



**October 3, 2005
International Tenants' Day
UN Habitat Day**

International Union of Tenants

In consultative status with the UN ECOSOC
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Stop large scale housing privatisation!

Large scale privatisation of municipal, state and social housing takes place, or is planned for in many countries.

National, and in many cases foreign, investors look for bargains in east and central Europe, and poor new owners of condominiums apply a strategy to minimize housing related payment. In western Europe, in the US, in Africa, in China, governments tries to escape from its responsibility to house its citizens and leaves housing to the market. Governments lessen its housing policies and politics.

But, market forces will not be able to solve social living questions, demographic changes and peaceful multicultural living environments. And what is worse, the market is unfortunately not interested in the poor or in low income households.

The human rights of people and communities to **housing**, water and sanitation—guaranteed under international law and commitments of development targets made at global summits including the Millennium Summit and the World Summit on Sustainable Development—continue to erode as the process of **privatisation** deepens and accelerates.

/ Miloon Kothari, UN Special Rapporteur on Adequate Housing

A few examples;

- In Slovakia, Hungary, Bulgaria, Romania and the Baltic States the problem of poor owners that can not maintain their homes has arisen after large-scale municipal housing privatisation.
- In the USA, more than 300 000 affordable government subsidized flats have been converted to high market rents since 1996. The US government has no new housing production program for the poor, and the US Administration continues to seek housing budget cuts or program changes that hurt the very poor. ¹
- Germany: In the last 5 years more than 600 000 rental flats, which were owned by the state, have been sold to large Anglo-American investment groups (Cerberus, Fortress, Annington) ²

¹ National Alliance of HUD Tenants, USA

² Deutscher Mieterbund, e.V., Berlin

- The Danish government made, in 1997, the Municipality of Copenhagen to sell the city's 20 000 municipal flats in order to balance the city's budget. Today, housing of poor inhabitants has become very difficult.³
- A house in Bucharest has 100 flats and 100 individual owners with as many wills and intentions.
- In Uganda, Tanzania and in other Africa countries governments privatise state housing which results in substantial rent increases, and evictions.
- A national survey in Hungary says that 20 % of *all* households can not afford to pay housing expenditures regularly, 7 % accumulated big arrears.⁴
- The Japanese government in 2001 started to privatise its stock of 750 000 public rental flats inhabited by elderly and low income households. Result: large rent increases and lack of affordable housing for those in need.⁵
- Norway, UN Committee on Economic, Social and Cultural Rights was concerned that the disadvantaged and marginalized groups in the Norway were particularly affected by the privatisation of municipal social housing.⁶

Alternatives:

- **Privatisation of management rather than introducing individual ownership.**
- **Co-operatives instead of condominiums**
- **Investment instead of selling**
- **Reverse the declining political involvement in housing**

The world's urban areas need rental housing;

- **for all those who can not afford to buy,**
- **for all those who considers rental housing as convenient housing,**
- **for all those who seek job opportunities elsewhere**
- **for all those who prefer a multicultural society, social cohesion and less segregation!**

³ LLO, Tenants Association of Denmark

⁴ Iván Tosics, MRI Budapest, May 2005

⁵ Japanese Tenants Association, JTA

⁶ UN ECOSOC Committee on Economic, Social and Cultural Rights, May 2005