



International Union of Tenants
Association Internationale des Locataires

Committee of the Regions

Report “Towards a European agenda for social housing”,

Rapporteur: Mr Alain Hutchinson (BE/PES), hearing 3 May 2011, Brussels

Statement of the International Union of Tenants (IUT)

IUT is a Non-Governmental Organisation, founded in 1926 in Zürich, Switzerland, with the purpose of safeguarding the interests of tenants, and promotion of affordable healthy rental housing throughout the world. IUT is a non-party political organisation, working along democratic lines. As of April 2011, IUT has 58 member associations in 45 countries. IUT has Consultative status with the UN Economic and Social Council and the ECE, Economic Commission for Europe- Committee on Housing and Land Management and with Participatory status with the Council of Europe, Strasbourg, France. IUT considers housing as one of the fundamental rights in society, and therefore needs to be addressed locally, nationally and internationally. Adequate and safe housing is also one of the fundamental pillars for peace and security in Europe and elsewhere in the world. Lack of affordable housing and homelessness are major ingredients in social exclusion. IUT and its members promote and work for acceptance of the Tenants Charter, available at www.iut.nu in all major languages. Housing, the labour market and social justice are closely linked together and on the EU level these have to be acknowledged as one depending on the other. Special measures have to be taken into action regarding countries in transition in the CEE region.

IUT welcomes the initiative of the Committee of the Regions to discuss the influence of European policies and decisions on national housing policies. After several decisions from the EU institutions that have direct impact on the legislation of the member states in the areas of state aid, energy, cohesion policy, we support the idea of getting the full scope instead of discussing the consequences one by one.

As a general comment, and from an IUT horizon, our impression is that parts of the report are written mainly with a pen in the hands of the housing providers. The IUT is sometimes missing the positions of the demand-side of the housing market, the residents, and hope that we can contribute as a stakeholder of the part of the residents who rent, the tenants.

Ten points of the Tenant Unions:

- 1) Every national housing policy should support the freedom of choice of the consumers of the market. Therefore, home-ownership, cooperative rental housing and rental housing should be legally treated equal, with the same financial support of the governments with no marginalisation of the rental sector.
- 2) To achieve a level playing field with equal status for home-owners, users and tenants the first pre-condition is the implementation of a social rent law.

- 3) The protection of tenant's rights is central when you want a free and fair choice on the markets. In many countries, particularly in Central and Eastern Europe, people avoid rental housing just because the legal framework is too weak. If tenants would be more secure, if their rights were clearly defined and strengthened, many more would choose rental housing instead of becoming poor owners.
- 4) A part of the EU 2020 strategy of combating poverty and social exclusion should be concentrated on instruments to prevent the privatisation and capitalisation of the social and public housing stock. Financial instruments and products that simplify the sale and the speculation with the housing stock, e.g. Real Estate Investment Trusts (REITS), should be strongly regulated and not be applicable for the residential housing sector.
- 5) Gentrification of neighbourhoods is the new threat especially for low- and middle-income households in the city centres. In many cases the gentrification process starts with the energetic renovation of blocks. When the costs for these modernisations are transferred to the tenants, the former inhabitants have to move- simply because they can't afford the new rent. In 21 of the EU Member States and the Accession candidates, landlords can pass on all or parts of the renovation costs to the tenants.
- 6) Without state subsidies the energy efficient renovation of the housing stock is not affordable for the residents. Subsidies should not be passed on the rents. The opening of the European Regional Development Fund (ERDF) for the renovation of the social rental housing stock was a big step in the right direction. We only see problems in the handling of the fund. The application procedures for the money are too complicated for the housing companies. IUT is claiming for better financial instruments and financial engineering, e.g. a fund at the European Investment Bank (EIB) directly assessable for landlords willing to invest in the energy efficient renovation of their real estates.
- 7) The new Energy Efficiency Action plan of the EU commission brings up the split-incentive theme. The tenant living in a building with poor energy standard has no legal right to ask the landlord to invest in renovation. The energy costs have to be paid by the tenants and the landlord has no reason to invest. Tenants pay- and have no say.
- 8) Transparency is the basis for a change. With the recast of the Energy Performance for Buildings Directive (EPBD) tenants, owners and landlords can directly assess their future energy costs by checking the energy labels. To make this transparency a success story, we need more information and training of the residents, e.g. by special EU funding programs.
- 9) Social housing and state aid: For the EU Commission "social housing needs to be limited to a clearly defined target group of disadvantaged citizens or socially less advantaged groups" (E 2/2005). This decision in the "Dutch case" does not take into account national, socio-economic and geographical differences and is contradictory with the wide discretionary power Member States have in defining the criteria and conditions for social housing and other SGEI, confirmed in the Lisbon Treaty and the annexed Protocol on Services of General Interest. The IUT strongly opposes to the decision in the Dutch case. If social housing becomes the exclusive domain of lower income households, the social housing sector will get marginalized. This will lead to social and economic segregation, stigmatization of tenants, poorer quality housing and big threats for sufficient supply in the future.

10) Everybody should have the right to affordable and decent housing. The constitution of Europe has to guarantee social rights on key territories. The right to housing is a fundamental right which has to be part of the national constitutions as well of the Lisbon treaty. Especially in the new Member States, the CEE countries and the Accession States of the EU, the fundamental rights have to be watched and monitored by independent EU institutions, e.g. the EU Commissioner in charge of Justice and Fundamental Rights and the Commissioner for Human Rights at the Council of Europe.

More info:

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