

GLOBAL TENANT



INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE August 2005



C O N T E N T S

Chronicle:
Anti Social Behaviour
– what do we do?
page 2

We want our money's worth!
from Toronto, Canada
page 3

Tenants in Tanzania
– invisible dwellers
page 4-5

Eroded buildings...
tenants are afraid in Hungary
page 6-7

Dark clouds over Dutch tenants
page 8-9

New Zealand: 1000 more state homes!
page 10

Germany: Shorter notice to quit
and large purchases of housing
page 11

Serbia under transition
– the inside story
page 12-14

Romania, and review of the housing market
page 14-15

Notices
page 16

IUT member organisations in:

Austria
Australia
Belgium
Benin
Bosnia-Herzegovina
Canada
the Congo (Dem. Rep.)
Croatia
Czech Republic
Denmark
Ecuador
England
Estonia
Finland
France
Germany
Greece
Greenland
Hungary
Iceland
Ireland
India
Italy
Japan
Latvia
Macedonia, FYR
the Netherlands
New Zealand
Nigeria
Norway
Poland
Portugal
Romania
Scotland
Serbia and Montenegro
Slovenia
Slovakia
Spain
Sweden
Switzerland
Tanzania
Togo
Uganda
USA
Wales



P.O. Box 7514

103 92 Stockholm, Sweden

Tel +46-(0)8-791 02 24/791 02 25

Fax +46-(0)8-20 43 44

E-mail: info@iut.nu

Website: www.iut.nu

Publisher and

Editor: Magnus Hammar

August 2005

Publication Design: Cinna Gross

Cover Photo: Magnus Hammar

Anti social behaviour: What to do?

The Dutch housing corporation Wooncom with 17 000 flats has made arrangements with local tenant-organisations to tackle anti social behaviour, ASB. Luckily it's not very common, but problems with drugs, alcohol or noise are difficult to tackle. So, which arrangements can be made?

Deal 1: Social network

Local welfare organisations like the Alcoholics Anonymous, social work, etc work together with local authorities and housing corporations in so called anti social behaviour networks. The aim of these networks is to provide access to social welfare and not to "forget" a client. With each antisocial problem this network is checked whether the tenants are known. If so, the organisation will take care of the situation.

Deal 2: Be prepared.

Some neighbourhoods are less popular to live in than others. *This applies especially the capacity of the neighbourhood to handle problem cases.* Normally it is common that tenants can choose their own accommodation. In these bad neighbourhoods special restrictions are made for new problematic tenants. New tenants are informed about rules to avoid and prevent ASB.

Deal 3: Getting things started.

The housing corporation is obligated to take action on each report. The tenant is summoned about his behaviour and visits are made. Each report is registered. Persons who have been reported with ASB are responsible for their *complaint*, also if the case is taken into court.

Criminal behaviour like aggression or intimidation is always reported to the police. Unfortunately the tenant organisations and Wooncom cannot change the behaviour of people. Until now it was never necessary to build simple concrete houses on the outskirts of towns for ASB-people. The tenant organisation can live with the arrangements and has come to the conclusion that individual cases are treated well.



Sylvio Gaastra

Manager of Woonbond Regiokantoor Noord-Oost, the Netherlands



Calendar

August 19-20: Nordic meeting of tenants' associations. Oslo, Norway.

September 6-8: Housing and Globalisation, APNHR conference in Kobe, Japan.

September 19-21: 66th Session of the UN ECE Committee on Human Settlements, Geneva Switzerland

September 27-30: Transforming housing environment through design. IAHS World congress. Pretoria, South Africa.

October 3: World Habitat Day / International Tenants' Day

October 10-14: CECODHAS' "European Housing Week". Exhibition and seminars in Brussels, Belgium.

October 14-15: Doing, thinking, feeling home - the Mental Geography of Residential Environments. Organised by OTB, in Delft, The Netherlands

October 18: More than one billion people lack a worthy dwelling... International Conference in Stockholm, Sweden

October 21: New City in the Old walls: Conference on housing construction. Riga, Latvia.

October 26-28: 4th Australian National Housing Conference, Perth, Western Australia.

2006

June 19-23: 3rd UN World Urban Forum. Vancouver, Canada

For more information: <http://www.iut.nu/conferences.htm>

Repairs and maintenance

a Canadian and Global Tenant Issue

It was fascinating to read in the last issue of the Global Tenant that the International Union of Tenants, together with a few more NGO:s, had been invited to speak with the EU Housing Ministers at a conference in Prague. The Ministers met to discuss the matter of Europe's aging high rise apartment buildings.

Here in Toronto, Canada, more than half of our 4000 apartment buildings are 40 or more years old and in varying states of disrepair. Unfortunately, in our neck of the woods, there are no government Ministers, as yet, consulting with tenants about this emerging global issue of disrepair. Instead, the matter has been left to tenants and their municipal governments, with a handful of building inspectors, to cope with the crisis.

Since the introduction of the so-called "*Tenant Protection Act*" in 1998, Ontario tenants have continued to suffer increasing rents and decreasing quality of housing. The removal of rent controls also took away *Orders Prohibiting a Rent Increase* in cases of disrepair. Tenants are not able to challenge "*Above Guideline Increases*" on the grounds of poor maintenance and repair. Landlords have been applying for, and receiving, rent increases well above the annual guideline amount set by the government – regardless of the state of repair. As well, tenants continue to pay rent increases on top of rent increases for costs no longer borne. Legislative changes promised by Ontario Premier, Dalton McGuinty two years ago remain just one unfulfilled promise.

High vacancy, but still high rents

Average rents in Toronto are the highest in Canada's major cities. Vacancy rates have risen in Toronto to 4.3%, but the ability of tenants to afford high rents has not improved. Virtually no new affordable rental housing has been built in more than ten years. Tenants who can afford the high-rent apartments are often able to come up with a down-payment, allowing them to become homeowners – with a mortgage payment that is lower than the rents they would have been paying. However, when interest rates finally begin to rise, then demand for rental housing will increase. So, landlords are keeping the rents high and sustaining vacant units at reduced costs. So much for free market myths!

We want our money's worth!

In response to this situation the Federation of Metro Tenants Associations in Toronto, Canada's oldest and largest tenant organization, has begun a campaign to address the need for repairs – repairs to our rented premises *and* to the law. Since we cannot expect any decrease in rent, the best we can hope for is to at least get our money's worth. The Federation began the "Fix it Now" campaign in May with a letter to the Ontario Minister of Housing. The Federation

called on the Minister to pursue legislative and regulatory reforms, appoint a new Chairperson to the Rental Housing Tribunal that handles landlord and tenant matters, and to make a strong statement about the problem of disrepair.

A couple of weeks after receiving the Federation's call for action, the Minister replaced the Chair of the Tribunal. The Federation will gradually increase pressure on the government, building towards a more concerted effort in the fall. It may require something a little stronger than a few letters to politicians before we see the introduction of new legislation that will actually work for tenants and give them the legal tools to get repairs done.

By Timothy Maxwell, Tenant Organizer at the Federation of Metro Tenants Associations, Toronto, Canada
E-mail: tcmaxwell@contactoffice.ca

Tenure in Canada¹

Ownership: 65 %
Rented: 35 %

About half the rental stock is conventional (purpose-built) apartments in the private rental sector, while the rest consists of rented houses, apartments in houses, rented condominium units and social housing.

¹ 2002, Statistics Canada

VANCOUVER 2006

The UN World Urban Forum III provides a unique chance for non governmental organisations, such as housing and tenant associations, to meet with government leaders, researchers, the private sector and of course with other NGO representatives. The Forum will take place in Vancouver, Canada, on June 19-23, 2006. The first session of the WUF was held in Nairobi in 2002, the second one in Barcelona 2004.

The main theme for this 3rd session of the WUF is "Our Future: Sustainable Cities – Turning Ideas into Action". As we all know, sustainable cities include sustainable housing, good and affordable housing, for all categories of its citizens. In cities there is a particular need for flexible housing; of which rental housing is superior. Also, to keep a city running with all its different job categories there is great need for housing with reasonable rents. Let's meet up in Vancouver next year!

The IUT website has more information about registration etc.

Tenants in Tanzania – Invisible Dwellers?

By Jenny Cadstedt

In the urban housing debate and in the state policy in Tanzania, as in many cities in the developing world, the problems of unplanned settlements with poor infrastructure and insecure tenure for plot holders are discussed. The vulnerable situation and insecure tenure of the many dwellers who rent one or two rooms in a house of a private landlord in these areas are however rarely highlighted.

The National Bureau of Statistics estimates that about 55 percent of the households in the capital city Dar es Salaam are tenants within the private sector while only about 6 percent rent within the public housing sector. In the other urban areas the corresponding figures were estimated to be 36 percent respectively 2 percent¹. Other studies argue that a majority of urban Tanzanians are tenants in unplanned settlements².

What are the conditions of tenants in private rental tenure?

Amos and his wife Leyla³ rent two small rooms in one of the oldest unplanned areas in Mwanza City, the second largest town in Tanzania, located at the shore of Lake Victoria. They migrated here because of job opportunities and during the first period stayed they stayed with relatives. They live in two rooms with their three youngest children and one grandchild. Five tenant households live in the one-storey house together with the son of the landlord and his family. They share toilet facilities and the back yard, where activities such as cooking and washing take place.

A relative of Amos and Leyla found these rooms for them and they had to pay rent for 6 months in advance when they moved in. Also now they usually pay every six months. They only have an oral agreement with the landlord. In the house they have a cleaning schedule for toilets and outdoor spaces. Amos says that if guests come to stay for a few days the landlord should be informed. If something needs to be repaired the landlord inspects it but according to Amos the tenants usually have to fix it themselves without reduced rent. The rent has been 8000 Tanzanian shillings, or 6 Euros, per month during the whole period Amos and Leyla have stayed here.

Shared bills

The house has electricity and a common water tap in the back yard. All households share these bills equally in the

end of the month, which Amos does not like. Different households have different electrical items in their rooms and thereby use different amounts of power so why should he pay for those who use more? For water his family pays about 1000 shillings, or 0,8 Euro, per month while their share of the electricity bill usually is between 3000 and 5000 shillings. Amos believes that the landlord is obliged to give them three or six months of notice if he wants them to move out. As a tenant Amos would just move out when the contract expires. He considers his relationship with the landlord to be good.

The housing situation of Amos and Leyla contains many characteristics of the private rental sector in Mwanza. It is very common with three or six months or even a year advance rent before moving into a house. After the first period landlords often accept shorter periods of payments.

Irregular incomes, but regular rental charges

Many houses in the unplanned settlements do not have water or electricity but when accessible it is a common source of conflict. The local state representatives (mitaa leaders) mediate in conflicts between landlords and tenants, which often concern tenants' failure to pay rent or bills. The necessity to have money in time for the rent is also an expressed disadvantage of rental tenure according to the tenants interviewed in my study. Most of them wish that they could buy a house in Mwanza and some have already bought plots in informal outskirts areas or further up on the hill tops. In a rapidly growing city with a high demand for housing and a difficult employment situation it is however uncertain how





Formal and informal housing in Dar es Salaam.

Photo: David Dahmén

many tenants will manage to get a house of their own. The wish to become house owner must be viewed in relation to the threat of irregular income many dwellers face, being self employed or casual labourers. Houses in unplanned settlements are built without official loans but from savings. Housing costs are therefore low after construction is completed and it can instead be used to generate income by subletting a room. Tenants view their stay in a particular house as temporary because they do not know if the landlord will sell the house, increase the rent or if conflicts will arise.

UN campaign on Secure Tenure

These aspects are important to bring up in the global debate connected to UN Habitat's ongoing campaign on secure tenure. A reason making it

extra pertinent to highlight rental tenure and tenants is the promoted policy of upgrading unplanned settlements through initiatives from and with participation of dwellers. Is it possible to assume that tenants have the same need as the homeowners in the areas considering the perceived temporality of the stay in a rented house?

Tenants organize

Tanzania Tenants Association (TTA) has, under the leadership of Mr L.B. Nyoni, been actively working for tenants' rights since 1984. TTA's headquarter is in Dar es Salaam, with a couple of active branches in other towns. TTA frequently runs court cases against rent increases in the rental stock owned by the public National Housing Corporation, with the help of the Rent Restriction Act of 1984. This law has however been under the attack from the landlords as they argue that the Act gives them too many obligations



The authoress flanked by TTA executives; Mr L.B. Nyoni, National Chairman of TTA to the right, and Mr I. Njohole, Secretary General of TTA, on Ms Cadstedt's left side.

and few possibilities to raise the rents. Recently the Parliament decided that the law will be repealed⁴. TTA claims that the new amendment, that opens up for rent increases and evictions, violates the 1996 UN Istanbul Declaration of Human Rights.

Still, the rents within the private sector do not follow the Rent Restriction Act and these rents are usually much higher than within the public rental sector. The knowledge about the rental legislation among the actors in private rental tenure varies and the current change of the legislation will probably make it more confused.

It is difficult for TTA to change the conditions for tenants in private rental sector because it is impossible to make sure that the law is followed by the large number of small scale private landlords. The private rental sector is essential for the urban housing provision in Tanzania and there are no signs that this will change in the foreseeable future. The Tenants Association has an obvious role to play in making tenants visible, particularly the large majority of the tenants in the private rental sector.

Jenny Cadstedt is conducting a research project about housing provision and rental tenure in Mwanza, Tanzania. The project will be published in 2006 as a doctoral thesis in Human Geography at Stockholm University.

Contact the author at jenny.cadstedt@humangeo.su.se

¹ Tanzanian National Bureau of Statistics 'Household Budget Survey 2000/2001', at www.tanzania.go.tz

² See Kironde L. (2000:37) 'Rapid Urbanisation in Tanzania: the government's coping strategies' in Ngware S., Kironde L. (eds.) *Urbanising Tanzania, issues, initiatives and priorities*. Dar Es Salaam University Press

³ The names are fictive in order to protect the anonymity of interviewed dwellers.

⁴ Shivji I. (2005.06.25): 'Protective labour and rent regimes vital'. Saturday palaver in *The Citizen*, Tanzania

ERODED BUILDINGS...

In the historic city centre of Budapest, most of the buildings of which are listed monuments and together with the one-time Jewish ghetto are included on the World Heritage List, tenants are afraid because their residential buildings have been acquired by real estate profiteers.

Even after 15 years since the change of the political regime in Hungary, ownership rights concerning residential buildings brought under government ownership during the communist era are still gravely unsettled.

Andrássy Street is one of the most elegant avenues of Budapest. It was developed at the end of the 19th century, on the occasion of the 1000th years' anniversary of the existence of Hungary as a sovereign state. The first underground railway on the continent, opened in 1896, is running underneath it, and the avenue's 3-6 storey Eclectic and Art Nouveau style colourful palaces are valuable listed historic monuments.

The residents of these "blocks of luxury tenements flats" are demonstrating against the local authorities and recently handed in a petition to the Minister of the Interior as well, so as to protest against illegalities. These protests are now on everyone's' lips in Budapest.

Luxury in ruins

In the beginning of the 1990s the new democratic government handed over the tenement houses that had been brought under government ownership, situated between the Opera House and the Hősök tere (Heroes' Square), to the Local Authorities of "Terézváros", free of charge. However, the price of this was an obligation fixed in the contract, according to which the new owner, that is the 6th District of Budapest, was obliged to carry out the most important renovation work on the almost completely eroded buildings – stopping leakage and repairing defects endangering the flats still being fit for habitation – within 3 years.

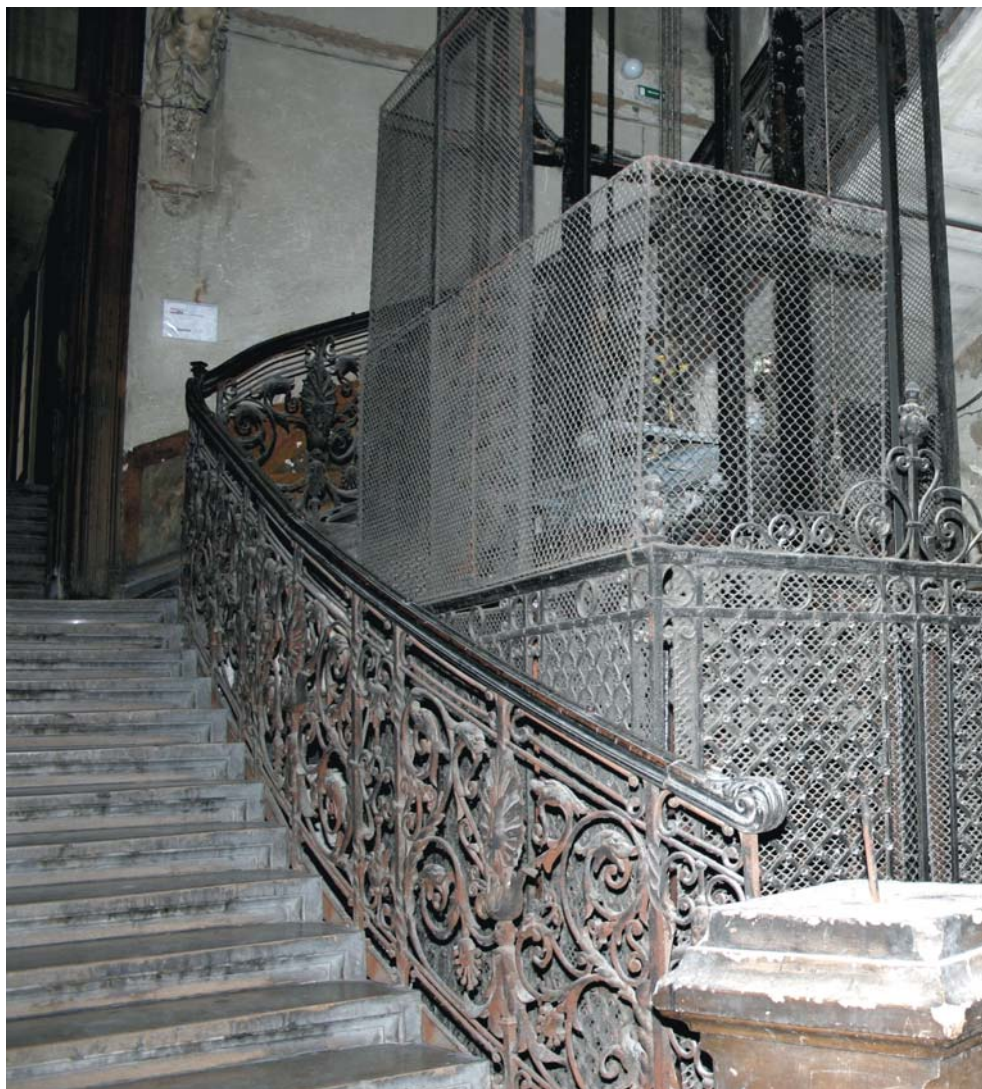
Paragraph 2 in the contract establishes that the total monument preservation rehabilitation of the buildings should have been carried out within 10 years. However, the deadline expired three years ago and renovation work has not even been started in 90 percent of the buildings concerned. The sight of these wonderful palaces of rarity in Europe is appalling. Damages caused by

WW II are still to be seen, and if tourists enter a staircase they can take part in a "travelling in time" among the plastering peeling off, electric wires hanging out of the walls, "ruinous" elevators, statues and frescoes mutilated in a vandal way.

The tenants residing in such flats – just as those of the other 800 000 ones living in state-owned flats – were granted the right at the beginning of the 1990s to buy the flat they were living in: one flat per family. However, up to these days selling these flats, in buildings on the 'listed monuments' list, was prohibited by monument preservation, referring to the awfully eroded, often highly dangerous state of the houses.

Speculative purchases, with remarkably low price tags...

Foreign real-estate buyers have recently appeared in Hungary. Buyers behind which there are untraceable real-estate profiteers. Corruption has reached unimaginable levels, and it may not be surprising that the relevant local authorities were willing to sell the buildings concerned to these companies right away, disregarding all legislation. And also, it is not surprising that the monument preservation authority, which had been protecting these buildings from privatisa-



tenants are afraid, in Hungary

tion with tooth and nail, this time gave its consent with special dispatch within a few days so that these “blocks of luxury tenements flats” could be handed over to unknown real-estate profiteers. What is all the more so surprising is that purchase prices reached only parts of the real values – not even 15-20%. Should the flats have been privatised observing the relevant laws, the seller would have got a greater sum from the sitting tenant.

Unlawful selling, but who to report?

Selling these “blocks of luxury tenements flats” is against several existing laws. Nevertheless the Hungarian authorities responsible do not consider this fact for the time being. One of the most evident and most easily provable violation of the law concerns pre-emption. The contract on handing over listed historic monuments free of charge to the relevant local authority provides for a right of pre-emption for the Local Authority of Budapest. However, the capital had received not even a notice regarding the sale of the real-estates concerned, and so it had not officially even had the chance to get informed about the conditions of sale and purchase before it could have exercised its right on pre-emption.

This obvious violation of the law is of course partly due to the grave inconsistency of the two-level system of Budapest local authorities. The responsible local authorities of the Hungarian capital have not had a chance to intervene in the transactions and doings in Andrásy Street and they do not even have the most relevant and essential information concerning the changes of ownership.

Hungarian housing policy is also well reflected through the fact that though the local opposition held the prospect of an Attorney’s Investigation, meanwhile the relevant government offices and those of monument preservation assisted in

the most uninhibited way to pass one of the most valuable real estates of the Capital into someone else’s hands.

LABE protests and acts

As opposed to the general Hungarian practice from the change of the political regime, residents of certain houses, organized by LABE, Hungarian Union of Tenants, presented a united front against the real-estate profiteers interwoven impliedly and/or tacitly with government and office apparatus, using their means. The residents and LABE have managed to detain these uncontrolled manipulations of this apparatus-profititeer “co-operation”.

Unfortunately, as far as LABE and the relevant communities are concerned, we are not yet in the same position of being able to come to reconciliation and communicate with the relevant authorities as those of other EU countries. We succeeded in detaining transfer of property to real-estate profiteers by way of addressing several memorials to courts of justice. However, this can only encumber the off-shore companies in passing on real-estates, and it is still only a case of stalemates.

The international assistance of IUT could be of great help, as besides calling international attention on what is going on, IUT could also use its obtained experiences in eastern Europe so as to present the pernicious effects of the activities of these real-estate profiteers.

The indignation of the residents, feeling defenceless, has increased to such a degree that they intend to turn to the European Court of Justice so that their lack of rights would be redressed.

This is the present state in Hungary, in the second year after we joined the European Union. Would such circumstances allow the Hungarian partner to be a proper one? We do not think the answer is a clear “yes”, but we are looking forward to having the opinion from our IUT partners and the legal remedy organizations of the EU.

Text: Pál Battha, President of Lakásbérlők és Lakók Egyesülete, LABE, Hungarian Union of Tenants, at the inner courtyard of Andrásy Street No 21.

Contact Pál at e-mail: labe@axelero.hu



Entrance and the old original lift at Andrásy Street No 21

Dark clouds pack above Dutch tenants' heads

Text: Mr René van Genugten and Mr Kees de Jong, Nederlandse Woonbond, Dutch Tenants Association, Amsterdam.
www.woonbond.nl
Photo: Jan-Reinier van der Vliet



Dutch tenants are facing many threats in the near future. Due to governments' 'free market policy' the budget on rent subsidies is cut. Rents will be increased heavily by 2006 and there are serious plans to abolish legal protection on 20 percent of the total rental housing stock. As a consequence, the affordability of good quality housing is under great pressure for many Dutch households. Another consequence is the tendency for increased segregation and social exclusion.

Vulnerable residents

At present, many people already have great difficulties in obtaining a suitable and affordable dwelling, especially in big cities like Amsterdam and Utrecht. In particular young people, the elderly, and all those who cannot afford an owner-occupied house will face even bigger problems in the coming years. In the next four to five years a large majority of the Dutch tenants will probably face huge rent increases. Many people will not be able to afford these rents and will have to move out.

EU and budget cuts

It all started two years ago with the arrival of the present right-wing government 'Balkenende 2'. This government announced large budget cuts in order to meet the EU rule of limiting state budgetary deficits. Although the government claims the opposite, mainly low-income households, such as people dependent on welfare and pensioners, will have to pay the cuts. The budget cuts, especially in the housing budget, have great negative effects on their income. The cuts on the housing budget, which is not even 2 percent of the total national budget, amount to almost 13 percent of the total budget cuts. A disproportional amount, 1.1 billion Euro, will be cut off the rent subsidies in four years time. About 600 million Euro is realised by cutting 18 Euro

off the monthly rent subsidy. The remaining 500 million Euro will be imposed on the landlords.

The Dutch Minister of Housing, Mrs. Dekker, introduced a completely new policy on housing in the Netherlands. In essence, the new policy implies the introduction of more market oriented policy in the housing sector, as well as in the policy on rent prices. Mrs. Dekker strongly supports the ideology of the free market and she wants to enforce this on the rental sector in the Netherlands.

Liberalize 20 percent

What are the most important elements of the new policy on rent setting in the Netherlands? Landlords are allowed to raise the rents once a year. There is a legal maximum percentage for this increase. This maximum remains under the new policy, but the legal maximum percentage will increase every year in the next four years. Also important, and for tenants by far the most threatening element of the new policy, is the plan to 'liberalize' about 20 percent of the total rented housing stock. This means that the legal rent protection, which consists of rent caps and maximum percentages for the annual raise, is abolished. This does not happen at once. During a period of four years there is a temporary ruling applicable on these dwellings with higher maximum percentages than in the 'normal' regime. Mrs. Dekker states that tenants can get used to the higher rent level or, if they cannot or will not afford it, look for another and cheaper accommodation. It's a pity for tenants that cheaper dwellings are not available...

Perhaps they can move in with their parents or in-laws? Or maybe they can prematurely move to a pensioner's home? After the period of 4 years, in 2010, legal rent level protection is completely abolished. This is by far the most threatening element of Mrs. Dekkers' plan.

Partners in crime

The cynical fact is that Mrs. Dekker is strongly supported by the national organisation of Dutch housing associations called Aedes. They are, so to say, partners in crime. The



“Houd Huren Betaalbaar – Keep rents payable!”

On the 3rd of March the Woonbond and friends demonstrated in several Dutch cities, like here in the Hague.

Dutch housing corporations, called *woningcorporaties*, play a very important role in Dutch social housing. In the Netherlands there are 527 *woningcorporaties*. Together they exploit about 2.4 million rental dwellings, which represent a market share of 36 percent of the total housing stock and even about 80 percent of the total rental housing stock in the Netherlands.

By the end of 2003 the total value of their assets amounted up to 86.7 billion Euro. The same year they generated a yield of 4.6 billion Euro. This is the amount of money the Dutch corporations can invest in new houses, renovation and other developments every year. So, money is not the problem.

Demand, but insufficient construction

The problem is merely the insufficient production of new affordable houses and the falling behind of necessary renew-

al, renovation and restructuring of houses and neighbourhoods. The demand for affordable rental dwellings today exceeds the supply many times. The average waiting time for a rental dwelling is from 3 to 12 years in Amsterdam and Utrecht. Commercial investors do not or cannot meet this demand. So we are more or less dependent on the corporations' willingness to invest and effort to expand the affordable rental housing stock. The production decreases steadily and is by far insufficient to meet the demand. The blame should not entirely be put upon the housing corporations, but the bad results are proof of the fact that the present system and rulings do not work.

The public opinion is that corporations are loaded with money (which is true), that they do the wrong things and far too little of the things they are supposed to do (which is also true for most of them) and that they only want to receive higher rents (which is true for some of them). People ask themselves: 'Why must the rents go up, when they don't need the money?' No wonder that the public image of corporations is very bad at the moment.



Mária van Veen, Director of Woonbond (right) in debate with Dutch Housing Minister Sybilla Dekker.

Woonbond in action

The Woonbond and its member organisations and allies are strongly opposed to the new policy on rent levels. Woonbond's general-manager Mária van Veen says; 'During the last two years we already organised a lot of action against these threatening plans, like a big manifestation last November and a demonstration in March in The Hague. And we will continue to protest until the stings are out and we have a rightful result.'

In spite of this broad opposition in the society, Mrs. Dekker strongly holds on to her plans. The pressure within the government to realize the budget cuts is huge and for that reason there is very little room for changing the plans. In spite of that, the Woonbond keeps on fighting the new policy on rent levels. The struggle is not is not yet lost. After almost 18 months of political debate, Mrs. Dekker still has not got the full and unconditional support of the majority in the Parliament.



John and Winnie Nysse and their children, Theresa, Joana and Sophia, outside their home, the first state house built under the first Labour government's housing scheme of the 1930s. Photo: By permission New Zealand Herald

NEW ZEALAND: 1000 More State Homes delivered

The Labour led government has delivered on its goal of providing 1000 more state homes in the past year, Housing Minister Steve Maharey announced on July 14. Latest figures show Housing New Zealand¹ was managing 66,172 properties at the end of June, an increase of 1061 homes on a year ago.

Minister Maharey said 190,000 New Zealanders now call a state house home. "The government will increase the numbers another 1000 homes this financial year, and by more than 3000 by 2008," Steve Maharey said. "Overall numbers have increased by 5745 since December 1999, along with major investments to provide more healthy homes and improve sub-standard housing in rural areas."

Over 600 of the extra properties provided in the past year were in the capital city of Auckland where demand is highest.

Conservatives will sell

If the general election on September 17 will result in a shift in government, the Conservative National Party has promised to change the present housing policy.

"This government's investment in affordable housing for low income New Zealanders stands in stark contrast to the National Party's policy of selling off state houses", says Mr Maharey.

National Party's housing spokesman David Carter earlier said he "strongly advocates a return to the policy of the 1990s when we actively encouraged state house tenants to buy their own state house."

"It is astonishing that Mr Carter wants to go back to a

failed policy that saw thousands of low income families pushed below the poverty line", says Mr Maharey. "It just tells you the National Party have not learnt anything. If you sell the stock you can't house people."

Mr Maharey continues: "In the 1990's the conservative led government sold 13 000 state houses leading to long waiting lists and families were forced into difficult circumstances. From day one in government our mission was to restore the vital role played by state housing in our communities and we are continuing to build on our investment."

Source: Government of New Zealand.

Contact the Manawatu Tenants Union, and Mr Kevin Reilly: kadreilly@xtra.co.nz

Facts & Figures:

Market rent levels, weekly: 2-bedroom flat: Auckland: NZ\$ 427 (approx. 243 Euro or US\$ 290), average in New Zealand: NZ\$ 220 (approx. 125 Euro, US\$ 150).²

Home ownership has been a dominant feature of New Zealand housing but this has been falling steadily in recent years. In 1991, 73.8 percent of households owned the homes that they lived in but this fell to 70.7 percent in 1996 and to 67.8 percent in 2001.

Between 1991 and 2001 there has been a 65.0 percent increase in households renting from the private sector. Housing New Zealand stock fell from 23.7 percent to 15.6 percent.³

¹Housing New Zealand is state administered and owns or manages more than 65,000 homes.

² www.dbh.govt.nz

³ census 2001

GERMANY: Shorter notice to quit in Germany

A three month notice to quite exists since June 1st 2005 in Germany, apart from individual agreements. The terms of notice for landlords are still staged up to nine month. The German Tenant's Union, Deutscher Mieterbund, was able to enforce after a long fight an essential amendment to reform the rent law from 2001. The majority of the Social Democracy Party (SPD) and the Green Party enacted an accordant law in the lower house of German Parliament.

Short term of notice is important in order to support agility and enable a flexible reaction to new personal circumstances. If someone is offered a job in another city, an easy change of residence must be possible without being burdened with a second payment of rent. Flexibility is also very important if a sick person has to move to a nursing home. Long terms of notice are impossible in that case. Usually you can only receive a place at a nursing home short dated.

There will probably be a re-election in the middle of September 2005 in Germany. A change of government will entail new discussions about rent law

and urban development. The Christian Democratic Union (CDU) – already government of the largest German provincial North Rhine-Westphalia – is thinking about the reduction of the law of tenants. A government programme gives details about reduction of blocking period for term of notice after compilation of rented flats into owner occupied flats, cancellation of prohibited misappropriation (for example compilation of living space into space for commercial purposes) and entire selling of asset management owned by the province.

Monopolization of German housing markets continues

The Lower Saxony State Development Corporation (Landesentwicklungsgesellschaft LEG) has been sold for 1.5 billion Euro to the US-investor Fortress. Further, the city council of Dresden is going to sell its entire municipal housing stock of 45 000 flats to the highest bidder. Other major sales of flats are also planned.

Dr Franz-Georg Rips, Director of German Tenant's Union writes in his article *Monoploly of German housing markets*; ¹

“Asset management and housing stock have become an object of action to an extent that we have never experienced before since post-war Germany. The owner structures of rental flats have changed considerably and an end of this process is not to be seen. The government has now to decide where its responsibility lies for the future quantitative and qualitative supply of dwellings in Germany. Market forces will not be able to solve social living questions, demographic changes and peaceful multicultural living environments. The direct municipal access to a certain part of the housing stock is necessary to control political configurations. Communities should keep this instrument and save it from the selling off policy.”

Text: Dr Franz-Georg Rips, Bundesdirektor; Deutscher Mieterbund e.V.

¹ Published in the *Journal of housing industry & rent law (Wohnungswirtschaft & Mietrecht)*.

The German Tenants' Union held its biennial Mietertag, Tenants' Day, in May. "Stop the selling of public housing in Germany" was the main theme. The German Federal Chancellor Gerhard Schröder said in his statement that "Housing is an economic commodity but not an object open for speculation". From left; Director of DMB Dr Franz-Georg Rips, German Bundeskanzler Gerhard Schröder, President of DMB Anke Fuchs, Mayor of Kiel Angelika Volquartz and Minister-President of Schleswig-Holstein Peter H. Carstensen.

Photo by: Mr Bernd Bohlen, Mieterzeitung DMB



Serbia under transition, the inside story

For Marija and Lucas

To understand the 'way of living' in Serbia, or in other countries in ex Yugoslavia, one has to bear in mind some facts: This country has just passed a civil war with sanctions, bombing, and now suffers the consequences of these acts; refugees, permanently dislocated people from Kosovo, downfall of a socialist regime and breakage of public institutions.

Transition toward democracy, for the majority of people, means radical changes in the way of living and thinking. For more than fifty years during the communist, and later after the socialist regime, people from these parts of an *old continent* have lived in one way...it is usually painful to accept 'new ways' that could change life so radically...

One of many fortunes in Belgrade

Marija Prelevich is 23 years old and a mother of Lucas, four and a half. During the last five years Marija has experienced youth, love, pregnancy and a short period of happy family life. Then life changed radically when Marija divorced Lucas father and when she lost her job as a salesperson. Without a steady income and no money to pay the rent, Marija became homeless.

Did Marija's life change because of the transitional period of Serbia? No, not directly. But the turbulent transitional period since 1991 has of course affected the lives of many individuals and families in ex- Yugoslavia.

So, the story of Marija and her son Lucas might serve as an illustrative example of how war, the aftermath of war, and the rapid switch from communism and socialism to hard market economy, somewhat sacrifices one or two generations. Laws and economical condition might change over night, but people and their lives can not adopt over night.

Today Marija works again as a sales person, earning 150 Euro a month. She pays 200 Euro for rent, for a room in a house outside Belgrade. Every month Marija has to add the bills for electricity, telephone, communal maintenance, etc., which adds up to another 150 Euro, and still no heating is included. In the winter she uses a wood and coal heater to warm up the flat. Add another 150 Euro for food each month. So, how does this all work out with a salary of 150 Euro and monthly expenses of 500 Euro? Well, by cutting costs sharing the small flat of two rooms with her mother, a brother and with an aunt.

This is the only way she can afford to occasionally take Lucas to McDonalds and to buy him and her some cheap clothes. She sometimes treats herself with a cup of coffee together with her friend at one of the many cafes in Belgrade.

Of course, there are groups of people who have taken advantage of the new economy and succeeded in life. New Mercedeses and BMWs are often seen in the streets, and there are expensive shops with brand names, but these are for the perhaps five percent of the population that have succeeded in business.

Lucas och Marija



But, the everyday struggle for Marija and Lucas to make both ends meet is the rule for most Serbians.

Many glance backwards

A transitional period means a period when state and social institutions change dramatically. It takes many decades for a society to radically shift its economy and business sector, which results in the closing down of work places. There are new job opportunities but most people do not have the adequate education to seek any of these jobs. Before, schools and higher education were free, this is not the case anymore.

There is hardly any condition for a new fresh start in life. It is obvious now that we will lose several generations in a period labelled as a “recovery-period” or transition toward democracy!



Our parents who lived through World War II still cherish the memory of the recovery-period from 1945-1960. So, this is happening to us again.

Life for a rent

Marija has just one priority on her mind and that is to raise her son in a manner that will prepare him for a life in the new Serbia. Even though Marija now shares the rent with other family members her income does not last. She has to take on one more job. This is the reality not only for single mothers and young people but also for many Serbian families. Today's breadwinners in Serbia often need two jobs to be able to pay the rent and support themselves and a family. Young persons often can not afford to move out from their parent's house or flat. Living under these circumstances create tensions between the old and the young. Nativity rates are going down, resulting in many elderly and too few to do the jobs in the future.

Maybe it will all change in a near future, but for Marija and Lucas every day together is so precious.

How many hours does Lucas spend with her mother? Does he have the necessary attention from his mother? Does he have the necessary ingredients to succeed in life?

Who can we blame? The State? Well, honestly we cannot do that in these poor days of our collective lives. We can monitor the process, as ‘watchdogs’ to minimize the corruption and to make sure that the state aid will go to those who are in need.

A report, *Too Poor to Move, too Poor to Stay 2004* edited by James Fearn for the Open Society Institute in Budapest, describes the housing situation in the Czech Republic, Hungary and Serbia. Researcher Ms Maša Djordjević, the author of the chapter on Serbia, writes;

In Serbia, housing became a local government responsibility in 1992. The transfer of housing and the responsibility for housing, however, was not accompanied by the legal authority and financial resources needed to properly discharge that responsibility. When state-owned housing was transferred without the financial resources needed to operate and maintain it, government officials were faced with the unenviable choice of dealing with unending citizen complaints about housing conditions, or of raising rents substantially to pay for maintenance and major improvements.

The decision was avoided by selling most of the housing, and with it the maintenance problems, to the public, often at below market prices. In Serbia, virtually all state-owned housing was privatized. As a result of this rapid and sometimes indiscriminate privatization, many local governments received less revenue for the housing sold than its true value and, in Serbia, practically eliminated the supply of publicly-owned social housing, to the later regret of housing advocates and some government officials.

As central governments shifted the cost of housing maintenance to families and individuals, they were also eliminating subsidies for water, gas and electricity. At the same time, a variety of factors—including the transition from centralized to market economies, government policies, privatization of state enterprises, and corruption—caused dramatic increases in poverty and widening income disparities. To make matters worse, state



Executive members of the Tenants Association in Serbia and Montenegro: Mr Slobodan Nikolajevich, Ms Jelena Vljakovic, Ms Marina Ragush, Mrs Milica Ileski, Mr Dragan Cvetkovic and Mrs Dushanka Ragush (President)

housing subsidies intended to relieve poor households from the burden of ever-increasing housing costs were often granted to members of middle- and upper-income levels. Increases in poverty, housing privatization, and misdirected government subsidies worked together to create a class of people who owned their flats but lacked the financial means to maintain them or pay utility costs.

New household formation did not cease when government housing supports ended, and as a consequence far fewer units affordable to these new households are now available. These new households, it is generally believed, are now living with other family members in existing housing. Homelessness, where it exists, is a complex problem, not to be solved by simply providing more housing. The homeless, largely made up of alienated youth, divorced people who lack the financial means to rent or buy housing, people with mental or physical health problems, and people recently evicted from their housing, require a variety of housing and treatment programs.

Serbia is a country of impoverished homeowners with almost no rental housing, significant overcrowding, a substantial refugee problem, almost no social housing and no funding for construction or acquisition of social housing, no system for private housing finance or development, and a government that considers housing a second or third priority.

Can we afford to lose this battle?

Serbia is waiting to adopt the Law on social housing which will present the first big and concrete step in housing strategy implementation! This Law is a result from a state willing to begin solving the problems on a strategic way, but also with concrete results. Also with the contribution and support of the UN-Habitat Program for Human Settlements.

These two partners, the state and the UN-Habitat, create a framework for the Housing Forum on the state level which includes also the Tenant Association from Serbia and Montenegro-Habitat. This Forum will be the meeting place for every relevant state institution and civil society organizations, a forum for constructive talks on how to solve Serbian housing problems.

Nor the state, nor the international community, especially not the tenants, have any alternative except to win this battle for decent and affordable living for all!

Text: Marina Ragush, Belgrade.

Association of Tenants from Serbia and Montenegro – Habitat.

E-mail: Ragush@eunet.yu

Photo: Magnus Hammar

Review of the

UNECE Commission for Human Settlements in 2004 carried out its 5th Review of the housing sector in Romania. Habitat League of Romania and Civic Action Foundation cooperated in the drafting of this survey by providing information and data on legal framework, current situation of housing sector in Romania and solutions for solving the main problems encountered.

Segregation in the aftermath of too fast privatisation

A large part of the housing supply in Romania is represented by blocks of flats built by the State. An important share of these flats was sold mainly, in the first half of 1990, to individual private owners following the people's strong preference of home ownership, today 97 percent.

The main problems related to flats in blocks are:

- *physical*; There are major structural problems, such as improper isolation and poor maintained internal and external infrastructure resulting in energy losses and high costs of public utilities; see illustration, right.

- *institutional*; The ownership within blocks was divided in small shares of property, multiple ownership, mixed together with certain areas of common property, resulting in serious problems in management, maintenance and payment of bills;

- *economic*; The major part of the family income is spent on food and housing resulting in almost no money left to save, or to contribute to the costs of maintenance. The general poor physical status of building implies substantial risks for any potential private investor or problems in having a mortgage;

- *social*; The lack of cohesion within the often large blocks of flats results in home owners who invest within their own four walls but pay very little attention to the jointly owned parts of the building. Other owners do not have enough money to pay service charges at all. These residents eventually sell and move to other forms of accommodations, which brings in the risk of poor household ghettos.

Recommendations

The Romanian State should provide financial

housing sector in Romania

resources for direct investments in the housing sector, due to the large scale of housing problems and the insufficient development of the free market. A lot of resources are currently wasted on financing narrow aspects of housing e.g. day-to-day maintenance and payment of bills. A better targeting of the public funds spent on housing issues should be achieved. Also, a greater emphasis should be put on housing sector, in the context of national economy, especially as an engine for economic growth. Building, refurbishment and maintenance of houses are significantly contributing to economic activities growth and job creation, as well as to affordable housing solutions for the economic active population.

From the legal framework perspective, the law on cadastre has to be completed by a provision concerning the compulsory registration and the law on housing has to be extended by covering the following areas of regulation: Compulsory organisation and registration of owners' associations; regulation of different owners' relations within one building, for more effective manage-

ment; contractual relations with public utilities providers.

Educational training and dissemination programmes are needed in order to change the resident's mentality according to which their property refurbishment- and maintenance obligations rely on local authorities.

The most pressing aspect is to replace the subsidising of public services providers, commercial companies, with a new financial supporting system for the most socially vulnerable families.

Habitat League of Romania is a non-governmental and non-profit federation with 36 branches, of home owners and tenants associations. Taking into account the social and economical difficult background of Romania, our organisation provides counselling on paths for sustainable development of local communities, focused on housing issues. Habitat League develops a wide range of cooperation projects with the central and local administrative authorities; different ministries, city and town halls, police departments, housing services regulation agencies and providers.

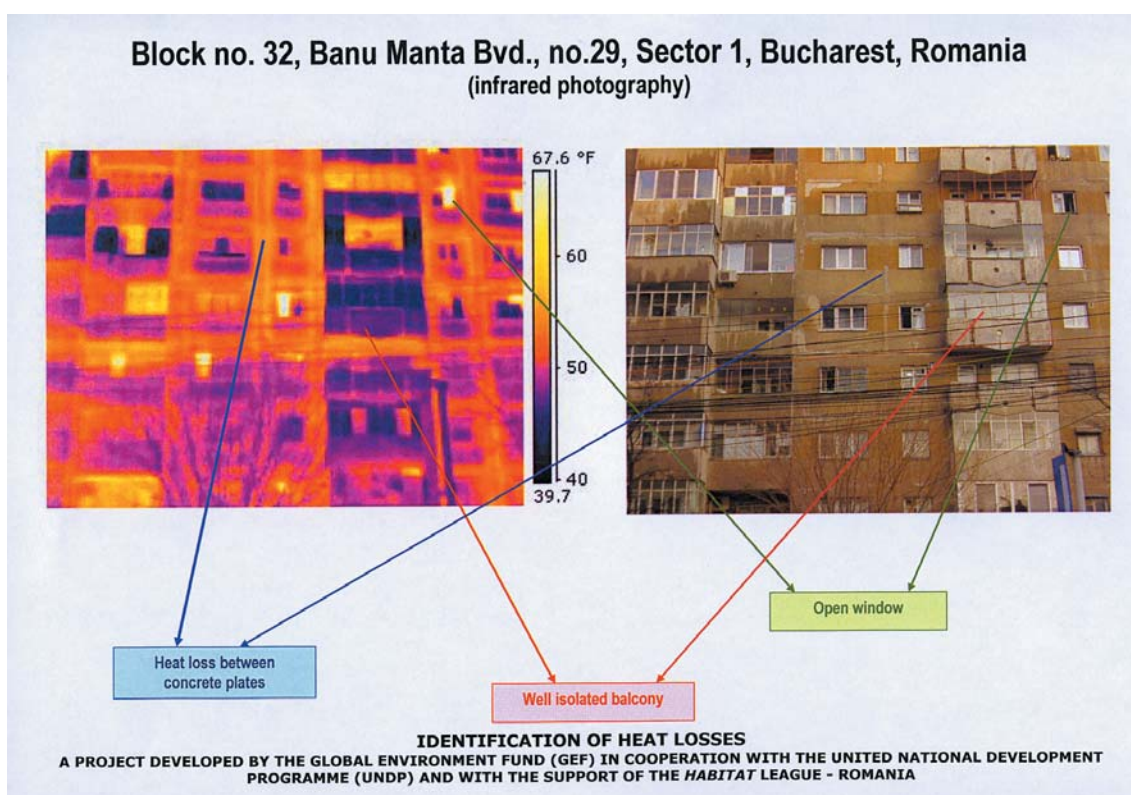


Mihai Mereuta

Most of all, the target is the promotion of good relations between the citizens and the official authorities based upon principle of equal status.

The overall objective of Habitat League is to preserve and protect the rights and interests of home owners or tenants associations in their relations with public or private agents, legal or natural persons.

Text originates from information supplied by the Habitat League of Romania, 2005. Contact Mr Mihai Mereuta, President of Habitat League: asprohabitat@yahoo.com





HONG KONG: The end of secure tenure

The Landlord and Tenant Ordinance was enacted in 1973 in Hong Kong to consolidate all previous legislation in Hong Kong. Security of tenure was introduced in 1981 when there was a serious shortfall of domestic accommodation leading to significant rental increase upon renewal of tenancies.

The housing prices and the rents dropped substantially after the Asian Financial Crisis in October 1997, and the government attempted to boost the housing market by various measures. The removal of security of tenure is one of measures employed; the amended Ordinance was enacted in September 2004.

Throughout the past year, numerous tenants in urban areas have been experiencing termination of tenancy, especially those in potential renewal areas. No particular reason is needed after the tenancy agreement ends. Landlords wish to maximize their compensation by removing tenants. Tenants are living in the situation as that of the 1970s under rising housing prices in Hong Kong, but protection has been suspended. The Ordinance amendment has deprived tenants of secure tenure.

Source: Mr Kin-Kwok Lai, Team Leader St James' Settlement Urban Renewal Social Service Team, Hong Kong. E-mail: ursst@sjs.org.hk



SWEDEN: EU rules threatens "the Swedish Model"

Public housing in Sweden, owned by the 300 Swedish municipalities, is not recognized by the bureaucrats in

Brussels, who only recognizes social housing and private housing. Social housing is excepted from the EU rule on Services of General Interest. Whether public housing will fall under this category still remains to be seen. The unique Swedish housing model where rents are negotiated annually between the tenants' representatives and the public housing landlords, municipalities. The results of these agreements serve as guiding principles for the negotiations in the private rental stock.

"Rent control" says the Swedish Property Federation, "fair negotiations with a social conscience" says the Swedish Union of Tenants.

SPF has further filed a complaint to the EU Commission regarding unfair competition. As the public housing companies is owned by the municipalities, who can not go into liquidation, the Swedish state financially supports municipalities which holds large number of empty flats, common in rural parts of the country. The money is used for heating and general up keeping and sometimes also for demolition or removal. So whether public housing is considered social or private will be a crucial issue for the future of the Swedish model of rent setting according to the self cost principle. A judgement might be delivered in the autumn.

Source: Swedish Union of Tenants, E-mail: info@hyresgastforeningen.se



AUSTRALIA: Lessor duty of care

In Queensland a recent court of appeal judgement has broad implications for landlords to ensure that rental premises are kept in good repair

and are safe for tenants to live in. A judge in Townsville awarded a tenant 60 000 Euro damages after the tenant was injured when she fell through her front steps. The judge ruled that the landlord was obliged to ensure the premises were in good repair under the provisions of the Queensland Residential Tenancies Act 1994. The landlord lodged an appeal but this was dismissed in a 2-1 majority decision. An Appeal Judge said that the progressive wood rot resulting from exposure to moisture was reasonably foreseeable by the landlord.

Source: Tenants' Union of Queensland, www.tuq.org.au



ARGENTINA: Without Ceiling there is no Life!

No ceiling - no life, is what Tenants Association in Argentina, La Unión Argentina de Inquilinos

(UAI), rightfully lays down in the preparations for the International Tenants Day, October 3. Due to inflation the rents in practice increased by 8,4 % in the firsts seven months.

This situation affects thousands of renters who are wage-earning and whose remunerations remain without increases. 20% of the Argentineans are unemployed, and 40% work informally. In order to understand the volume of the problem UAI has indicated that out of the 950 000 households in Buenos Aires, approximately 300 000 are seriously threatened by dramatically housing costs.

Source: UAI, Radames Marini, President. www.inquilinos.org.ar



POLAND : British investor Cussons Ltd makes life miserable for elderly tenants

Ten years ago the Polish government sold The Warsaw Soap and Cosmetics company Pollena-Uroda S.A,

which also included four houses with 70 flats inhabited by factory workers and pensioners.

In the "old days" factory flats were built by its future tenants who then maintained the flats, usually with their own money and time. The rents in Cussons' flats have now increased from 0,9 US\$/ square meter in May 2004 to 2 US\$ from January 2005. The rent is now 131 US\$ for a 54 square meter flat, often inhabited by a pensioner who's pension is US\$ 250. Tenants are also offered to buy their flats, at prices very few can afford, and without any compensation for 40 years of voluntary work and investments. Anyone can foresee evictions and tragedies.

Source: Wspolnota Uwlaszczeniowa "Pollena" ("Pollena" Enfranchisement Community), Warsaw.