

בואו הארצי היציג להגנת הדייר

Greetings from Israel

The IUT Secretariat received greetings from Ms Yochi Yahel, Chairwoman of the Israeli Organisation of Protected Tenants. Ms Yahel writes that there has been no public residential construction in Israel for many years and the present public housing is in a very poor condition.

"Key money", which belongs to the grey or black sector in most countries, have been regulated and legalized in Israel.

Ms Yahel writes:

Our organisation, the Israeli Organisation of Protected Tenants, was established in 1956, as an Ottoman Society. It is a voluntary organisation, supported only by membership fees. Attorneys – legal advisors, technical consultants and members of the management group all work a voluntary basis. There are today some 35 000 protected residential tenants, and an additional 15 000 persons with "protected" business leaseholds.

Our main objectives are to protect the integrity of the Tenant Protection Law in our Parliament – the Knesset – and in the government, and also in the courts and local authorities, and to provide technical and legal counselling to our members. We work for tenants irrespective of religion and ethnic background.

History still lingers...

The Tenants Protection Law was enacted during the time of the British mandate, before the establishment of the State of Israel in 1948. Amendments have since then been made until the final formulation of the Law in 1972. The law stipulates that the amount of the rent is controlled and may not be raised arbitrarily by the landlord. The government raises it once a year based on the consumer price index. Also, the landlord is precluded from evicting the tenants as long as they do not breach the law and the terms of the signed contract. As long as the tenant pays the rent in due time and complies with the terms of the original contract, there is no need to renew the rental contract each year and he or she may continue to live in the flat for unlimited time.

Survivors and immigrants arrive

Protected Tenants in Israel acquired this right by the historical background. During the time of World War II there was a severe shortage of residential flats in most western countries, and so also in Israel. There was little or no new

construction, also no construction of public housing. Without such laws that protected the tenants, rents would have gone through the roof.

At the end of the War, upon the establishment of the State of Israel in 1948, thousands of Holocaust survivors arrived from Europe and also Jewish immigrants from all over the world arrived daily. Construction, public and private, could not keep up with the need for new flats.

"Key money", regulated by the law!

In order to live in those flats that were protected by the Law from 1948, for which there was fierce competition, the custom spread of paying "key money". An illegal custom of course. The money was split between the outgoing tenant and the landlord. The money was paid "under the table" and increased with time. Since it was no longer possible to control or to revoke this custom, in 1958 this custom was stipulated in a special law. This law specified the rules of division between the tenant and the landlord. The amount of "key money" itself was established by supply and demand, and changed periodically. In fact, to this day, it is governed by the market economy within the confines of this law.

Over the years, the amounts ranged between 60 to 80 percent of the value of the property when vacant. Thus, in fact, the tenant acquired his or her right to protection against market rental fees, arbitrary evictions and various types of mistreatment.

It was later decided to "turn a new page" and it was stipulated that a building constructed after 1954 would not be included in the Law.

When a tenant leaves his flat after having lived in it for more than five years, he receives 60 percent of the key money paid by the new tenant. A protected tenant in Israel is someone who has paid "key money" for the rights conferred on him by the law. The property is still not his, despite the large amounts of money paid. Upon his demise the property reverts to the landlord, unless a descendant lived with the tenant for at least six months before he or she died.

SUSTAINABLE HOUSING

– realistic goal, or fantasy?

By Michael Lee

“Sustainability” is as desirable as motherhood or sliced bread. It is engrained within the EU philosophy. But can the concept be applied to housing, or is it so vague as to be trivial? A study of multi-family housing in Lithuania suggests that it can be a useful prism, for tenants and owners, managers and politicians, to examine which management practices are in their best interests.

What is Sustainable Housing?

Sustainability is not so much an issue of the rational use of natural resources, as of the long term well-being of families that live in the existing stock of housing-how it affects their health and welfare; Whether the housing encourages or discourages social communication; Whether it is managed in such a way as to combat social exclusion. There are also issues how the housing is financed, by individuals and governments. Sustainable housing, then, is about how housing is managed – by and for its residents.

We should also be clear what sustainability is not about. It does not seek to preserve the existing housing stock for its own sake. Part of the stock may need to be improved, replaced or simply pulled down. But, for sure, one of the central issues of sustainability is to optimise the value of the physical stock of housing, making the best use of what we have got.

Why is there an interest in Sustainable Housing?

The European Union has enshrined sustainability as one of its guiding principles. It is, for instance, a prominent theme in the draft constitutional treaty. “Sustainable development offers the European Union a positive long-term vision of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment - a society which delivers a better quality of life for us, for our children, and for our grandchildren...”¹

As Hubert S. van Eyk noted in a recent article in *Global Tenant*, the European Treaty identifies a number of activities that relate to housing and, implicitly, to the sustainability of housing. These include “the achievement of a high level of social protection and the improvement of the quality of the environment, the raising of the standard of living and the quality of life, and social cohesion...”²

What does Sustainable Housing mean for Lithuania?

In 2002, the author was engaged by the Lithuanian Government as part of a team advising on a new housing policy. On the advice of the Ministry of Environment, which has the responsibility for housing, sustainability was taken as one of the main policy objectives. We asked whether the

existing housing stock was sustainable. The answer was, unambiguously; “No!” But there are many things that could be done to make the housing stock much more sustainable and which, following this study, the Government has included in a new draft strategy. Following independence, most residents newly became owners of their homes, but had little understanding of the benefits or responsibilities of home ownership. A recent survey by the City Council of Vilnius found that 97 percent of multi-family dwellings required some sort of repair.

Numerous financial, procedural and other difficulties inhibited the repair or renovation of the newly privatized apartment blocks. Redevelopment is rarely realistic, with most of the apartments in residential buildings being in individual ownership.

The housing is unsustainable economically. As prices were increased towards market levels, housing rapidly became unaffordable, especially in terms of heating and of maintenance and repair. Lithuanian households pay perhaps one-third of their income for rent or loan repayments, and utilities (water, electricity, heating, etc)³. Many pay much more than this, an extremely high proportion by international standards.

Many buildings are also in a poor state of repair, and deteriorating. If repairs are not carried out, especially to the common areas: staircases, outer walls, roofs, heating systems, the lifespan of many building will be substantially lessened, and their economic value reduced. The condition of the buildings also has an adverse effect on the health of the residents. For instance, moisture seeping into homes causes dampness and mould and, ultimately, respiratory problems.

The problem of deferred maintenance is not only a problem of ability to pay, but also of willingness to pay. Many homeowners who received privatized dwellings in the early 1990s do not understand that have an asset that can increase or decrease in value. They do not understand that ownership carries obligations as well as rights. The present situation is also economically unsustainable in the sense that neither central nor local governments can afford to meet the demand for more extensive subsidies.

The housing is environmentally unsustainable. There is considerable inefficiency in residential space heating, be-