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PRESS RELEASE

**About time to stop a European wave of evictions?
The stress test of the social cohesion in the EU**

Spain, Ireland and now Greece... The **housing bubble**, created in the first decade of the 21st century keeps bursting devastating countries and threatening the European project as a whole. The European institutions did not oppose the **speculation over a fundamental right** such as housing the banks initiated from 2000 onwards and now they still keep putting the banks first. The result is that a European wave of evictions is under way and it is just a matter of time for this policy to generate a large number of homeless across the EU. The **figures** cannot be overseen, the **alternative solutions** either...

CECODHAS Housing Europe and the International Union of Tenants are inviting for a round on the streets of the European cities that were more directly met by the financial crisis...

- Over **500.000 eviction procedures** have been registered in **Spain** since 2007, as the Platform for the Eviction Victims (PAH) estimates. At the same time **3.4 million dwellings** remain **empty** mainly due to foreclosures...

- In **Ireland**, according to the Central Bank of the country **400.000 mortgages'** holders are in negative equity.

- The Greek Central Bank estimates that some **500.000 housing loans** are being delayed with at least **60.000** of them facing an immediate **danger of eviction**.

- The **Greek government**, following a "disagreement" with the troika (Officials from the European Commission, the European Central Bank and the International Monetary Fund), is about to adopt a **unilateral legislative regulation**, in order to "**protect**" consumers from home foreclosures. According to Greek media reports, this regulation will only protect households with a family income of 25.000 Euros, as long as the value of the house is no bigger than 160.000 Euros and under the condition that the borrower will keep paying the minimum monthly rate to the bank without delay...

"It has to be recalled that the housing markets are different in each country. But the most extreme situations with people threatened to be evicted from their homes can be found in countries with massive incentives to home-ownership. The lack of support to affordable rental housing supply produced unbalanced housing markets. Not everybody can afford becoming a home owner- but the people simply had no choice. Countries that have adapted a tenure neutral policy, such as Austria or Germany, have suffered little from the crisis because there are affordable rental alternatives. In Greece, Spain and Ireland, decades of one-sided promotion of home ownership lead to over-indebtedness of the households- are they supposed to pay the bill for the banks, becoming homeless?", says **Barbara Steenbergen**, head of EU office of the International Union of Tenants

(IUT).

“We need to work together at EU level to shift our policy direction towards more sustainable and much fairer solutions for the society. Our sector, offering a number of options regarding affordable housing, is ready to pave an alternative path”,

argues the Secretary General of CECODHAS Housing Europe, **Claire Roumet**.

Where does this **alternative path** lead to? To a shift of the target group of the policy making from the banks and their interests to the society. CECODHAS Housing Europe is ready to file concrete suggestions based on **three pillars**:

- a) **The protection of mortgage consumers** through the launch of a non-compliance procedure against Spanish mortgage law, through the support to Consumers’ organizations so that they are able to give legal advice and through the creation of services of general interest to access mortgage
- b) **The revision of tax policies to secure diversified housing supply** by de- commodification of housing
- c) **The reform of the banking sector in a way that it meets the needs of the society** by banning home foreclosure for unpaid mortgage, by transforming part of the unsold housing stock owned by banks into social rental and finally by differentiating between “sustainable housing investment” and real-estate betting industry.

There are indeed some success stories the rest of the European family might worth having a look at. The **Irish “Mortgage to Rent” scheme** for instance is based on the governmental objective to restructure unsustainable mortgages, where some owners with mortgages become tenants of housing associations. The housing association purchases the property and rents it back to the family allowing it thus to remain in their local community as renters not owners.

A group of MEPs from the political groups of the Greens and GUE have filed a week ago a **question to the European Parliament** regarding the **Spanish Mortgage Law** that has recently been updated by the Spanish Government but without respecting the ruling of the European Court of Justice.

At the dawn of a crucial electoral year for the next day of the whole continent, CECODHAS Housing Europe will initiate the **public dialogue with EU institutions**. An open letter will be sent to the accountable Commissioners, Mr. M. Olli Rehn, Vice-President of the European Commission & Commissioner for Economic and Monetary Affairs, Mr. Michel Barnier, Commissioner for Internal Market and Mr. Neven Mimica, Commissioner for Consumer Protection, calling for a shift in the policy being followed regarding the housing market.

It may not be overseen, after all, that every single development related to the housing market is affecting the everyday life of millions of European citizens at its core...



CECODHAS Housing Europe is a network of national and regional housing federations of housing organisations. Together the 43 members in 18 European members States manage 25 million dwellings which represent 12% of the total housing stock. Its members work together for a Europe that provides access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where all are enabled to reach their full potential.

Since its foundation in 1926, the **INTERNATIONAL UNION of TENANTS (IUT)** has been dedicated at safeguarding tenant's rights, as well as promoting construction and access to affordable rental housing. IUT believes that every well-functioning society is better off with a mix of rentals and ownership housing. IUT is a membership based organisation, with 62 members in 43 countries in the world.

For more information:

Visit: www.housingeurope.eu ; www.iut.nu

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