

## **IUT-Board Meeting in Geneva, 13.-14. April 2007**

### **National Report of the German Tenants' Union**

#### **Introduction**

The housing policy in Germany interlinked itself more and more strongly with other policy fields. This process continues. In addition to other political topics the housing policy gains a stronger meaning. The cross-links refer to urban development, urban renewal, the fight against poverty, the adjustment of the society to demographic changes, the energy policy, the climatic and environmental protection and the protection of the social systems.

In general the housing supply in Germany is at present good and sufficient. But there is no uniform housing market anymore. In Germany there are many housing market sectors, which have partially a housing surplus, partially housing deficits. Housing deficits can be located in prosperous economic centres such as Munich, Stuttgart, the Rhine-Main region, Cologne, Düsseldorf, Hamburg and all other university towns.

The construction of new rental housing nearly stopped. In many housing market sectors there is indeed no more demand for new flats. The main theme is less the quantity but the quality of housing.

#### **Social changes and effects on the housing markets**

In fact there are three dominant developments: we will become less, older and multicoloured. All three developments will have lasting effects on the housing markets.

**Shrinking cities:** At present the shrinking population is compensated to a large extent by the fact that the demanders on the housing markets consists of smaller households (singularization). This compensation will find an end at the latest in the year 2015. We expect a declining demand from this time on, especially in the structure-weak areas.

**Ageing:** The housing stock has to be reconstructed according to the needs of older people, barrier-free or with fewer barriers. The adjustment efforts just began. The ageing of the population causes a renaissance of the cities. For good medical and other target group services in the neighbourhood old people move from the countryside back to the cities. The cross-linking of housing with medical and nursing services will play an important role in the future.

Heterogenization of the population: Not every offer on the housing market is accepted. The demand becomes more differentiated. Dwellings must be aligned for special groups of demanders.

### **The poverty problem**

Approximately 15 percent of all households in Germany are depending on public assistance to finance their basic need for housing. At present there are various ways of housing promotion:

Unemployed but employable people receive a full cost reimbursement of all accommodation and heating costs as far as they are in an appropriate limit. People with low income receive housing benefit subsidies. Between both subsidies there is a need for harmonization. In some cases unemployed people who receive the full housing costs are better off than working people, who only receive a small housing benefit. This gap was picked up by legislation – at least because of the strong lobbyism of our union. The so called “subject subsidies” for financially weak households are not sufficient anymore. The German Tenants Union stresses the point that we need sufficient housing with rent and price control and allocation rights. Therefore it is important to strengthen the public housing corporations.

### **Against the monopoly on the rental housing markets**

The German Tenants Union is concentrating its activities on preventing the sale of the public housing stock to foreign investors. In the last 10 years more than 800.000 dwellings changed from public to private property – to investors, who have extraordinary yield expectations. The capital for the mega-deals is collected in the United Kingdom, the United States, Japan and other states.

This development has negative effects on the tenants: to increase the yields rents are increased, to reduce the costs maintenance and modernisation of the housing stock is neglected. The political fight against the sale of the housing stock is in the centre of the work of our union.

### **Questions of climate protection and energy policy**

The share of housing and service costs which flows directly to the energy suppliers is increasing dramatically. The scopes for private landlords and housing corporations are reduced. As a result of this the housing quality will decline in mid-term.

Our union takes part in all initiatives and actions against the explosion of energy costs in private housing:

- juridical confrontations concerning the appropriateness of price increases for oil, gas and electricity
- measures to dissolve the cartels
- measures against the enlargement of fossil energies
- intensified use of renewable energies
- increasing energy-efficiency by technical improvement of the buildings and energy saving measures in households
- transparency about the energy demand of houses, especially more comparability for demanders on the housing market

We set an emphasis of our work here.

With the introduction of energy certificates for buildings according the EU-energy directive in the year 2008 a new quality of transparency is reached. As far as we not agree with the political compromise concerning the energy certificates for housing- looking at the importance of energy questions we think that this compromise is only temporary. Stronger legal regulations as well as stronger energetic building regulations will follow in short times- causing more transparency and less energy costs for tenants and owners.

### **The German Tenants Union- changes in organization**

As all member organizations we have to fight with member losses. Compared with political parties and other organisations like trade unions the losses are still within bearable limits. Nevertheless we strengthen our efforts to lead the union successfully to the future.

A commission is dealing with all kinds of questions to make our work more effective and attractive for members. The commissions' work is published in spring 2007.

In particular we will realize the following topics:

- improvement of the accessibility of our 320 associations and 15 federal state organizations
- internet supported legal advice and customer contacts
- establishment of an online-tenant association- with contacts between members and the association via internet
- offensive for more quality- in order to succeed in the market competition with other legal advisors by offering higher standards
- extension of our activity fields, e.g. to establish more housing services, activities in urban renewal and urban development, energy and environmental policy
- optimizing the office organization in order to increase the economical efficiency

We offer to present the results of our "future commission" during the next IUT-Board meeting.

Berlin, April 2007

Dr. Franz-Georg Rips

Barbara Litke