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**Institutional Regimes for  
Sustainable Collective Housing :**  
Public Housing Stocks in the City of  
Terrassa (Catalonia) : Can Tussell and  
Can Vilardell

Working paper de l'IDHEAP 2009  
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# Institutional Regimes for Sustainable Collective Housing

Volume 3

## Public Housing Stocks in the City of Terrassa (Catalonia): Can Tussell and Can Vilardell

Case study report

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Chaire Politiques publiques et durabilité

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# **Chapter 1: Analytical framework of the institutional regime**

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## **1.1 Introduction**

### 1.1.1 Context

The publication of Our Common Future, also known as the Brundtland Report, provided the world with the now common definition of sustainable development, which is development that “meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (WCED 1987: 24). Although the concept of sustainable development is a recent one, housing research and initiatives that by today’s definition would qualify as being grounded in sustainability have been numerous over the last 100 years, both in European countries and elsewhere in the world. Aside from various small-scale initiatives, however, the vast repository of knowledge we have acquired regarding housing sustainability has not yet been translated into practice at a mass housing scale.

We believe that one reason for this situation is that the influence of the ensemble of formal rules of private and public law and contracts between parties (i.e., institutional regimes or IR) on the sustainability of residential buildings remains largely unknown. Consequently, informed decisions cannot be made regarding systematic public action toward sustainable development. Thus it is vital that we understand how various actors react to changes in institutional regimes and how their resulting behaviour causes the housing stock to become either more or less sustainable. Only then does it become possible for public and private actors to have at their disposal the knowledge to make rational and legitimate decisions regarding building and urban renewal, and the ability to create innovative legislation at the housing policy level, all within the framework of sustainable development.

This publication describes one of six case studies in Switzerland, Germany and Spain that used the analytical framework of the institutional regime to analyse the evolution (sustainable or otherwise) of a housing stock. By analysing specific stocks, we attempt to address the following questions:

How have institutional regimes affected the behaviour of the different actors that have direct or indirect influence on the sustainability of the housing stock at each stage of its lifecycle, from construction, to use, to demolition?

How have the management strategies of housing stock owners adapted over time to changes in institutional regimes and how have these adaptations affected the sustainability of the stock? Furthermore, in cases where owners have a long-term sustainability strategy for their stock, have periods or instances of coherence between regulatory mechanisms allowed owners to better achieve their management and sustainability objectives?

Are regulatory deficiencies (lack of regulations, inappropriate regulations, contradictions between regulations) the principle reason that, given the existing body of knowledge on housing sustainability, there is still a lack of mass sustainable housing on the ground?

### 1.1.2 About this working paper series

This working paper presents the results of one of six case studies on housing sustainability conducted in Switzerland, Germany and Spain. It is part of a larger international comparative research project conducted by the Swiss Graduate School of Public Administration (IDHEAP), Switzerland, the Institute for Industrial Building Production (IFIB) at the University of Karlsruhe, Germany, the Institute of Government and Public Policies (IGOP) at the Autonomous University of Barcelona, Spain and the Institute of Historic Building Research and Conservation (IDB) at the Swiss Federal Institute of Technology in Zurich, Switzerland.

This research is funded through the Swiss National Science Foundation's National Research Project 54 on Sustainable Development of the Built Environment, project 405440-107088. It is directed by Peter Knoepfel (IDHEAP, Switzerland), Niklaus Kohler (IFIB, Germany), Joan Subirats (IGOP, Spain) and Uta Hassler (IDB, Switzerland).

### 1.1.3 Outline of working paper

This remainder of this chapter, written by Lee Nicol and Peter Knoepfel of IDHEAP, describes the institutional regimes framework and how it is applied to the artificial resource 'the housing stock'.

Chapter 2 presents the context of the case study housing stock. It begins with a historical overview of the stock including a description of changes in management strategies in time as well as any ruptures in the use of goods and services. This is followed by an overview of the housing situation and housing policy over the period of analysis. It ends with a description of the criteria used for the selection of the housing stock and the resources and methods used for this research.

Chapter 3 is a detailed analysis of the goods and services of the housing stock. Each one is described in terms of the user-actors who use it, its uses, rivalries and complementarities that arise from its use, the effects that are a consequence of its use, relevant public policies, civil laws and contracts that regulate its use, and finally an evaluation of elements that will allow us to eventually determine the extent and coherence of the regime.

Based on the analysis of the previous chapter, Chapter 4 presents a discussion of changes in how user-actors have used the goods and services of the case study and in the stock owner's management strategies and whether these are related to changes in regimes. Chapter 5 is an assessment of the regime in terms of its extent and coherence and Chapter 6 presents some conclusions regarding the institutional regime of the stock.

## **1.2 Analytical framework - the institutional regime**

### 1.2.1 The institutional regime

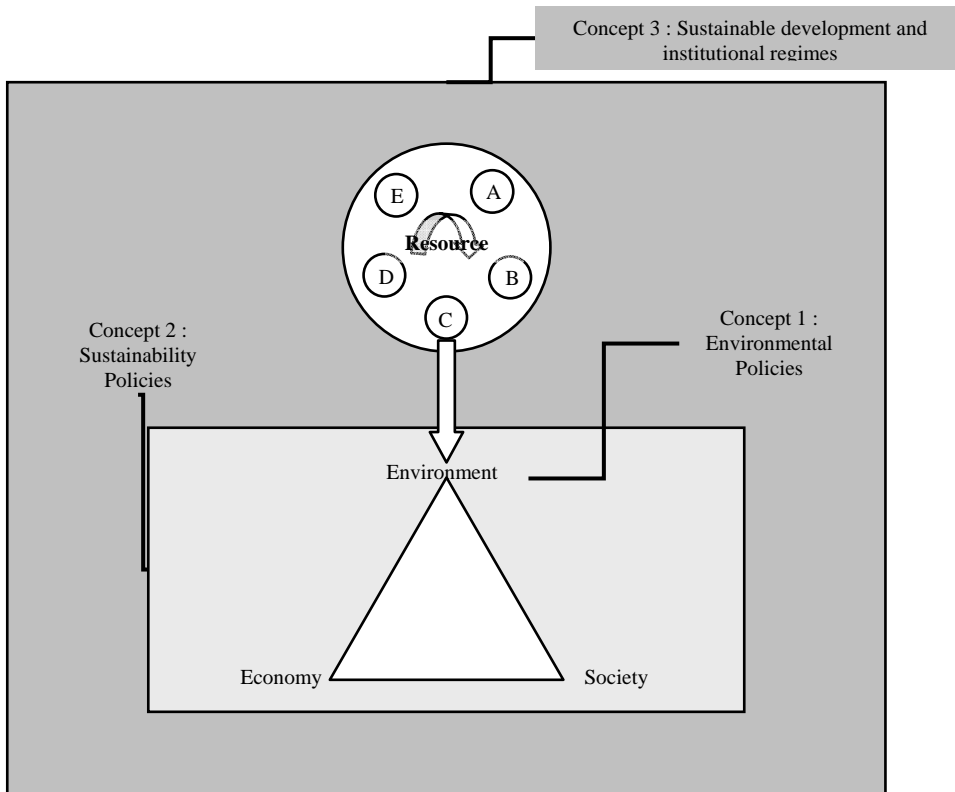
An institutional regime is the more or less coordinated ensemble of public policies, private laws (most notably property rights) and contracts that relate to all user-actors of

a resource, who in turn affect the reproductive capacity of the resource and hence its sustainability. The institutional regimes analytical framework combines institutional economics and property rights theory with policy analysis. The approach is one that is particularly relevant for the analysis of joint use situations in which several users find themselves as rivals with respect to the different uses of a single resource (Knoepfel, Kissling-Näf and Varone 2001: 11-48; Knoepfel, Kissling-Näf and Varone 2003: 1-58). The analysis is based on the institutional natural resources regimes framework developed at the IDHEAP. Further presentations of this analytical framework can be found in: Kissling-Näf and Varone (2000a), (2000b); Knoepfel, Kissling-Näf and Varone (2001: 11-48), (2003: 1-58); Nahrath (2003: 5-55).

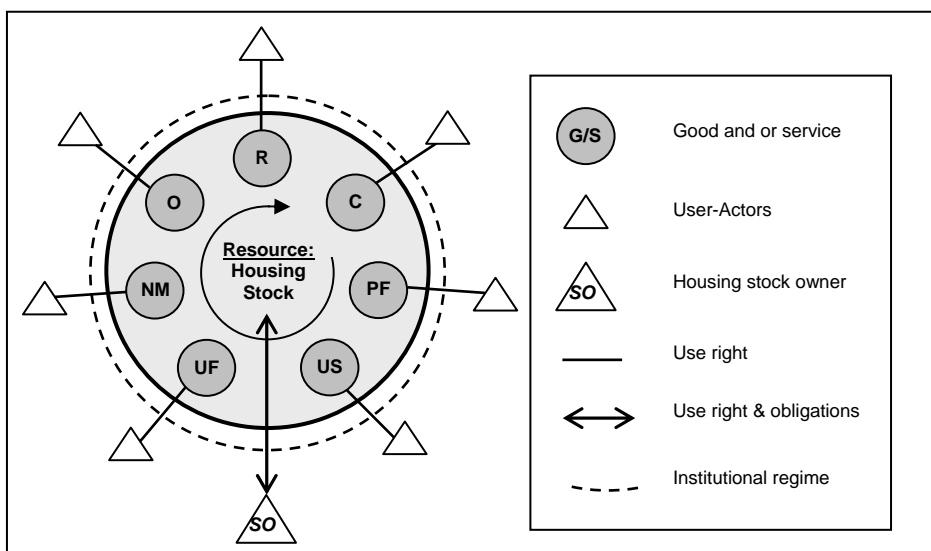
The institutional regime allowing sustainable development is the result of a political process that has gone through three stages of evolution, shown in Figure 1.1, with each stage more comprehensive than the previous one (Knoepfel and Nahrath 2005). The most basic level (and thus incomplete) is the traditional environmental policy whereby policies are in place simply to restrict pollutant emissions. The second stage is that derived from the principle of sustainable development whereby regulations are supposed to guarantee the ecologically, economically, and socially sustainable exploitation of specific services provided by resources. Since these regulations are developed on a sector-by-sector basis and fail to consider the resource as a whole, there is a risk that the pursuit of selected goods and services will ultimately lead to the unsustainable management of the resource. The third level, which is the basis of the institutional regime, is a resource-based approach. This concept distinguishes between the sustainability of the exploitation of the entire resource and the sustainability of the use of individual goods and services. In essence, it is only possible to exploit the many goods and services of a resource sustainably if the reproductive capacity of the resource itself is not put at risk. Consequently, all users of all goods and services of a resource must jointly ensure that their extraction and use do not surpass the limit of its reproductive capacity.

The IR analytical framework (Figure 1.2) is useful for analysing a single resource that offers multiple goods and services that are used by different user-actors. User-actors are granted use rights to a good or service through regulations, which describe the conditions under which the good or service may be exploited. Rivalries between different user-actors occur when the use of a good or service by one user-actor interferes with the use of other goods and services by another actor. Conversely, complementarity occurs when a user-actor's use of a good or service helps other user-actors use theirs.





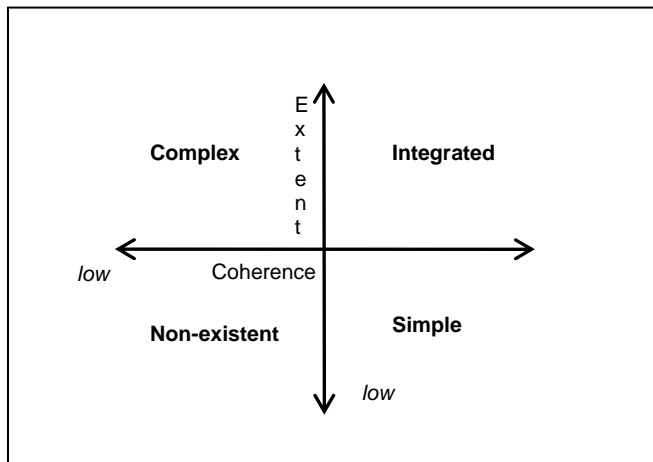
**Figure 1.1: The different levels of conception of sustainability** (source: Knoepfel, Nahrath and Varone 2007)



**Figure 1.2: Institutional regime framework for housing stocks** (source: Nicol and Knoepfel 2008)

An institutional regime can be characterised by its extent and its coherence (Figure 1.3). The extent of the regime describes whether regulations exist for all of the uses of a resource. The coherence refers to the degree of coordination between the public policies, private law regulations, and the contracts that define the regime. An integrated regime

(high extent and high coherence) is a necessary, although not sufficient, condition for the sustainable exploitation of a resource.



**Figure 1.3: Characterisation of institutional regimes** (*source (inter alia): Knoepfel et al. 2001: 38*)

### 1.2.2 The institutional regime of the housing stock

Although the institutional regime analytical framework has traditionally been applied in the field of renewable resources, the concept is well suited for the analysis of non-natural or artificial resources. Accordingly, the housing stock is an artificial resource that offers several goods and services to several user-actors. The use of these goods and services can produce rivalries that in turn threaten the stock's ability to renew itself and thus disable its capacity to exist sustainably. Furthermore, institutional regimes have a strong influence over the behaviour of housing stock owners, who are the holders of property rights, and other user-actors, who have use rights to the various housing and non-housing related goods and services derived from the stock. These changes in behaviour can result in the sustainable or unsustainable evolution of the housing stock.

#### **Research object: the housing stock**

The artificial resource considered in the case studies is the housing stock, defined as a set of residential buildings belonging to a single moral person and for which this person has a certain strategy to manage it. It is this characteristic of common ownership, and not shared geographical location, that is the critical criterion for our definition of a stock. Management strategies and decisions at the housing stock level (such as contracting with a single service provider, or coordinating timing of renovation plans) mean that buildings in different neighbourhoods may have similar characteristics in terms of sustainability evolution.

Thus, although the buildings of a stock may be located in a single geographical area, this is not a necessary condition for selection of a stock. Nonetheless, since there may be regional variations in housing-related regulations and in district characteristics that can affect the implementation of strategies, some case studies focus on a substock (i.e. a subset of a stock existing in a specific district) as the subject for analysis. Finally, the case study housing stocks have existed long enough to have gone through several

institutional regimes, they are of sufficient size, and they have been subject to some type of long-term management strategy.

Since our definition of a housing stock is based on ownership and not on location, a single neighbourhood may be composed of multiple stocks, each one belonging to a different regime (e.g. cooperative housing, investment, social housing, etc.). Urban planners must account for these different types of stocks when undertaking neighbourhood planning. They must unify the different strategies of housing stock owners and the regimes in which they function to create sustainable neighbourhoods. Ignoring these different regimes will result in a disjointed neighbourhood.

### Components of the IR of the housing stock

The main components of the housing stock institutional regime as well as the consequences that arise from the interaction of these components are described below.

#### *Goods and services of a housing stock*

The fundamental units of the housing stock IR are the goods and services that are used by different actors (user-actors). These goods and services encompass a broad range of domains. The goods and services identified and studied in this research are listed in Table 1.1

**Table 1.1: Goods and services of the housing stock**

RS Residential	
RS 1 Living space	RS 2 Indoor climate and technical services
NR Non-residential	
NR 1 Non-residential space	NR 3 Functional indoor space
NR 2 Collective indoor space	NR 4 Collective outdoor space
PF Production Factor	
PF 1 Capital investment	PF 3 Labour investment
PF 2 Land investment	
US Utility Services	
US 1 Energy demand	US 4 Water sink
US 2 Material storage and sink	US 5 Water source
US 3 Material source	
UF Urban Function	
UF 1 Design	UF 3 Demand for institutional services
UF 2 Demand for transit-related infrastructure	UF 4 Demand for goods and services
NM Nonmaterial	
NM 1 Solving general housing needs	NM 4 Social and cultural diversity
NM 2 Solving non-housing needs	NM 5 Conservation and transmission of social and historical values
NM 3 Shaping the characteristic landscape	

One challenge to identifying the goods and services of an artificial resource such as a housing stock is that one must formulate the question counter-intuitively and rethink the resource as solely a *provider* of goods and services and not a receiver. Thus, a housing stock does not receive the service of electricity provision from electricity providers, but rather supplies a demand for electricity consumption that is used by the electric utility; investors do not provide capital to a housing stock but rather the housing stock provides an opportunity for investment to investors; and a school district may have the right to “use” the children of a stock for its schools.

## *Actors*

Five types of actors interact within an institutional regime:

*Housing stock owners* have a central role in the institutional regime. Not only do they have a right to use their stock, but they also have an obligation to maintain it. They are entitled to the formal property rights of the stock and thus have the power to select, through contracting mechanisms, which user-actors have use rights on the goods and services within the restrictions set by public policy.

Several forms of housing ownership, however, either remove or obfuscate the relationship between the stock owner and the housing stock. As a simple example, a stock owner may conduct all transactions with tenants through an intermediary actor, such as a property management company, that not only deals with day-to-day tenant issues, but also makes key decisions regarding building maintenance and renovation. From a tenant's perspective, the owner is no longer responsible for the condition of the building or flat; this role is now that of the managers. An even more complex relationship exists in cases of indirect ownership of housing stocks, such as is the case for real estate funds that may own dozens of buildings. In this case, the owner is the fund itself, which is financed by thousands of investors who purchase its stocks. These types of ownership models, whereby the owner either is far removed from the direct management of the stock or is a vague entity, highlights the importance of actors who take on ownership-type roles but who are not the owners of the property rights to maintain the sustainability of the housing stock. These can be simple actors, such as building caretakers, to complex actors, such as large property management companies.

*User-actors* directly use a good or service provided by the housing stock through two mechanisms. They either have a right to the use as described in regulations or they simply appropriate a use that is unregulated. User-actors can be divided into two general categories. Single-stock actors only have the use-right to the goods and services offered by a single stock (e.g. a tenant, who has the use-right to the living space of a specific flat in a specific stock). Conversely, multiple-stock actors have use rights to the goods and services offered by many housing stocks at once (e.g. wastewater collection and treatment services, which have the right to the wastewater discharged from many different stocks).

*Actors affected by user-actors* do not directly use a good or service provided by the housing stock, but they are affected by the user-actors' use of the stock. These can include environmental groups and housing associations amongst many others.

*Excluded-actors* are those potential user-actors who are excluded from exercising a use right on the building, e.g., individuals who want to rent a flat but who cannot due to a housing shortage.

*Regulators* create the regulations that dictate use rights of the user-actors. These can include bodies such as public agencies, the courts, and member organisations.

The strength of the institutional regimes framework is that it obliges us to include all decisive actors and to address the interaction between national and local level authorities. Actors whose behaviours influence the evolution of the building stock are

not limited to the building owners and their tenants, but also comprise a broad range of stakeholders – such as mortgage lenders, energy and materials suppliers, renovators, and waste disposal service providers – who have various interests in the non-housing goods and services that building stocks provide. These actors and their activities are traditionally addressed on a sectoral basis, yet regulations that are intended to apply to one often have unintentional impacts on another, impacts that may cause behavioural changes that in turn produce negative pressure on the housing stock in terms of sustainability.

#### *Uses of a good or service*

Both the actual and the potential uses of a good or service by a user-actor, whether regulated or unregulated, must be clearly understood.

The *intended use* describes the purpose for which a user-actor uses a good or service. It is often (though not necessarily) what society considers a normal and acceptable use of the good and service. Conversely, the *abusive use* describes unacceptable uses of the good or service and comes in three principal forms: 1) potential abuses that are addressed or prevented by regulations; 2) abuses that are known to exist but that are not regulated since it is to the benefit of a majority or a dominant group; and 3) abuses that are not clearly identifiable or that have simply not yet been addressed in regulations.

The *modality* of a use describes the temporal and spatial conditions of the use of the good or service.

### **Results of the IR of the housing stock**

#### *Rivalry, complementarity and conflict*

For any finite or slowly renewable resource, the number of units of goods and services that can be used by user-actors must be limited if the resource is to retain its reproductive capacity. As a consequence, rivalries exist between the different user-actors who, collectively, may wish to use more units of goods and services than are sustainably available. Rivalry, in and of itself, is not necessarily bad – in fact it can promote efficiency in resource use and innovation. Furthermore, it can promote cooperation between actors, known as complementarity, which exists when one actor's use of a good or service intentionally or unintentionally aids another actor in their use of the same or another good or service of the resource. The institutional regime of a sustainably used resource regulates the rivalries so that user-actors can continue to use the goods and services.

If rivalries are not regulated by the institutional regime, however, they can develop into conflicts that may produce a use of goods and services that destroys the reproductive capacity of the resource. Conflicts can stem from unequal power relationships between different actors and their use-right to a good and service. Conflict can be the sign that the IR is not regulating uses in an adequate manner due to low extent, low coherence, or both.

The use of goods and services by actors, whether it produces rivalries, complementarities or conflicts, produce different types of effects.

## *Effects*

Effects describe the consequences of a user-actor's intended or abusive use of a good or service. Although abusive uses, by definition, conventionally produce negative effects, an intended use can produce both positive and negative effects. We distinguish three principal categories of effects:

*External effects* are characterised in terms of the traditional sustainability dimensions, i.e. environmental, economic, social, and cultural. These effects are typically addressed by the traditional sectoral approach to regulation and sustainability.

*Internal or rival effects* refer to how the use of a good and service by one actor affects other actors and are the result of competing interests between different actors. There are two types of internal effects. In the first, the actors are homogeneous, i.e. they belong to the same group of user-actors. In the second, the actors are heterogeneous, i.e. they belong to different groups of user-actors.

*Effects on the resource* are the result of certain uses that have a direct influence on the reproductive capacity of the building stock itself.

### **External effects**

A tenant uses the building's supply of *RS 2 Technical services and indoor climate* in an abusive way by turning up the heat while keeping windows open during winter months. The excessive energy consumption will have a negative effect on the environment.

### **Internal homogeneous effect**

A tenant who uses *R1 Living space* abusively by hosting loud parties will have a negative effect on the other tenants in the building (tenant affecting tenant).

### **Internal heterogeneous effect**

A renovator uses the *PF 3 Labour investment* service of the building to renovate the building to have better indoor air quality, thus having a positive effect on the building tenants (renovator affecting tenant).

### **Effect on the stock**

A building stock owner chooses not to dispose his or her right to maintain the building grounds. The building stock deteriorates and eventually becomes unusable.

## 1.2.3 Regulation and appropriation

The behaviours of stock owners and user-actors, and therefore their use of a good or service and the effects resulting thereof, are constrained by an extensive set of regulations that describe the conditions under which the housing stock and the goods or services can be exploited. These regulations originate in private law (namely property rights), contracts and public policy.

## **Civil Law**

Civil law defines the legal rights and relationships of natural and moral persons as defined by the civil code and the code of obligations (*code des obligations*, *das Obligationensrecht*) in Switzerland, the *Bürgerliches Gesetzbuch* in Germany and the *Código Civil* in Spain. These address real rights covering real estate, buildings, ground rent, mortgages, land register, etc. as well as the obligations of private law stemming from contracts and legal liability which cover the sale of buildings, rental contracts and tenants. Private law is generally long term and undergoes changes less frequently or rapidly than public policies or contracts. It is in private law that two significant aspects of the institutional regime are found: property rights (of the housing stock owners) and some use rights (of the user-actors).

A housing stock owner is granted *property rights* and is subject to obligations under private law. The civil code grants the property right, the right to hold the formal title of the property generally guaranteed by the state and recorded in a registry. The holder of a property right has the right to benefit and freely and completely dispose of his or her property within the constraints of the law. It describes the rights and obligations of owners toward their housing stocks. As holders of property rights, the stock owners have 1) the right to control and to make decisions about the housing stock that belongs to them; and 2) the right to obtain at least a portion of the benefits produced by the housing stock. In principle, these two features of property rights guarantee the existence of an interest by the owner to manage the stock sustainably (Nahrath 2003).

Although some use rights and obligations of tenants and investors are described in civil law, most use rights are addressed by public policy.

## **Public policy**

Public policy is the set of policies that forms the foundation of public law, which deals with relationships between persons and the State. It derives from the State's attempt to solve what it considers a public problem and is expressed in the body of laws, regulations, decisions and actions of government. There are many variations in the definition of public policy, but we choose to apply an 'operational' one, defined by Knoepfel et al. (2007: 24):

“A series of intentionally coherent decisions or activities taken or carried out by different public and sometimes private actors whose resources, institutional links and interests vary, with a view to resolving in a targeted manner a problem defined politically as collective in nature. This group of decisions and activities gives rise to formalised acts of a more or less restrictive nature that are often aimed at modifying the behaviour of social groups presumed to be at the root of or able to solve the collective problem to be solved (target groups) in the interest of the social groups who suffer the negative effects of the problem in question (final beneficiaries).”

Examples of public policy areas include water protection and national or regional land use planning.

Public policy has a direct impact on both housing stock owners and other user-actors. Firstly, public policy places limits and restrictions on the rights of stock owners accorded them by property rights. For example, water protection policy prevents a stock owner from dumping untreated wastewater from the building stock into water bodies. Secondly, it accords use rights to persons other than the stock owner. Use rights are the legally authorised uses of the resource or its goods and services to the benefit of the holders of such rights (i.e., user-actors). Use rights can either be obtained directly from the stock owner, or are the result of attribution or redistribution of rights resulting from the implementation of a public policy. For instance, municipal wastewater treatment services are granted the use right to the wastewater from the building stock under the condition that they treat the water to an acceptable level and dispose of it appropriately.

In addition to limiting property rights and granting use rights, public policy can affect the use of the goods and services of the housing stock indirectly. Rather than impose conditions directly onto either the stock owner or the user-actor, they instead provide certain benefits or restrictions that may or may not be used in a housing context. For instance, housing stock owners may be granted low interest loans with a long payback period on the condition that they build flats that conform to certain standards; public aid given to low-income families may or may not be spent on housing; and energy companies may be given subsidies to produce environmentally friendlier energy.

## **Contracts**

Contracts are agreements between two or more parties, enforceable by law, to perform or to refrain from performing some specified act. Although the legal conditions and enforceability of contracts are described in private law, contracts in this context refer to the content of the agreement between parties, and are thus considered separate from private law regulations. As long as contracts conform to the law, they can contain any number of stipulations. It is the effects of these stipulations on the behaviour of the different actors that are of interest.

Contracts are much more flexible than private law regulations or public policy. They can be rigid or flexible, exclusive or multi-party, and long or short term. In the housing institutional regime, the right for two or more parties to draw up a contract stems from the property rights of the housing stock owner. Without ownership of the stock, contracts cannot be concluded. Contracts are typically drawn up between

- stock owners and user-actors (e.g. to describe the conditions of a loan from a financial institution);
- stock owner and the State (e.g. to connect a new building to the municipal sewerage system);
- user-actors and the State (e.g. electricity provider signs servicing contract with a city); and
- user-actors and user-actors (e.g. cable television provider concludes a service contract with a tenant).



## **Third Party Regulations**

Third party regulators are organisations that have the right by law to develop and enforce norms and regulations under which persons must act. Membership organisations can also have sets of regulations that must be followed by their members. In some cases, a user-actor must belong to the member organisation to be able to lawfully exist. In other cases, the benefits of belonging (or the disadvantages of not belonging) are so great that a user-actor is in fact obliged to join. In these cases, sets of internal rules strongly influence the behaviour of user-actors.

### 1.2.4 Extent and coherence of an institutional regime

#### **Extent**

The extent of the institutional regime describes whether regulations exist for all of the uses of a resource. Typically, most goods and services of housing stocks are regulated to some degree; however, a good or service may be sufficiently or insufficiently regulated.

A sufficiently regulated good or service is one in which all aspects of use are addressed. For instance, *RS 1 Living space* could qualify as sufficiently regulated if there are regulations addressing the various components of a tenant's use of the living space, such as tenant protection, housing assistance, rules of tenant conduct, etc. Conversely, an insufficiently regulated good or service may result in conflict. For example, *NR 4 Collective outdoor space* could possibly be qualified as insufficiently regulated if there were rules stating that tenants are permitted to use the courtyards and walkways connecting the buildings, but there is a regulatory gap concerning what type of activities are or are not permitted (e.g. children playing football on the paths may come into conflict with older tenants who gather on the paths to discuss football).

Practically speaking, it is neither always possible nor desirable to regulate every small aspect of use of a good or service. Yet when conflict arises, one possible cause is insufficient regulation. If a regime contains too many insufficiently regulated uses, it has a low extent.

#### **Coherence**

The coherence of a regime refers to the degree of coordination between the private law regulations, the public policies and the contracts that define the regime. A coherent regime is one in which:

- use rights (derived from property rights through contracts) are clearly defined.
- there are no contradictions between public policies of a regime
- there are no contradictions between contracts (or property-rights) and public policies

Note that contradictions do not refer to illegal stipulations in a law, policy, or contract; rather they refer to the situation whereby an actor adheres to the stipulations of one law thus making it difficult or impossible for the same actor or another actor to follow the

stipulations of another law. They may be especially evident in regulations that come from two different legislative bodies, such as from the federal and from the regional level. The more a regime is uncoordinated and incoherent, the greater the probability that there exist unwanted effects from the use of the housing stocks' goods and services.

As with extent, the presence of a conflict between actors *may* indicate where regulations are incoherent; it is only a clue, however, and not a definite indication of the existence of contradictions between regulations. Incoherence of regulations may be identifiable when court decisions, tribunals, appeals, etc. have been needed to resolve a conflict.

To summarise, conflict does not necessarily indicate insufficient regulation of a good or service or incoherence between regulations. However, the presence of conflict is very useful for indicating where these problems might exist, and it is the responsibility of the researcher to analyse the pertinent regulations to determine whether this is the case.

### **1.3 The relationship between housing and its regime**

We are able to make certain hypotheses regarding housing stocks, their institutional regimes, the use of their goods and services, their management, and sustainability. Although it is inappropriate to evaluate the validity of these hypotheses based on a single housing stock, the analyses of the case studies provide useful insights into institutional regimes of housing stocks, as discussed in Chapters 4 through 6.

#### Hypothesis 1 – Variance of strategies and use over time

The management strategies and the behaviour of user-actors entitled to use the goods and services of housing stocks show clear variances over time. These can be interpreted in part as reactions to changes in a) use rights and/or b) the practices of other user-actors who hold use-rights. Essentially, changes in management strategies and actor behaviours should not be perceived only as “autonomous” decisions but – at least in part – as the consequence of a changing institutional regime. There are three possible reasons for such changes:

1. New definitions of the rights and obligations of actors entitled to the housing stock's *RS Residential goods and services* (e.g. introduction of flat ownership and elimination of forms of collective ownership);
2. Changes in the definition of the use rights to non-*RS Residential goods and services* at the level of basic property rights (e.g. mortgage law, real estate law, law relating to employment contracts, material and energy supply regimes), which also include the rights of the property rights owner (i.e. the stock owner) to conclude contracts with user-actors;
3. Changes in the public policies that regulate the exercise of the rights to goods and services.

#### Hypothesis 2 – The regime and the physical condition of the housing stock

Stock owners' management strategies and user-actors' behaviours give rise to demonstrably unsustainable uses of housing stocks if one of the three following conditions regarding the institutional regime is fulfilled:

1. The regime is simple: the number of regulated uses is clearly lower than the number of uses of goods and services provided by the housing stock that are actually availed of;
2. The regime is complex: the rivalries between the different (regulated) goods and services are not regulated due to the lack of binding coordination mechanisms governing the actors authorised to use them;
3. Coordination mechanisms exist, but the regulation of the rivalries favours the use rights to non- *RS Residential goods and services* with the result that the housing stock effectively becomes the “goose that lays the golden egg” and the entire resource stock comes under threat.

In this third circumstance, the physical deterioration of the fabric of the housing stock arises since the regime makes it possible for the housing-related goods and services to be treated as secondary to the other goods and services. Sustainability-oriented political control of housing stocks must include veto positions in favour of actors with use rights to the goods and services that are of importance in terms of the use of housing for living purposes. Consequently, the existence of associations of tenants can be important for the sustainable use of the housing stock's goods and services. For instance, housing cooperatives guarantee the voice of tenants is heard since a) the tenants are investors in the stock, and b) they have voting power on issues at annual general meetings. Other tenants in housing stocks attempt to create such groups to ensure that the residential goods and services remain the priority over non-housing goods and services.

### Hypothesis 3 – Importance of non-residential goods and services

The veto position described above can be implemented through legislation on collective property (e.g. state-owned housing, housing cooperatives) or use rights to the goods and services of housing stocks that are important for residential uses. The modification or abolition of this property status due to changes to the forms of ownership of housing stocks (e.g. switching from public to private ownership) is thus important for the sustainability of the uses. We assume that such collective forms of ownership promote sustainability; however, use rights that can only be exercised on a collective basis have the potential to undermine the sustainability of the housing stock if they “stifle” the rights to the non-housing-related goods and services provided by the resource.

This hypothesis is targeted against the ideas that approve collective forms of housing ownership in principle and *a priori* as being highly sustainable in terms of their use. Its empirical confirmation would support the assumption that housing stocks are only permanently viable if their regimes grant use rights to their non-residential related goods and services.

In fact, non-residential uses can have a large impact on the use of residential ones. For instance, in many countries the amount paid for rent consists of two components: the cost for renting the flat and the costs associated with all of the additional uses of goods and services that go along with using a flat, such as technical services (electricity, heating, water, etc.) and parking spaces. These additional costs should not be neglected as they risk becoming a greater component of overall rent to the tenant. The introduction of “facility management”, which includes not only the above categories of

goods and services but also lifestyle goods and services such as home security, golf club memberships, schooling, etc., will result in further additional costs that could overtake the purely residential ones.

#### Hypothesis 4 – Continuity of key actors

The sustainable use of housing stocks is only possible if the most important user-actors remain the same over several phases of the life cycle of housing stocks. High rates of turnover would result in increasing interaction costs, the loss of the collective memory of the housing stock, and possibly even confusion over who has what rights to which goods and services. Nonetheless, the regime must accommodate a minimum level of replaceability of user-actors to eliminate the threat of the under-use of important goods and services. Thus, this hypothesis contradicts common perceptions whereby sustainability demands either higher or lower levels of flexibility than unsustainable uses of buildings; the former (i.e. higher flexibility) being associated with a conceptualisation that is close to the market and the latter (i.e. lower flexibility) being associated with a conceptualisation that is close to the State. Neither of these extreme positions can guarantee a sustainable use of housing stocks.

This hypothesis says little, however, about the relationship between sustainability and individual home ownership. Whereas some countries, such as Switzerland, have a low home ownership rate, others, such as Spain, have a particularly high one. Swiss housing policy encourages increased ownership, whereas Spanish policy encourages rental. This indicates that there currently is no preferred strategy for sustainability, and that a mix of ownership and rental may be desired.

#### **1.4 Concluding remarks**

Although housing is but one element of the built environment, many of the actors who use its goods and services are active primarily within other domains of the built environment, such as banking, insurance (e.g. pension system), or utility services. If housing stocks are to be an element of a sustainable built environment, they must not only develop sustainably themselves but their goods and services must be able to be used sustainably by other actors of the system.

We anticipate that this research will produce critical information that will be used to make more informed decisions about housing sustainability.

## **Chapter 2: Description of housing stock selected for the case study**

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### **2.1 Overview of housing policy and housing in general at the national, regional or local level**

The social and economic transformation that Spain experienced from the beginning of the 1960s to the early nineties led to a sharp increase in the population, and at the same time, the family income available per capita in real terms multiplied. This evolution was produced in two clearly differentiated fifteen year periods. The first of these, between 1960 and 1975 was clearly expansive in nature. In this period, over 92% of the demographic growth and 76% of the increase in family income was accumulated. In the second period, 1976-1991, the rate of population increase fell, coming to a standstill over the last five years. The family income multiplied by 1.3, to slightly more than 6,000€/per capita.

Both periods influenced the area, giving rise to clearly differentiated urban processes. The first of these is characterised by the substantial migrations of inhabitants from the rural areas to the regions and cities with an industrial infrastructure and a dynamics of economic growth. Barcelona, Madrid and the other autonomous capitals were the main recipients of these migrations, a trend which led to a high demand for housing in these cities, an intensive growth of these and a marked increase in population density. In the latter period, especially from 1980 onwards, a change in the previous urban model took place, focused on the cities and their metropolitan areas, for another model in which land development was expansive in nature. This period is characterised by: the loss of population and density in the big cities in favour of a second metropolitan belt which constantly increased in density; the majority of cities of over 100,000 inhabitants also expanded their urban growth into their neighbouring municipalities; and the small municipalities within the sphere of influence of the big and medium-sized cities are those which experienced growth rates that were relatively more substantial.

The influence of the socio-economic development on the housing construction sector was very different in each of the periods referred to: between 1960 and 1965, this was characterised by a forceful intervention by the state. 90% of the housing completed was built under the subsidised housing system, by means of the laws governing minimum income housing (1954) and the Subsidised Housing Law (1957). This resulted in a significant increase in the housing on offer. From 1965 onwards, the financial resources of the state devoted to financing and subsidising the sector were reduced, with the aim of combating inflation, and this affected both the public and private housing built under the subsidised housing system. Housing production went into recession, but this was quickly overcome by the pressure from an unsatisfied demand that gradually became more solvent as work stabilised and income levels rose. Nonetheless, the importance of public or subsidised housing fell in favour of more building of free market housing. The decade of the 70s saw the highest rate of activity in the sector. In 1970 it broke through the 300,000 finished homes barrier for the first time, reaching 374,000 in 1975, the highest figure ever recorded up to that date.

Throughout the eighties the construction activity experimented an important slowdown. The lower rate of housing construction was accompanied by a more and more reduced

construction of public housing and a progressive rise in the selling price, far above the rate of inflation and increases in family incomes. These circumstances triggered a housing crisis that appeared towards the end of the decade and the beginning of the nineties. To confront this crisis the central government published two royal decrees aimed at tackling the housing problems. The first of these, RD 1668/1991, regarding the financing of protective measures in matters of land, established for the first time a link between housing policy and land policy. The second of these decrees, RD 1932/1991, established financing measures for protective actions in matters of housing. This regulation reinstated the figure of the quadrennial plan in order to provide stability to housing policy, and thus the bases for the development of the new 1992-1995 plan were established. Subsequently another decree, RD 726/1993 was passed, regulating the financing of protective measures in matters of property renovation, designed to provide aid for people with housing needs and reduce the stimulus for building new housing.

The results obtained by the 1992-1995 Housing Plan far exceeded the quantitative objectives set at its outset. Nevertheless, this problem of acceptance was accompanied by the continuance of the bulk of the housing problems existing at the beginning of the 1990s. This apparent paradox can be explained by the problems in implementing the Plan, the failure in stimulating rented housing, as well as the deep housing crisis inherited from the eighties. 1996 was characterised by the application of a new Plan, which was to be transitory in nature. The life of the previous plan was extended for a month, awaiting the result of early general elections and elections in autonomous communities with responsibility for housing, the latter being governed in their majority by parties different to that of the central government.

In the case of Catalonia, the Generalitat obtained responsibility in matters of housing in 1985. The public company ADIGSA was immediately set up, with the job of administering the public housing stock in Catalonia. Its actions were characterised by an increase in the investment in renovation (Can Vilardell, for instance) and improvement in infrastructure, whereas the construction of new housing was substantially limited. The March 1996 elections resulted in a change in the political direction, with the PSOE (Socialist Party) which had been in power since 1982, giving way to the conservative Popular Party (PP). This therefore marked the end of a period during which housing policy had been characterised by predominantly economic factors; a policy that was interventionist at times of crisis, that invested in public work and provided stimulation for the construction of new housing as a driving force for re-launching the economy. When these measures achieved their anti-cyclic objective, free market forces were left to respond to accommodation needs, resulting in a sharp drop in subsidised housing.

The PP's position with regard to the general problem of housing, and more specifically, with regard to the need to review land regulation, was favourable to liberalising measures. The housing programme it presented was an element that clearly differentiated it from the PSOE's programme: it initiated the de-regulation of the land market. The agreements of the Cabinet Meeting of June 6<sup>th</sup> 1996 went along these lines. In the framework of an economic package of liberalising measures, the first regulatory steps were taken to modify the existing land regulations (they would finally be modified in 1998 by the application of a new law) with the aim of increasing the areas designated for building purposes. The other points of the PP's housing policy represented a continuation of the previous policy. Thus, the aim of promoting the building of 1,200,000 homes over eight years was very similar to the preceding Housing Plan. The

same occurred with the other objectives: aid for young people and the elderly, encouragement of the renting market and measures to deal with the stock of unoccupied housing. The regulations about building, the reduction of the tax burden and the broadening of saving account terms were also measures programmed and awaiting application.

At the present time, housing has become one of the main problems of the Spanish population. The price of land, as well as of housing, has continued to rise in recent years, while the rented housing market remains relatively unattractive – both for owners and for possible tenants. In 2004 the new socialist government created, for the first time in Spain, a Housing Ministry. The ministry elaborated a Housing Plan 2005-2008, and has also approved a new Land Law that went into effect on July 1<sup>st</sup> of 2007. This law has as one of its objectives to fight the existing land speculation. In the specific case of Catalonia, the problems with access to housing are also common. The three party coalition autonomous government in power for the last four years has elaborated a Housing Plan 2004-2007, and is currently trying to pass a new Housing Act. This new housing act would substitute the still in force Housing Act of 1991.

## **2.2 Criteria used for selection of case study**

When choosing the two case studies it was thought that it would be interesting that they both were located in the same town. This had to ensure a minimum common denominator between the two housing stocks that facilitated the comparison between these two realities. At the same time, it was a way not to disperse the efforts of the researchers in generating the necessary knowledge about the reality and the dynamics of the urban context every housing stock is inserted to. In this same sense, in order to establish a relationship with the main actors implicated (Municipal administration, Adigsa technicians, Neighbours Associations) the stocks could be complementary and facilitate the access and the task of the researchers.

The chosen city was a Terrassa. This city, placed in the metropolitan area of Barcelona, can be considered an example of those cities that along the second half of the 20th century became spaces with an important park of public housing. These are cities that received considerable flows of immigration during the 1950's, 60's and 70's. The public housing that was constructed in these zones to solve the residential needs of this population constitutes to a large extent the largest part of the current public stock in Catalonia. It is necessary to take into account that Terrassa managed to have a stock of public housing that represented 25% of the total stock in the city.

Finally, it is necessary to mention the reasons that led to the choice of the two particular housing stocks located in the city of Terrassa. It was decided that there should be a stock where Adigsa had a majority of rented flats (Can Vilardell) and another one of flats owned by the residents (Can Tussell). At the same time, it was thought to be positive that these two stocks experimented some quite differentiated problems and dynamics, especially regarding their relationship with the public administrations. This should allow us to approach the maximum possible number of problems, as well as the causes and possible solutions to these.

## 2.3 Historical overview of case study housing stock

### I. Can Tussell's case study

#### **History of the housing stock**

##### *Ownership of the stock*

The construction and classification as officially protected buildings of the houses at Can Tussell coincided with the period when the Central Administration's functions and services were being transferred to the autonomous regional government, the Generalitat de Catalunya. This transfer occurred in 1982, by virtue of Royal Decree 2626/82. Ownership of the land initially corresponded to private owners. These were expropriated by the "Instituto para la Promoción Pública de la Vivienda" in order for a public promotion of housing to be undertaken. This organism, run by central administration, developed the project for the construction of publicly promoted officially protected housing. Following the delegation of responsibilities in relation to housing affairs in 1982, among other items, the construction of 800 publicly promoted officially protected houses in Terrassa was transferred, thus forming what would come to be known as the district of Can Tussell. Meanwhile, the Generalitat transferred these functions, by means of a new decree, to the "Departament de Política Territorial i Obres Públiques" (Department of Territorial Policy and Public Works), which transferred them in turn to the "Institut Català del Sòl" (Catalan Land Institute - Incasol).

Through this chain of transfers, Incasol gained ownership of the land. It would also own the buildings as it was to be the public company that constructed them. Its ownership of the houses was certified before a notary in 1985. The same year, the construction work was completed and the "Direcció General d'Arquitectura i Habitatge" (General Management of Architecture and Housing) classified them as publicly promoted officially protected housing on December 23, 1985. The residents moved into the houses that year.

##### *Two stock owners in Can Tussell*

The houses at Can Tussell were used to provide an opportunity for part of the population of the municipality of Terrassa that at the time was experiencing serious problems both accessing housing and as a result of the dreadful housing conditions (shanty towns). This situation was the consequence of major demographic growth in the city during the 1960s and 1970s. In 1985, the 800 houses at Can Tussell were distributed by two methods. On the one hand, Incasol commissioned the public company Adigsa (run by the regional autonomous government: the Generalitat de Catalunya) to transfer and manage 431 houses. On the other hand, a contract of sale agreement was reached with Terrassa City Council, the municipality where the houses are located, for it to make social use of the remaining 369 houses. It is therefore essential to make it clear that right from the start, Can Tussell had two stock owners.

The houses managed by Adigsa were sold by the contract of sale system. The buyers had a maximum period of 25 years to pay the total cost of the houses. To make this payment, the residents contracted mortgages with Incasol. In relation to the contract of sale between Incasol and the "Patronat Municipal de l'Habitatge" (Municipal Housing



Department – pertaining to the municipal government: Terrassa City Council), it was established that the houses would be put up for rent and that the Patronat would pay Incasol for them over a maximum period of 25 years. The payment system agreed by the two bodies stipulated that as the Patronat recuperated the money on a monthly basis, it would pay the quantities received to Incasol. It should be made clear that should the Patronat not have been able to recover all of the money due to arrears in payments, Incasol would be willing for payment to be postponed.

In 1999, Terrassa City Council, with Incasol's agreement, offered the tenants the possibility of purchasing the houses over a five-year-period. The result of this process was that, of the existing 369 houses for rent, 125 went into ownership and the other 234 continued to be rented. The contract of sale between Incasol and Patronat has still not been inscribed into the property register by both parties, which fundamentally means that the Patronat is not yet the owner of the houses, but rather it is Incasol that is named as the owner in the property register. Both parties are negotiating for this situation to be amended this year.

### **Description of the housing stock**

Can Tussell was constructed between 1982 and 1985 in the city of Terrassa, which is 17 kilometres away from Barcelona. The stock, simultaneously administered by the public company Adigsa and the Patronat Municipal de l'Habitatge (Municipal Housing Department), shares its name with the district, as the area it covers is comprised exclusively of all of the public houses that are the object of this study. Can Tussell is a district located on the northern boundary of the city of Terrassa. It is home to 2,500 people, residing in a total of 800 houses.

The stock is clearly divided into two halves, the north zone and the south zone. Between these two zones, there is a main road leading in two directions and an extensive public park. There is a building site next to the park where an evangelic church is to be built shortly. The local residents have complained that this site offered the last chance to equip the district and to connect the north zone with the south. Three bus routes serve Can Tussell, thus connecting the district with the city centre. The south zone is slightly larger than the north zone, and is connected to the urban mass of Terrassa. Its borders are delimited by an old factory to the south, main roads both to the west and north and a municipal school to the east. The houses are contained within a continuous rectangular construction with five floors, where the houses are grouped by staircases and the blocks are contiguously joined, with the entrances located on the outside of the stock, thus creating an interior open space. There are an estimated 40 staircase blocks with approximately ten houses in each. For every 4 or 5 staircase blocks there is one shared car park.

The aforementioned interior space contains two large parks. These spaces are conditioned like public access parks, with green areas and benches to sit on, and one of them includes a children's playground. Both parks are fitted with staircases that lead directly to the buildings. Right in the middle of the stock is a walkway from one side of the stock to the other. This walkway, of barely 50 metres, is where all of the stock's commercial establishments are located and serves as an area for interaction between residents. The aforementioned establishments are two bars, a newspaper kiosk and several food stores.

The north zone is quite isolated with respect to the urban structure of the city. To the south it borders a street and the aforementioned large park. In the corner there is a main road that makes it impossible for there to be any contact with a residential area at the same point in the other side of the road, and, in the other corner there is a street that leads to a long series of warehouses and factories. In the northern border there is, since last year, the main station for the Mossos d'Esquadra police force serving the entire city of Terrassa. The buildings are not quite as high as those in the south zone, and have three or four floors. The set of buildings form a square block, which is divided vertically and horizontally by two walkways. The few commercial establishments that are open are located within these walkways. The only commercial establishment that is not located here is a small bar in one of three parks corresponding to the residential block. These parks are located in the corners of the stock and have green areas, benches and some children's swings.

## II. Can Vilardell's case study

### **History of housing stock**

In 1973 a planning development scheme permitted the establishment of buildings in the area previously known as Torre-Sana, just 50 metres from the cemetery, re-designating a woodland area as an area for intensive industrial use. This designation, of dubious legality, provided the necessary conditions for the emergence of the Can Vilardell development, on the outskirts of the city. The following year, the city council sold the aforementioned land to two private owners, who soon afterwards sold it to the real estate company Belto S.A. In 1974 the construction of the development began, with an initial project that envisaged 627 dwellings, 17 warehouses and commercial premises and 5 garages. However, by 1977 only 269 flats had been built, with the developer being unable to sell those that were already finished. This was housing situated far from the city centre, difficult to access and right next to a cemetery. The flats had a usable floor area of 61.02 sq. metres and their cost was 3 million pesetas, a considerable sum at the time.

Despite the fact that a school was opened right next to the buildings, by 1978 Belto S.A. has still not been able to sell even a single flat, with the result that they began to have talks with the Ministry for Public Works – “Ministeri d'Obres Públiques” (MOPU) with a view to selling it. At that time, popular demand for housing for everyone had grown in Terrassa, and the Assembly of Workers for Decent Housing – “Assamblea de Treballadors per una Vivienda Digna” (ATVD) went so far as to organise an occupation of the Can Vilardell buildings. Faced with this pressure, the National Housing Institute (attached to MOPU) purchased the flats from Belto for 250 million pesetas, with the intention of turning them into subsidised housing. It was at this stage that the irregularities that had occurred in re-designating the land and in the construction came to light, and the ministry was on the point of cancelling the transaction, however it finally went ahead.

The new occupants moved into the flats in 1980 as rent paying tenants, following an allocation process carried out by ATVD. The Institute for the Public Promotion of Housing (also attached to MOPU) set the rent as 5,000 pesetas a month (30 euros), however the majority of tenants, not accepting this, decided either to pay half this

amount or simply pay nothing at all. As a consequence, MOPU dispensed with the carrying out of repairs throughout this period, a decision that led to a considerable worsening of the condition of the buildings. The situation dragged on until 1986, when the Government ceded to the Generalitat (the Catalan Autonomous Government) its housing stock in Catalonia, including that of Can Vilardell. Between this year and 1993, ADIGSA carried out repairs and refurbishment work to a total amount of 263 million pesetas.

In the period from those years to the present day there have been practically no changes in Can Vilardell, except in the composition of its residents, which has evolved over time. It was initially composed of two differentiated groups: on the one hand, socially and economically de-structured families with a low educational rate; on the other, families inserted as part of the then existing movement for decent housing, leftovers from the conversion of Can Vilardell in a public housing stock. After the first five years, this latter group of residents began to abandon the flats (escape effect), and these were in many cases occupied by gipsy families. In terms of the current composition, there is a population with severe economic difficulties and very low educational level, divided practically equally between gypsies and non-gypsies (païos). There are no foreign immigrants present.

### **Housing Stock Description**

The housing development of Can Vilardell was built between 1974 and 1977 in Terrassa, a city in Vallès Occidental, situated 17 kilometres from Barcelona. The stock, administered by the public company ADIGSA, comprises a total of 269 dwellings, as well as over 10 ground floor commercial premises and 2 car parks. The dwellings are distributed among 7 buildings that are identical in style but with slightly different dimensions: three of them have 9 floors, two have 10, one has 7 and the other 8. The buildings are not suffering from what is locally referred as “aluminosis” or the degeneration of the concrete structure, which was detected in a great many buildings constructed in Catalonia over the same period.

Can Vilardell is a long way from the centre of Terrassa, and there are only two bus routes that reach it. The estate is in an area surrounded by fields and woodland, and borders on the aforementioned cemetery to the north, a road to the east, an industrial estate to the south and open ground to the west. In terms of infrastructure, the development has a municipal sports track and a school, which also has sports facilities available. A fundamental characteristic of Can Vilardell is that it was not begun originally with the idea of becoming a public promotion stock. It sprang from a private initiative that proceeded with its planning and construction when, at the beginning of the 1970s, the needs of immigration led to an increase in real estate activity in Terrassa. All the flats in Can Vilardell are rented accommodation. Monthly rents vary from resident to resident depending on the age of the contracts, oscillating between 48 and 140 euros a month. ADIGSA is the body with the job of running the administration of the estate's residential environment, and is also the entity that decides who will have access to flats when previous occupants leave. In addition, ADIGSA is the body in charge of maintaining the buildings.

## **2.4 Management strategies**

### The management and maintenance of the stock

It is crucial to understand that the maintenance and management of the housing stock at Can Tussell has functioned in two different ways due to the existence of two clearly differentiated stock owners. Adigsa and the Patronat's houses are located both in the north and south sectors of the stock. However, they are distributed separately by buildings: in the vast majority of cases, each building is made up entirely of housing under the management of one or other of the two stock owners. This has led to major consequences in the way the stock has been managed.

#### **a) Adigsa**

The buildings in which all of the houses belonged to the Adigsa sector were constituted into Comunitats de Propietaris (Communities of Owners - CCPP). Given that 100% of these houses were initially being purchased by individual owners, Adigsa had no fundamental role in the everyday repair and maintenance carried out in the buildings, which was fundamentally the function of the CCPPs. Adigsa's role has been related to implementing the responsibilities that as a promoter could correspond to Incasol (imperfections and problems derived from the construction which are the promoter's responsibilities). However, during years Adigsa invested money in elements that, theoretically, weren't its responsibility.

In recent years, as result of the new direction determined by the Generalitat's priorities in relation to housing, Adigsa has implemented a policy by which all housing that for any reason comes back under its own responsibility is put up for rent, and never ownership. Because of this, there are presently 19 rented houses being managed by Adigsa in Can Tussell. Adigsa's specialist in charge of the Can Tussell zone clearly stated that these rented houses should be the only reason why Adigsa was still present in the zone.

#### **b) Patronat**

As for the Patronat's houses, things have functioned in a different way. In the 1985 contract of sale between Incasol and Terrassa City Council it was stipulated that the repair and maintenance of the stock would correspond to Incasol as the promoter of the houses. It was also specified that the Patronat would take charge of the management of the buildings, which it could pass on to the tenants, keeping 5% of the sum transferred monthly to Incasol as part of the payment of the original debt. However, there was an unwritten agreement by which the Patronat would be responsible for all expenses in terms of both management and of repairs and maintenance. The 5% remaining from each payment made to Incasol would in theory be used to finance these expenses. Therefore, neither Incasol nor Adigsa have played any role in the buildings managed by the Patronat.

The management and maintenance of the Patronat's stock has been and continues to be highly conflictive. The Patronat introduced, along with the rent, community expenses of 6 or 21 euros (depending on whether or not the building had a lift). However, there has been an extremely high rate of arrears in payment by the tenants (which affects both the

rent and the community expenses). This has led, according to the Patronat, to its maintenance and repair related expenses in Can Tussell being much higher than the amount of money collected by means of the system outlined earlier. This situation has led to major tension between the residents and the Patronat, the former accusing the latter of being responsible for the degradation suffered by the buildings. The process of selling houses that began in 1999 seems to have been an attempt by the Patronat to avoid having to manage houses under the rental system, which was implicating a major financial cost and troublesome everyday management. The fact that this option was not totally consummated (135 of the 369 houses were sold) has led to a situation that the Patronat is seeking to readdress.

### The present

The present situation is that the stock is largely affected by the aforementioned difficulties that the Patronat is having in the management of its stock. Once the process of selling the houses terminated in 2004, the Patronat set up a process that is still in progress by which it aims to collect the outstanding debts from the tenants and create communities of owners in all of the buildings. The matter of outstanding debts is being approached through personalised agreements with the different tenants involved. The creation of CCPPs presents certain complexities and it has yet to be seen how this is to be resolved. For the last three years, since the process of selling the houses was closed, practically all of the buildings are now in mixed situations. In other words, within the same building there are both owned and rented houses, such that forming communities of owners implies that those present at owners assemblies will be the Patronat (as the owner of the rented houses) and the individual owners in the building. According to the Patronat, tenants can attend these assemblies as long as they do not cause problems, and they have no right to vote.

At the moment no CPP has been constituted in the 46 buildings that correspond to the Patronat's sector of the stock. The Patronat's specialist in charge of this process states that three years ago, when the process began, such communities could have been constituted unilaterally due to the fact that they are the majority in many of the buildings, but the political authorities opted to search an agreement with the "Associació de Veïns" (Neighbours Association - AVV). Meanwhile, some of the residents have demanded that the possibility of purchasing houses should be reoffered to those tenants that did not want to or could not do so, because, according to the AVV, the Council closed the process a year before the agreed limit. The Patronat denies this accusation.

In brief, we can identify two important moments of change in the management strategies. In the case of Patronat, the most important change would be the decision to open a sales process in 1999. This decision was subject to the municipal public policy, but the process was stopped in 2003 due to a change in the political colour of the autonomous government, and, a subsequent change in the priorities in housing policies. This change in the autonomous government would be the second major shift in the management strategies, since it supposed the progressive introduction of significant changes with respect to the way to approach the management of public housing; for example, in the subject of the delays in the payment by some neighbours, or with respect to the way to deal with the repairs and maintenance issue. These changes in the management strategy will be analysed more in detail in chapter four.

## 2.5 Resources and methods used for research

We have used a variety of research techniques. The documentary research has taken up a considerable portion of our research efforts: administrative documents, decrees and laws on issues of interest when analysing the goods and services; inquiries on specific aspects of the civil code; contracts between Adigsa, the Patronat and Incasòl and private individuals or companies; old and new maps of the area; documents on the repairs and maintenance of Adigsa over the years; documents explaining the conditions for awarding publicly subsidised housing; and others.

Interviews have also played a crucial role in our research, both to get information and to record the impressions and opinions of prominent actors on key issues in the relationships between the residents and the stock owner. We have interviewed technicians at Adigsa and the Patronat, directors of the Residents Association, and ordinary residents, amongst other actors. Interviews were also held with.

- The General Manager of Architecture and Housing and CEO of Adigsa of the regional government (Generalitat) of Catalonia during the years 1981-1989.
- The Technical Manager of Adigsa.
- The president of FAVBIC (Federation of Residents Associations of Public Housing Residents of Catalonia) and former town councillor in the Terrassa Town Hall.
- The town councillor of Urban Planning and House in the Terrassa Town Hall.

We have also been in constant contact, with both specific interviews and sporadic contacts, with:

- The Adigsa technician in charge of the Can Tussell and Can Vilardell housing stocks.
- The technician at the Municipal Patronat of Terrassa in charge of Can Tussell.
- The members of the Board of Directors of the Can Tussell Residents Association.
- The members of the Board of Directors of the Can Vilardell Residents Association.

Finally, we have also made numerous in situ visits which have enabled us to speak directly and spontaneously with the residents, to find out firsthand their everyday experiences as well as their way of approaching problems related to the housing stock. These visits have also allowed us to see close-up and to photograph the state of the building (flaws, etc.) and its urban setting.

## Chapter 3: Analysis of goods and services

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### 3.1 Can Tussell

#### A. RESIDENTIAL

##### **A.1. Living Space**

###### *A.1.1 Users*

Two types of users live in Can Tussell, tenants and owners, which in turn depend on either Adigsa's (Generalitat) management or the Patronat (Town Hall) as stock owners. At the beginning of the stock's lifespan, back in 1985, 369 residents were registered under the supervision of the Patronat and 431 under the supervision of Adigsa.

The Adigsa users all began as owners. Over time, however, Adigsa gradually turned some of its users into tenants (in the flats where the residents left), given that the political priority in the provision of publicly subsidised housing shifted from owners to tenants. At this time, Adigsa has 19 rental flats in Can Tussell. In the case of the Patronat, the opposite took place. All residents began as tenants; however, in 1999 the Patronat gave its tenants the opportunity to purchase their flats, with a five-year period for doing so. In this process, it managed to sell 135 flats.

Recapitulating, right now Adigsa owns or manages a stock of 431 flats, 412 of which are owned by the residents and 19 of which are rented. For its part, since the purchase process from 1999 to 2004 came to a close, the Patronat has managed 135 privately owned flats and 234 rental flats. The flats measure an average of 62 m<sup>2</sup>; some have three bedrooms and others four. The smallest flats measure 48 m<sup>2</sup> and the most spacious ones around 81 m<sup>2</sup>. The residents pointed out that the kitchens lack an outdoor landing for cleaning, which makes household chores much more complicated.

###### *Adigsa users*

The owners under Adigsa's supervision started living in the flats in 1985, and in three more years they will have finished paying for the flats. At this time, several are trying to sell their flats.

###### *Patronat users*

In the case of tenants, 66% of the rental contracts are for life. The average rent paid in the oldest rental contracts is €60 per month, a price that is updated every two years based on the average CPI increase. There are 15 to 20 families that have entered in the past several years and are paying the updated rental contract price of €280.

###### *One public user*

There is a third user in the Can Tussell stock that owns three dwellings. It is a public entity called the "Verge de Fàtima" Municipal Special Education Board. These

dwellings were purchased to reserve them for a residence for psychologically disabled children.

### *A.1.2 Excluded actors*

#### *Adigsa owners*

The criteria of awarding and excluding flats are outlined in Royal Decree Law 31/10/78 on publicly subsidized housing policies, which set economic, social and family criteria in favour of the most disadvantaged groups. Nevertheless, in 1985 there were a vast number of people in Terrassa living in terrible housing conditions. The adjudication of flats did not follow a very orderly process. Flats were given to people who were regarded as living in the worst conditions and who had the lowest incomes.

Currently, the owners who intend to sell their flats have restrictions hindering them from selling to any bidder; as a result, there are actors who are excluded (on the free market) from purchasing one of these flats. During the first ten years after the owner starts living in one of these flats, Adigsa reserves the right to sounding and retraction, which grants it priority when purchasing the flat that the owner wishes to sell. Likewise, during the first 30 years after the owner starts living in one of these flats, Adigsa can set the sale price and apply the criteria for awarding the dwelling as established by the corresponding regulation on publicly subsidised housing (Royal Decree Law 31/10/78).

In this way, during the first ten years of the flat's lifespan, Adigsa reserves the right to exclude whomever it decides from purchasing the flat (regardless of whether this person fulfils the criteria for being awarded public subsidised housing) by exercising its purchase priority. Later, during the first 30 years of the flat's lifespan, people who do not fulfil the award criteria established in the aforementioned law will logically be excluded from purchasing the flat. Once these 30 years have elapsed, that is, in 2015, the flats will come onto the free market, so anyone may buy them at the price set by the owner. In this last phase, the only actors excluded from purchasing the flats will be the ones who cannot afford to pay for them.<sup>1</sup>

#### *Patronat owners*

As mentioned above, between 1999 and 2004 the Patronat opened up the chance to purchase the flats that had been for rent. Of the 269 flats it managed, it sold 135 (a surprisingly low figure if we bear in mind the sale prices, which were around €15,000). In any event, the residents who for economic reasons wanted to but could not purchase the flats remained excluded from the sale process. The flat had to be paid in a lump sum at the time of purchase without the chance of paying it in instalments, unless if the tenants asked the bank for a mortgage. Logically, the banks apply their own criteria

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<sup>1</sup> In 2006, the Generalitat, the regional government of Catalonia, approved a new regulation, Decree 257/2006, which set the sale conditions for publicly subsidised and publicly developed housing. These measures include setting a 90- instead of 30-year period before the flat can go on the free market.



when granting loans, so the residents who did not fulfil these requirements remained excluded from purchasing the flats.

However, the Residents Association now claims that the Patronat did not fulfil its stated period of five years, thus leaving residents who could not or did not want to purchase the flats earlier excluded. The Residents Association is gathering signatures to group together all the residents who claim to have been illegitimately excluded from purchasing their flats: by April 2007 they had gathered 120 signatures.<sup>2</sup>

### *Adigsa and the Patronat tenants*

The process of awarding rental flats under the supervision of Adigsa and the Patronat follows the same process. In the municipal commission of the Terrassa Town Hall, which is in charge of awarding the flats, there must be the figure of an Adigsa representative. The legal framework guiding the award and exclusion criteria are contained in the aforementioned Law on Publicly Subsidised Housing dating from 1978, yet the criteria of access to publicly subsidised housing set by the town government of the Terrassa Town Hall work more effectively. The main exclusionary criteria for not being awarded a publicly subsidised dwelling are the following:

- If neither the applicant nor any member of his or her family who is legally of age is registered in the Terrassa census.
- If the applicants do not fulfil the access requirements set by the Town Hall in its list of conditions for awarding rental flats. Generally speaking, these requirements set criteria based on: family income, whether or not the applicant owns other dwellings; whether the applicant has been the beneficiary of other publicly subsidised housing during the past ten years, and a guarantee that the beneficiary has the economic ability to pay the publicly subsidised flat rental fee.
- If there are any changes in the family composition detailed on the initial application (with the exception of births and deaths).
- If the applicant does not furnish the documentation to accredit that he or she meets the access criteria.
- If the applicant has been evicted by the Patronat or other entities promoting publicly subsidised housing, or if the applicant is illegally occupying a publicly subsidised dwelling.
- If the applicant's current living situation is better (in terms of income, dwelling size, etc.) than the flats to be awarded.

### *A.1.3 Intended use*

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<sup>2</sup> In any case, it should be pointed out that this purchase process was not conditioned upon a binding regulation in legal terms, rather by an "offer" made by the Patronat. In this sense, if ultimately it were true that the Patronat did not fulfil the timeframe set, this non-compliance would not be illegitimate legally speaking (it did not fail to comply with any regulation), rather at most in moral terms.

The flat should be used for living: cooking, sleeping, etc. In the case of owned flats, the possibility of extracting significant economic profit should also be taken into account, as these flats were purchased at an extremely low price, and once the 30 years set by law have elapsed (in 2015), the flats will come onto the free market and can be sold at a price that is at least ten times higher than the initial sale price.

#### *A.1.4 Modality of use*

##### *Adigsa*

Owners: They can become flat owners via a sale contract with Incasol and by pledging to fulfil the conditions contained in the contract. As the owners of a dwelling, they must also heed the 1960 Law on Horizontal Property (abbreviated LPH). Finally, they must fulfil the access criteria for publicly subsidised housing set by the relevant regulations.

Tenants: They can rent a flat via a rental contract with Adigsa provided that they fulfil the access criteria for publicly subsidised rental housing set by the relevant regulations. As tenants, they must heed the Law on Urban Leasing (abbreviated LAU). Depending on when the rental contract was signed, different laws might be applicable; there are three LAUs approved in Spain, dating from 1964, 1985 and 1994, respectively.

##### *Patronat*

Owners: An agreement was signed between the Patronat and Incasol so that the residents could become flat owners via a sale contract with Incasol, given that Incasol and not the Patronat appeared as the owner in the property registry. The access requirements for publicly subsidised housing were regarded as fulfilled when the residents entered the flat as tenants back in 1985. As tenants, these residents were governed by the LAU, and upon purchasing the flat they are governed by the LPH.

Tenants: The tenants rent the flats via a rental contract with the Patronat and by fulfilling the access criteria for publicly subsidised housing set forth in the relevant regulations (on both state and municipal level). Finally, they must also fulfil the LAU, which may affect them depending on the year the rental contract was signed.

“Verge de Fàtima” Municipal Special Education Board

It purchased its three dwellings via a sale contract with Incasol.

#### *A.1.5 Abusive uses*

##### *Adigsa owners*

a) In the case of Adigsa owners, an abusive practice has been detected which is quite widespread in other stocks, according to the claims of an Adigsa housing technician. This consists of paying for part of the sale price of the flat under the table before the 30

years have elapsed, putting the flat onto the free market. In this way, the tenant pockets a considerable amount of tax-free money by selling the flat, obviously without Adigsa's knowledge.<sup>3</sup>

As mentioned above, the Parliament of Catalonia recently approved a regulation (*Decree 257/2006, dated 6<sup>th</sup> June 2006*) that sets new conditions for the sale of dwellings classified as publicly subsidised and developed. One of the new features is that the timeframe for selling the flat has been extended from 30 to 90 years. One of the intentions, as pointed out by the Catalan government itself, is to ensure that the public housing remains social housing.

b) There is a certain degree of failure to pay among the residents of the Adigsa housing. However, its low magnitude (22 cases out of 431) leads to the conclusion that this is not a case of widespread abuse. There is a cumulative debt of €35,951.

#### *Patronat owners and tenants*

There is an extremely grave problem with regard to high failure to pay levels among the users under the management of the Patronat. As we were told, this failure to pay mainly takes place in rental flats. Currently, the monthly failure to pay rent is at around 14.09% over the total due. It is calculated that around 70% of residents have failed to pay to a greater or lesser extent. Three years ago there were residents who had not yet paid anything. There is a cumulative debt of €400,000.

#### *A.1.6 Effects*

##### *Internal Effects*

##### 1. Adigsa

a) We have received no information about any reaction by Adigsa with the intention of solving the problem of the sale of flats with undeclared money, a matter that is, on the other hand, quite difficult to control.

b) In order to solve the cases of residents who fail to pay living in the stock managed by Adigsa, this public company is attempting to resolve the problem via personalised pacts in order for residents to pay back the debts owed in a gradual fashion. Here we come upon the negative effect, in terms of social sustainability, of evicting residents. Adigsa signs pacts with the residents who fail to pay in order to allow them to gradually pay back their cumulative debt. Of the 22 residents who owe back payments, there are 13 who are not fulfilling this pact. When a certain amount of time has elapsed and they continue not to pay, Adigsa chooses between two types of solutions: in some cases it changes the ownership contract for a rental contract, in which case the resident ceases to

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<sup>3</sup> Even though this type of practice is quite widespread in Spain on the free market, its spread in the sale of publicly subsidised housing does not only entail tax fraud against the public treasury, rather it also undermines public housing policies, as the person who purchases the flat is formally purchasing a publicly subsidised dwelling yet for all practical purposes at a market price.

be a homeowner and becomes a monthly tenant; while in other cases it chooses to suspend the contract and evict the resident.

## 2. Patronat

a) In order to resolve the problem of residents who owe money, the Patronat has opted for a strategy similar to the one employed by Adigsa, although it is faced with a much more problematic situation, as its failure to pay rents are much higher.

The failure to pay among users under the Patronat's supervision has negative effects, in terms of economic sustainability, on both the Patronat and Incasol. Right now, the high failure to pay rent falls upon Incasol as opposed to the Patronat, as both public entities agreed that the Patronat would make a quarterly payment to Incasol of the money it had collected during that period while delaying payment of funds not yet received.

As far as we have been able to discern, despite the fact that at first the contrary might appear true, in the long term these debts have a higher negative effect on the economic sustainability of the Patronat than of Incasol. In the case of Incasol, for several years this entity has stopped earning money that will ultimately be paid in full in a single lump sum payment from the Patronat (in this case, its losses will "only" be related to the corresponding increase in the CPI). The Patronat, on the other hand, will have to take out a bank loan in order to be able to pay Incasol this amount, so that its loss will be higher due to the interest it will have to pay the bank from which it takes out the loan.

b) The failure to pay rent has yet another negative effect, in this case in terms of social sustainability, namely the cases in which the residents who have failed to pay are evicted. Three years ago, the Patronat tried to solve the problem of failure to pay by attempting to apply personalised mechanisms with the intention of enabling residents owing back payments to pay their debts gradually. However, every four to five months it takes a case to court, and if the residents do not pay they are evicted. According to the Patronat, this measure chiefly has the purpose of showing the other tenants that their tolerance with failure to pay has reached its end. This way of reacting appears to be having positive, albeit slow, effects on reducing failure to pay rents.

### *External effects*

The abusive use of selling flats with money that is not declared for tax purposes has negative effects on the pockets of the people who, though they may fulfil the criteria for accessing publicly subsidised, have to pay a much higher price than what is provided for in the law to purchase publicly subsidised homes for ownership. In the same sense, this also has negative effects, in terms of social sustainability, on the housing policy, as it largely ceases to fulfil its social purpose: that of providing low-cost housing to people in need.

### *Effects on the stock*

The failure to pay could have negative effects on the sustainability of the stock, as the stock owner is not always willing to repair certain flaws if the residents refuse to pay the rent.

### A.1.7 Rivalries

#### *Adigsa*

Conflictive rivalry between owners and Adigsa in the cases of failure to pay.

#### *Patronat*

Conflictive rivalry between owners and the Patronat in the cases of failure to pay.  
Conflictive rivalry between tenants and the Patronat for how it has handled the process it opened allowing residents to purchase their flats between 1999 and 2004.

### A.1.8. Regulatory Conditions

The general regulatory framework affecting the entire tenant population of Can Tussell is as follows:

*Law on Publicly Subsidised Housing. Royal Decree Law 31/10/1978*, on publicly subsidised housing policy. This law sets forth the characteristics that public housing stock must meet, as well as the main conditions for awarding these dwellings.

#### 1. Rental flats

- a) The regulatory framework are the different “Urban Rental Laws” (*Ley de Arrendamientos Urbanos*, abbreviated LAU). There are three laws in Spain that govern the flats rented in Can Tussell: *Law 29/1964 on Urban Rentals*, *Royal Decree 2/1985* and *Law 29/1994 on Urban Rentals*. Which law is applied depends on when the rental contract was signed between the tenant and the Patronat. In Can Tussell, 80% of the flats are governed by the 1964 LAU, even though in these cases the new laws might contain a series of points that supersede the provisions in the previous laws. In this way, on certain issues the contract might be subject to more recent LAUs, such as in the case of subrogation, which is subjected to the 1994 LAU. The other 20% of flats are governed by the later laws, such as the ones dating from 1985 or 1994.
- b) *Decree 259/2003*, dated 21<sup>st</sup> October 2003, on the minimum housing requirements of dwellings and the inhabibility certificate.
- c) The rental *contract* signed between Adigsa/Patronat and the tenant.
- d) The Catalan *civil code* and the Spanish *civil code*.

#### 2. Privately owned flats

- a) The regulatory framework includes the different *Laws on Horizontal Property* (LPHs). In Spain there are two LPHs that affect Can Tussell: *Law 49/1069 on Horizontal Property*, and *Law 8/1999, the Reform of Law 49/1960 on Horizontal Property*. Which law is applied depends on when the deed was signed.
- b) For the sale of flats after 2003, the Parliament of Catalonia approved the *Order of 29<sup>th</sup> April 2003* which set new maximum prices for the sale or awarding of publicly subsidised dwellings.
- c) *Decree 259/2003*, dated 21<sup>st</sup> October 2003, on the minimum housing requirements of dwellings and the inhabibility certificate.
- d) The sale *contract* signed between Incasol and the homeowner.

- e) *Agidsa bylaws*. They determine the legal provisions and its functions as a stock owner.
- f) The Catalan *civil code* and the Spanish *civil code*.

With regard to maintenance of the inside of the flats, the Patronat's responsibility for the rental flats is established in the 1964 LAU, which stipulates that it is in charge of those elements that affect the inhabitability of the flat. According to what a technician from the Patronat told us, there are three types of upkeep done inside the flats: improvement work, which is the full responsibility of the tenants; repair work, which can be paid for by both the owner (the Patronat) and the tenant; and conservation work, which can also be split. In any event, the question lies in determining when something affects the inhabitability of the flat; if the work affects the inhabitability of the flat, the owner (Patronat) must take care of it, if the tenant does not.

Conflict related to the delays in payments (conflict 1)

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **Yes**

The use-rights are clearly defined, there is no incoherence between the property rights and contracts, nor is there any incoherence between different public policies. With regard to the failure to pay, the key issue is that both the Patronat and Adigsa have shown themselves to be "understanding" with those families or individuals who could not manage to pay the monthly instalment in the contract, which over time gave rise to an accumulated failure to pay. What has happened is simply that, for the aforementioned reasons, the stipulations of the regulations were not followed. Therefore there is incoherence when Patronat and Adigsa decide to tolerate the delays in the payments. This management strategy is completely incoherent with the property rights of both Patronat and Adigsa. The same holds true with regard to the illegal sale of the flats: people who do this are simply breaking the law.

Conflict related to the sale process of the flats (conflict 2)

We have included a second evaluation in the case of the conflict prompted by the sale process of the flats which was halted in 2003. In this case, there is a contradiction between the different public policies. The municipal government of Terrassa decided to promote the sale of the flats in 1999, and it halted the process in 2003 when it received a new directive from the Catalan autonomous government (the Generalitat de Catalunya) which consisted of making renting a top priority. The conflict actually comes from this "contradiction", which obligated the Patronat and the Terrassa Town Hall to backtrack in the sale process that should have moved forward.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **Yes**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **A.2. Technical Services**

Technical services are all those services that tenants use in order to enjoy an acceptable level of indoor environmental comfort within their apartments (e.g. heating, water and wastewater equipment such as showers, toilets and sinks, and electrical outlets).

### *A.2.1. Users*

The residents of the flats.

### *A.2.2. Intended use*

They are used to live comfortably in the apartment by having conditions of adequate indoor environmental quality and by using services of drinking water, domestic hot water, wastewater drainage, gas, electricity, etc.

### *A.2.3. Modality of use*

The residents may use these services once they sign the rental or purchase contract, which gives them the right to enter the flat and use the services related to it.

With regard to the electricity and gas supply to the households, a contractual relationship is established strictly between the user and the utility, without any type of mediation by the stock owners or any other actor. Both Adigsa and the Patronat claim that if a resident does not pay the bill for these services and the company decides to cut off their service or remove the resident from its list of customers, they have nothing to say in the matter. They uphold no communication whatsoever with these companies with regard to Can Tussell.

### *A.2.4. Abusive uses*

Not paying bills for technical services, for instance certain residents in Patronat's buildings fail to pay for electrical technical services.

### *A.2.5. Rivalries*

Tenants who do not pay for their technical services, such as electricity, negatively affect the user of the good Demand for energy (e.g. Endesa).

### *A.2.6. Regulatory Conditions*

The regulations that are applied with regard to responsibilities and the technical aspects of the technical services in buildings, in both Spain and Catalonia, are the following:

a) Royal Decree 1751/1998 dated 31<sup>st</sup> July 1998, on thermal installations (Official State Gazette 5/8/98).

b) Order of 27<sup>th</sup> April 1987, approving a regulatory building rule on thermal insulation NRE-AT-87.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

## B. NON-RESIDENTIAL

### **B.1. Non-residential space use**

On the ground floors of Can Tussell there are quite a few commercial spaces that were designed to be used as shops. There is a notable difference in the use made of these zones in the northern and southern zones. On the north, despite the fact that many of these spaces are still available, only a couple are open (a bar and a bakery), while the others have gradually closed down. On the southern zone, in contrast, there are many shops that are open and serving the residents. At the meetings we held with residents, they bemoaned the fact that there were so few businesses in the northern zone and mentioned their hypothesis that it might be due to the fact that this area is more physically isolated from its immediate environs. There is also a play space (*ludoteca*) where the children of residents gather during work time, which should be regarded as just another business just like the shops.

In addition to commercial spaces, there are also areas used for services for the community: the home of the Can Tussell Resident Association, as well as the after-school centre (*esplai*), which occupies the space ceded by the former Women's Association, which offers activities for children. These spaces also occupy the lower floors of the building on the northern zone.

#### *B.1.1. Users*

##### Shops

At the start of the Can Tussell development, Incasol sold the commercial spaces, and since then they operate as private property. The users, then, are the owners who purchased them or the people who rent them from these owners.



## Other commercial spaces

The space used by the Resident Association and the one used for the recreational space are owned by Adigsa, although their users are the people who benefit from these services and the board that govern or manage them.

### *B.1.2 Excluded actors*

#### Commercial spaces

Anyone who is not an owner or has no rental contract with these owners.

### *B.1.3 Intended use*

The commercial spaces, just like any other business, are used to earn money. The non-commercial spaces, like the Residents Association, the play space, the Youth Association and the after-school centre serve to provide the community with a variety of useful services.

### *B.1.4 Modality of use*

#### Commercial spaces

Access to these spaces is via a sale contract with Incasol. Once the space has been sold to a private individual, the latter may then sell or rent it to another private individual whenever they wish.

#### Non-commercial spaces

Incasol ceded these spaces to Adigsa in order to provide the community with useful services. The Residents Association and the Youth Association would come to occupy these spaces. Access to and use of these spaces is via permission from Adigsa.

### *B.1.5. Abusive uses*

#### Commercial spaces

a) We believe that unsustainable uses of certain goods or services can arise in cases of inappropriate use, overuse and under use. In the case of the commercial spaces on the northern zone, we can claim that they are underused, which could have a variety of consequences beyond merely the logical deterioration derived from a lack of use.

b) There is a bar on the northern zone and another one on the southern zone, both of which are used as gathering points for drug dealing.

### *B.1.6. Effects*

#### *Internal Effects*

Commercial spaces: With regard to the under use of the commercial spaces on the northern zone, there is a negative effect that mainly affects the residents. Besides the fact that this leads to the deterioration of these spaces through simple neglect, it also ends up having undesirable consequences in terms of a lack of services nearby that are necessary for the community. Additionally, the opportunity is also missed to create jobs for the residents of Can Tussell and thus fail to contribute to enlivening the neighbourhood and creating a feeling of community. Finally, bearing in mind that Can Tussell is precisely not centrally located, it is also worth mentioning that this lack of nearby services leads the residents to leave the neighbourhood more, which might be cumbersome for certain population groups.

### *External effects*

Drug dealing in the bars in the housing stock reinforces the neighbourhood's bad reputation in the rest of the city.

#### *B.1.7. Rivalries*

Conflictive rivalry between the residents who deal drugs in the bars and the other residents who do not like having this activity take place in the bars, which are located right next to the entrances to the buildings.

#### *B.1.8 Regulatory conditions*

- a) *Law 18/2005*, dated 27<sup>th</sup> December 2005, on commercial facilities. This law regulates licences and activities of commercial spaces in Catalonia.
- b) *Law 7/1997*, dated 18<sup>th</sup> June 1997, on associations. This law regulates the rights to set up an association and the activities they may perform; this includes Residents Associations.
- c) The sale *contract* between Incasol and the owner of the commercial space. Also, the sale or rental *contract* between the person who purchased the commercial space and another.
- d) For the parking places, the sale *contract* of the flat between Incasol and the owner, or the rental contract between the Patronat or Adigsa and the tenants.
- e) The Catalan *civil code* and the Spanish *civil code*.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

#### II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

It is clear that illegal drug dealing entails a violation of the law in any situation. In this case, everything is well regulated; however, the regulation is not complied with. There is conflict but not incoherence, since Adigsa does not have the means to punish drug dealing.

## **B.2. Collective indoor space**

In Catalonia and Spain, unlike in other European countries, buildings do not tend to have much collective indoor space, such as meeting rooms or laundries inside the buildings. However, with regard to car parks, both Adigsa and the Patronat have underground car parks under their control, although we can now see how each stock owner manages access to use of the car parks differently.

### *B.2.1. Users*

The residents and occasionally people visiting the building.

### *B.2.2 Excluded actors*

Adigsa: Anyone who is not an owner of a dwelling sold by Adigsa.

Incasol: All owners of Patronat flats that wanted or want to purchase a parking place but do not have enough money to do so (€6,000 or €3,000). Patronat tenants are excluded from purchasing parking places; they may only rent a place even though they have been living in Can Tussell since 1985.

### *B.2.3. Intended Use*

The car parks are used to park cars or motorcycles in a safe place.

### *B.2.4. Modality of use*

Access to this area is earned by signing a rental contract or sale contract for the flats.

Adigsa: The right to use the car parks is earned by signing the same contract that is signed to live in a flat. The person who starts living in the flat is obligated to purchase the parking place as well.

Patronat: The chance to purchase parking places opened up when the process of selling the flats began in 1999. At that time, they cost €6,000. Now this chance is once again open although the price has been lowered to €3,000. The negotiations were held with Incasol instead of with the Patronat. The tenants also want to purchase parking places but cannot; at most they are allowed to rent places. There are many empty parking places, and the car park is neglected.

### *B.2.5. Effects*

Some tenants are prevented from purchasing parking spaces.

### *B.2.6. Regulatory conditions*

a) For tenants: *Law 29/1964 on Urban Rentals, Royal Decree Law 2/1985 and Law 29/1994 on Urban Rentals*. Which law is applied depends on when the contract was signed between the tenant and the stock owner.

- b) For owners: *Law on Horizontal Property 49/1960* and the *Law 8/1999, Reforming Law 49/1960 on Horizontal Property*. Which law is applied depends on when the contract was signed.
- c) Decree 375/1988, dated 1<sup>st</sup> December 1988, on control and quality of construction (Official State Gazette of Catalonia, 28/12/88).
- d) *Royal decree 1853/1993*, approving the regulation on gas installations in spaces assigned for household, collective or commercial uses.
- e) Energy Market Commission.
- f) *Contracts* between Endesa/Gas Natural and Can Tussell residents.g) *Adigsa bylaws*. They set forth the legal provisions and its functions as a stock owner.
- h) The purchase *contract* signed between Incasol and the owner.
- i) The rental *contract* signed between Adigsa/Patronat and the tenant.
- j) The Catalan *civil code* and the Spanish *civil code*.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

#### II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

The conflict between the tenants and the Patronat is the result of a poorly defined use right to the parking spaces.

### **B.3. Functional indoor space**

Functional indoor space we shall include the space that begins once the door to the building has been entered and that ends once the door to a dwelling has been entered, including the building-wide technical apparatuses themselves (e.g., lifts, and hallway lighting).

In order to analyse the state of the inside of the buildings, we have to bear in mind that how the stock is managed differs according to whether the building in question belongs to the Adigsa or Patronat sectors. Bearing in mind that in Can Tussell we have to take into account the presence of two different stock owners, we should note that there are significant differences between the managers in terms of the way the functional indoor space is managed, maintained and repaired in the buildings.

a) In the Adigsa buildings, where most of the residents are homeowners, it works via homeowners associations. These organisations handle all decision-making related to the maintenance and repairs of everything found inside the buildings.

b) In the Patronat buildings, as this entity was originally the owner of 100% of the dwellings, no homeowners association was set up. In this way, the Patronat was in charge of performing maintenance on the inside of the buildings. However, based on the sale of some of the dwellings started in 1999, there are now both individual homeowners and tenants in the buildings (in which the Patronat is the owner of the

rented flats). The Patronat has been trying to set up homeowners associations in its buildings for three years.

Thus, we regard that intercoms, mail boxes, lifts, electrical and gas metres, light bulbs and other similar types of technical apparatuses are part of the technical services.

### *B.3.1 Users*

Tenants and visitors.

### *B.3.2 Intended Use*

This space is used to reach the flats.

### *B.3.3 Modality of use*

In the case of the energy supply, a contract is signed, either via the Patronat, Adigsa or the homeowners association, with the corresponding power company to provide the building with electricity.

Adigsa: The Homeowners Associations are in charge of paying the electricity for the building and ensuring that the spaces where the gas and electricity facilities are housed are kept in good condition.

Patronat: The Patronat is in charge of paying the electricity for the building and ensuring that the spaces where the gas and electricity facilities are housed are kept in good condition, through the fee charged for communal expenses.

### *B.3.4. Abusive uses*

#### *Adigsa*

The Homeowners Associations set up in the Adigsa buildings generally seem to have worked properly when taking care of the maintenance of these spaces.

#### *Patronat*

a) As we know, there are quite a few residents, just like with the tenants, who systematically do not pay for their share of the communal expenses (either six or 21 euros, depending on whether or not the building has a lift). Paying this fee is necessary for the upkeep and repairs in the functional space.

b) The Patronat does not invest in maintaining the inside of some of the buildings under its management, and thus there are cases of deterioration. According to the residents, this lack of investment is much higher in the case of the buildings where the majority of residents are tenants, as they have a higher failure to pay rent than the homeowners. There are significant differences in the condition of the insides of the buildings depending on whether or not the majority of residents are tenants or homeowners.

### *B.3.5. Effects*

### *Internal effects*

a) The strategy pursued by the Patronat to solve the cases of failure to pay were mentioned in section A.1.

b) We have detected a heterogeneous negative effect between the residents and the Patronat due to the tension generated by the deterioration of the technical services in some buildings. The residents and Patronat each accuse the other of being responsible for the cases of deterioration. The former claim that it is the Patronat's responsibility to take care of the maintenance and rectify the flaws in the communal technical services, given the fact that it is also in charge of collecting the money from the tenants for communal expenses and investing it in repairs and maintenance. They claim that if some people do not pay, this is the Patronat's problem and responsibility, and it cannot make the residents as a whole suffer by ceasing to invest in maintaining the collective property.

For its part, the Patronat claims that there are many people who do not pay the communal fee, and that on the other hand it has invested more money than it has collected in maintenance and repairs, so that its job has generated a deficit. It also adds that many residents do not take care of some of the facilities, and that for this reason it has ceased to fix many things. The Patronat believes that over time it has shown an overly paternalistic attitude because it did not actively pursue defaulters and because it did not read them the riot act when the residents did not take care of the communal property and constantly broke things.

### *Effects on the stock*

The situation we have just described has significant consequences on the sustainability of the stock, leading to situations of abandonment and deterioration of the insides of the buildings. The lack of investment on the insides of some buildings has also led to their deterioration.

a) A heterogeneous negative effect in the guise of tension between the residents and the Patronat arising from some residents' failure to pay the monthly fees, as well as from the Patronat's lack of investments in some of the buildings in its stock. The abusive uses of the functional indoor space has led the Patronat to the idea that Homeowners Associations must be set up in the buildings it manages. As mentioned above, the Patronat has been trying to achieve this for three years. When the Homeowners Associations are finally set up, the Patronat will wield a great deal of power at the meetings of the communities given the fact that a considerable part of the buildings under its management have a majority of tenants as opposed to a minority of homeowners. Taking into account the fact that the Patronat would represent this majority of flats that are rented, it would have the ability to take decisions unilaterally, even though in theory its intention is to reach consensus on the most important issues.<sup>4</sup>

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<sup>4</sup> The law stipulates that at meetings of the Homeowners Associations tenants have neither voice nor vote. The Patronat claims that the tenants will be given voice but not vote at the meetings, that they will be

### B.3.6. Rivalries

#### *Patronat*

Conflictive rivalry between the residents that do not pay the communal fee and the Patronat. Also, the conflictive rivalry between the residents in general and the Patronat due to a lack of care and investment in the technical services.

### B.3.7. Regulatory Conditions

The regulations that are applied with regard to responsibilities for the functional space in buildings, in both Spain and Catalonia, are the following:

- a) For tenants: *Law on Urban Rentals*, 29/1964, *Royal Decree Law 2/1985*, and *Law 29/1994 on Urban Rentals*. Which law is applied depends on when the contract between the tenant and the stock owner was signed.
- b) For homeowners: *Law on Horizontal Property 49/1960* and *Law 8/1999 on the Reform of Law 49/1960 on Horizontal Property*. Which law is applied depends on when the contract was signed.
- c) Royal Decree 2291/1985, dated 8<sup>th</sup> November 1985, approving the regulations on elevation apparatuses and their upkeep (art. 10, 11, 12, 13, 14, 15, 19 and 23) (Official State Gazette 11/12/85).
- d) Order of 30<sup>th</sup> December 1986, regulating the enforcement of the regulation on elevation apparatuses and their upkeep approved by Royal Decree 2291/1985.
- e) Royal Decree 1314/1997, dated 1<sup>st</sup> August 1997, outlining the provisions for enforcing the European Parliament and European Council Directive 95/16/EC on lifts.
- f) Royal Decree 1751/1998 dated 31<sup>st</sup> July 1998, on thermal installations (Official State Gazette 5/8/98).
- g) Order of 27<sup>th</sup> April 1987, approving a regulatory building rule on thermal insulation NRE-AT-87.
- h) *Adigsa bylaws*. They determine the legal provisions and its functions as a stock owner.
- i) The sale *contract* signed between Incasol and the homeowner.
- j) The rental *contract* signed between Adigsa/Patronat and the tenant.
- k) The Catalan *civil code* and the Spanish *civil code*.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

#### II. Elements for evaluating coherence.

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invited to the assemblies but that if they become an “obstacle for the smooth running” of the assemblies, their considerations will simply not be taken into account. The Residents Association, for its part, claims that it does not want to set up a Homeowners Association because the Patronat has not yet repaired everything it had to repair.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

It would be difficult to claim that this good and service is not sufficiently regulated. However, with regard to the relationship between tenants and the Patronat in terms of the “payments/repairs-maintenance” sequence that has to be followed for communal elements in the buildings, the regulation might have a slight gap where it is not well defined. It does not specify what should be done when there is a situation in which the residents do not want to pay the communal fee due to a lack of investment by the Patronat, when the latter does not wish to make repairs due to the failure of some residents to pay this fee. Although the issue is somewhat more complicated than this, it could be summarised in this way. Despite all that, it remains to be seen whether the conflict is due to the incoherence of the regulation referred to above, as it is not at all clear that this is at the root of the conflict.

#### **B.4. Collective outdoor space**

In both the northern and southern zone of Can Tussell there are two public spaces that fall within this category.

Northern zone: There is a small park on the eastern corner of the residential area and two more on the western corner. These parks are attached to the buildings on one side, and on the other they face the pavements and external roads. The two parks on the western side have a see-saw and other playground equipment for children, as well as benches for sitting and several areas with shrubs. The park on the eastern side has basically benches for sitting and several areas with shrubs.

Southern zone: There are two parks located on the eastern side of the residential area. These parks have certain differences with respect to the ones in the northern zone. They are larger and they are not directly connected to the outside of the residential area, rather they are fully inside them. These two spaces were given a major overhaul in 2004. The residents claim that they used to flood every time a certain amount of rain fell, and that despite the remodelling, they still flood.

Internal walkways: There are other spaces that could be regarded as collective outdoor spaces. In both zones there are internal walkways that give access to the doorways of the buildings. These walkways are not only used by residents to reach their homes, rather much of these people’s everyday social activity takes place in them. The children tend to play in these spaces while their parents gather and talk when they are watching over the children. You can also often see small groups of residents chatting outside one of the bars in the area. The fact that the shops in both zones are located in these walkways leads to an increase their use as a space for social interaction.

Central park: This is a large park with a green area located between both zones of Can Tussell, where there is also a small sports facility. This area is totally surrounded by roads and there is no type of physical connection with the residential areas in Can Tussell, so that we regard that this space as meant for the entire population of the city.



#### *B.4.1 Users*

The parks on the northern and southern zones, as well as the internal walkways and the central park, may be freely used by residents in the neighbourhood as well as by the remaining residents of the city. Nevertheless, given both the urban planning characteristics of the neighbourhood itself (located on one extreme of the city) as well as the way these public spaces were designed (mainly to be used by the residents, with the exception of the central park), the residents of Can Tussell are the main users of these areas.

#### *B.4.2 Intended use*

The parks are spaces meant for rest, social interaction between residents and recreational use. They are spaces where children can play, residents can gather to talk and/or sit on the benches to pass the time away. The purpose of the walkways is to ease access to the inside of the buildings and the shops.

#### *B.4.3 Modality of use*

Access is not restricted; it is free and public by all citizens. There is a municipal ordinance regulating the uses and activities that can be performed in these spaces.

#### *B.4.4 Abusive uses*

a) It could be claimed that the walkways in the northern zone are overused by certain residents. The residents and the Adigsa technician point out that the gypsy residents sit in the walkways for hours at the time, and this sparks complaints by the other residents. Generally speaking, all the residents, both gypsies and non-gypsies, make ongoing use of the walkways as a gathering point. The Residents Association tries to get the people to use the public spaces available instead of saturating these walkways.

Some residents complain that the children living in the area play ball in the walkways. They managed to get a sign put up asking that the children not do this, although it does not seem to have stopped.

b) Drug dealing often takes place on the terraces of the bars that look out onto the walkways, one on the northern zone and the other on the southern zone, just as it does on the far northern part of the central park, near another bar.

#### *B.4.5. Effects*

##### *Internal effects*

There is a homogeneous negative effect in the guise of tension between the residents due to the massive overuse of the walkways by certain residents and due to the drug dealing that takes place in these spaces.

##### *External effects*

As mentioned by members of the Residents Association, the drug dealing leads residents of the zone to not use the public spaces in Can Tussell, plus it contributes to upholding the neighbourhood's bad reputation.

#### *B.4.6. Rivalries*

Conflictive rivalry between residents, as some believe that the public space in the internal walkways is overused.

Conflictive rivalry between residents due to some residents' use of this space for drug dealing. Drug dealing takes place near the entrances to the buildings, and near the places where there is a significant presence of children.

#### *B.4.7. Regulatory conditions*

a) *Municipal ordinances* of the Terrassa Town Hall that regulate the use and activities that can be performed in the public space in the city.

b) *Contract* between the Terrassa Town Hall and the companies hired to clean and maintain the public spaces.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **No**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

With regard to the conflict about the overuse of the internal walkways, this is currently considered a public space like any other, and in this sense it should be regulated by the municipal ordinances of Terrassa, which regulate the use of the public spaces in the entire city. However, the conflict between residents due to the specific use made of these spaces could be said to have derived from use-rights that are insufficiently defined. The regulations do not clearly specify how to manage the use of spaces near the entrances to buildings. In this sense, these areas should not be treated as any public space given the fact that their use especially affects the residents of the buildings. The municipal ordinances that regulate the use of public spaces should include a specific sub-section that directly addresses the regulation of these areas.

## C. PRODUCTION FACTOR

### **C.1 Capital investment**

#### *C.1.1 Users*

We can say that there are diverse users of the capital investment in Can Tussell. In fact, the list could be interminable. We shall try to highlight the most important users and their main investments.

Incasol: Incasol was the housing developer. As a result, it made a considerable investment in order to build the 800 dwellings and car parks. It has also participated in the investment in repairs that in theory Adigsa had to take on, in 2002 and 2003, for a total value of €784,323.

Adigsa: Adigsa has invested in numerous repair and maintenance projects in Can Tussell. Its outlays were halted considerably in 2003, dovetailing with the change in parties at the helm of the regional Catalan government (Generalitat). Between 1993 and 2004, however, it invested €3,434,936, funds which were spent on a variety of different repairs: inside the buildings, inside the dwellings, public lighting and the paving of one of the squares.

Patronat: The Patronat has invested in purchasing the dwellings and in the building repairs. The Board informed us that in the forthcoming months it plans to purchase what remains of the dwellings from Incasol, including the debts that had accumulated until now. To make this payment, the Patronat will have to ask for a loan for a value of approximately €900,000. In any event, this transaction has not yet taken place.

Terrassa Town Hall: The Town Hall has invested in cleaning and maintenance of the hard squares and green areas in the collective outdoor space surrounding the stock. It has also invested in the expenses derived from the transport service linking Can Tussell with the rest of the city.

Adigsa homeowners: Since 1985, the Adigsa homeowners have been investing in purchasing their homes from Incasol over a 25-year period, with an increasing amortisation rent. The price hovers at around €15,000 and by 2010 they will have finished paying off the flats. Logically, the purchase of a flat should be regarded as a major investment which could lead to profits in either economic or human terms. The homeowner's family will have the flat paid off, and thus if they wish they may also sell it at a considerably higher price than the initial sale price. The same holds true for the parking places.

Patronat homeowners: In this case, the purchasers made a lump sum payment, the price of which hovered at around €15,000. In some cases this investment required a mortgage. What we mentioned in the paragraph above for Adigsa homeowners is logically applicable to the Patronat homeowners as well.

Banks and savings banks: The loans or mortgages taken out by private individuals or public institutions such as the Patronat have entailed an investment that has been taken on by the beneficiary banks and/or savings banks.

### *C.1.2 Intended use*

#### *Incasol & Patronat*

The flats that are rented bring long-term monetary profit to the public administration (to the regional Catalan government in the case of Incasol, and to the Terrassa Town Hall in the case of the Patronat), despite the high failure to pay level that characterises the payment of the rent. The same holds true for the commercial spaces auctioned off in

1985 by Incasol. A non-economic benefit was also derived from the money invested in building Can Tussell, which consists of providing housing for population sectors with little money for purchasing homes, or fulfilling some of the goals set in the political agenda on housing matters.

#### *Banks and savings banks*

The intended use in this case is quite clear: to earn economic profit in the medium or long term thanks to the money charged for interest. It should be clarified that in the case of mortgages, the bank may end up as the owner of the publicly subsidised dwelling, although if this situation arises the public administration would intervene to purchase the flat.

#### *Adigsa or Patronat owners*

The investment made by private individuals when purchasing homes or maintaining or repairing them yields obvious profits, as they are purchasing a home not just for themselves but also in the long term for their children. It can also yield economic profits in those cases when they end up selling the flat.

#### *C.1.3 Modality of use*

Incasol was authorised to invest in Can Tussell through the competencies that were transferred from the central government to the autonomous government on housing matters. Specifically, it earned the right to invest in Can Tussell from Decree 4367/82, through which the Department of Territorial Policy and Public Works attributes the job of alienation of publicly subsidised housing to Incasol. The rights corresponding to Adigsa and the Patronat derive from the contracts they have signed with Incasol as the initial owners of Can Tussell.

The residents earn the right to purchase their flats by fulfilling the criteria for access to public subsidised housing set by the corresponding regulations.

#### *C.1.4 Abusive uses*

There are two cases of abusive uses. First, it seems quite clear that the Patronat has neglected fundamental aspects of its economic management for many years, which has ended up harming not just the Patronat itself but also Incasol.<sup>5</sup> Secondly, we should mention that the illegal sale of flats on the open market by private individuals with undeclared money and at extremely high prices can also be regarded as an abusive use.

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<sup>5</sup> A disproportionate debt has accumulated which has diminished the Patronat's ability to invest in necessary aspects of the housing stock and, in short, to manage its housing stock in an economically sustainable way. This longstanding neglect has translated into a cumulative debt of €400.000, which it is now attempting to solve.

### *C.1.5 Effects*

#### *Internal effects*

The Patronat's management of failure to pay has led to heterogeneous negative effects, such as heavy tensions between residents and the Patronat about the Patronat's lack of investment in the stock, among other issues.

#### *External effects*

The abuse mentioned above in relation to the sale of flats by private individuals has an effect on the rest of the population, both those who wish to purchase a publicly subsidised flat and those who do not.

#### *Effects on the stock*

The economic management problems affecting the Patronat (the result of poor management of the failure to pay over time) has led to a dearth of investment in many elements of the housing stock, such as in the collective and functional indoor space.

### *C.1.6 Rivalries*

a) Conflictive rivalry between the Patronat and residents due to the lack of investment in certain elements of the housing stock.

### *C.1.7 Regulatory conditions*

a) This decree stipulates the competencies in matters involving the financing policy of publicly subsidised housing owned by Spain.

b) *Decree 2626/1982* and *Decree 1009/1985*. These decrees transfer the competencies to devise programmes for publicly developed housing to the regional government of Catalonia.

c) *Decree 431/82*, through which the regional Catalan government assigns the services transferred to it, to the Department of Territorial Policy and Public Works

d) *Decree 436/82*. Through this decree the Department of Territorial Policy and Public Works attributes the job of alienation of publicly subsidised housing to Incasol.

e) *Royal Decree 1/2002*, on financing measures for subsidised actions in the areas of housing and land from the 2002-2005 Plan, which was partially amended by *Royal Decree 1024/2003* and *Royal Decree 1721/2004*.

f) *Contracts* signed between Incasol and Adigsa-Patronat that authorise the latter to investment in their part of the Can Tussell stock.

e) Sale *contracts* between Incasol and residents who own their flats.

f) The Catalan *civil code* and the Spanish *civil code*.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **Yes**

There is incoherence because Patronat does not invest in the maintenance of the buildings, as it should in order for tenants to be able to properly develop their use rights.

## **C.2. Land Investment**

### *C.2.1 Users*

The investment in the land was made by the National Housing Institute (abbreviated INV). Despite this, it has received nothing in exchange as this transaction was transferred to Incasol without the latter having to pay the central government for the cost of the land.

### *C.2.2 Excluded actors*

Private developers as well as those institutions from the central government (on housing and land) that remained excluded from the process once the competencies were transferred to Catalonia.

### *C.2.3 Intended Use*

To build publicly subsidised housing in order to fulfil the housing policy.

### *C.2.4 Modality of use*

The land where the housing stock is located used to be privately owned. The INV, a body that depends on the central government, expropriated the land by applying the *Law on Forced Expropriation* to these private owners, with the goal of building publicly subsidised housing there. The INV transferred ownership of this land to Incasol, a body created by the regional Catalan government, to build the publicly subsidised housing, as part of a mass transfer of the publicly subsidised housing stock from the central government to the Catalan regional government.<sup>6</sup>

### *C.2.5 Abusive Uses*

There is no abusive use.

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<sup>6</sup> Recently there have been two new investments in land located inside the Can Tussell neighbourhood, although they are not part of the housing stock. First, the Terrassa Town Hall ceded or sold to the regional government of Catalonia the land where the station of the Catalan police squad (Mossos d'Esquadra) has been located, in the northern zone. More recently, the Town Hall has made a swap with a private individual which consisted of ceding land located next to the central park in order to build an evangelical church, and in turn receiving land in the centre of the city. This swap was heavily contested by the residents at the time, and it is still the target of criticism by the Can Tussell Residents Association .

### C.2.6 Rivalries

No rivalry has been detected.

### C.2.7 Regulatory Conditions

- a) *Law 19/1975*, reforming the law in the system of land and urban development (the 1956 *Law on Land and Urban Development*). This was the law in force when Can Tussell was built. It should be mentioned that on 1<sup>st</sup> July of the next year a new law on land will enter into force for Spain as a whole.
- b) The *Law* dating 16<sup>th</sup> December 1954, on forced expropriation.
- c) *Royal Decree 1346/1976* (which reformed the theretofore valid 1956 *Law on Land and Urban Development*).
- d) *Royal Decree 1/2002*, dated 11<sup>th</sup> January 2002, on financing measures for subsidised actions in the areas of housing and land from the 2002-2005 Plan, which was partially amended by *Royal Decree 1024/2003* and *Royal Decree 1024/2003*, dated 1<sup>st</sup> August 2003 and *Royal Decree 1721/2004*, dated 23<sup>rd</sup> July 2004.
- e) *Decree 436/82*, through which the Department of Territorial Policy and Public Works attributes the job of alienation of publicly subsidised housing to Incasol.
- f) The *contract* between the Terrassa Town Hall and Incasol.
- g) The Catalan *civil code* and the Spanish *civil code*.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## C.3 Labour investment

### C.3.1 Users

#### *Patronat and Terrassa Town Hall*

They have one social services technician and one technician employed full time to pursue defaulters. They have a head of legal services and a maintenance technician employed part time.

They also hire a variety of companies that provide different services for the Can Tussell stock. To perform maintenance and repairs in the buildings, to clean the public spaces and to gather recyclable material and organic matter they have hired a municipal company, Eco-equip, which is part of the Terrassa Town Hall. Finally, the Town Hall also provides jobs to transport service workers that circulate around Can Tussell.

#### *Adigsa*

Adigsa has created a position called “area technician” that is in charge of keeping the communication channels open between the residents of Can Tussell and Adigsa. This same person works in Can Tussell. It also hires companies to perform maintenance and repairs of the stock.

Shops and commercial spaces in the non-residential space use

The owners of these commercial spaces hire staff for their shops.

### *C.3.2 Intended use*

To provide stable, regulated and salaried jobs, and to obtain services in exchange.

### *C.3.3 Modality of use*

By means of labour contracts.

### *C.3.4 Abusive uses*

We can state that the staff Adigsa has hired in Can Tussell is insufficient if it wants to manage the stock well, as well as to keep an ongoing and effect channel of communication open with the residents. The Residents Association complained that they asked to have a meeting with Adigsa to talk about a variety of issues a long time ago, and that this meeting never took place. There is only one person in charge of taking on this role (area technician), and her job is overwhelmed by the jobs she is in charge of Can Vilardell.

### *C.3.5 Effects*

#### *Internal effect*

The fact that we just mentioned is a result of the fact that communication between the residents under Adigsa’s management and the latter is virtually nonexistent.

### *C.3.6 Rivalries*

a) Conflictive rivalry between residents and Adigsa due to the lack of an appropriate communication channel between the residents and the stock owner.

### *C.3.7 Regulatory conditions*

- a) *Legislative Royal Decree 1/1995*, approving the reworked text of the *Workers’ Statute Law*. This has been updated every year until 2007.
- b) *Law 13/1995*, on contracts in the public administrations (in force until 22<sup>nd</sup> June 2000).
- c) *Legislative Royal Decree 2/2000*, which approved the reworked text of the law on contracts in the public administrations.
- d) *Labour contracts*.



I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **Yes**

The conflict detected is not caused by any inconsistency in the regulations. Adigsa has a person hired to attend to Can Tussell; the problem is that this person spends almost all of her time dealing with problems in Can Vilardell. Since the management strategy of Adigsa entails that the person in charge does not dedicate enough hours to Can Tussell, the use rights of tenants are not respected.

## D. UTILITY SERVICES

### **D.1. Energy consumption**

#### *D.1.1 Users*

##### *Electricity*

Endesa used to be the publicly owned company that supplied electricity to all of Spain. It was privatised and in Catalonia it now owns the infrastructure (built by the state) needed and is the leading private company. There are other companies, such as Iberdrola, that are also on the electricity market and have a similarly predominant presence, but in other parts of Spain. In Catalonia, the private companies in this sector have to use the Endesa infrastructures. They purchase “packages” of electrical energy from Endesa in order to provide a service to the population. The Energy Market Commission regulates the activities in the energy market in Spain, ensuring free competition and avoiding situations of monopolies by Endesa or Iberdrola.

##### *Gas*

Generally speaking, the same situation holds true as with electricity, but instead of Endesa the main company in this sector is Gas Natural.

#### *D.1.2 Excluded actors*

All electricity or gas companies that have not been hired by the users. In theory, however, no utility company is excluded as the energy market has been liberalised.

#### *D.1.3 Intended Use*

To provide electricity and gas to the residents of Can Tussell and earn economic profit.

#### *D.1.4 Modality of use*

### *Individually*

With regard to the electricity and gas supply to the households, a contractual relationship is established strictly between the user and the utility, without any type of mediation by the stock owners or any other actor. Both Adigsa and the Patronat claim that if a resident does not pay the bill for these services and the company decides to cut off their service or remove the resident from its list of customers, they have nothing to say in the matter. They uphold no communication whatsoever with these companies with regard to Can Tussell.

### *Building-wide*

Adigsa: The Homeowners Associations are in charge of paying the electricity for the building and ensuring that the spaces where the gas and electricity facilities are housed are kept in good condition.

Patronat: The Patronat is in charge of paying the electricity for the building and ensuring that the spaces where the gas and electricity facilities are housed are kept in good condition, through the fee charged for communal expenses.

#### *D.1.5 Abusive Uses*

No abusive uses by Endesa or Gas Natural have been detected.

#### *D.1.6 Effects*

##### *Internal Effects*

The Patronat has to defray the expenses, because if the utility company ceases to receive the money, it could cut off the communal electricity supply.

#### *D.1.7 Rivalries*

Rivalry between the residents of the Patronat flats who do not pay their electricity bills and Endesa.

#### *D.1.8 Regulatory Conditions*

- a) *Decree 328/2001*, which approved the regulation on electrical supply.
- b) *Law 48/1998*, which regulates the procedures for hiring in the energy, water, transport and telecommunications sectors, by adding directives *93/38/EEC* and *92/13/EEC* to the Spanish legal system.
- c) *Decree 96/2001*, updated by *Decree 312/2004*. Organisation and competencies for hiring utilities and their complementary, related or derived services by the administration of the Catalan government.
- d) *Royal decree 1853/1993*, approving the regulation on gas installations in spaces assigned for household, collective or commercial uses.
- e) Energy Market Commission.
- f) *Contracts* between Endesa/Gas Natural and Can Tussell residents.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **Yes**

The conflict between the Patronat and the residents has arisen due to non-compliance with the regulations. Incoherence consists in the fact that Patronat allows some of the tenants to not pay the communal fee, paying the electrical company from his pocket, and therefore allowing this situation to continue for a long time.

## **D.2. Material storage and sink**

The materials with which the buildings were constructed are high quality. There have been no major problems with the internal part of the buildings (dwellings and staircases). In contrast, there are significant problems with the materials used on the outside of the housing stock. On the ceilings of the inner walkways there are areas with moisture and considerable holes. The walls of these same walkways that look out onto the adjacent parks in the northern zone are in a state of advanced deterioration.

Since the beginning of the housing stock, one of the two parks in the southern zone has had problems of flooding whenever it rains a lot. A few years ago this space was overhauled; however, according to the residents, it is still prone to flooding.

### *D.2.1 Users*

Construction companies, maintenance and repair companies. There were and still are hired by Incasol, Adigsa or the Patronat.

### *D.2.2 Excluded actors*

All the construction companies, maintenance and repair companies that have not been hired.

### *D.2.3 Intended Use*

To supply good materials for the construction, repair and maintenance of the housing stock.

### *D.2.4 Modality of use*

The right to use this good and service is earned by a contract between the different user companies and the different actors in the housing stock. This might include a contract between Incasol and one of these companies, between the Municipal Patronat and one

of these companies, between Adigsa and one of these companies, or between the Homeowners Associations of the Adigsa buildings and one of these companies.

#### *D.2.5 Abusive Uses*

The park in the southern zone was completely overhauled two or three years ago, but it still floods when there is heavy rainfall, just like before. In the area where the inner walkways are, in both the northern and southern zone, some materials are in poor conditions (holes, cracks, moisture).

#### *D.2.6 Effects*

##### *Effects on the stock*

The effects on the stock are clear: deterioration of the external construction elements and flooding of the inner squares of the buildings.

#### *D.2.7 Rivalries*

There are no rivalries.

#### *D.2.8 Regulatory Conditions*

- a) Resolution dated 16<sup>th</sup> March 2004, by the General Director of Technology Policy, on construction products approved by the European Technical Approval Document..
- b) Royal Decree 1630/1980, on the manufacture of durable materials for floors and ceilings.
- c) Royal Legislative Decree 2/2000, approving the reworked text of the law on contracts in the public administration.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

#### II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? \_
- c) Is it the result of contradictions between different public policies? \_
- d) Is it the result of incoherence between public policies and property or use rights? \_

Management of the conflict prompted by the poor condition in the squares and outer walls has been neglected by Adigsa and the Patronat. They could have filed a claim with the companies that built them asking them to fix the flaws. But for the time being, nothing along these lines has been done, although it might be done soon. Thus, there is a conflict but no incoherence.

### **D.3. Material discharge**

The collection of both recyclable and non-recyclable material is performed by “Eco-equip”, S.A., a municipal company. There are dumpsters on virtually all the corners in both the northern and the southern zone.

Every household has to pay a municipal waste tax costing around 60-70 euros per year. In the case of tenants in the Patronat’s flats, this entity pays the tax for the tenants and later recovers this money every month from the tenants.

#### *D.3.1 Users*

Eco-equip S.A., a municipal company.

#### *D.3.2 Excluded actors*

Any company other than Eco-equip S.A., a municipal company.

#### *D.3.3 Intended Use*

To gather all the material, both recyclable and organic, produced by the Can Tussell housing stock.

#### *D.3.4 Modality of use*

A contract between the Terrassa Town Hall and Eco-equip S.A., a municipal company.

#### *D.3.5 Abusive Uses*

Despite the high number of dumpsters for both recyclable and non-recyclable material, it seems that at times the collection takes place at excessively long intervals, as there are many dumpsters where one can see an excessive accumulation of rubbish.

#### *D.3.6 Effects*

##### *Internal effect*

At times, so much rubbish accumulates at the dumpsters that it is difficult to throw away the waste and it ends up falling on the ground.

#### *D.3.7 Rivalries*

Rivalry between the residents and Eco-equip S.A., a municipal company, arising from the excessive accumulation of rubbish in the dumpsters.

#### *D.3.8 Regulatory Conditions*

- a) *Law 6/1993*, regulating waste, later amended by *Law 15/2003*.
- b) *Law 10/1998*, on waste in Spain.
- c) *Law 11/1997*, dated 24<sup>th</sup> April 1997, on containers and waste.

- d) *Ordinance* on Good governance and Citizen Coexistence of the Terrassa Town Hall, approved 28/09/1995.
- e) *Ordinance* regulating public cleaning and waste management in Terrassa.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **Yes**

Neglect by the company in charge of collecting the rubbish constitutes non-compliance with its obligations. Since this company is hired by the town council there is incoherence because the town council is not guaranteeing the right of residents to have a proper and efficient recollection of their rubbish.

#### **D.4. Water sink and water discharge**

The company Aigües de Terrassa S.A supplies water for the entire housing stock and is in charge of the sewer service. It is also the owner of the infrastructures needed to deliver these services. The company Aigua S.A belongs to Aigües de Terrassa and is in charge of maintenance and repair of the water supply networks. Aigües de Terrassa S.A is part of the holding company Grup Agbar S.A.

##### *D.4.1 Users*

Aigües de Terrassa S.A.

##### *D.4.2 Excluded actors*

All companies other than Aigües de Terrassa S.A.

##### *D.4.3 Intended Use*

To supply water to the residents in the housing stock and channel the waste water.

##### *D.4.4 Modality of use*

A contract between the Terrassa Town Hall and Aigües de Terrassa S.A

##### *D.4.5 Abusive Uses*

None have been detected.

##### *D.4.6 Rivalries*

None have been detected.

#### *D.4.7 Regulatory Conditions*

- a) *Order dated 9<sup>th</sup> December 1975*, approving the basic rules for indoor water supply installations.
- b) *Decree 202/1998*, on measures to promote water savings in certain buildings and dwellings (Official State Gazette of Catalonia 6/8/98).
- c) *Contract* between the Terrassa Town hall and Aigües de Terrassa S.A, and between the latter and private individuals.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

#### II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **\_**
- c) Is it the result of contradictions between different public policies? **\_**
- d) Is it the result of incoherence between public policies and property or use rights? **\_**

### **D.5. Network services**

The situation we have described above for the energy market is largely applicable to the telecommunications market as well. Here the main company, which also used to be state-owned, is Telefónica. It owns most of the infrastructures and it sells the use of them to a variety of telephone and internet operators. The entity that regulates these matters is the Telecommunications Market Commission.

#### *D.5.1 Users*

Telecommunications, internet and cable TV companies.

#### *D.5.2 Excluded actors*

Any company that has not been hired by the residents.

#### *D.5.3 Intended Use*

To supply residents with access to services such as telephone, internet and cable TV.

#### *D.5.4 Modality of use*

Private contracts between each resident and the telecommunications companies.

#### *D.5.5 Abusive Uses*

None have been detected.

#### *D.5.6 Rivalries*

None have been detected.

#### *D.5.7 Regulatory Conditions*

- a) *Decree 117/2000*, establishing the legal system and approving the technical norms on communal telecommunications infrastructures in buildings to pick up, adapt and distribute radio and television signals and other associated data services coming from both land and satellite broadcasts.
- b) *Decree 116/2000*, establishing the legal system and approving the technical norms on communal telecommunications infrastructures in buildings for access to cable-based telecommunications services.
- c) *Order dated 14<sup>th</sup> May de 2003*, developing the regulating rules for communal telecommunications infrastructures in buildings for access to telecommunications services and the activity of installing telecommunication equipment and systems, approved by *Royal Decree 401/2003*.
- d) *Contracts* between telephone, internet and cable TV companies and private individuals.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

#### II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? \_
- c) Is it the result of contradictions between different public policies? \_
- d) Is it the result of incoherence between public policies and property or use rights? \_

### E. URBAN FUNCTION

#### **E.1. Design of Urban Space**

From the standpoint of design, there are certain elements that leave much to be desired. The articulation between certain spaces and the urban fabric of the city gives rise to a certain sensation of isolation between the public space and the street, which does not really encourage certain population groups who do not reside in Can Tussell to use these spaces.

In both the northern and southern residential areas, there is a series of parks built inside the residential complex. The way they were designed makes them fairly enclosed and scarcely visible from the outside. Given the neighbourhood's bad reputation, this does not seem to be the best way to encourage the residents to use this space on a daily basis. The park located between the two residential areas in the neighbourhood, however, does not have this problem. Still, the fact that it remains isolated from the southern part by a two-way express roadway makes it somewhat difficult to reach.

##### *E.1.1 Users*

Architects, urban planners and technicians hired by the city administration.



### *E.1.2 Intended Use*

To offer a high quality public space from both the functional and aesthetic standpoint that encourages residents to identify with their environment, and which makes all types of uses and users compatible.

### *E.1.3 Modality of use*

To receive the commission from the administration to design the public spaces.

### *E.1.4 Abusive Uses*

The public spaces in both the southern and northern zones are not sufficiently visible from outside the housing stock, which may make it difficult for them to be properly used.

### *E.1.5 Effects*

#### *Internal effects*

The residents do not use these spaces on a daily basis, and as a result they are underused.

#### *External effects*

They do not help to overcome the neighbourhood's bad reputation through daily use of public spaces by people living outside the housing stock.

### *E.1.6 Rivalries*

Conflictive rivalry between the urban planning of public spaces developed by the public administrations and the residents' use of these public spaces.

### *E.1.7 Regulatory Conditions*

- a) *Law 13/2003*, regulating the awarding of concessions for public works.
- b) *Contracts* between the city administration and the urban designers.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **Yes**

The town council validated a public space design that doesn't allow the residents to use these public spaces as much as they would desire.

## **E.2. Demand for traffic-related infrastructure**

There are three city bus lines that reach Can Tussell, and there are plans to build a stop of the Catalan government's railway line (Ferrocarrils de la Generalitat) near the neighbourhood. The residents have no complaints about this matter.

### *E.2.1 Users*

The Municipal Transports Company of Terrassa and the public company Ferrocarrils de la Generalitat (Catalan government's railway).

### *E.2.2 Intended Use*

To offer a high quality, efficient means of transport for anyone wishing to travel to or from Can Tussell.

### *E.2.3 Modality of use*

Contract between the Terrassa Town Hall and the Municipal Transport Company of Terrassa. Contract between the Terrassa Town Hall and the company Ferrocarrils de la Generalitat (Catalan government's railway).

### *E.2.4 Abusive Uses*

None have been detected.

### *E.2.5 Rivalries*

None have been detected.

### *E.2.6 Regulatory Conditions*

*Law 9/2003* on mobility.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **No**

b) Is it the result of unclear or poorly defined property rights or use rights? \_

c) Is it the result of contradictions between different public policies? \_

d) Is it the result of incoherence between public policies and property or use rights? \_

## **E.3. Demand for collective institutional services**

### *E.3.1 Users*

Public administrations that offer goods and services to the residents

### *E.3.2 Intended Use*

To offer goods or services to the residents

### *E.3.3 Abusive Uses*

Between the southern and northern zones there is quite an extensive space where there were plans to build public facilities for the residents of Can Tussell, as the residents recall and as confirmed by a map at the Town Hall. This space was ultimately adjudicated to an evangelical church. It is difficult to view a church as a public facility, and in this sense we can talk about a clearly abusive use by the Town Hall. This cession of the land to the evangelists has sparked many complaints by the majority of residents and by the current Residents Association, which viewed this space as an opportunity to “integrate” both zones of Can Tussell by means of neighbourhood facilities that could contribute to deepening neighbourly relations between the people living in the southern and northern zones.<sup>7</sup>

### *E.3.4 Effects*

All these issues have led to a situation in which there is a lack of public facilities in Can Tussell. Despite this, it cannot be claimed that there is a particularly serious situation in the neighbourhood with respect to this issue in all respects. In terms of public spaces, spaces for sports activities and the proximity of a school, the situation is quite positive; there is even an excess of public spaces, which are often found empty. However, one can detect a lack of sensitivity and intelligence on the part of the Town Hall in relation to its dealings with the entities in the neighbourhood that provide key services in Can Tussell, such as the Youth Association or the after-school centre. The former, for example has a ridiculously small prefabricated hut as its headquarters, despite the fact that it holds quite a few highly successful activities in the neighbourhood. Finally, it should be mentioned that one can also observe a lack of both indoor and outdoor facilities for elderly persons living in the neighbourhood, especially bearing in mind that leaving Can Tussell (as a neighbourhood that is quite isolated from the city of Terrassa) is no easy feat for this population.

### *E.3.5. Rivalries*

Conflictive rivalry between residents and the Town Hall due to the lack of facilities in the neighbourhood, and specifically due to the transaction involving donating the land in the middle of the two zones to an evangelical church.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

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<sup>7</sup> It should also be mentioned that in the space adjacent to the northern zone there were plans to build another neighbourhood facility, in this case a secondary school. This space was ultimately used to build a police station. The shops located in the northern zone have gradually closed down, and this has led to malaise and a sense of isolation among the residents.

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **Yes**

d) Is it the result of incoherence between public policies and property or use rights? **No**

There is incoherence between two public policies of the town hall. On one hand it gave some of the city's residents a piece of land for them to build a private church, and, on the other hand, it ignored the needs of Can Tussell's residents in relation to a series of public services that had been promised to the neighbours.

#### **E.4. Demand for goods and services within close proximity**

##### *E.4.1 Users*

Businesses that offer the residents' goods and services

##### *E.4.2 Intended Use*

To offer residents goods or services

##### *E.4.3 Abusive Uses*

There is a lack of businesses within the neighbourhood that provide goods and services to the neighbours.

##### *E.4.5 Effects*

The lack of businesses obliges neighbours to walk long distances in order to obtain the needed goods and services. It also makes the neighbourhood seem less "alive". These two things concern the residents a great deal.

##### *E.4.6. Rivalries*

Conflictive rivalry between residents and businesses that do not open in the neighbourhood.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

## F. NON-MATERIAL

### **F.1 Solving general housing needs**

#### *F.1.1 Users*

The Catalan regional government (Generalitat de Catalunya) and the Terrassa Town Hall.

#### *F.1.2 Excluded actors*

The central government and private developers.

#### *F.1.3 Modality of use*

The Catalan regional government and the Terrassa Town Hall hold the competency to develop publicly subsidised housing based on the competencies transferred by the central government on housing matters.

#### *F.1.4 Intended use*

To try to resolve the problem of the lack of decent housing for significant sectors of the population of Terrassa with few economic resources.

#### *F.1.5 Abusive uses*

According to the claims in a newspaper article from the past (AVUI, dated 5<sup>th</sup> May 1984), when the flats at Can Tussell were adjudicated the vast majority of residents protested because they thought that the flats (with an average size of 63 m<sup>2</sup>) were too small; other types of complaints were registered as well. On the other hand, in 1985 there were a high number of people living in Terrassa in conditions of under-housing. As a worker in the Terrassa Town Hall told us, the adjudication process did not follow an overly regulated logic, and the flats were awarded to those people who “were considered” to be living in the worst conditions. Nevertheless, this claim has not been verified.

#### *F.1.6 Effects*

Building overly small flats could result in certain families’ living in flats that, in terms of square metres, do not meet their needs, regardless of whether or not the new flat was an improvement in terms of living conditions over their previous home. With regard to the adjudication process, some families probably were not awarded a public subsidised flat despite the fact that they had needs that were more pronounced than other families that were awarded these flats.

#### *F.1.7 Rivalries*

Conflictive rivalry between the Terrassa Town Hall and certain families that were not awarded publicly subsidised flats in Can Tussell, due to the lack of clarity as to the criteria guiding the adjudication of the flats.

### *F.1.8 Regulatory Conditions*

- a) *Law on Publicly Subsidised Housing. Royal Decree Law 31/10/1978*, on publicly subsidised housing policy. This law sets the characteristics that public housing stock must meet, as well as the main conditions for awarding these dwellings.
- b) *Decree 2626/1982* and *Decree 1009/1985*. The central government transferred the competencies for devising publicly subsidised housing developments to the regional government of Catalonia (Generalitat de Catalunya).
- c) *Decree 431/82*, through which the regional government of Catalonia assigns the services transferred to the Department of Territorial Policy and Public Works.
- d) *Decree 436/82*, through which the Department of Territorial Policy and Public Works attributes the job of alienation of publicly subsidised housing to Incasol.

#### I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **No**

#### II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **Yes**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

The incoherence is due to the fact that, when it adjudicated the flats, the Town Hall did not respect the conditions stipulated in the *Law on Publicly Subsidised Housing. Royal Decree Law 31/10/1978*.

### **F.2 Solving non-housing needs**

Not applicable

### **F.3 Shaping the characteristic landscape**

Not applicable

### **F.4 Social and cultural diversity**

Not applicable

### **F. 5 Conservation and transmission of social and historical values**

#### *F.5.1 Users*

The Can Tussell Residents Association, the Youth Association and the after-school centre.

#### *F.5.2 Intended Use*

The purpose of the Residents Association is to be a space for debate and participation for all the residents in the neighbourhood. It promotes both cohesion and solidarity among residents and the need to jointly defend their interests before the different public administrations.

The Youth Association is a gathering point for young people in the neighbourhood where social values such as anti-racism and anti-sexism are promoted through a variety of activities.

The purpose of the after-school centre is to serve as a space for gathering and interacting for the children of Can Tussell, as well as for conveying a series of values that foster their own welfare and social progress. To accomplish this, it offers an entire series of sports, leisure and tutoring activities.

#### *F.5.3 Abusive Uses*

No abusive use by users has been detected.

#### *F.5.4 Effects*

Residents Association: The creation of a feeling of collective identity and social cohesion between the residents and the demand for their social rights and needs.

Youth Association: Young people's rejection of racist and sexist attitudes.

After-school centre: Empowerment of children so they can interact and work collectively.

#### *F.5.5. Rivalries*

None have been detected.

#### *F.5.6 Regulatory Conditions*

There are no regulations for this issue.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **No**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

## 3.2 Can Vilardell

### A. RESIDENTIAL

#### **A.1. Living space**

##### *A.1.1. Users*

Immediately after the construction of the stock (1975) the flats were occupied by two socially different groups: on the one hand, a group of politically aware people with a good educational level, who took upon themselves the task of becoming active and demonstrating the demand for housing; and on the other, a sector of the population also in need of housing but at a lower economic and educational level, in which was included a segment of the gypsy population.

Between the first five to ten years following their arrival, the majority of the members of the more politically aware group began to abandon the area, either because they had attained a higher economic level or because they found more suitable areas (closer to their places of work, better connected and with better services). After they left, the flats they vacated were occupied mainly by gypsies, belonging in many cases to the same gypsy clans as the residents.

Nowadays, as a result of the above, there are two clearly differentiated groups living together there: on the one hand, the non-gypsy (*paia*) population with fewer economic and educational resources and a precarious employment situation, and on the other, a more deeply-rooted and numerous group of gypsy families who have retained their own social structure characteristics without losing the traditions associated with this, and which provides feedback for the new entry of members. The overall composition of the population of the area is equal in numbers: it is divided equally between gypsies and non-gypsies.

##### *A.1.2. Excluded actors*

The private origin of the housing stock excluded all those who were unable to acquire flats at the market price. Nevertheless, from the moment that the group of buildings was acquired by the Ministry of Housing (1979/80), it was the most disadvantaged sectors who came to benefit, with private buyers being thus excluded.

The allocation process for the homes was in the hands of the Assembly of Workers for Decent Housing (ATVD), who drew up a list, proposing the allocation order according to the degree of need that the families had.

From 1985 onwards, when ADIGSA took over management of the stock, it was to be this public company that would determine the allocation of housing; the exclusion criteria were set out by the Protected Housing Act, which established certain economic, social and family criteria in favour of the most disadvantaged. In consequence, the highest incomes were excluded.



At the present time, as we have been able to observe following successive visits and interviews, although these criteria are still in force, there is a group of residents that impede the entry of new residents by occupying the vacant flats and not notifying ADIGSA of the changes.

#### *A.1.3. Modality of use*

The residents have access to the flats continuously while the tenancy contract with ADIGSA lasts. This type of contract establishes that the transfer of a specific dwelling is in the hands of its tenant until the latter rescinds it or until his or her death. ADIGSA has the right however to rescind the contract in the event of non-payment.

The homes will not be acquired under an ownership system.

#### *A.1.4. Abusive uses*

We have identified three types of abusive uses of the flats at Can Vilardell over the years. Firstly, between 1980 and 1990, the residents established a campaign of rent boycott in the form of a protest, which consisted in paying only half the price required by the MOPU and depositing the payments provisionally in a current account.

The second of these abuses appeared in the 1990s when some of these residents stopped paying their rent systematically. This second type differs from the first in that non-payment has become an individual question and not a way of demonstrating disagreement.

A third abuse is that of illegal occupations of flats that have been left vacant, either because their previous occupants have left, or because they have died. The mechanics for appropriating these flats consists firstly of doing so without informing ADIGSA, and secondly, by having intimate knowledge of the characteristics of the residents (their age or their wish to leave).

In some of these cases it is known that some neighbours have illegally transferred the flats once they are empty, without informing ADIGSA. These operations are carried out in undeclared income for amounts of around 24,000 euros, and the person entering the flat to live there, for the purpose of appearing legal to ADIGSA, adopts the identity of the previous inhabitant. As long as the rent is paid, it is difficult for ADIGSA to become aware of what has happened.

#### *A.1.5. Effects*

With regard to the first of the abuses mentioned, the solution applied by the Generalitat was to assume the commitment for carrying out the necessary repairs, as well as paying the debts that the residents had accumulated by not paying the full rent.

In the case of the second abusive use, ADIGSA has had and continues to have major problems in resolving it. Periodically the stock owner adopts the strategy of reporting cases of non-payment to the courts. The aim of this measure is not so much that of expulsion but rather to force them to pay the money they owe.

Finally, in the case of the occupation of flats, ADIGSA adopts the strategy of making it as hard as possible for people to gain access to empty flats, and also to find new tenants who meet the requirements established by law. Nonetheless, there have been cases in which new unauthorised residents have gained access to flats despite these measures.

#### *A.1.6. Rivalries*

There is currently rivalry between the present stock owner (ADIGSA) and some residents who do not pay specific debts or pay their rents.

#### *A.1.7. Regulatory conditions*

Contracts between ADIGSA and the residents, which give them the right to inhabit the flats.

ADIGSA statutes, which determine the legal characteristics and functions as a stock owner.

*Subsidised Housing Act*, RD31/10 of 1978 establishes the characteristics that public housing stocks have to comply with, as well their allocation conditions.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **Yes**

The use-rights are clearly defined, there is no incoherence between the property rights and contracts, nor is there any incoherence between different public policies. With regard to the failure to pay, the key issue is that Adigsa has been “understanding” with those families or individuals who could not manage to pay the monthly instalment in the contract, which over time gave rise to an accumulated failure to pay. What has happened is simply that, for the aforementioned reasons, the stipulations of the regulations were not followed. Therefore there is incoherence when Adigsa decides to tolerate the delays in the payments. This management strategy is completely incoherent with the property rights of Adigsa as stock owner.

## **A.2. Technical services**

Technical services are all those services that tenants use in order to enjoy an acceptable level of indoor environmental comfort within their apartments (e.g. heating, water and wastewater equipment such as showers, toilets and sinks, and electrical outlets).

#### *A.2.1. Users*

The residents of the flats.

#### *A.2.2. Intended use*

They are used to live comfortably in the apartment by having conditions of adequate indoor environmental quality and by using services of drinking water, domestic hot water, wastewater drainage, gas, electricity, etc.

#### *A.2.3. Modality of use*

The residents may use these services once they sign the rental contract, which gives them the right to enter the flat and use the services related to it.

With regard to the electricity and gas supply to the households, a contractual relationship is established strictly between the user and the utility, without any type of mediation by Adigsa. Adigsa claims that if a resident does not pay the bill for these services and the company decides to cut off their service or remove the resident from its list of customers, they have nothing to say in the matter. They uphold no communication whatsoever with these companies with regard to Can Tussell.

#### *A.2.4. Abusive uses and effects*

Not paying bills for technical services.

#### *A.2.5. Rivalries*

Tenants who do not pay for their technical services, such as electricity, negatively affect the user of the good Demand for energy (e.g. Endesa).

#### *A.2.6. Regulatory conditions*

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

### **A.3. Protection and security**

In terms of protection and security, Can Vilardell is an estate with particular social, cultural and economic characteristics. There have always been problems of security, violence, drugs and robbery, yet it is a community which has kept itself stable and without external intrusions; the residents have not changed substantially and they know each other, a factor which impedes problems of insecurity and lack of protection between them.

The only aspect that might be considered problematical is the aforementioned poor condition of the outside doors (which do not lock) and the consequent easy access to the buildings.

## B. NONRESIDENTIAL

### **B.1. Non-residential space**

The area in Can Vilardell devoted to non-residential uses is that devoted to commercial premises.

#### *B.1.1. Users*

With regard to areas for commercial use, these are located on the ground floors of the buildings. At present the area devoted to this type of service is underused, and there are in fact only three commercial premises to be found: a bar, a bakery and a grocery shop.

On the other hand, some of these ground floor premises have been set aside for social services: the neighbours' association's office and the social welfare offices.

#### *B.1.2. Modality of use*

The method for using the commercial premises is by renting. As we shall explain in the section about disputes, there is a problem concerning the ignorance as to who owns these locations.

#### *B.1.3. Abusive uses and effects*

Given that the MOPU's stock acquisition contract in the sixties did not include the ground floors or the car parks, a situation of ignorance has been created about who has the right to use and exploit these areas, as well as to whom they belong.

This context of lack of definition has led, with the passing of the years, to a situation in which some residents have come to occupy some of these ground floor premises as living accommodation.

#### *B.1.4. Rivalries*

There is thus rivalry of use between the residents occupying these ground floor premises and the rights of ownership of their legitimate owners, whoever they might be.

With regard to this last aspect, the documentation found indicates us that the legitimate owner of the ground floor premises is the company Belto S.A. (which no longer exists). However, the problems as a result of flooding in 1983 and 1985 required a considerable investment in repairs, which was made by Terrassa City Council and the public administration. In addition, the entrance to one of the ground floor premises was blocked off by ADIGSA to prevent access and to stop the irregular use of the premises from continuing. This leads us to consider therefore whether ADIGSA may have assumed administration of these *de facto*.

### *B.1.5. Regulatory conditions*

Contract of stock acquisition from Belto S.A. by the MOPU, which establishes the purchase of the buildings but not of the ground floor premises.

With regard to the present situation, we are faced with a clear case of absence of regulatory conditions.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **No**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

In this case, there is a problem of low extent, because it is not clearly regulated who is the legal owner of the ground floor premises.

## **B.2. Collective indoor space**

With regard to the car parks, these are situated under the building in an underground area. They are for the exclusive use of the residents.

### *B.2.1. Users*

The residents may make use of these areas.

The problem with car parks is that ownership is unknown.

### *B.2.2. Modality of use*

Given that the MOPU's stock acquisition contract in the sixties did not include the car parks, a situation of ignorance has been created about who has the right to use and exploit these areas, as well as to whom they belong.

### *B.2.3. Abusive uses*

This system of cleaning these areas leads to free-rider behaviour, when some neighbours fail to do their share of the upkeep.

At the same time, there is also an incorrect use of the common areas (lifts, stairs, landings, walls, banisters, etc.) which leads to a disproportionate amount of wear (damage, graffiti, small fires, etc.).

### *B.2.4. Effects*

We have seen that the results of the aforementioned cleaning system are uneven: in some cases it works correctly, and in others the filth and damage accumulates.

With regard to the incorrect use of these areas, this is common to all the buildings.

#### *B.2.5. Rivalries*

There is therefore rivalry between the residents themselves (over free-riding), with regard to the first problem.

There is also rivalry between the stock owner and the residents, due to the fact that the people whose job it is to administer the housing stock and take charge of its repairs fail to achieve their objectives (to leave it and keep it in good condition); this being because, on the one hand, there is a lack of investment, and on the other, because some of the residents misuse the facilities.

#### *B.2.6. Regulatory conditions*

Contract of stock acquisition from Belto S.A. by the MOPU, which establishes the purchase of the buildings but not of the car parks.

With regard to the present situation, we are faced with a clear case of absence of regulatory conditions.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **No**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

In this case, there is a problem of low extent, because it is not clearly regulated who are the legal owner or users of the parking spaces.

### **B.3. Functional indoor space**

The indoor areas of common use in the Can Vilardell buildings are limited solely to the building entry hall, the landings, the stairways and the lifts and include the services within them: lifts, entry-phones and mailboxes.

#### *B.3.1. Users*

The residents may make use of these areas. The residents are those affected, and at the same time those that provide the problems, in the technical services sphere.

#### *B.3.2. Excluded actors*

A priori, non-residents are not excluded, however as we shall comment below, the fact that the outside doors do not lock means that anyone can enter.

### *B.3.3. Modality of use*

The common indoor areas have only one use: to allow access to the flats.

The Can Vilardell buildings have no cleaning service for these areas, but rather this task is in the hands of the residents themselves.

Theoretically ADIGSA is the body with the job of repairing and maintaining these elements, while the residents have the obligation to refrain from using them improperly.

### *B.3.4. Abusive uses*

This system of cleaning these areas leads to free-rider behaviour, when some neighbours fail to do their share of the upkeep.

At the same time, there is also an incorrect use of the common areas (lifts, stairs, landings, walls, banisters, etc.) which leads to a disproportionate amount of wear (damage, graffiti, small fires, etc.).

After visiting the area several times, we have been able to observe that both the lifts and entry-phones and mailboxes are in an appalling condition. This is due, on the one hand, to a lack of investment, and on the other, to the constant misuse that some residents make of these technical services. The result of this situation is that it prevents the correct function of these elements (difficulties for people with problems of mobility, undelivered mail, outside doors that have to be left open all the time).

### *B.3.5. Effects*

We have seen that the results of the aforementioned cleaning system are uneven: in some cases it works correctly, and in others the filth and damage accumulates.

With regard to the incorrect use of these areas, this is common to all the buildings.

### *B.3.6. Rivalries*

There is therefore rivalry between the residents themselves (over free-riding), with regard to the first problem.

There is also rivalry between the stock owner and the residents, due to the fact that the people whose job it is to administer the housing stock and take charge of its repairs fail to achieve their objectives (to leave it and keep it in good condition); this being because, on the one hand, there is a lack of investment, and on the other, because some of the residents misuse the facilities.

### *B.3.7. Regulatory conditions*

Public Contracts Act. This establishes the legal framework for the contracting of companies by the Public Administration.

Contracts between ADIGSA and the residents, which determine the rights and duties of both parties.

ADIGSA statutes, which determine the legal characteristics and functions as a stock owner.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **Yes**

b) Is it the result of unclear or poorly defined property rights or use rights? **Yes**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

Incoherence exists because there is a regulation gap in relation to whether Adigsa, as a public stock owner, is obliged to repair and maintain buildings in which the residents are owners of the apartments.

It would be difficult to claim that this good and service is not sufficiently regulated. However, with regard to the relationship between tenants and Adigsa in terms of the “payments/repairs-maintenance” sequence that has to be followed for communal elements in the buildings, the regulation might have a slight gap where it is not well defined. It does not specify what should be done when there is a situation in which the residents do not want to pay the communal fee due to a lack of investment by Adigsa, when the latter does not wish to make repairs due to the failure of some residents to pay this fee. Although the issue is somewhat more complicated than this, it could be summarised in this way. Despite all that, it remains to be seen whether the conflict is due to the incoherence of the regulation referred to above, as it is not at all clear that this is at the root of the conflict.

#### **B.4. Collective exterior space**

The perimeter occupied by Can Vilardell has a common outside area, which, not being closed off, allows anybody to enter, whether they be residents or not.

##### *B.4.1. Users*

The purely residential nature of Can Vilardell means that, in fact, the only users of the common outside area are the residents themselves.

##### *B.4.2. Modality of use*

The outside area is used as an area of recreation and contact between neighbours.



Being an outside area, its cleaning falls to Terrassa City Council's cleaning service.

#### *B.4.3. Abusive uses and effects*

The problems of abusive use continue in this area, as people make inappropriate use of both the common indoor areas and, as in this case, the outdoor ones.

#### *B.4.4. Rivalries*

As a consequence of the lack of care taken by some residents, this area has a dirty or shabby appearance, despite the fact that there is a service that cleans the area periodically.

#### *B.4.5. Regulatory conditions*

Taxes established by the Council for the cleaning service.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

### C. PRODUCTION FACTOR

#### **C.1. Capital investment**

The Can Vilardell estate began life as a private initiative in the 1970s, at the hands of the company Belto S.A., with the aim of providing flats at a market price. The total investment was 300 million pesetas (1.8 million euros at 1994 values), covering a total surface area of 63,156.94 sq. metres, 45,553.13 of which was to be occupied by housing.

In 1979/1980 the Ministry for Public Works acquired the Can Vilardell buildings which up until then had been unoccupied, with the aim of answering the high demand for housing existing at that time in the Terrassa area. The Ministry bought the housing stock for 250 million pesetas (1.5 million euros at 1994 values), a situation that Belto agreed to as they had been unable to sell any of the properties.

Years later, due to political and land distribution changes, the Generalitat de Catalunya took charge of the Can Vilardell housing stock, assuming ownership. Soon afterwards, in 1985, the public company set up to administer the Catalan Administration's public buildings (ADIGSA) took over the administration of Can Vilardell.

#### *C.1.1. Users*

Taking into account that Belto S.A. sold the stock just after it finished its construction and without having sold any single flat, we understand that it does not develop a major role on the institutional regime of public housing.

During the time that the Department of Public Works was the owner and manager of the stock (1980-1985) no rehabilitation nor maintenance operations were carried.

In 1985 when ADIGSA became the manager of the stock, it found a situation of high conflictive with the neighbors and had to make an important rehabilitation to reduce the damages caused by many years of no-investment of the previous managers. During its management, ADIGSA made an investment of 263 millions pessetes (1,6 million euros of 1994 value) until 1993. the majority of these money, invested during the first years of management were used to pay all the debts of the residents, and the rest were used for rehabilitation measures. At present time, the investment of ADIGSA is directly invested on the same objectives.

### *C.1.2. Modality of use*

The aim of ADIGSA is to provide affordable and quality housing for those people who cannot enter the free housing market.

The Can Vilardell flats are allocated as rented accommodation, by means of a contract that gives the holder the right to live there until he or she passes away. The price of rents is determined by the Subsidised Housing Act (1978), and the amount varies depending on the antiquity of the contract. At today's prices, the rent would be around 84 euros/month.

As administrator, ADIGSA has the job of renovating the common indoor areas (stairways, landings, lifts, etc.) and outdoor ones (facades, areas of access to the buildings), as long as the residence remain tenants. In consequence, the residents have to bear the cost of damage caused by misuse or by wear within the flats.

With regard to insurance cover, ADIGSA has a contract for all their flats. It falls to the residents to take out their own insurance both for the enclosure and the content of their flats.

### *C.1.3. Abusive uses and effects*

In the early years, and until the arrival of ADIGSA as administrator, those in charge of administering Can Vilardell carried out no investment whatsoever, and as a consequence the condition of the flats deteriorated.

In addition, as a result of the lack of care of the housing, the residents began a years' long campaign of not paying the rent price in the form of a protest.

At present ADIGSA is carrying out an abusive use of the housing stock, due to its failure to restore and improve the common indoor and outdoor areas. While it is true that some repairs are carried out from time to time (varying in each case depending on the need), it must be said that the buildings present significant shortfalls in this sense. With regard to this, ADIGSA argues that the damage is due to the poor use (and thus,

abuse) by the residents, whereas the residents, while accepting that some cases of poor use do occur, argue that ADIGSA is failing to make the necessary investment.

#### *C.1.4. Rivalries*

In relation to what we have just explained therefore, there is rivalry between the duty of the stock owner to carry out the necessary restorations and the duty of the residents in this area (not misusing the common property and areas).

#### *C.1.5. Regulatory conditions*

In terms of capital investment, the following regulations and contracts have to be taken into account:

The *Subsidised Housing Act*, RD31/10 of 1978, which establishes the characteristics that public housing stocks have to comply with, as well their allocation conditions.

The 1996 *Director of Work Project*, updated in 2004 by the *Renewed Director of Work Project*. These determine the types of measures that ADIGSA envisages carrying out on the housing stock.

Private contracts established between ADIGSA and the tenants. These establish the rights and duties of both parties, as well as the rent price.

Private contract for transferring the Can Vilardell stock between Belto S.A. and the MOPU (1980).

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **C.2. Land investment**

The land was acquired by private investors in 1974, and they sold it to Belto S.A. the same year for 1,950,000 pesetas (at 1974 value, 11,000 euros). They were able to acquire this land because of a re-designation of the land use carried out by Terrassa City Council in 1973 – going from wooded area to intensive residential area designation – by means of the *Vilardell Estate Planning Development Scheme*.

At the time that the MOPU became the owner, the overall investment – which we have mentioned earlier – already included the value of the land.

#### *C.2.1. Abusive uses and effects*

The construction licence conceded to Belto by Terrassa City Council was precarious, given that the flats were being built in an area that still did not have a definitive approved Development Scheme, and once this was done, the constructor would have to comply with the requirements of the new plan in order to be legal.

Years later, when the MOPU wanted to buy the estate, they drew back on discovering this situation. However, due to popular pressure, they went ahead with the purchase soon afterwards.

### *C.2.2. Regulatory conditions*

The 1973 Vilardell Estate Planning Development Scheme established the surface area which could be built upon, the number of buildings, storage areas, ground floor premises and garages.

The 1998 Use of Land Act establishes the urban development actions regarding land.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **C.3. Labour investment**

### *C.3.1. Users*

In the case of Can Vilardell, ADIGSA has a person contracted to take charge of the administration of repairs and restoration work, a work supervision technician. This technician does not undertake the work directly but rather contacts other specialist companies who carry out the work or renovation. The contract for this type of company is given by public tender. Companies currently contracted include Can Ensenya (who take care of small repairs and emergency visits) or ACRESA (repair of lifts and entry phones).

In addition, in order to establish direct and permanent communications with the residents of the housing stock, ADIGSA created the figure of area technician. This professional is responsible for dealing with all the problems that arise on the estate related to ADIGSA's functions, acting as an intermediary and establishing a channel of communication.

Both professionals are responsible for other estates as well as Can Vilardell.

In the case of Can Ensenya, we would like to highlight the social function that this organization performs by contracting personnel who have difficulties in integrating themselves in the employment market.

### *C.3.2. Modality of use*

The Stock Owner maintains jobs while also maintaining a direct and stable relationship with the residents, thereby avoiding unnecessary journeys from their offices in Barcelona.

### *C.3.3. Rivalries*

We consider that there is rivalry between the stock owner and the residents, due to the fact that the people whose job it is to administer the housing stock and take charge of its repairs fail to achieve their objectives (to leave it and keep it in good condition); this due to the fact that, on the one hand, there is a lack of investment, and on the other, because some of the residents misuse the facilities.

### *C.3.4. Regulatory conditions*

*Public Contracts Act.* This establishes the legal framework for the contracting of companies by the Public Administration.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## D. UTILITY SERVICES

### **D.1. Energy consumption**

The case of Can Vilardell should be seen within the framework of the development of energy policies in Spain. This sphere has traditionally been in the hands of a single public company which has held the monopoly (Fecsa for electricity, and Gas Natural for gas in Catalonia) until, at the end of the nineties, they were privatised and a free market was opened up in the energy sector.

At present, although the companies are not public ones (and the state no longer has the monopoly), they continue to fall into a monopolistic or oligopolistic situation.

This fact explains why today the housing at Can Vilardell continues to receive the respective services from these same companies.

#### *D.1.1. Users*

The gas supply company is Gas Natural, the majority supplier in this sector in Catalonia.

The electricity supply company is Endesa, also the majority supplier in this sector in Catalonia.

#### *D.1.2. Excluded actors*

No company is excluded from supplying services.

#### *D.1.3. Modality of use*

As we have explained, the companies are free to offer the supply service so residents can freely choose. Despite this, the aforementioned companies continue to be those that operate in the majority.

In the Can Vilardell flats, the service provided by Gas Natural is used for heating, water heating and cooking.

In the Can Vilardell flats, the service provided by Endesa is used for lighting and for supplying electricity for the flats and for the stock itself.

#### *D.1.4. Regulatory conditions*

The Spanish government controls the price of gas and electricity, by means of laws and public policies.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **D.2. Material storage and sink**

As far as the construction materials for Can Vilardell are concerned, we have not taken the suppliers into account since the construction initiative was a private one and thus the information with respect to this is not accessible. We do however know the buildings were well constructed, firstly because the market price at which the developers intended selling the flats allowed for the use of good quality materials. Secondly, Can Vilardell has not suffered from the problems of 'aluminosis' or reinforced concrete degradation that have plagued other stock built in the same period.

With regard to the suppliers of fixtures and fittings for the buildings, they can neither be taken into account, since, in the case of Can Vilardell, ADIGSA provides the flats unfurnished, and it is therefore the residents who furnish their homes.

With regard to the companies responsible for maintenance and restoration work for the buildings, these are contracted by ADIGSA.

### *D.2.1. Users*

With regard to the companies responsible for maintenance and restoration work for the buildings, these are contracted by ADIGSA. These are also responsible for providing the materials needed for this type of work.

### *D.2.2. Modality of use*

ADIGSA contracts these companies by means of public contracting tenders. This means therefore that these firms are not contracted permanently, but rather at particular moments depending on either the needs or emergencies that may arise, or on Director of Work projects.

### *D.2.3. Regulatory conditions*

The 1996 Director of Work Project, updated in 2004 by the Renewed Director of Work Project. These determine the types of measures that ADIGSA envisages carrying out on the housing stock.

The Public Contracts Act.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **D.3. Material discharge**

### *D.3.1. Users*

Waste collection is the same for all the Barcelona metropolitan area: on the one hand, recyclable material (paper, plastics and glass) collection is organised by the Metropolitan Entity for the Environment, a trans-municipal body responsible for the management of recyclable waste. Collection and transporting to treatment plants is done by non-profit making organisations.

On the other hand, the collection of non-recyclable waste (organic material and non-recyclable inorganic material) is the responsibility of Terrassa City Council.

### *D.3.2. Modality of use*

Non-recyclable waste is collected by a company contracted by Terrassa City Council. The Local Authority finances this cost by means of a special refuse tax.

The collection of all types of refuse is made by means of separate containers (yellow for plastic, blue for paper, green for glass and a generic model for the remaining refuse). Separating these types of refuse correctly is however left to the residents.

#### *D.3.3. Abusive use*

As we have just said, the fact that it is up to residents to carry out the proper separation of refuse means that not all the recyclable material reaches the treatment plants.

#### *D.3.4. Regulatory conditions*

Municipal refuse tax.

Public environmental and health policies.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

### **D.4. Water sink and water discharge**

#### *D.4.1. Users*

The supply of water to the Can Vilardell area is provided by Aigües de Terrassa S.A., which is also the company responsible for maintaining and collecting sewage.

#### *D.4.2. Modality of use*

There is no possibility of contracting this service with another company, since Aigües de Terrassa is the only authorised company.

#### *D.4.3. Regulatory conditions*

Contract between the supplying agency and the residents.

Public environmental and health policies.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**



- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## E. URBAN FUNCTION

### **E.1. Design of Urban Space**

The Can Vilardell estate is situated on the outskirts of Terrassa, a long way from the city centre. This gives rise to a certain sensation of isolation, which does not really encourage certain population groups who do not reside in Can Vilardell to use these spaces. Also, from the standpoint of design, there are certain elements that leave much to be desired.

#### *E.2.1 Users*

Architects, urban planners and technicians hired by the city administration.

#### *E.2.2 Intended Use*

To offer a high quality public space from both the functional and aesthetic standpoint that encourages residents to identify with their environment, and which makes all types of uses and users compatible.

#### *E.2.3 Modality of use*

To receive the commission from the administration to design the public spaces.

#### *E.2.4 Abusive Uses*

The public spaces are not well designed and their maintenance is not the proper one. This makes it difficult for them to be properly used.

#### *E.2.5 Effects*

##### *Internal effects*

The residents do not use these spaces on a daily basis, and as a result they are underused.

##### *External effects*

They do not help to overcome the neighbourhood's bad reputation through daily use of public spaces by people living outside the housing stock.

#### *E.2.6 Rivalries*

Conflictive rivalry between the urban planning of public spaces developed by the public administrations and the residents' use of these public spaces.

#### *E.2.7 Regulatory Conditions*

- a) *Law 13/2003*, regulating the awarding of concessions for public works.
- b) *Contracts* between the city administration and the urban designers.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **Yes**

## **E.2. Demand for traffic-related infrastructure**

The public transport service offered to and from Can Vilardell is provided by a public company, TMESA. At the same time, it is included in the Metropolitan Transport Entity from the Metropolitan Area of Barcelona, a supra-municipal body. At present 2 bus routes have a stop at Can Vilardell.

### *E.2.1. Users*

As we have just stated, the only public transport available to Can Vilardell is by means of the two public bus routes that connect the estate with the city of Terrassa. This possibility did not exist until the beginning of the 1980s, when it was instated following strong criticism, demands and protests from the estate's residents.

There's also the possibility of using the taxi service, a municipally regulated service but not entirely public (since the taxes are stated by the municipality and also the licenses, but the business is run by a private person).

### *E.2.2. Modality of use*

The service offered by TMESA is subject to the statements of the municipal regulation, in order to provide a secure and efficient service.

Being a service included into a supra-municipal public body has allowed the creation of "integrated tickets", which allow access to all types of public transport (bus, train, metro and tram) in the Barcelona Metropolitan Area by marking the ticket only once. This would therefore allow a Can Vilardell resident to be able to take the bus to Terrassa train station, take a train to the city of Barcelona and then take a metro and/or bus to their final destination. Fares vary according to the zones in which the passenger has to travel.

### *E.2.3. Rivalries*

There are no significant rivalries in the provision of public transport service: the bus offers a "daily" service, useful to move into the city centre in a cheap and frequent way,

while taxi service takes a comparative advantage in exceptional functions (people who must carry weight, some occasional need for a hurry, night life travellers, ...).

#### *E.2.4. Abusive use*

The bus company TMESA offers the service regularly as it is stated in the municipal regulation, just doing the routes and charging the rates that the municipality has established so there are not abusive uses in any way.

The same can be told for the taxis: they provide the service respecting the established limits or restrictions.

#### *E.2.5. Regulatory conditions*

Municipal Regulation for the Collective Transport Urban and Public Service and for Travellers in Terrassa.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **No**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

### **E.3. Demand for collective institutional services**

#### *E.3.1. Users*

Can Vilardell has a Neighbours' Association that is well established on the estate, together with a recognised capacity for applying pressure, especially in the first years of arrival of residents.

At present the NA displays the division that exists on the estate between gypsies and non-gypsies, since at the last elections for chairperson of the association, two separate lists were presented: one made up completely of gipsy residents, and the other only of non-gypsies.

The functions of the NA cover various different aspects: organising the estate's annual festival; representing the residents before Terrassa City Council and ADIGSA; and as a mediator between neighbours. The results have been diverse over the years.

#### *E.3.2. Modality of use*

The neighbours' association is used to promote the demands of residents; i.e. they give voice to these before the various (local and supra-municipal) public bodies and the housing stock owner (ADIGSA).

### *E.3.3. Abusive uses and effects*

The fact that the Neighbours' Association only contains representation from the non-gypsy population, could lead to the gypsy community being excluded when it comes to taking common decisions.

The result of this situation may be that, in certain cases, measures that the NA want to promote may only count on the support of 50% of the estate's residents, and furthermore, the implementation of these measures or agreements with the public bodies may be severely hindered.

### *E.3.4. Rivalries*

At the last elections for the chairperson and board of the Can Vilardell NA, two candidates were presented, with each candidate representing one of the estate's communities and excluding the other. The creation of a single list was not possible, and therefore certain points of rivalry can be detected between the two communities.

### *E.3.5. Regulatory conditions*

Neighbours' Association Statutes, setting out their procedures, functions and organs of government.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **E.4 Demand for goods and services within close proximity**

### *E.4.1. Users*

As has already been stated, Can Vilardell has some commercial premises, although they are very few and hardly cover the most basic needs: there is a bakery and a grocery shop.

### *E.4.2. Modality of use*

To gain access to the ground floor commercial premises and set up a commercial enterprise, a rent contract must be established with the owners of the ground floor premises, since these belong to private owners and not to ADIGSA.

### *E.4.3. Abusive uses and effects*

The lack of competition in these commercial services could lead to a situation of abuse in terms of the service being inefficient, however this situation does not occur in

practice, since there are other establishments at a short distance from the estate offering similar services, and these therefore provide competition.

#### *E.4.4. Regulatory conditions*

Rent contracts between the shopkeepers and the owners of the ground floor premises, establishing the rental agreements.

*The Urban Rents Act*, which defines how rent contracts have to be when not referring to subsidised housing.

I. Elements for evaluating extent.

a) Is the use-right to the good and service regulated? **Yes**

b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

a) Is there a conflict involved in the use of this good and service? **No**

b) Is it the result of unclear or poorly defined property rights or use rights? **No**

c) Is it the result of contradictions between different public policies? **No**

d) Is it the result of incoherence between public policies and property or use rights? **No**

### F. NONMATERIAL

#### **F.1. Solving general housing needs**

The early 1960s saw the beginning of a process of arrival of immigrants to Catalonia from other parts of Spain. The Franco government dealt with these flows with several policies, one of those being the creation of public housing to reduce the housing demand and do away with shanty settlements.

With the arrival of democracy these policies continued. On the one hand, what was already there was improved, and on the other, the construction of new public housing was initiated.

Over the years, although the rate of population arriving has not diminished, what has changed is the origin of these immigrants (nowadays the phenomenon is not one of internal migration, but of people coming from other countries and continents). These people form one of the groups that are currently demanding more active public housing policies; however there has also been an increase in the demand for public housing by other sectors of the population – especially the elderly and young people - who are also unable to gain access to free market housing.

##### *F.1.1. Users*

The Catalan government's agency of housing, ADIGSA, is in charge of the providing of those housing services; however, other institutions as the municipality, public foundations, banks or private companies could provide the same services.

##### *F.1.2. Excluded actors*

As ADIGSA manages the stock, the aforementioned institutions and companies are excluded of providing the housing service.

#### *F.1.3. Modality of use*

For the stock of Can Vilardell, the aforementioned agreement between the Spanish Ministry of Public Works and the private constructor, Belto S.A., and the following transfer of the estates to the Catalan government due to the constitutional territorial distribution of functions, gave ADIGSA the belonging of the management.

#### *F.1.4. Abusive uses and effects*

A part of the residents may have been persuaded to vote for the party in government in order to guarantee the continuity of this aid or of the diligent and effective administration of Can Vilardell, motivated by the underlying sensation that the continuity of this optimum situation was linked to two elements: the continuance of the aforementioned party in government, on the one hand, and the presence of the neighbours' Association with interests in common with this party, on the other.

It should be pointed out that this is an asset that any party in government might benefit from, independently of its political colour, and that its abuse is practically inevitable whatever the party might be. The mercantilisation of the politics inherent in the current democratic system inevitably favours the pursuing of votes by means of public administration, and it is difficult to establish where its legitimate use ends and abuse begins.

#### *F.1.5. Rivalries*

- 1) There is a conflict of use between the party in government, which can obtain electoral benefits by administering the stock, and the other parties, which are excluded.
- 2) Due to the officially well assigned rights for the management to ADIGSA, no other companies or institutions are authorised to assume it, so there are no rivalries at all.

#### *F.1.6. Regulatory conditions*

The 1978 Spanish Constitution, which establishes the territorial distribution of functions, giving to Catalonia the absolute competency in the area of housing.

1)

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **Yes**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

2)

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**

## **F.2 Solving non-housing needs**

Not applicable

## **F.3 Shaping the characteristic landscape**

Not applicable

## **F.4 Social and cultural diversity**

Not applicable

## **F.5. Conservation and Transmission of social and historical values**

1) Approximately half the Inhabitants of Can Vilardell are gypsies, and as such they present a series of characteristics particular to them. The organisation of the community into families is well present, and functions in parallel with the management organisation criteria typical of the legal framework (Neighbours' Associations, ADIGSA regulations, etc.).

Despite the existence of two separate communities which live together amicably and harmoniously, to a certain extent there is a situation of lack of communication between the two, especially with regard to residents' decision-making bodies. Thus, for example, in the Neighbours' Association elections, two different candidates were presented by gypsies and non-gypsies, favouring social segregation and impeding joint decision-making with regard to the estate. It should be made clear however that this abusive use of social identities as a segregating element is produced as much by one community as by the other.

2) In order to understand some attitudes from the inhabitants of Can Vilardell (i.e. non-paying the rents, lack of taking care of the buildings) the circumstances of the foundation of the stock must be taken into account. In this way, we must remind that flats were given to the residents as a result of the social claims in order to have the right of housing.

According to this historical precedent, we could speak about kind of a collective philosophy dating from the seventies, referring to legitimate rights. This "memory" pray

that “residents arrived them the first, and simply before the administrations arrived”. This seems to justify, for instance, the fact of not paying the rents because “the neighbourhood already existed and they were the ones who reached it; laws and obligations came before”. Still now, this collective memory makes its effect over the actual inhabitants.

We could call this the *Founding myth*.

#### *F.2.1. Users*

Some initiatives pursuing the social integration of the gypsies has been carried out in the school of Can Vilardell (C.P. Salvador Vinyals i Galí).

#### *F.2.2. Modality of use*

Through offering courses about different subjects (like beauty or informatics) for the mothers of the gypsy children, imparted during the scholar activity, two objectives are achieved: children behave better, and mothers get more involved in the school, leaving the conception of the school as a non-gypsy institution.

#### *F.2.3. Rivalries*

No other services or initiatives in the basis of cultural identity exists in Can Vilardell, so there are no rivalries in that area.

I. Elements for evaluating extent.

- a) Is the use-right to the good and service regulated? **Yes**
- b) Is the good and service sufficiently regulated? **Yes**

II. Elements for evaluating coherence.

- a) Is there a conflict involved in the use of this good and service? **No**
- b) Is it the result of unclear or poorly defined property rights or use rights? **No**
- c) Is it the result of contradictions between different public policies? **No**
- d) Is it the result of incoherence between public policies and property or use rights? **No**



## **Chapter 4: Relationship between changes in management strategies and changes in regime**

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An analysis of the management carried out by Adigsa and the Patronat at Can Tussell and Can Vilardell has enabled us to identify two major turning points in the evolution of the management strategy and the institutional regime over the years. The first only affects Can Tussell: the time when the Patronat decided to open up a process of selling the flats that were under its management. This took place in 1999, and tenants were given a four-year period to decide whether or not to buy their flats. This process ended in 2003, and fewer than half the flats had been sold.

The second case was a much more significant turning point given its potential ability to generate a deeper and more far-reaching change in the near future in the way the public housing is managed in Catalonia. This hypothetical “transformation” would primarily affect Adigsa’s management – although it would also very likely affect the Patronat’s management as well – and it began to gestate in 2003, when the party that had governed Catalonia for 23 years (CiU) lost its control of the regional Catalan government (Generalitat de Catalunya) in favour of a three-way coalition of parties (PSC-ERC-ICV/EUiA). This change in political stripe has meant the gradual implementation of new directives and new criteria that tend to reorient the management of the publicly owned housing stock in Catalonia. As we shall see, this desire for change is reflected in certain aspects of the management carried out by both Adigsa and the Patronat. Below we shall analyse the interaction that in all this process has taken place between the perceived changes in the management strategy and the changes in the institutional regime.

### **4.1 The Patronat and the sale of flats (1999-2003)**

From the very start (in the mid-1980s), the Patronat began to accept a certain failure to pay the rents amongst the residents under its management. This situation was tolerated because there were quite a few residents who, according to information from the municipal government’s department of social services, did not have the means to pay the monthly rent. As we saw in chapter 3, this situation prompted an entire set of problems that would later transcend the strictly economic question, leading, for example, to a visible deterioration in the inside of the buildings managed by the Patronat. The situation gradually became more complex as the 1990s went on, while at the same time the residents’ debt rose significantly until reaching a figure of €400,000. Up to 70% of the residents in the Patronat’s flats have failed to pay their rent at some point. Finally, the Terrassa Town Hall decided to open up a process to sell the flats, with the understanding that, generally speaking, people who own property behave much more responsibly with their dwellings and their surroundings than tenants, and also logically believing that the failure to pay would disappear by selling the flats. In short, the reason driving this decision was essentially Patronat’s exhaustion at managing its stock, as it was overwhelmed by the persistence and in some cases the worsening of certain problematic situations.

Thus, the decision to sell the Patronat’s flats was taken by the Terrassa Town Hall. In this sense, it was not an independent decision by the stock owner, rather more a consequence of a policy being driven by the local authority. During the four years that

this process lasted it sold 135 of the 369 flats, with 234 remaining for rent. Taking into account the sale price of between €12,000 and €18,000, the Patronat was surprised that more flats were not sold. The sale of these 135 flats did alleviate some of the problems. However, the impact this operation had on reducing the residents' failure to pay rent was very limited. The vast majority of residents who decided to purchase their flats were precisely not the ones with the greatest economic needs, possibly because the payment had to be made in a lump sum, taking a loan from a bank if needed without the mediation of any public agent. Thus, the failure to pay rent remained considerable, and the deterioration of the buildings with a majority of rental flats got even worse. We should also add that the tenants were possibly not very aware of the obvious advantages they were being given in the sale price of the flats in a rising real estate market. On the other hand, many surely thought that there was no need to purchase the flats as they could keep on not paying without being evicted.

The entrance of an executive different from the previous one in the Catalan regional government in 2003 meant an unexpected twist in the sale policy embarked on by the Terrassa Town Hall in 1999. One of the new government's main priorities in housing matters consisted on promoting rentals over sales in publicly subsidised housing. In this way, the Patronat and the Terrassa Town Hall, following the political line of the new regional government, had to backtrack on their intention to continue selling the flats at Can Tussell. The priority shifted to keeping all the flats that were not sold between 1999 and 2003 as rentals.

We can claim that the changes in Patronat's management strategy in both cases were reflections of the political directives that clearly guided its actions, initially coming from the city government and later from the regional Catalan government. There is no question that the directive received in 1999 from the Terrassa Town Hall fit in seamlessly with the Patronat's requirements as a stock owner, as it wished to sell as many flats as possible in order to alleviate its complicated and problematic management of these flats. In contrast, the regional policy consisting of promoting rentals over sales led the Patronat to have to backtrack, since it "obliged" it to face the problem of failure to pay that it was striving to resolve by selling its housing stock.

#### **4.2 The entry of the new regional Catalan government in 2003. Transition towards a new stage?**

As mentioned above, the arrival of the three-party government in Catalonia (Generalitat) led the policy of managing its publicly subsidised housing stock to be reconsidered. As we learned from the interviews, the overall goal of this shift was to gain in efficiency while also containing "excessive" spending via better control over many different aspects of the management, and by setting up a decision-making procedure based on pre-established criteria.

In short, there were four main issues of interest for our study which centred the attention of the new government on the management of publicly subsidised housing. The first goal was to put an end to the high expenses on repairs and maintenance of publicly subsidised housing, a practice which, according to a former Adigsa executive, took up much of the department's budget for many years as it meant an excessive burden that was simultaneously unnecessary given the fact that in theory Adigsa should not have to defray these costs. The second goal was to more effectively monitor the failure to pay in

order to recover the debts to the extent possible, with the understanding that this would contribute as well to resolving many conflicts derived from situations in which there is a high failure to pay rent in the same building. The third goal was to subject the decision-making process on investments to general, pre-established criteria instead of letting this responsibility fall on the technician of each area. And finally, the fourth goal was to make rentals a priority, meaning that the existent rental stock had to be kept without opening up any further sale process for these flats, and that the flats that became “freed up” for any reason, regardless of whether they used to be owned or rented, had to be made part of the rental stock.

In this sense, there was a clear intention to stop what was regarded as a practice of uncontrolled and indiscriminate spending by Adigsa and the former executive in charge of it. Theoretically, Adigsa is obligated to repair any flaws that appear in the buildings and rental flats, while contrariwise it only had to repair any “hidden flaws” (i.e., construction flaws, etc.) in the flats that were sold. However, there were many cases in which Adigsa took charge of repairing and remodelling the privately owned flats beyond merely the hidden flaws.

The new management at Adigsa thought that the usual way of deciding what was repaired and what was not had many disadvantages. However, it should also be pointed out that already in 1997 Adigsa implemented a new procedure to organise the entire set of repairs that had to be made in the housing stock it managed. This goal was put into practice via its Strategic Works Plan (Pla Director d’Obres, abbreviated PDO), which included all the foreseeable repair and maintenance operations. In contrast to the prevailing practice until then, the plan organised the entire set of operations that had to be executed, it established a time frame for completing them and its approval depended upon higher authorities. In any case, despite the fact that in theory the plan largely avoided the disorganisation entailed in having decisions on repairs depend on the individual criteria of the technicians in each neighbourhood, perhaps due the confrontation with the residents, who were historically used to having Adigsa repair the privately owned housing fleet, investments continued to be made on repairs that were not the responsibility of Adigsa.

With the intention of putting an end to this problem, the new government approved a Renovated Strategic Works Plan that was agreed to with the different Residents Associations. Through this new plan, all the repair requests that had been issued by residents living in the neighbourhoods where Adigsa managed the homes were inventoried, what should and should not be included was discussed following a series of fairly “open-ended” criteria (the requests ultimately approved included both cases of hidden flaws and other operations), and finally the plan was approved and it was earmarked a budget. The idea was as follows: once the operations to be performed in the privately owned housing as provided for in the new plan were completed, Adigsa would invest no more in this stock beyond what was stipulated by law; that is, it would attend cases of hidden flaws and nothing else. From that time on, the owners would have to be responsible for operating the same way that any other homeowners association would work.

Along the same lines, the new executive decided that more successful solutions had to be found for the problem of failure to pay. Adigsa was aware that there were many residents who had ceased to pay simply because they saw other residents who no longer

paid. For this reason, it was thought that if the stock owner showed a change in the attitude towards failure to pay the effects might be considerable, given the fact that many families actually could pay the monthly rent. The strategy consisted on stepping up pressure on those families who were not paying, working in conjunction with the towns' social services to learn more about each particular case and threatening to take them to court if they did not begin to pay at least part of their debt. Efforts were made to reach individualised agreements in order to redress each situation. There were a few cases of eviction by both the Patronat and Adigsa. According to a Patronat technician, these cases had a significant dissuasive effect on other residents. Even though the situation can not yet be regarded as fully under control, the failure to pay rent has fallen considerably.

Monitoring failure to pay is a key objective of the new government, especially bearing in mind that one of its goals on housing matters is to make rentals the top priority. It is true that one easy way to solve the problem of failure to pay would be selling the flats, yet it is also crucial to have a large publicly owned housing stock, especially due to the fact that this stock is nowadays particularly small in Catalonia.

In short, the reconsideration of the management of the publicly owned housing stock by the new government in 2003, which included criteria of efficiency and better control of public spending, explains some of the changes perceived since then in Adigsa's management strategy and in the Patronat's strategy as well to a certain extent. This redress driven by the regional government has been expressed in a variety of factors: crackdowns on the issue of failure to pay at Can Tussell and Can Vilardell; the Patronat's express desire to not restart the sale process of flats in Can Tussell; Adigsa's decision to not go on repairing the buildings with a vast majority of homeowners in Can Tussell; and, generally speaking, the feeling that management and investment are guided by certain criteria that have been previously established.

Nevertheless, it would be premature to identify these past few years as a "second period" in terms of the institutional regime. We believe it would be more appropriate to talk about a "transitional period" rather than a rupture compared to the previous years. It should be mentioned that our case studies were constructed in the 1970's and therefore are only 30 years old. This is a short period of time which makes it difficult to talk about two complete periods.

In the transitional stage we were referring to before, everything points to the fact that a series of changes are underway, which, should they take root, could lead to a real rupture and the onset of a new stage in terms of the institutional regime. For the time being, however, we can only claim that the changes perceived in the management strategy and in the orientation of the public policies are in their infant stages, and we have to wait to see their real impact. Likewise, the changes in the regulations have not yet been consummated, as the regional Catalan government is in the process of approving a series of laws that should serve to underpin the new regulatory framework for all issues related to housing. Once these new regulations enter into force and time has elapsed for the new avenues of action to take effect, then we will be able to truly speak of a second period in the institutional regime of the stock.

## Chapter 5: Regime analysis

### I. Can Tussell's extent and coherence table

Good or service	Extent		Coherence			
	Reg?	Sufficient?	Conflict?	Poorly defined use-rights?	Contradictions between public policies?	Incoherence btwn property rights, contracts and policies?
RS1 Living space	yes	yes	yes(2)	no	yes	yes
RS2 Technical services	yes	yes	yes	yes	no	no
NR1 Non-residential space	yes	yes	yes	no	no	no
NR2 Collective indoor space	yes	yes	yes	yes	no	no
NR 3 Functional indoor space	yes	yes	yes	yes	no	no
NR4 Collective outdoor space	yes	yes	yes	yes	no	no
PF1 Capital investment	yes	yes	yes	no	no	yes
PF2 Land investment	yes	yes	no	–	–	–
PF3 Labour investment	yes	yes	yes	no	no	yes
US1 Energy consumption	yes	yes	yes	no	no	yes
US2 Material storage	yes	yes	no	–	–	–
US3 Material discharge	yes	yes	yes	no	no	yes
US4 Water sink & discharge	yes	yes	no	–	–	–
US5 Network services	yes	yes	no	–	–	–
UF1 Design of urban space	yes	yes	yes	no	no	yes
UF3 Demand for traffic-related infrastructures	yes	yes	no	–	–	–
UF4 Demand for collective institutional services	yes	yes	No	–	–	–
UF5 Demand for g&s within close proximity	yes	yes	yes	no	Yes	No
NM1 Solving general housing needs	yes	no	yes	no	yes	No
NM5 Conserv. & transm. of social and historical values	yes	yes	no	–	–	–

## II. Can Vilardell's extent and coherence table

Good or service	Extent		Coherence			
	Reg?	Sufficient?	Conflict?	Poorly defined use-rights?	Contradictions between public policies?	Incoherence btwn property rights, contracts and policies?
RS1 Living space	Yes	Yes	Yes	No	No	yes
RS2 Technical services	Yes	Yes	Yes	Yes	No	No
NR1 Non-residential space	Yes	No	Yes	Yes	No	No
NR2 Collective indoor space	Yes	No	Yes	Yes	No	No
NR 3 Functional indoor space	yes	yes	yes	yes	no	no
NR4 Collective outdoor space	Yes	Yes	Yes	No	No	No
PF1 Capital investment	Yes	Yes	Yes	No	No	No
PF2 Land investment	Yes	Yes	No	No	No	No
PF3 Labour investment	Yes	Yes	Yes	No	No	No
US1 Energy consumption	Yes	Yes	No	No	No	No
US2 Material storage	Yes	Yes	No	No	No	No
US3 Material discharge	Yes	Yes	No	No	No	No
US4 Water sink & discharge	Yes	Yes	No	No	No	No
UF1 Design of urban space	Yes	Yes	No	No	No	No
UF2 Demand for traffic-related infrastructures	Yes	Yes	No	No	No	No
UF3 Demand for collective institutional services	Yes	Yes	Yes	No	No	No
UF4 Demand for g&s within close proximity	Yes	Yes	No	No	No	No
NM1 Solving general housing needs	Yes	Yes	No	No	No	No
NM 5 Transmission of social & historical values	Yes	Yes	No	No	No	No

## Chapter 6: Conclusions

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When analysing the relationship in Can Tussell and Can Vilardell, between the sustainability of the housing stock, the management of this stock by the stock owner and the role played by the regulations (their formal coherence, etc.), it is crucial to analyse the behaviour of the stock owner and the user-actors with regard to the regulations. In the case of both Adigsa and the Patronat of Terrassa, we have been able to identify a series of specific, coherent regulations that assigned each actor's role and regulated the possible rivalries between the different user-actors. Nevertheless, in certain aspects that are closely related to the sustainability of the stock – not with all of it – these regulations either are not applied or are not heeded, or an “agreement”, either implicit or explicit, has been set up between the stock owner and the user-actors which in practice leads to behaviours outside what is set forth in the regulations. There is no question that the consolidation of this phenomenon can have undesired long-term effects for the management of the housing stock, inasmuch as if the residents become accustomed to setting up their relationship with the stock owner outside what the regulations provide for, it will later be more difficult to change the users' behaviour.

Can Tussell and Can Vilardell are both good examples of this. The two stock owners, Adigsa and the Patronat, followed a dynamic that came not from what the regulations stipulated but from an entire series of agreements and understandings, both historical and present, which corresponded to the specific reality of the stock in question. Both stock owners, Adigsa and the Patronat, preferred to ignore the user-actors' non-compliance with the regulations with the purpose of avoiding conflicts. Over time, however, it has been proven that this has generated a dynamic that has led to a situation of unsustainability, mainly from an economic standpoint as well as from the standpoint of the resource itself, but also to a certain degree from a social standpoint. The issue of the repairs in buildings with privately owned flats, or the cases of failure to pay, illustrates how Adigsa and the Patronat have in some cases managed these problems outside the regulations. Perhaps in some cases, to understand how the housing stock operated and was managed, in addition to finding out about the existence or non-existence of the regulations (extent) and analysing their coherence, we need to see *whether* these regulations were applied and *how* they were applied. We cannot examine the sustainability of the stocks without additionally addressing this other dimension of the problem.

As a conclusion, we believe that probably the biggest problems related with these stocks have to do with the fact that the public administrations (Adigsa and Patronat) are not obliging the residents to follow the regulations. They have permitted during many years delays in payment of some residents, and they also have been executing some maintenance and repair works that legally are not their responsibility. In this sense, it is fundamental to point out that the management strategies developed by Adigsa and Patronat have been incoherent with what is legally stipulated.

### **Assessment of the institutional regime**

The research methodology we have used was inspired by a bottom-up perspective, which consists of generating prior empirical knowledge that serves as a solid foundation for overarching conclusions about the studied issue. For this reason, we have

concentrated our efforts on analysing two case studies, which should enable us to generate valid knowledge for extracting more general conclusions.

If we had to determine which type of institutional regime we are witnessing, we would have to conclude that it is a very complex regime. The levels of extent are high enough, but the levels of coherence need a great deal of improvement. The problem that we have encountered is that there were some cases whose logic fell outside the regulations. However, as can be seen in the table in this chapter, in most of the cases we have indeed determined that the conflict is the result of incoherence in the regulations. In conclusion, the key issue is that what determines that it is a very complex regime is that most conflicts are caused by a low incoherence that is a result of the stock owners' management strategies.



## **Institutional Regimes for Sustainable Collective Housing / Institutionelle Regime für nachhaltige Wohnbaubestände**

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\*\* With the collaboration of Biel Quer and Roger Segú in the early stages of research