

## Spain: Seville increases availability of social housing with EIB and ICO financing



- The EU bank and ICO will provide €80 million in financing to build 562 new social rental homes.
- Employment impact: 700 jobs will be created during the implementation phase.
- The project is supported by the Investment Plan for Europe.

The European Investment Bank (EIB) and Instituto de Crédito Oficial (ICO) will provide flexible and attractive financing in terms of both interest rates and maturity periods to improve the availability of social rental housing in Seville. In concrete terms, each party will provide €40 million to Empresa Municipal de la Vivienda, Suelo y Equipamiento de Sevilla (EMVISESA) for the construction of 562 affordable social rental homes. The investment will also drive urban regeneration in some parts of the city.

The agreement was signed today in Seville by city mayor Juan Espadas, EIB Vice-President Emma Navarro and ICO Chairman José Carlos García de Quevedo. The EIB is providing this loan under the Investment Plan for Europe.

In January 2019, the Municipality of Seville approved its new municipal housing plan with a housing approach centred on five areas: the construction of new developments in line with sustainability and energy efficiency; renovation; the purchase and rental of empty properties; agreements with the private sector to develop affordable rental programmes in the city,

particularly for young people; and support for new approaches to social innovation such as collaborative accommodation and housing cooperatives. The aim is to reach a total of 3 000 homes in the city within five years.

The EIB and ICO-financed project signed today includes eight new-build developments and the renovation of a further two. The new homes will be spread across various districts of Seville and will cover a surface area totalling over 41 000 m<sup>2</sup>. Benefiting around 1 000 people, they will go to low-rent collectives and particularly vulnerable groups such as single-parent families and victims of domestic violence.

The average size of these homes will be around 70 m<sup>2</sup>, with an average rental price of €290. EMVISESA estimates that the project will help create 700 jobs during the implementation phase over the next three years.

ICO will also provide €9.2 million in additional financing for the purchase of 150 homes as part of EMVISESA's empty homes acquisition programme, with the aim of adding them to the stock of public rental housing and promoting access to housing among the most disadvantaged groups. To this end, the operations signed today will make it possible to add more than 700 homes to the amount of social rental housing in Seville.

During the signing ceremony in Seville, **EIB Vice-President Emma Navarro, who is responsible for the Bank's operations in the country**, said: *"Promoting social cohesion is among the EU bank's key objectives. For over 60 years, the EIB has been working to promote inclusive growth and improve people's quality of life. To this end, we are very pleased to be signing this agreement with the Municipality of Seville, as it will help low-income Andalusian families to access social housing and will make it possible to fully rebuild several city districts, while also contributing to job creation in the region."*

**Paolo Gentiloni, European Commissioner for the Economy**, made the following comment on the agreement: *"I am delighted that the European Union is supporting a social project of such paramount importance for Spain. The agreement signed today will provide Seville with 562 new affordable social rental homes for particularly vulnerable groups. The construction of these homes will also create around 700 jobs."*

**ICO Chairman José Carlos García de Quevedo** highlighted the following: *"The ICO Group has incorporated sustainability as a cross-cutting focus across its operations and in its various forms – environmental, social and governance – with a view to promoting sustainable growth. Our participation in financing projects like the one we are signing today, which will make it possible to offer better housing options to the most vulnerable social groups, is a major step forward in this direction."*

*"Seville's new municipal housing plan, made possible by the first major financing agreement with the EIB and ICO in the Municipality of Seville's history, is part of a city model supporting social transformation, sustainability and equal opportunities. This model is set out in the Seville 2030 Strategic Plan and in the city's commitment to the United Nations Sustainable Urban Development Goals. This major financing agreement and the*

*new municipal plan will make Seville into a reference point for its public support for housing, providing social solutions tailored to the varying realities and needs of the population," explained **mayor of Seville Juan Espadas.***

### **Instituto de Crédito Oficial**

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