

Report from Denmark, Spring 2012

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 there 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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