



# International Union of Tenants

## Association Internationale des Locataires

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### **International Tenant's Day 2011 – UN Habitat Day 2011** **Lack of affordable housing is a plague shared by many young people in the EU**

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#### **Brussels, October 3, 2011**

Some 25 speakers on International Tenants' Day spoke out on problems and on solutions for young people's housing situation in Europe. The event was held in the building of the EU Committee of the Regions and was attended by some 130 people from 18 countries, including many from European research institutes and Brussels based institutions, including the EU Commission.

The theme 'Affordable Rental Housing for the Young' showed to be a topic which caught the interest of many around the world. It is a theme which many can relate to, either directly as a young person in housing distress or as parents with children who can not afford a home of their own.

**UN Habitat, Nairobi**, was present as the Tenant's Day derives originally from the UN Habitat Day which is one of the UN's officially declared Days. In 1986 this day was adopted by IUT, as the International Tenant's Day.

**Sven Bergenstråhle**, IUT President since 2010, initiated the Tenant's Day 2011 by referring this day's topic to international agreements, treaties and conventions, which include the right to housing; the UN Universal Declaration of Human Rights (article 25), UN Convention on Economic, Social and Cultural rights (article 11) and the European Social Charter, revised (article 31). Mr. Bergenstråhle stressed that: "These declarations are not just for show! They have to be carried out in reality, and they also apply to young adults".

Mr. Bergenstråhle continued: "There is something wrong when 46 % of all young adults, 18-34 years, still live with parents in the EU today. And it is mostly not true when some say that they want to live with their parents".

Lack of affordable housing has effects on the national economies; if young adults cannot move to the jobs or get a higher education because there is no affordable housing available, if companies and institutions cannot get the employees they need –then this will have grave negative consequences on the economy.

Without exception, all EU countries subsidize homeownership, mainly through tax incentives. This has led to increasing prices especially in booming regions and insufficient supply of affordable rental housing. Mr. Bergenstråhle concluded by saying "In economical crises it is wise to invest in housing, which creates more jobs than any other construction investments".

**Ylva Westander**, IUT analyst and policy maker with the Swedish Union of Tenants, presented – as a background to the conference – facts and figures on young adults and their housing. In 2008, 46 % of those between 18 and 34 lived with their parents. Scandinavian countries were at the lower end of the scale, where only about 20 % live with parents. On the other end of the scale are the Mediterranean countries and some CEE countries where over 50 % still lived with their parents. The Eurobarometer Youth Survey from 2007 asked young people across Europe about their reason to stay with parents, and 44 % responded that they simply could not afford to move out.

Moreover, living in countries where more young people are at home is associated with lower life satisfaction. More specifically, a 10% increase in the proportion living with parents is associated

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with a 22% reduction in the odds of scoring higher on life satisfaction. Utilizing OECD data on the shares of owner-occupied housing across the EU-15 (OECD 2004/1), researchers have found a clear relationship between the proportion of the market that is privately owned and the proportion of young adults living with their parents. A 10 percent increase in owner-occupied housing is associated with about 4 percent increase in the proportion living with parents.

**The full day conference was divided into four parts.**

**A. The first part discussed how to strengthen the housing market position of young people.**

**Prof. Hugo Primus** from Delft University pointed out the situation where students after graduating are already trapped with high debts from student loans, which make the first entry to the housing market difficult. Prof. Primus wanted a more level playing field for tenants and owners, more tenure neutral housing policies and income-related housing allowance as an entitlement.

Prof. Primus concluded by saying that in times of credit crunch, debts and Euro crises the housing demand shifts from expensive to cheap housing and from owner occupation to rental housing. But most governments react in precisely the opposite and wrong way, they stimulate social housing providers to sell their housing stock and stimulate owner occupation. This is wrong and will only increase the financial crises and the problems on the housing markets. Instead, we need more investment in housing, particularly in rental housing.

**Karima Deli**, MEP from France and vice chair of the EU Urban Intergroup, started by saying that “I am an MEP but I am also an activist”. Ms Deli gave a very personal and engaging presentation of how she, as a member of the *Jeudi Noir* (Black Thursday) collective, used to occupy empty housing in Paris.

Ms Deli argued that unemployment, particularly among the young, is one of the main causes of the present housing crises. France is one of the richest countries in the world, but still 3 million people are inadequately housed, or not housed at all. One remedy would be to increase minimum wages for the young! Moreover, Ms. Deli wants to make ‘housing’ one of the Urban Intergroup’s main themes.

**Alain Hutchinson**, MP of the Brussels Parliament and author of the EU paper *Towards a European agenda for social housing* started off by describing the housing situation in Brussels. The employees of the EU institutions and other international organisation are considerably better paid than the average Brussels citizen which have led to increased rents and prices of housing. Also, there is widespread speculation on land and property which have also worsened the housing situation further.

Mr. Hutchinson also mentioned how the EU, in spite the fact that housing is officially not an EU issue, has become more engaged in housing through for example the EU structural funds, of which 4 % is directed towards co-funding for energy efficiency refurbishment of housing. Alain Hutchinson also reminded us that up to 75 % of our national legislation now derives from EU directives and legislation.

**Mr Claudio Acioly**, Chief of housing policy section with UN Habitat, presented UN Habitat’s global housing strategy to the year 2025. Mr. Acioly said that housing is of course not just an issue in developed countries but even more so in developing countries, where many live as tenants – but with few or without rights. In one of the largest slums in Africa, Kibera Nairobi, rented housing is nearly 95% of the stock. Further, in the CEE region where rented occupation virtually disappeared after 1991, there is currently a housing crises produced partly by the lack of tenure choices, like the access to affordable rental housing.

In his concluding remarks Mr Acioly said “Countries with higher ownership rates and limited tenure choice tend to have higher share of households facing affordability problems”.

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**Second part of the conference gave the opportunity for young people themselves to give evidence of an increasingly difficult housing market for young people.**

**Kathleen Kelly** from the Joseph Rowntree Foundation focused on what makes young people's housing moves successful; facilitate info across the system and earlier, need for fuller understanding of reality of choices and constraints in the housing system, treat young people as individuals with respect – not just ticking boxes and work with local schools to help young people prepare for independence, and carry out pre-tenancy vulnerability checks to avoid later housing difficulties.

**Mariam Ahmed and Alan Tien**, from the UK, represented the National Youth Reference Group and also St. Basils. St. Basils works with young people aged 16 – 25 in the area of Birmingham to prevent youth homelessness by providing a range of support services and supported accommodation. After their presentation it stood clear that homelessness makes young people extremely vulnerable, and what is needed is firstly preventive measures, like family mediation. And when homeless, young people need good quality information and advice preferably from other young people, who can talk the talk, and not only between 9 and 5.

**Giacomo Magnoni**, represented the Italian tenant organisation SICET which has conducted a survey on young Italian youth and their housing situation. According to Eurostat figures, in Italy about 56 % of all young between 18 and 34 live with their parents. SICET's own survey showed that 25 % had their own family, while 75 % lived with parents or shared with other people. Further, according to official figures almost 1 million people in Italy under 30 live in rental housing and 65 % of their income is directed towards just 'living'. SICET wants to see more state intervention on the overall rent system, also a new law on leases is necessary where rents are set together with the tenant unions and urban city planners need to designate and free more land for public housing.

**Karol Szylo**, representing the Polish tenant association Polskiego Zrzeszenia Lokatorów, described the Polish housing situation for young people, where 30 % of woman and 44 % of men aged 25 – 34 lives with their parents; the EU average is 20% for women and 32 % for men. There is no existence of social renting in Poland, so the choice is either the ownership market or the very limited private rental market, of which both are unaffordable for most people, and for young adults not the least. Average price per m<sup>2</sup> is approx. 7,000 zloty, or € 1,600 in Krakow, while the average Polish wage is 3.366 zloty or € 780 Euro, and only about € 500 for young people. So no wonder that young people in Poland stay with their parents.

**Albert Arnau**, president of the FAVIBC (Federation of Social Housing and Neighbourhood Associations in Catalonia, Spain), presented a country in deep recession, where unemployment among young people is the highest in Europe, over 40 %. Recession, and culture, has led to a situation where young Spaniards do not leave home until 30 years of age. This at the same time as 1,2 million dwellings are empty, of which half of them because they can not be sold and another 360 000 where construction has made a halt.

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**Third part of the conference was about ‘they way forward’, and about housing solutions.**

**Laurent Ghekière**, head of EU’s office of Union Social pour Habitat, USH, presented the situation of young people in France, where 47 % of those between 18 and 29 still live with their parents. In private rental housing, 21% of households below 30 years of age occupy a flat that is too small, and 9% lives in a dwelling of bad quality. In 2006, 11 % of those under 30 lived in social housing.

Young people are often housed under inferior conditions, and young people in Île-de-France, the Paris region, are the worst hit.

**Stéphanie Sotison**, representative of the Confédération Nationale du Logement, CNL, French Union of Tenants, gave an overview of social housing in France, which in theory and income wise is open to 60% of the population. But there are currently 1, 3 million households on waiting lists, so obtaining a social flat in Paris can take up to 10 years. Students in France can apply for housing grants, but there are currently some 600, 000 grant holders for only 165, 500 available student units.

The private rental market is often the only solution, but landlords most often ask for a monthly personal income three times higher than the rent. In Paris there are many “micro-dwellings” (chambre de bonne) of 10 m<sup>2</sup>, which are let for € 600 or € 700 € / month.

**Václav Procházka**, from the Czech Union of Tenants (SON), presented a background of Czech housing from 1991, with restitution and privatisation. The housing market is very inflexible, with few ‘social’ dwellings for the very poor people, like hostels, etc.

The private rental market is very limited, with only some 150.000 flats, unaffordable to the most.

Never the less, the Czech government has a new housing policy for 2020, which includes support for construction of rentals (35 – 80 m<sup>2</sup>) through low-interest loans with state guarantees. The loans are fixed constantly for maximum of max 30 years at 2% annual interest for families with earnings below 80% of the average income.

Many young Czech families, due to the economic crisis and rising unemployment, are unable to fulfill the obligations of mortgages and they lose their homes to the banks.

**My Malmström-Sobelius**, presented the Swedish youth network *jagvillhabostad.nu* (i-want-housing.now). *jagvillhabostad.nu* was created by young, 18-35, Swedish home seekers who had got fed up with a constant housing crises in major Swedish cities, and decided to do something about it. The network managed to get the ears of the building and architectural sector, and together they draw up the plans for a cost effective multifamily house, suitable for young people with limited incomes. In 2007 the house ‘VillBo’ in Huddinge outside Stockholm was finished, with 31 flats with the lowest new construction rents in Stockholm that year.

**Giuseppe Porcaro**, is secretary general of the Brussels based EYF, European Youth Forum. EYF is an independent, democratic, youth-led platform, representing 98 National Youth Councils and International Youth Organisations from across Europe.

Mr. Porcaro spoke of the right to housing as part of the right to autonomy. But Mr. Porcaro stressed that we also need to bring in a holistic view on young people and their housing, together with urban and city planning. We should try to counteract the creation of young people’s ‘ghettos’.

At the same time as we can see the positive development of a before rather dull and quiet city area, transformed into a lively neighbourhood with bars, restaurants and culture life when students and young people move in, we have to watch out for gentrification. Increased popularity, leading to increased property values and increasing rents – leading to gentrification.

**Gyula Hegyi** is since February 2010 a member of the Cabinet of EU Commissioner László Andor, who is responsible for Employment, Social Affairs and Inclusion. Mr Hegyi was a Member of the European Parliament, for Hungary, between 2004 and 2009.

Mr. Hegyi began his speech by saying that the Commission unfortunately do not have a housing policy, and even less a youth housing policy. He mentioned the current financial crises, which started in with the US a mortgage financial crunch, which have now spilled over to Europe and victimized tenants. Mr. Hegyi reminded us that housing falls under national legislation, so the Commission can not do much in this field. Nevertheless, there is the 2020 EU strategy which includes targets such as 75 % of the population aged 20-64 should be employed, the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree and 20 million less people should be at risk of poverty. These targets also includes the housing dimension as early school dropouts often end up in housing difficulties, and poverty includes of course housing poverty.

Further, Mr. Hegyi mentioned homelessness, together with the marginalized Roma population, as an open shame in many countries. Mr. Hegyi reminded us about the ERDF-fund, which is to be renewed in 2014, and that at least 20% of future ERDF funding, from some 4% today, will be dedicated to energy efficiency and renewable energy. This includes co-financing of energy efficiency refurbishment of multifamily housing blocks. Finally, the EU Social Fund with some 20 billion Euros which among other things are directed towards improving Social inclusion in Europe – and social inclusion must also mean ‘housing to all’, concluded Mr. Hegyi.

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#### **Fourth and last part of the conference was for conclusions and final remarks**

**Libor Rouček** is a Czech politician and MEP with the Czech Social Democratic Party, and also vice President of the European Parliament.

Mr. Rouček initiated his talk by referring to the difficult situation in Greece, and Spain where at the same time there are 800,000 unsold flats, and at the same time 40 % youth unemployment which has led to unaffordable housing for many young people. Politics are simply not able to deal with these issues.

Likewise to Mr. Hegyi, Mr. Rouček pointed out possible EU financing mechanisms towards housing, like the ERDF fund and the Social fund. Both these funds should include a housing dimension, and provide for co-financing for national housing programmes. Also, Mr Rouček mentioned the 2020 strategy, which should be re-focused so that some of this money could be used for national housing programmes, particularly towards young people. Mr. Rouček ended his talk by referring to the situation in Europe after WW II, when most of our cities were in ruins and unemployment was high. But with massive construction programmes, including housing construction, resulted in economic growth. This recipe could and should be used again.

**Conny Reuter** is Secretary General of SOLIDAR and President of the Social Platform. Mr Reuter started by welcoming IUT as one of Social Platform’s newest members. Mr Reuter also reminded the younger part of the audience of how the art of ‘finding a flat’ was executed some 30-40 years ago; simply by checking the newspaper at 5 am, then finding a telephone booth and by 6 am starting to call around to lessors.

Mr. Reuter stressed that the market will not regulate itself, and that the market has no social or inclusive dimension. Gentrification is another self generating problem, like in Berlin, which spreads from neighbour hood to neighbourhood.

Investment in affordable housing is a public responsibility, a public good and a public service - a fundamental right. Mr. Reuter further spoke about the necessity to sometimes use public intervention, and regulations when for instance houses in Paris have been converted into offices. This has partly contributed to Paris now not having more than 2,2 million people compared to 3 million people in the 1960’s. We must speak up on how we want to have our cities!

**Merja Haapakka**, DG Regio European Commission, Unit Urban Development and Territorial cohesion. Ms. Haapakka also gave reference to the ERDF fund which is now open, not only for the new member states, but now open to all EU member states. In an urban context it is important to take a holistic approach so that, except for housing, we must take in services such as schools, businesses and transportation. When discussing social inclusion it is important that regional planning takes into account all age-groups, the young as well as the elderly. An integrated approach to projects is needed in the future, where also housing is included.

**Magnus Hammar**, Secretary General of International Union of Tenants was as last speaker given the floor to conclude the Tenant's Day 2011.

Mr. Hammar opened his speech by saying that the topic *Affordable Housing for Young People* has been a comparatively easy topic to sell to the media, at least in Sweden, where several daily newspapers have featured this topic. He urged his fellow IUT members to provide the media with articles.

Mr. Hammar then said that there is no scientific research needed to show that young adults belong to the category referred to as 'low income' and vulnerable households – and as such they very much rely on the rental housing sector.

Building affordable housing does not really, in most cases, have technical or financial obstacles merely lack of political will. To 'prove' this Magnus gave the example from Vienna, Austria, which has for 100 years had a friendly rental housing policy, which have given result. Rental social housing in Vienna now boosts the very best of housing architecture together with good quality, and construction of new housing – affordable ditto. This policy has resulted in a situation where Austrians are the only citizens in western Europe who consider rental housing equal to ownership when it comes to choosing living arrangements.

"Do not rely on the Market when they say that they will build housing for all", was one of Mr. Hammar's final messages. "The Market is not really interested in the middle income households and even less interested in supplying low income households with housing. The state and municipalities must take back the initiative and responsibility to secure that all its citizens are adequately housed, including young people.