



**August 2015**

## **New term for the Vulnerable Consumers Working Group**

The European Commission DG ENER, responsible for energy policy, reconvened the **Vulnerable Consumers working group** after one and half year. The aim of the Group is to check the implementation of EU legislation on consumer protection and energy poverty. In view of the revision of several EU directives, the IUT asked for a better consideration of the rental sector when it comes to energy efficiency.

Current EU legislation lacks compulsory measures to protect tenants against the side effect of energy renovation, i.e. increasing housing costs and sometimes eviction. «The European Commission and Member states have to adopt measures to ensure “cost neutral” renovations, by means of a housing costs guarantee», said Barbara Steenbergen. The IUT has proposed this item for the next meeting of the working group, scheduled for October 21<sup>st</sup>. IUT’s permanent representative is Davide Lanzillotti; energy experts from national tenants unions take part in specific debates.

## **EPBD consultation**

As part of the evaluation and review of the **Energy Performance Directive**, the Commission has published a **public consultation** which will run until 31 October 2015.<sup>1</sup> IUT will take part in the consultation, which may be answered by its

member unions as well. It consists of 79 questions. Parts C, D, E are crucial for tenants unions:

C: Energy Performance Certificates and stimulating energy efficient renovation of the building stock

D: Smart Finance for Smart Buildings: Financing energy efficiency in buildings and creation of markets

E: Energy poverty and affordability of housing.

## **Energy transition- conference of the Swiss Tenants Union in cooperation with the Swiss energy foundation**

Barbara Steenbergen, head of IUT-EU office, was invited to contribute to the workshop “Energy transition from the angle of tenants”, on July 3rd in Bern.



*Board of Swiss Tenants Union, Bern/Geneva, together with Anne Lucet-Dallongeville from CNL France*

Switzerland is confronted to similar challenges as EU countries when it comes to climate and energy,

<sup>1</sup> <https://ec.europa.eu/energy/en/consultations/public-consultation-evaluation-energy-performance-buildings-directive>

e.g. the need to reduce Co2 emissions starting from buildings.<sup>2</sup>

Barbara gave a presentation on the different models for promoting energy renovation in the rental housing sector without disadvantages for tenants. «There are several best practices when it comes to tenants' protection in the context of energy renovations; for instance, dedicating a small component of the rent to retrofitting with an obligation for landlords to carry out improvements, as done in Austria. If the landlord does not renovate after 10 years, this amount has to be paid back to the tenants». Another solution, coming from the Dutch social sector, is to provide tenants with a "total housing costs" guarantee, which ensure that rent increases are balanced by energy savings after the improvements. The most comprehensive solution might be the Swedish one, where the rent includes the heating costs. This means that the landlord has a vital interest to invest in his building.

In a comparable market like Switzerland, in Germany, with a very low share of social and cooperative housing, an alliance for affordable construction has been launched by the federal state. Partners are the Länder, the construction industry, the landlords' and tenants representatives. The aim is to reduce housing costs for tenants and to channel financing to the private rental market.<sup>3</sup>

Whereas there is some progress in the social and public housing sectors, tenants in the private sector have the highest risk of being "renovicted". Because of a massive lack of affordable and non for profit rental housing in Switzerland, the Swiss union of Tenants just launched a citizens' initiative.<sup>4</sup> In 18 months they have to collect 100.000 votes to succeed. One claim is to have a share of 10% non-for profit housing.

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<sup>2</sup> <http://www.energiestiftung.ch/service/fachtagungen/fachtagung15/referate/>

<sup>3</sup> <http://www.ee-news.ch/de/article/31482/ses-und-smv-energetische-sanierungen-vs-mietzinsaufschlaege>

<sup>4</sup> <https://www.mieterverband.ch/mv/politik-positionen/news/2015/MV-Volksinitiative-beschlossen.html>  
<http://www.asloca.ch/?q=node/1241>

## “Summer package” launched by DG ENER

On 15 July DG ENER launched the “summer package” aimed at putting households and consumers «at the heart of the European energy market». Most interesting item for IUT is the *communication on a new deal for energy consumers* which is based on a three pillar strategy: better information to help consumers saving money; better choices on the energy market; and a high level of consumer protection. In the communication, the Commission put a big focus on the need for clearer bills and advertisements, price comparison tools, collective schemes (e.g. energy coops), smart meters and the phasing out of regulated tariffs. Part of the package are also the revision of the energy labelling directive – with the EC proposal to return to the original A to G energy label scale – and the public consultation on the energy market design.<sup>5</sup>

## Social affairs meeting with Frans Timmermans

July 9th, the IUT joined a Social Platform delegation that met with **Frans Timmermans**, VP of the European Commission responsible for the “**better regulation and fundamental rights**” agenda.



*Social Platform with Commissions' Vice-President Frans Timmermans at the Berlaymont*

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<sup>5</sup> <https://ec.europa.eu/energy/en/news/new-electricity-market-consumers>

Main focus of the meeting was on the social and fundamental rights aspects of the European Semester. «Some of the messages coming from the European Commission undermine fundamental rights. How can we work together to ensure that the European Semester instead promotes fundamental rights?» asked **Jana Hainsworth**, Social Platform's newly elected president.

Barbara Steenbergen warned the VP about the inconsistent measures promoted by DG ECFIN, notably in countries like **Sweden** where the government is asked to revise the rent-setting system.<sup>6</sup> «This will lead to higher rents in demanding areas, contributing to further household's indebtedness, which is contrary to what the Commission is meant to achieve». In the following debate Frans Timmermans acknowledged the "right to housing" as fundamental «although there is no right to rent controls». He said that social rights are indeed under pressure due to the depth of the crisis. «Jobs and growth is the way out», he said, promising that the European Commission will come out in autumn with a proposal for a «**New Social Agenda**».

## Housing conferences in Scotland and France

IUT participated in the Shelter conference "Making Renting Right" which was held in Edinburgh, **Scotland**, on June 24. Main topics discussed during the day were the forthcoming **Bill on tenancy reform**, the letting agent regulation, and tenant representation in the private rented sector. The current "no-fault" repossession clause that allows landlords to reclaim their property simply because of a fixed rental term has ended, will be scrapped. Landlords will have fewer grounds to use if they wish to regain possession of their property. To protect tenants against rent hikes, tenants will be able to take unjustified rent rises to arbitration; in

<sup>6</sup> See the country-specific recommendations to Sweden [http://ec.europa.eu/europe2020/pdf/csr2015/csr2015\\_sweden\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2015/csr2015_sweden_en.pdf)

addition to that, specific measures may also be introduced to combat excessive increases in hot-spot areas such as Aberdeen and the Lothians. Last but not least, the Scottish government foresees a "model tenancy agreement" for the private rented sector. Barbara Steenbergen was asked about best practices in Europe when it comes to tenant's protection. She explained the functioning of German *Mietspiegel*, an instrument which ensures transparency in the private rental market and prevents abusive rents. She highlighted that countries with the highest level of tenants' protection also register the biggest share of rental housing. «Stability, planning reliability for investors and a balance of rights and obligation for tenants and landlords are a guarantee for an attractive and fair private rented sector».<sup>7</sup>

Davide Lanzillotti, IUT policy officer, gave a speech at **CNL conference on housing cooperatives**, on July 4 in Paris. The cooperative sector is rather small in France, representing only 1% of the housing stock. In other European countries, such as Austria (8%), Norway (15%) or Sweden (22%), the sector is larger but is nonetheless confronted to similar challenges (e.g. financing and land availability).



*The panellists in the conference at Mairie de Paris18*

Davide stated that public authorities should provide more support to housing cooperatives through privileged land use and bank guarantees especially in those countries where there is a big shortage of affordable housing, like France and England. Cooperative housing may be a way out of the two

<sup>7</sup>[http://scotland.shelter.org.uk/professional\\_resources/events\\_and\\_conferences/event\\_presentations/making\\_renting\\_right](http://scotland.shelter.org.uk/professional_resources/events_and_conferences/event_presentations/making_renting_right)

crises – economic and political – as it lowers speculation and increases resident’s participation.

## European Federation for Living working on social return on investment

Barbara was invited at the EFL “Social domain working group” in Paris, June 25th. Most of the EFL members share values like CSR (**Corporate Social Responsibility**) and work hard to improve the living standards of their tenants in neighborhoods. In 2015 EFL developed a new tool for measuring the output of interventions in the social domain (SROI: Social Return on Investment), a powerful way to demonstrate the added value of investing in people and disadvantaged neighborhoods.



*EFL in front of the local CNL association with member Rita del Amo (5th from the left)*

The meeting was chaired by **Bernadette Arends** from the Dutch housing association *De Woonplaats* and hosted by ICF habitat, a French housing association operating in both private and social rented sectors. Barbara gave a presentation on the **European Responsible Housing Initiative**, providing some good examples of how to promote social innovation in the housing sector.<sup>8</sup>

## TTIP and public services

The European Parliament has approved a **non-binding resolution** on the Transatlantic Trade and Investment Partnership (TTIP). The resolution was adopted by 436 votes in favour and with 241 votes against, with the aim of influencing the negotiations between the European Commission and the United States. A critical aspect is the **private arbitration panel** that the US government wants to include into the final agreement, and that MEPs want to replace with a more transparent system. According to the European Parliament, disputes should be processed «in a transparent manner», by «publicly appointed, independent professional judges», and in «public hearings». Furthermore, such a system should include «an appellate mechanism» respect the jurisdiction of EU and member state courts and ensure that private interests «cannot undermine public policy objectives».<sup>9</sup>

In a reply letter sent to the Social Platform, Commissioner for Trade **Cecilia Malmström** ensured that the Commission will «protect public services in TTIP and TiSA».

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<sup>8</sup> <http://www.ef-l.eu/news-and-articles/efl-news/icf-habitat-hosts-working-group-social-domain-in-paris/>

<sup>9</sup> <http://www.rt.com/news/272563-eu-parliament-ttip-trade/>