



# International Union of Tenants

Association Internationale des Locataires

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**On October 5, on the occasion of International Tenants' Day 2009 and the UN Habitat Day, the International Union of Tenants (IUT), in co-operation with the European Housing Forum, organised two conferences in Brussels on housing policies in Europe; "The Right to Housing" in the morning and "Tackling the financial crisis with a new deal for affordable housing" in the afternoon. The latter conference was held in the European Parliament.**

## **The right to housing**

At the symposium on "The Right to Housing", hosted by the German Friedrich-Ebert-Stiftung, Mr **Lauri Sivonen**, advisor to the Commissioner for Human Rights Thomas Hammarberg, presented the Recommendations of the Commissioner of how to implement housing rights in full compliance with the principle of non-discrimination in national legislation, as stipulated in the relevant human rights instruments. The commissioner had issued the recommendations in June this year. In total there are nine.

A pleasant surprise during the morning session was the flying visit of the heavyweight MEP **Silvia-Adriana Țicău** who is responsible for the European Energy Performance of Buildings Directives (EPBD). This is a new directive which will have a major input and consequences for tenants all over Europe. The EPBD requires all EU countries to enhance their building regulations and to introduce energy certification schemes for buildings. This will in turn affect building standards towards changing for better energy efficiency. As she presented the EPBD it could gladly be noted that many of IUT's amendments and recommendations were taken in consideration.

The two presidents of the largest national tenant associations in Europe; **Barbro Engman** from the Swedish Union of Tenants (Hyresgästföreingen) and **Dr. Franz-Georg Rips** from the German Tenant Association (DMB) both brought the message of the Right to Housing issue to Brussels. In the Swedish constitution there already is a right to housing, but Ms. Engman pointed out that this is not enough without enforceability. Dr. Rips on the opposite was claimed for the implementation of a Right to Housing in the German constitution. The policy fields between the presidents were of big interest for the audience consisting of about 100 representatives from 18 countries.

Mr Sivonen's, Ms Engman's and Dr. Rips' presentations are available via [www.iut.nu/conferences.htm#Conferences](http://www.iut.nu/conferences.htm#Conferences)

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## **Tackling the financial crises with a new deal for affordable housing**

The afternoon event was attended by more than 150 participants from 21 countries. IUT president **Sven Carlsson** welcomed the guests and presented the highly qualified speakers who came to share their knowledge and views on how they see possibilities for an economic as well as social recovery, by investing in housing.

Sven Carlsson also emphasized that housing and construction are one of the largest financial sectors – and should therefore be considered as key instruments in tackling the present financial recession; “Investments must be directed towards the sectors that can give the best output, socially as well as economically. So, we ask our governments – why hesitate?!”

Mr. Carlsson urged to invest in housing renovation and construction now. “Such initiatives will create jobs, and get the financial wheels in motion” he continued. “It has been done before in history, with success. And it can be done again!”

It is with this background that IUT has chosen to focus on the theme: Tackling the financial crises with a new deal for affordable housing.

**Constanze Krehl**, a Member of the European Parliament and coordinator of EU's structural funds and the Committee on Regional Development, which work includes the realization of the EU Economic Recovery Plan. Constanze Krehl enhanced that it is very important that the member states make use of this money now because it is unsure whether the funds will still be available after 2013. Ms. Krehl stressed that the structural funds are not intended for the construction, or general renovation, of new housing but for energy efficient retrofitting of houses. The money can also be used for purposes which will enhance social cohesion. Her best tip to member states when applying for the money is that there is a combination between the two, like renovation for energy efficiency in social housing. Then it has the aspect of social cohesion by supporting low- and middle-income households as well as the aspect of climate protection. 4 percent of the European Regional Development Funds (ERDF) can be used in the housing sector – in total 8 billion euros.

**Mario Aymerich**, from the European Investment Bank (EIB), told the participants that also the EIB is willing to increase their engagement in social housing. This means affordable loans, grants and everything that solicits the financing of new public and social housing projects.

**Michael Smyth**, a strong advocate for investment in social housing, and head of Economics at the University of Ulster, blamed much of the financial crises on the inflated property market - particularly in the Anglo Saxon countries. Michael Smyth illustratively argued for how new construction of housing, and social housing in particular, has multiply direct and indirect positive socioeconomic effects; direct job creation, income generation and output in construction projects – indirectly via induced employment. Mr. Smyth also pointed out the non-monetary social impacts of increased investment in social housing, such as decreased homelessness, less crime and improved health conditions – which all indirectly save money for state and municipality. There are also other social and environmental benefits such as energy conservation, neighborhood renewal and greater social cohesion and the enabling of other community developments.

Also, Michael Smyth argued that social housing has greater short term impact on the labour market than other construction investments – due to higher labour intensity in house building activity.

**Michael Newey** CEO of the Broadland Housing Group in England and vice chair of RICS (Royal Institution of Chartered Surveyors) presented another example of how to tackle the financial crisis. RICS cooperates closely with the social housing providers in the UK and Mr. Newey meant that is fully possible to supply good quality social housing and making profits at the same time. In Australia they want to put up a housing system similar to the British. Being an adviser for the Australian Housing Minister, Mr. Newey also provided some facts and figures from there.

RICS presently co-chairs, together with IUT, the European Housing Forum.

**J. David Lippeatt**, Chief of the Economic Policy Unit at the US Mission to the European Union, presented President Obama's plans and actions for the first time in Brussels, on how to assist tenants and how to promote affordable housing in the US.

Mr. Lippeatt forwarded greeting from the Obama administration to the conference delegates.

One of the reasons for the economic crisis, according to Mr. Lippeatt, was the earlier Bush administration's efforts to create a society based on ownership. The big u-turn in the US housing policy is from earlier forcing ownership via Fannie Mae and Freddie Mac loans that couldn't be afforded by people with low incomes to now helping the tenants in investing in rental housing. "President Obama entered office in midst of this global crisis and launched a massive government response to stabilize the economy and avoid another Great Depression" said Mr. Lippeatt and described the challenges that lie ahead; Tens of thousands rental properties will now be built around the U.S. and they will be followed by an increased investment in housing assistance. 14 billion dollars are dedicated only for tenancy and rental housing. Of this money three-fourths are directed towards low income tenants. An American tenant today often pays 50 percent of his/her income in rent. The government's objective is a maximum 30 percent.

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### **Tenants speak for themselves**

Another important part of the conference was the part where tenant representatives from Europe were given the floor.

"The situation for tenants in Italy is very serious", said **Massimo Petterlin**, National Secretary of the tenants union from Italy (SICET); In Italy 650.000 people standing on the waiting list for affordable public rental housing, with only 4 000 housing units being free. The rents are in many cities very high unaffordable to low income households. Average rental apartments of 70 m<sup>2</sup> rents for 1 300 euro per month in Milan and around 1 200 euro in Rome and in Florence. Rents are high also in regions which are less attractive to live in because of high unemployment, like on Sicily where a modest flat in Palermo and Catania rents for 650 euro. From the year 2007 to 2009 the average rent prices have almost doubled from 40 to 70 percent. Many Italians can not afford their new rents which has resulted in a sharp increase in evictions; between the years 2007 and 2008 evictions in Italy increased by almost 19 percent, compared to 2006.

**Juraj Kliment**, vice president of the Tenants Union of Slovakia, Právo na Bývanie, described how ownership was prioritized in Slovakia. Today some 95 percent of the population in Slovakia owns their homes. This is the result of different government's initiatives from the early 1990s, after independence and the breakdown of Communism. The apartments were often, when offered to the sitting tenants, dilapidated and in urgent need for rehabilitation. The new owners often lacked, and still lack, the financial resources



to maintain their properties and common parts of the house with renovation and retrofitting, an obligation prior to the landlords.

Contrary to the tenants in the state or municipal stock, the tenants in now privately owned and restituted houses, often referred to as “sitting tenants”, were never given the opportunity to purchase their apartments. These tenants are now mostly left in the hands of private landlords, for better or for worse, and who often do not even live in the Slovakia, but in London, New York or Buenos Aires!

Mr. Kliment ended his speech with a glimmer of hope by telling that the Slovak government is considering giving subsidiary flats for the “sitting tenants”. By building these flats, when ever decided, it will be an economic impetus for the construction industry bringing new possibilities for the employment, something which is acutely needed now in the hard times of crisis.

More than 35 percent of the Dutch housing stock belongs to the social rental housing sector. In the Netherlands there is a broad definition of social housing which allows access not only for the lowest income group but also the middle income group. **Ronald Paping**, Director General of the Dutch Tenants Union, Nederlandse Woonbond, was happy to report that the Dutch government has not only reduced the VAT from 19 to 6 %, but are also engaged in plans for subsidies targeted to energy saving measures in housing – 320 million euros, which 11 percent of the countries´ total investments in housing.

Because of the countries huge housing shortage furthermore 395 million euros will be used for stimulating new building projects. Homeowners and tenants are not treated in the same way. Mr. Paping criticized the fact that homeowners benefit from advantages such as possibilities to make tax deduction. The subsidies for low income tenants are not on the same level. The Nedrlandse Woonbond is not only claiming that home owners and tenants should be treated equally, they also claim that, because of high housing costs, that the low income households should have some form of control of the rents.

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**Barbara Steenbergen**, Head of IUT's Liaison Office to the EU, summits the day: “We've had the breakthrough decision that Europe also finances energy efficiency in housing through the European recovery plan. For us it is important that this financing continues also with the new structural fund period that starts 2013 and lasts until 2019. It's therefore very important that the member states use the money. We have now 4 percent of the European Regional Development Funds (ERDF) which can be used in the housing sector which is in total 8 billion Euro!

And there is no better time than now than to make use of this money in these times of financial recession. This is the appeal and the message of this day summits. Also, if we stop with investments in social and public housings we will have problems with social exclusion of larger parts of the society. It is obvious that we have to force our governments to bring back good rental housing policies, and we need to follow and monitor their achievements. At least migration in big city areas will force them to do this.

This is the right time for a new deal for affordable housing. This was the clear statement from all the tenants, their representatives and other stakeholders who had come to Brussels.

*Report written by Göran Schüsseleder*

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*The International Tenants Day, together with the United Nations World Habitat Day, is observed on the first Monday in October – every year.*

*In 2010, the International Tenant's Day falls on October 4.*

*Presentations from October 5 are available on [www.iut.nu](http://www.iut.nu)*