

**IUT-board meeting in Amsterdam 2005, May 3-4**  
**National report of the German Tenants' Union**  
**Deutscher Mieterbund e.V.**

Since our last board meeting in Prague in November 2004 the German Tenants' Union concentrated on three items:

**1) General period of notice for tenants: 3 months**

Four years after the reform of the rent law in September 2001 the German Tenants' Union was successful in correcting one paragraph, which was not quite clear: The period of notice for tenants with unlimited rent contracts is generally 3 months. It is not important when the rent contract was signed this rule is valid for every tenant. According to jurisdiction the new short period of notice should only be relevant for contracts signed after the law reform in September 2001. Our union was successful in convincing the government that this jurisdiction is not in accordance with the intention of the rent law: more flexibility and mobility for tenants who need or want to move. A new law which will be in force from June 2005 regulates that the period of notice for all tenants is 3 months. A big success for us.

**2) Social reform "Hartz IV" for people who are unemployed longer than one year**

The social security system in Germany is shifting. One central reform is the law Hartz IV which cuts unemployment benefits of people which are unemployed longer than one year on the basic benefits of people depending on social welfare. People receive a benefit of 331 Euro (East-Germany) or 345 Euro (West Germany). Their housing costs will be paid

according to limits of square meters and rent costs. The rent costs differ according to the local rent levels. Tenants receive the full costs for their apartments, if they are within these limits: 1 person 45-50 m<sup>2</sup>, 2 persons 60 m<sup>2</sup>, 3 persons 75 m<sup>2</sup>, 4 persons 85-90 m<sup>2</sup>. The German Tenant's Union estimated that 100.000 people can be forced to move out of their apartment, because it is too big or too expensive. The administrative guidelines are in force since the beginning of 2005, we shall see, what will happen with the people without "adequate" housing. In Germany still 5 million people are unemployed. We are fighting for social solutions and a responsible handling in every individual case.

### **3) EU-directive "energy performance for buildings"**

According to this directive the national governments of the member countries have to change their national energy law up till January 2006. For every building, newly built or old, which is sold or newly rented, the owner has to show an "energy-passport" to the new owner or tenant. In this energy passport there are data about the average need of energy for heating, the standard of insulation, the standard of heating engineering etc. The energy passport will be a new instrument to implement more transparency on the housing market, especially in case of the operating and service costs of housing. From 2006 on a tenant will be able to check his future heating costs before he signs the new rent contract. The German Tenants' Union is very engaged in fighting for a maximum of transparency about building standards, which will be listed in the energy passport. An important information for tenants, especially in regard of the permanently increasing energy costs in Germany which we call "the second rent".

#### **4) The German Tenants' Day in Kiel, May 2005**

Our general assembly which is held every second year was a success, 600 delegates and 200 guests came to Kiel. The main political theme was the selling of former communal or state-owned housing to US - or British investment firms. Cerberus, Blackstone, Terra Firma, Annington, Fortress: these firms are global players and new investors on the real estate market. In the last five years more than 600.000 apartments were sold to these private investors. The new owners want to maximize their shareholder value which leads to privatization from rented to owner-occupied apartments and neglected maintenance of housing. The cities or states which sold their housing stock loose two times: the prices which the investors pay are very low, the cities need the money for their budget deficits – they are not in the position to make good deals. They also totally loose the influence on their communal housing market. The next time they need affordable social housing they have to buy it from players on the capital market where the prices are higher. At the moment a new asset-form is entering the German housing market: Real estate investment trusts (REITs). In these trusts a lot of fresh money is bundled - ready to go for maximal rents on the housing market with a new management. Housing will be dealt like shares on the stock exchange. We say no to REITs. Our message on the Tenants' Day was that we want a foreseeing sustainable policy of housing, no overall sales and responsibility for the rights of the resident tenants. A message which was supported by our main speaker of the Tenants' Day, the German Chancellor. We were very glad that the IUT which was represented by the president Sven Carlsson and delegates from Austria und Czech Republic joined us in our demand.

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