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By Helene Toxværd President, LLO Denmark.

## ***Report from Denmark, Spring 2012***

On 15 September 2011 Denmark got a new government. The centre-right government was after 10 years replaced by a Social Democratic-led centre-left government with the support of a small leftwing party.

The legislative program of new government contained for the first time (with help from the tenant movement) some initiatives to improve the conditions of the 45 percent of the population living in rented accommodation. The rental area was also moved by the new government from the Ministry of Social Affairs to a new Ministry of Housing.

The new government announced that it will promote energy renovations of homes, improve tenants' rights when moving and tighten the rules against speculators on the housing market.

The government has already implemented an advancement of investment into renovation and maintenance of the country's 540,000 social / public rental housing. For this purpose has been granted 10 billion Danish Kroner (1340 mill €) for 2011. The annual amount drops to 2.6 billion Kroner in 2012 (350 mill €). It worries LLO that the government in the coming years reduces this framework substantially. The overall goal of the investments is to kick-start the Danish economy with investments that should generate employment and new production.

The 530,000 homes in the private rented sector will have to wait for the Budget for 2013 when the government is to earmark a special fund for the renovation of these homes.

Although Denmark has a good supply of housing, there is a lack of housing for the youth and singles in cities. It is also a problem that private landlords seek to maximize profit by over-modernizing the apartments at each re-letting. The motive for the landlords is that each apartment hereby gets into a kind of free-market rent regime. If this continues, LLO can foresee that during the next 10 - 15 years a large proportion of rental dwellings in the private rented sector will move from cost-related rent to rent set by the free market.

LLO has launched a campaign to get the government to stop the speculative modernization activity. We want to preserve affordable housing in cities. We want to avoid residential areas in towns getting further segregated after the resident's income and social affiliation and we will ensure that social housing in Denmark is an offer to the general population and not just housing, provide to solve housing social problems.

The commercial housing market in Denmark is in a crisis and the house prices drop like in most European countries. This has led to political pressure on the tenancy because the owners of single apartments want rent laws relaxed with regards to short term contracts. They only want tenants in their flats or houses until the prices stabilize so they can sell without loss – and they don't understand the concept of cost-related rent. LLO struggle here against middle-class interests.

We have seen rising unemployment over the last years and the former centre-right Government reduced cash benefits and shortened the benefit period. This has led to an increase in the number of evictions of tenants from social housing. LLO has asked for an increase in the individual housing subsidy, or a reduction of the rent in the social high-rent housing. We have underlined that owner-occupied homes have a greater state aid than rent accommodation. Sadly the new government wants to stand out with a tight expenditure policy, especially since polls now show strong support for the right side in parliament.

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By Helene Toxværd President, LLO Denmark, 2009

### ***Tenants and LLO, the tenants' organization in Denmark***

Denmark has 2.7 million housing units. Of these, more than one million are rental housing - that is 520,000 owned by private landlords and 540,000 owned by social housing societies.

In the private rental housing sector approx. 80 percent of homes are rented by the principle of a cost-specific and regulated rent and a smaller proportion of the homes (those built after 1991) has a so-called un-bound rent fixing. The social housing is organized in over 700 housing societies. The social housing involves relatively new buildings with less than 2 percent. of the houses built before 1940.

Independent of whether you live in private rented flat or in the social sector you can become a member of the tenants' organisation (LLO). LLO is a nationwide nonpartisan organisation owned by the members and designed to carry tenants' interests in both private and social rental housing and work for the strengthening of tenants' rights, for example through legislation and by maintaining the regulation of rents in the private rental sector, the strengthening and development of tenants' democracy, so that tenants have more influence over their housing and housing in general.

LLO helps when members have problems with rent increases, lack of house maintenance, termination of contract or other problems that may arise between the tenant and landlord. LLO helps to bring disputes to the relevant municipal regulators and if the dispute goes on in the judicial system, LLO can support through legal advice or barristers.

The tenants' organisation LLO has a well-known brand with a high degree of goodwill and its views are often quoted in national or local news.

LLO is a consulting party to all legislation which relate to tenants' rights and LLO as an organisation is represented in many public committees and commissions, including appoint representatives to defend tenants' interests in "the municipal regulator for the rent", complaints committees, housing commissions, urban renewal boards, etc.

Over the last years an increasing number of studies have shown that the economic growth experienced by Denmark during the boom was unfair. Despite full employment at the time and a

focus on prosperity and increased wealth in society as a whole, studies have clearly demonstrated that the differences in income and fortunes between different groups in society were growing. And one of the places where the imbalance became most obvious was in relation to the housing market where you could see large increases in the gap between owners and tenants economic conditions from 2000 to 2008.

The statistical gap of capital owned by a typical home owner and a tenant was shown by a study in 2004 to be over 1 million DKR (133,333 Euro). And while housing assets for years has grown steadily and quietly for the owners, it looks bleaker for the tenants. Generally there is a tendency that affordable rental housing for persons with ordinary incomes disappears, leading to people with ordinary incomes and single person households increasingly are being squeezed out especially from the larger cities.

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