



International Union of Tenants

Association Internationale des Locataires

www.iut.nu

IUT statement for the International Tenants' Day, October 5 2009

"Tackling the financial crises with new deal for affordable housing"

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Housing and construction is one of the largest financial sectors - and a key instrument in tackling the present financial recession. Housing construction can boost regional and local markets and can set the financial wheels in motion.

Increased investment in affordable rental housing, where social and public housing play a major role, would be a major contribution in getting local economies back on track! Public investments must focus on areas that can provide the greatest social and economic benefits.

Government investments in energy efficiency renovation have several benefits; saving energy and money, and at the same time a reduction in CO2 emissions. The recession together with high energy costs has hit low income households the most and many have problems paying the housing costs.

The numbers of evictions are steadily rising. These households urgently need housing assistance. Social urban development is suitable instrument to attack inequality and fight social exclusion and segregation. Not-for-profit housing companies and public housing companies are major stakeholders in these processes.

These examples point in *the right direction*;

- The **European Union** has made available € 8 billion for energy saving measures in multi-family housing. (But not sufficient, as the total Regional Development Fund amounts to €195 billion)
- The government in **Ontario, Canada**, is upgrading social housing and has provided CA\$ 100 million.
- The **Australian** government is allocating AU\$ 6,5 billion (€3,8 billion) for upgrading existing dwellings and construction of 20 000 new social housing units.
- The SAR government in **Hong Kong** is allocating HK\$ 17 billion (€1,5 billion) to assist tenants who are not able to pay rents, by exemption from six months from rates (tax) and two months rent paid by government.
- To assist poor tenants, the **UK** government has announced a two percent rent decrease in social housing rents. But, UK housing associations fear less income, which will lead to less construction.
- The **UK** based 2020 Group, chaired by K. Baker, former housing advisor to the Prime Minister, says that building 100 000 new social homes over the next two years would save 30 000 jobs in the industry.
- **Germany** introduced a Modernization Programme for Buildings in order to reduce CO2 emissions. The government now increases the already used € 900 million with another € 500 million. The German Gov. estimates that 220.000 jobs have been secured in construction businesses.
- **Spain**, autonomous region of Pais Vasco, will assist unemployed residents by buying their homes, which then becomes social housing – but with an option to buy back.
- **Italy**, the government in Lombardy has made € 1,500 /household available to pay rents for the unemployed, and another € 20 million to assist tenants in rent arrears.
- **Swedish** public housing companies have purchased private market residential houses which have been impossible to sell for market prices.

We, tenant representatives worldwide act as catalysts and urge our local and national governments, and the European Union, to increase investments in new construction and renovation of social/public/private rental housing. Also, immediate measures have to be taken in order to assist households which fall into rent arrears, to avoid evictions.

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