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Feedback on the consultation on revised State aid SGEI rules for affordable housing

1 INTRODUCTION

We refer to the public consultation on the revised SGEI Decision, which aims to introduce new rules for affordable-housing SGEIs.

The Norwegian Association of Local and Regional Authorities (KS) hereby submits its feedback. All of Norway's 357 municipalities and 15 counties are members of KS. Our member municipalities and counties are responsible for and handle many State aid cases annually. Many implement policies for affordable and/or social housing. In this context, legal certainty related to funding such housing is important for our members.

2 OUR RECOMMENDATION

In general, we support the initiative and revision of the SGEI decision, introducing new rules for affordable housing and social housing. We also support the changes related to increased leeway for SGEI aid to critical medicines, aviation and maritime sectors.

As the SGEI Decision exempts from the notification requirement, and is to be applied by local, regional and national authorities directly, it is important that the conditions for granting aid to social and affordable housing SGEI are as clear and simple as possible. While most conditions set out in the proposed annex seem appropriate and fitting, some of them may be removed or simplified.

In particular, the requirement in Annex 1 no. 1 (d) that SGEI housing must be available for a "*minimum period of twenty years*" does not appear sufficiently justified. There may be instances where the need for social housing may be more time-limited, where a shorter entrustment period may reduce the public costs.

Aside from the SGEI Decision itself, we emphasize that housing is inherently a local activity. Public funding of housing is never an appropriate means of attracting economic activity from one Member State to another. Accordingly, the rationale underpinning State aid rules is generally less relevant in this sector. In many cases, public support for housing as an economic activity cannot be liable to affect trade within the internal market. It is therefore important that, alongside maintaining clear compatibility rules, the Commission continues to provide clear guidance on the notion of State aid as it applies to housing.

Regards,

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