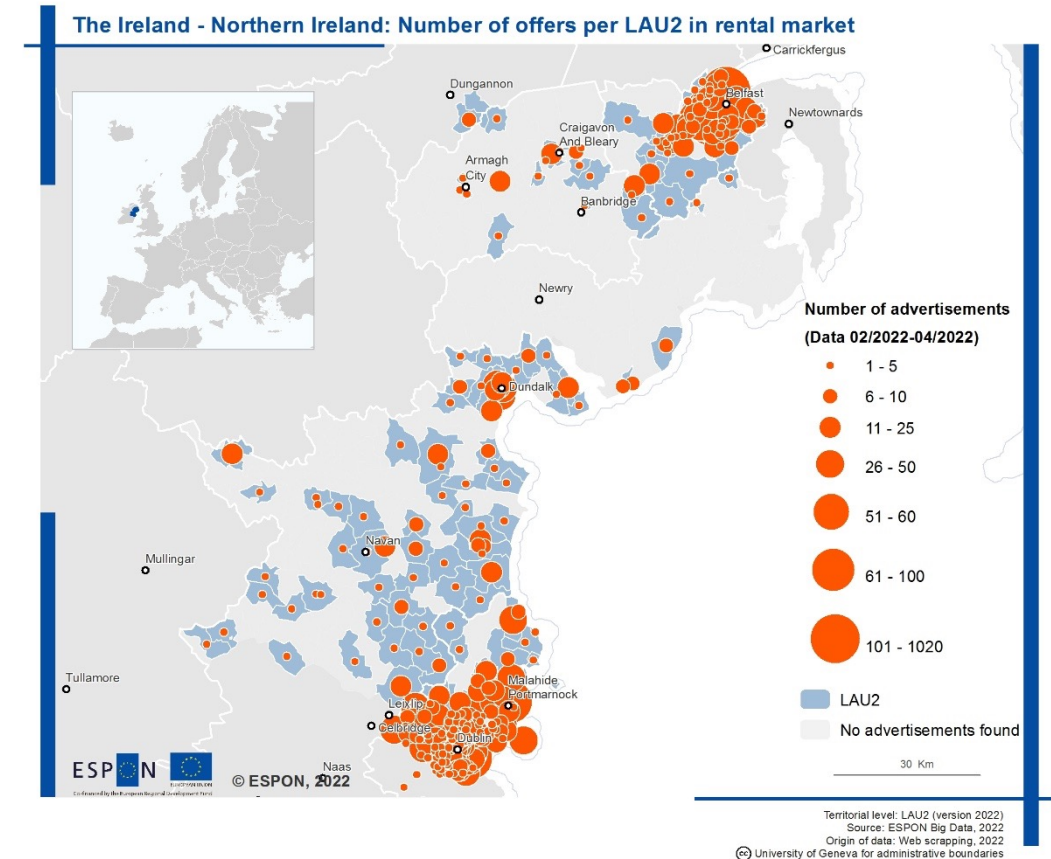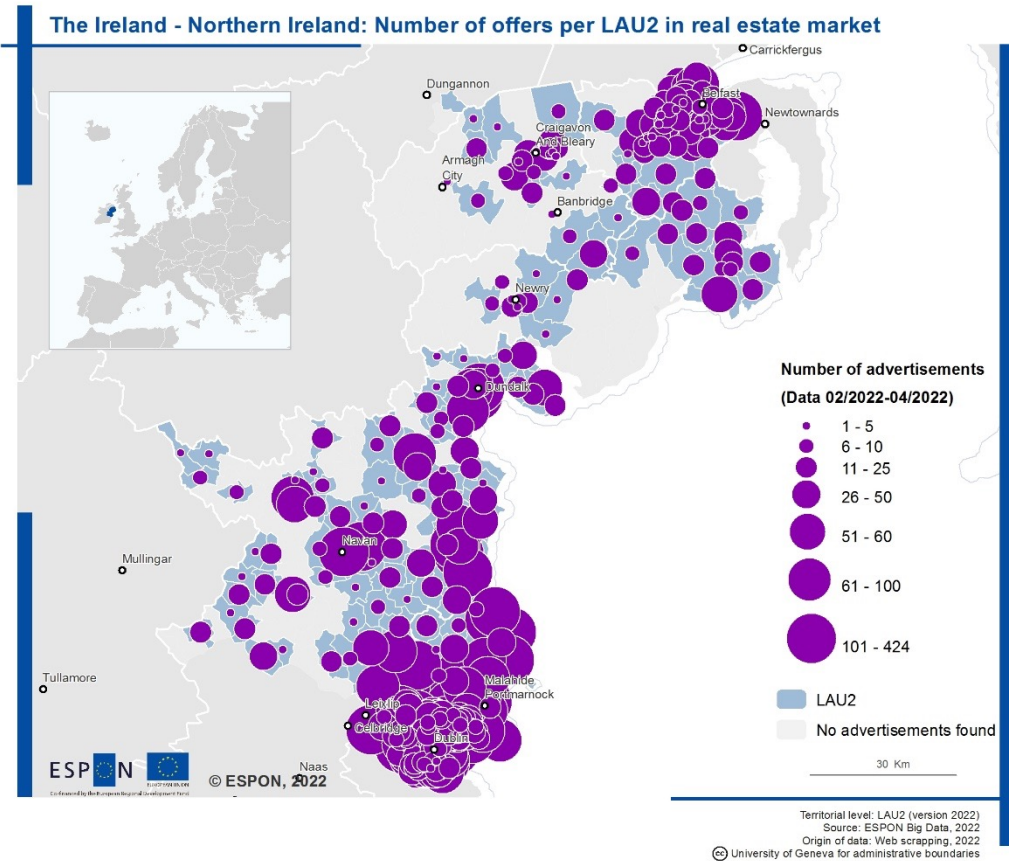
Box 1: Irish Household Scenario

Aine and Bláthnaid currently rent an apartment together in the Dublin Docklands. Aine works for a tech company also based in the Docklands while Bláthnaid works for the Irish civil service in a government department based in Dublin city centre. Hence, renting an apartment in the Docklands has suited their needs as a young couple as they have been able to walk or cycle to work and all their services. Recently, Bláthnaid has decided to return to academia and accepted a PhD position at Queen's University Belfast. While there are direct train connections to Belfast from Dublin city centre, the young couple desire to eventually purchase their own home. Despite Aine's high salary working for a tech company in the Docklands, housing prices in the Dublin area are so expensive that the couple would be unable to afford a mortgage to buy within the Dublin area. Given Bláthnaid's new job in the North and more flexibility for Aine to work from home due to COVID-19, the girls have decided to search for a property to buy in Newry. With less restrictions on accessing finance in the North along with lower housing prices, purchasing a house in Newry makes the most sense both financially and geographically. By relocating to Newry, the girls will have more living space, be within a feasible commuting distance to both Belfast and Dublin and will be saving money as the cost of living is less than in the Republic especially given Ailbhe's high income from working in the tech sector.
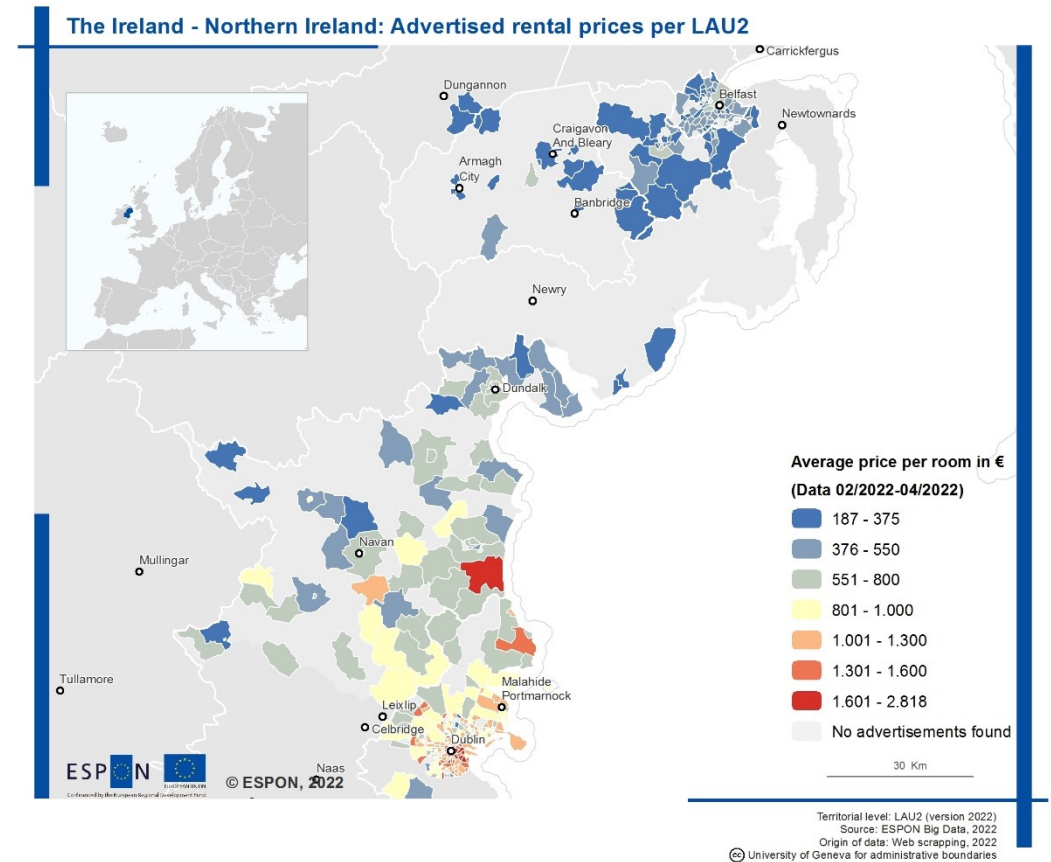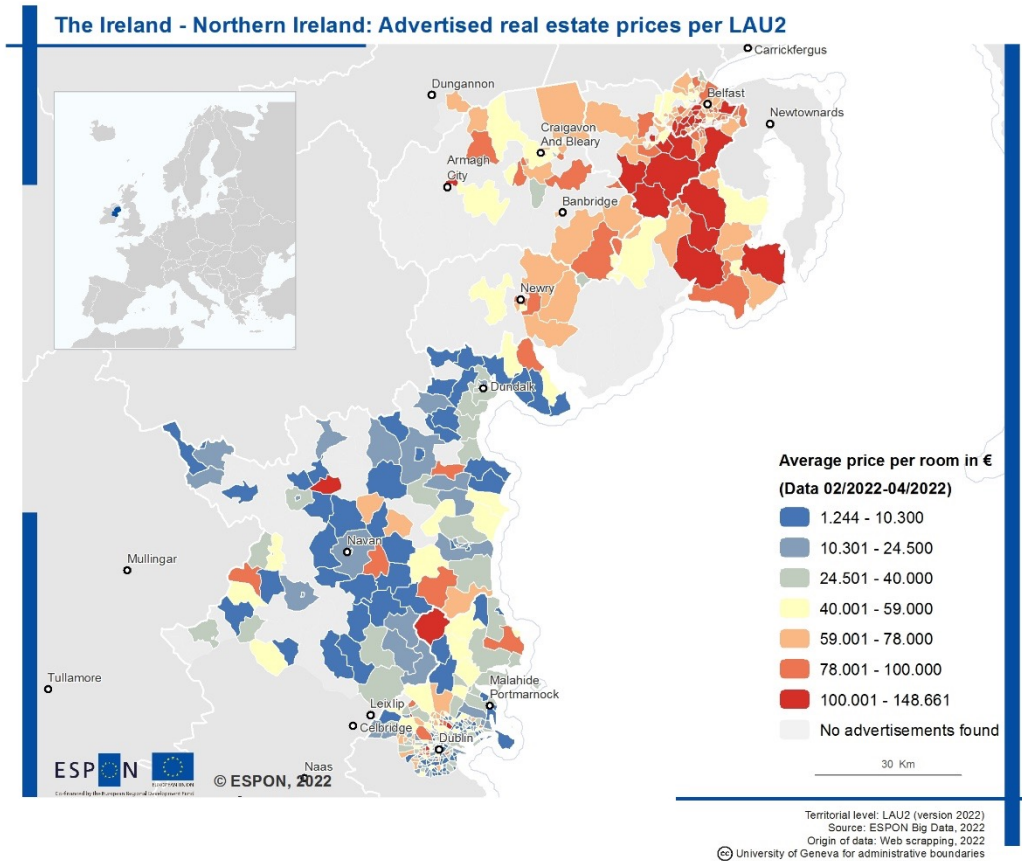
Scenario

Offers

The Ireland - Northern Ireland: Number of offers per LAU2 in real estate market

The Ireland - Northern Ireland: Number of offers per LAU2 in rental market

Prices

The Ireland - Northern Ireland: Advertised real estate prices per LAU2

Average price per room in €
(Data 02/2022-04/2022)

- 1.244 - 10.300
- 10.301 - 24.500
- 24.501 - 40.000
- 40.001 - 59.000
- 59.001 - 78.000
- 78.001 - 100.000
- 100.001 - 148.661
- No advertisements found

30 Km

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Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
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The Ireland - Northern Ireland: Advertised rental prices per LAU2

Average price per room in €
(Data 02/2022-04/2022)

- 187 - 375
- 376 - 550
- 551 - 800
- 801 - 1.000
- 1.001 - 1.300
- 1.301 - 1.600
- 1.601 - 2.818
- No advertisements found

30 Km

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Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022
University of Geneva for administrative boundaries
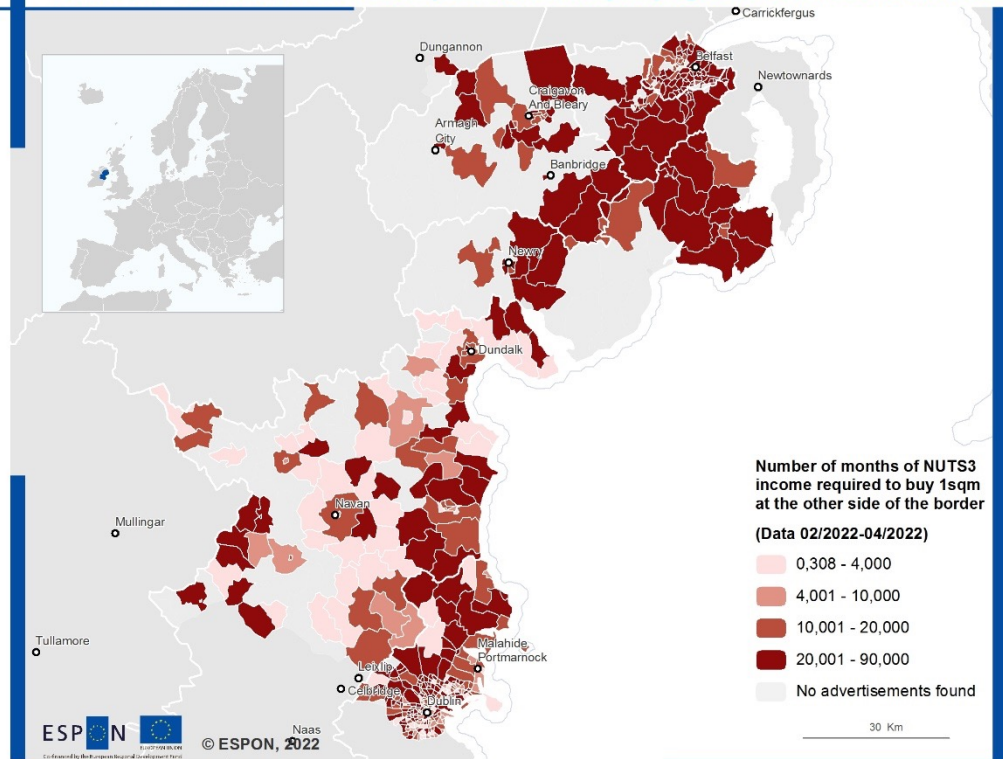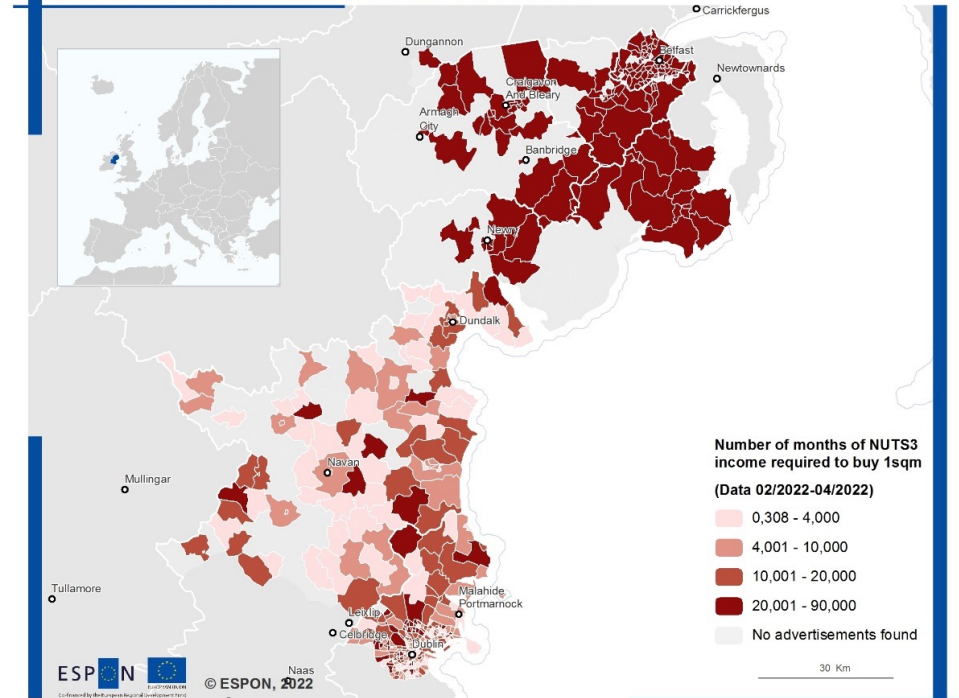
Affordability

The Ireland - Northern Ireland: Sales price affordability-buying at the other side of the border

Number of months of NUTS3 income required to buy 1sqm at the other side of the border

(Data 02/2022-04/2022)

- 0,308 - 4,000
- 4,001 - 10,000
- 10,001 - 20,000
- 20,001 - 90,000
- No advertisements found

30 Km

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Webt scrapping, 2022/EUROSTAT,2018
University of Geneva for administrative boundaries

The Ireland - Northern Ireland: Sales price affordability

Number of months of NUTS3 income required to buy 1sqm

(Data 02/2022-04/2022)

- 0,308 - 4,000
- 4,001 - 10,000
- 10,001 - 20,000
- 20,001 - 90,000
- No advertisements found

30 Km

Territorial level: LAU2 (version 2022)
Source: ESPON Big Data, 2022
Origin of data: Web scrapping, 2022/EUROSTAT,2018
University of Geneva for administrative boundaries

5/31/22

Conclusions

// **Thank you**

Inspire Policy Making with Territorial Evidence

Co-financed by the European Regional Development Fund