

GLOBAL TENANT



INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE April 2008

C O N T E N T S

Chronicle:

Barbara Litke

"I am proud to represent IUT
in Brussels!"

page 2

"Sitting tenants" in central
and east Europe

page 3

Poland: Nowa Huta, its history
and people

page 4-5

Tenant representatives
in Poland

Savings book reform risks

French social housing

page 6

Latvia: Transition with high
human costs

page 7

Finding a decent home in
Macedonia?

page 8

Seamy side of Brussels

page 9

Rental housing is overlooked
in rich Norway

page 10-11

Tenants in Harlem fight for
their homes

page 12

Mexico City with a colonial
heritage

page 13

Liberia, a country of renters

page 14

Fuel poverty is a 'new
social evil'

Page 15

Notices

page 16



IUT member organisations in:

Austria
Australia
Belgium
Benin
Bosnia-Herzegovina
Canada
the Congo (Dem. Rep.)
Croatia
Czech Republic
Denmark
Ecuador
England
Estonia
Finland
France
Germany
Greece
Hungary
India
Italy
Japan
Kenya
Latvia
Liberia
Macedonia, FYR
the Netherlands
New Zealand
Nigeria
Norway
Poland
Portugal
Romania
Scotland
Serbia
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Tanzania
Togo
Uganda
USA
Wales



P.O. Box 7514

103 92 Stockholm, Sweden

Tel +46-(0)8-791 02 24/791 02 25

Fax +46-(0)8-20 43 44

E-mail: info@iut.nu

Website: www.iut.nu

Publisher and

Editor: Magnus Hammar

April 2008

Publication Design: Peter Bäckström

Cover photo by IUT: Selling
pretzels in Krakow

"I am honoured to represent IUT in Brussels!"

Decent and affordable housing is a key component of the European social model. In May 2007 the European Parliament adopted a resolution which recalls that the right to appropriate housing at a reasonable price is an important fundamental right.

The message is clear: Housing is on the agenda of the European Institutions. The International Union of Tenants decided at their congress in 2007 to lobby on-site and open a Liaison office to the EU. From February 1st IUT is present in Brussels and our new office is only minutes away from the European Parliament. Before February I worked as a policy maker at the Deutscher Mieterbund in Berlin.

The IUT is a coalition of 57 tenants' organizations from all over the world, of which 35 are active in Europe. Especially those IUT members within the EU represent politically strong tenant organizations, each of



them experienced in policy making and are stakeholders at national level. The IUT brings these experiences together and is able to build up a pool of knowledge that will benefit the housing policy and the protection of tenants' interests in the EU.

I will do my best to make sure that the tenants' voice will be heard in the corridors of the EU Parliament and Commission!

You reach me via: IUT Representation to the EU, Rue du Luxembourg 23, B-1000 Brussels, Belgium. E-mail: barbara.steenbergen@iut.nu, Phone: +32 2 513 07 84, Fax: +32 2 513 09 55



Barbara Steenbergen,
*Head of IUT Liaison
Office to the EU*

Calendar

April 21-22: Sustainable Energy and Social Housing by CECODHAS, Ancona Italy.

May 15: Annual conference of the National Union of Tenants' in Uganda, Mbarara.

May 16-17: 4 pillars in the fight against poverty, by Slovenian EU Presidency. Brussels, Belgium.

May 27: European Neighbours Day 2008.

May 28: Building partnerships, Housing for Growth and Sustainable Dev. Göteborg, Sweden.

June 14-15: National conference of the Swedish Union of Tenants, in Luleå.

July 6-9: ENHR conference: Shrinking cities, sprawling suburbs and changing countryside.

August 1-3: TPAS Annual conference, Birmingham, England.

September 22-23: UN-ECE 69th session Committee on Housing and Land Management, Geneva.

October 6: International Tenants Day, seminar in European Parliament, Brussels.

October 13-27: Fourth session of the UN World Urban Forum in Nanjing, China.

For more info: www.iut.nu/conferences.htm



“Sitting tenants” in central and east Europe

By Magnus Hammar, IUT

For someone looking briefly at the housing situation in the CEE-region he or she might come to the conclusion that restitution, privatisation and denationalisation of housing have by now, more than 15 years after the end of communism, been settled and done with. This is truly not the case for all those people who lost in the restitution lottery.

Many CEE states like Romania, Bulgaria, Hungary, Lithuania and Serbia have privatised almost their entire housing stock, leaving only a residual part of rental municipal housing, 2–3 percent, of the total stock.

So, the official figures for rental housing are very low and it appears as the overwhelming vast majority of the population in the CEE region are owners of their dwellings. But this is not the whole truth. There are no reliable official figures but IUT sources indicate that as many as up to 20 percent of the urban population lives as unregistered tenants in private houses or flats.

During the times of privatisation, first half of the 1990's, tenants in municipal flats, constructed mainly from 1945 to the end of communism, were offered to buy their dwellings – at very favourable prices. These were also happy days for those with good connections with the city administrators, and for those who quickly understood that it was time to

seize the opportunity, and who bought cheaply from new owners who needed their money the next day.

The other part of the housing stock, constructed mainly before 1939 as very little housing was built during WW II, was to be restituted – handed back to the original owners.

Restitution under unequal conditions

After having lived, sometimes for 30 years or more, in the same house and under the same state conditions, in an allocated flat, and after having being caretakers, repairmen and administrators of their houses and flats, which was required under communist time, some tenants became winners – and others losers.

Many were those CEE states which quickly wanted to become members of the European Union. One condition was that property which had been private before 1945 should be handed back to the original owners = restitution¹. So, houses, farms, churches and factories etc. were from 1991 to the mid 1990's handed back to the original owners. Life is a lottery and sometimes very unfair. People who had been allocated a municipal flat become owners, while those who had been allocated a flat in a previously privately owned house simply became “sitting tenants”.

In most CEE-countries the period of property restitution is by now over, but Poland is one exception where restitution still drags on, and causes years of uncertainty.

Invisible landlords

The national laws on restitution were somewhat different from country to country. Some countries stipulated that property should only be handed back to a national citizen of the country concerned, other countries had no such rule – which resulted in a situation where many tenants, sitting tenants, now have their landlords in London, Paris or Buenos Aires. All information they have is often only a bank account number to which they pay their rents. These are the “invisible landlords”.

Insecurity and frequent evictions

Sitting tenants, several million households, now find themselves as tenants under very insecure circumstances, with never heard of “secure tenure”, rapidly increasing rents and frequent evictions. With sky rocketing property values in major cities landlords are eager to get rid of their “protected” lodgers, often elderly single women. And the means of getting rid of poor and troublesome tenants in the CEE region are many, and nasty.

IUT petition

The situation of sitting tenants, including the imaginative and ruthless ways of getting rid of problematic tenants, needs to be addressed and paid attention to. Compensation must be discussed. The IUT will therefore send a petition asking the members of European Parliament and the Council of Europe to consider the difficult situation for sitting tenants.

¹ See national figures: www.state.gov/p/eur/rls/or/2003/31415.htm

Nowa Huta, steelworks and gardens

Text: and photo: Magnus Hammar, IUT

Nowa Huta steelworks, outside Krakow in Poland, was to become one of the largest steelworks in the world. The erection of the steelworks was decided on in 1947 by an agreement between the governments of Poland and the Soviet Union.

The plans also included a new garden city to house the thousands of workers and their families. In June 1949 the workers started building their first block



of flats and in April 1950, the construction of the steelworks began.

Nowa Huta was to become an ideal town for the communist propaganda and populated mostly by industrial workers,

the labour aristocracy. In 1951 Nowa Huta was joined with Kraków and the following year tramway communication was started. On July 22, 1954 the Lenin Steelworks opened.

Lenin replaced by Reagan

The architecture of the city was meant to be based on the renaissance but actually became a mixture of renaissance, baroque and classicism. When you look at Nowa Huta from a bird's eye view the city architecture is somewhat similar to the European cities planned and constructed in the late 1800's; A central square from where boulevards and streets lead out, like sunrays, towards the outer districts. The central Square was domi-



Voices of Nowa Huta

Mr Zygmunt Niedbalski (75) was 19 years old when he came to Kraków in 1952, from a small farming village near Lodz. Housing in Poland was scarce in the post-war period and Mr Niedbalski lived in a workers hostel during his first years in Kraków. In 1956 he moved out to booming Nowa Huta and started working as a builder. Construction was going on everywhere and as a young and strong man it was easy to get a job. Mr Niedbalski later became the foreman at one of the many building sites.

In 1958 he was allocated to his own flat of 42 m², where he and his family have lived ever since. Mr Niedbalski was able to retire already at the age of 58. Early retirement, due to hard and



Huta residents, Mr Zygmunt Kot and Mr Zygmunt Niedbalski.

unhealthy working conditions, was one of several benefits of the steel works.

Mr Niedbalski says that life was good in Nowa Huta, until 1991. "I used to know everyone in my neighbourhood, but not anymore. We were a close and friendly community where everyone helped each other," says Mr Niedbalski.

But now I rarely go out after dark, it's too dangerous.

Mr Zygmunt Kot also lives in Huta – as the Krakowians call Nowa Huta. Mr Kot retired after 30 years as an engineer with a company linked to the steelworks, responsible for moulding metal tools. Mr Kot's company also made housing available for its employees. Every month Mr Kot deposited money from his salary to his company's Housing Fund. When construction started on Mr Kot's house, the money from the fund paid for building material. The labour itself was carried out mainly by Mr Kot and the company's own employees, after regular working-hours and at week-ends.

During the privatisation processes in 1991–1992 Mr Kot's company transferred



Main gate and office buildings for Nowa Huta steelworks.

nated by a giant statue of Lenin. In 2004 the square was renamed Ronald Reagan Central Square – but no new statue was erected!

City of opportunity

In the socialist context Nowa Huta was seen as a place of opportunity and stability. Migrants came together to build a tightly knit community. In spite the fact that Nowa Huta became a showcase for Marxism/Leninism and that people were made to believe that communism was the only -ism possible, the steel factory exerted a positive influence on overcoming unemployment and raising living standards. Most migrants had little or no education and came from poor villages. Nowa Huta offered great improvement of living standards and at its peak over 40,000 workers were directly employed in the different plants of the steel works. Additionally, tens of thousands of people worked indirectly for the steelworks; in 1988 the steelworks prepared and served over 28,500 meals a day to its workforce.

Workers received their apartments either free of charge or for a considerably reduced price, as members of house-building cooperatives. All flats were provided with hot water and gas facilities, bathrooms and central heating,

something rarely seen in most post-war European towns and cities of the early 1950's.

No good for young families

The housing estates of Nowa Huta until today are still quite pleasant places. Streets are lined with trees and in the summer time flowerbeds brighten up the mostly grey facades of the 5-storey houses. One problem is the small size of the flats, only 47 m² on an average, and new jobs are scarce, which makes Huta less suitable for young families. But the city is comparably attractive and well maintained, and a comfortable flat for two cost around 45,000 euros, half that of Kraków some 30 minutes away.

Today the air is comparably easy to breath, but less than ten years ago the air used to have a foul smell. Krakowians say that in the 1960's and 70's newly-fallen snow hardly stayed white for more than a few hours. Respiratory diseases were common, not only among the steel workers but also among children.

From Lenin to Mittal

The great Lenin steelworks is now owned by Lakshmi Mittal, the Indian head of the global steel business Mittal Steel. Nowa Huta was once a town of opportunity and security to which people migrated, but no more. The liberalisation of the economy led to – albeit voluntary – job losses on a massive scale, and the workforce has been reduced from 42,000 in the 1970's to 18,000 today.

blocks of flats to the municipality. Then, through strange connections and mysterious ways, the houses became the property of the public prosecutor in Krakow. The houses were then sold and bought several times, and now it's time again. Mr Kot and his neighbours say that they feel themselves as fixtures. No one consults them, or informs them about new owners or what will happen with their houses.

Ms Krystina Jastrzebska is a member of the district council in Nowa Huta, and also the leader of a group of residents in previously company owned flats in Nowa Huta.

In Poland, in the 1950's, the deal was that approx. 25 percent of a workers' salary was to be deposited in a Housing Fund, managed by each workers' own company.



Ms Krystina Jastrzebska.

Then each company constructed, after state directives, houses for their workers.

During privatisation all these state owned houses were up for new ownership and administration. Some residents managed to get a loan from a bank and bought their flats, individually. Others formed co-operatives, while others remained as tenants as their incomes, often a low state pension, were too low for enabling them to a bank loan. Interest rates were as high as 15–20 percent.

When the workers retired it turned out

that those residents that had remained as tenants could be sold together with the, now, private companies for which they had worked. Companies together with houses and flats were sold and bought many times and speculation has hit the tenants hard. Now they live in constant fear and without any rights.

– Will we be able to afford to stay in our flats, or become evicted? says Ms Jastrzebska. Rents are still somewhat regulated, but the present rent law gives plenty of room for interpretation; what is really “a decent gain”? From 2005 no landlord can legally evict a tenant, without providing a new alternative flat.

– I have seen some of these “alternative” flats and I tell you, you wouldn't like to stay in any of these flats for even one night, says Ms Jastrzebska.

Tenants' representatives in Poland

The Polskie Zrzeszenie Lokatorów (PZL) Polish Association of Tenants, has served Polish tenants since 1989 in mainly Krakow, Poznan, Lublin and Gdynia.

Ms Alicja Sarzynska, President of PZL, and her group of devoted colleagues work voluntarily to give legal advice to tenants in privately owned houses, which were privatised after 1989 according to the rules of restitution.

PZL operates from a small office at the bottom floor in a residential house in Krakow. The office is open two evenings every week, for free advice. A small donation is asked for, but the very few zlotys that end up in the box do not cover for the rent of the premises. The Swedish Union

of Tenants has supported PZL during the last couple of years, but the future is most uncertain. The City of Krakow and Mayor Majchrowski have acknowledged PZL's work for many years, as very important consumer services. But when discussions come down to possible financial contributions, it gets very quiet.

Contact PZL through:
marta.kotnowska@gmail.com

Warsaw

Warsaw was more or less totally destroyed during WW II, and all houses that were constructed after 1945 belonged to the state. So, only limited restitution was necessary after 1989, at the beginning of political transformation. Accordingly, Warsaw has a somewhat different situation compared to Krakow when it comes to problems related



to tenure and issues of ownership. Problems in Warsaw are more related to rapidly increasing rents, evictions and lack of secure tenure and of legal protection, rather than effects of restitution.

Polska Unia Lokatorów, Polish Union of Tenants, is for the most part active in Warsaw, and with tenants in privately owned houses. President is Ms Helena Denis. E-mail: unialokatorow@o2.pl

Savings book reform jeopardize French social housing

The EU Commission calls on France to end special rights to distribute savings books – “Livret A”

According to the EU rule of free competition, the distribution of the very popular Savings Book A (Fr. Livret A), which is to day exclusively reserved to the French Postal Bank and the French Savings Associations (Building Societies), must be available to all the French bank's. France has presented a draft reform to the European Commissioner for Competition, which would have great negative economical and social impacts on French housing.

Savings benefit social housing

The French National Deposit Office (Fr. Caisse des Dépôts) since 1816 manages a large portion of people's savings in tax-exempt savings books, including Livret A. It uses these funds primarily to finance urban development such as roads, waterways, schools ... and social housing. Livret A holds a privileged position in French savings with 46 million accounts, because it is a precautionary savings product in



cash, and tax-free! Because the interest given to the savers is low, the social landlords companies can contract long term loans with low rates of interests. In consideration of this advantage, they are obliged to respect a rent regulation and fix their rents under the market level.

If the money deposited at the Livret A decreases because of competition, the social housing companies will have to get loans from the ordinary banking system at less favourable conditions, and rents in social housing will inevitably increase towards the market level. When the French housing crisis is acute

and difficult for so many people when it comes to affordable housing, it is not the time for implementing such a reform.

Don't touch my Savings

France will hold the EU Presidency in the autumn of 2008. CNL together with more than thirty organisations such as the National Federation of Social Housing Companies, trade unions, bank cooperatives, political parties, etc, protest and urge the government not to change a system which has proved so efficient.

By Jacquy Tiset, CNL



Old wooden residential houses in central Riga.

Lack of housing rights in Riga

Tourists flock to the old town of Riga, and rightly so. The inner city parts of Riga offer great shopping, and walks among beautifully restored 16th and 17th century historical buildings. In 1997 the centre of Riga was inscribed on the UNESCO World Heritage List.

Since independence in 1991, Latvia has undertaken fundamental changes. These changes and the transformation of the economic situation and its consequences have had effects on everyone's life in Latvia. Economy has been booming, for some. But for most Latvians the switch from centrally planned socialist economy to strict market economy in 15 years has been tough – and it's not all over yet.

Highest inflation in the EU

The process of joining the EU in 2004 caused a price rise on consumer goods, and a notable inflation. In February 2008 Latvia's inflation hit 16.7 percent – highest inflation among the 27 EU member states. Food has become 22.1 percent more expensive in 2008 compared to 2007, while housing costs – gas, heat and electricity – are up 23.5 percent on an annual basis. And consequently rents have skyrocketed.

40 percent poor households

Rent ceilings were abolished in 2007 which resulted in rent increases from



"Honeylady" in the food market in Riga.

an average 0,6 lats/m², to 7 lats/m² or more. (1 lat is US\$ 2,3, or 1,5 euro) It goes without saying that low income households are the worst hit. A visitor to Riga can not avoid noticing the numerous old ladies begging quietly and humbly in street corners and in underpasses. Between 2004 and 2005 old age pensions increased only from 70.9 lats to 80.5 lats. Research data from 2005 showed that 30 percent of households said that they were on the verge of poverty, while 9 percent regarded themselves as poor.

Evictions are frequent

During the privatisation processes, 1996 to 2006, people living in 480,000 municipal and state flats were offered to privatize their dwelling. At the same time households, in what was to become private houses, had no rights to do the same. Rents are now unregulated, and

house owners define the rent level themselves. Rent arrears of three months or more often result in eviction, without any requirement of an alternative accommodation. According to "Solidaritate" (see below) an estimated ten percent of tenants in Riga were not able to cover housing costs in 2006. During 1995 to 2004 7,792 households were officially evicted in Latvia, in principle without allocation to an alternative dwelling.

A few tenants are being offered social dwellings. But, the very few existing social dwellings are of low quality. According to FEANTSA about 50 percent of the social dwellings do not even provide modern conveniences such as regular heating, warm water and proper WC.

Since 2006 Riga municipality offers compensation to tenants who move out, voluntarily or involuntarily, from denationalised flats; 10,000 lats, or 14,500 euro, per household and 3,000 lats per household member. But a 2-room flat in Riga costs about 70,000–100,000 lats, and banks do not give loans to households whose income is less than 2,500 lats / month.

Stateless Russians

In 2007 there were 440,000 non-citizens in Latvia, 19 percent of the whole population. This group consists mainly of ethnic Russians who chose to stay in Latvia after 1991. They are now in many ways considered second class citizens, with no rights to vote, and alien-marked passports. They can become citizens by taking a language test in Latvian for a fee. Not even children born in Latvia with Russian parents become citizens until they are 18, if they make the citizen test. Officially non-citizens have full rights to employment but they are excluded from government jobs, and jobs like firemen, police, lawyers and pharmacists.

Tenant representation

Tenants in Latvia's third city, Liepaja, are represented by Liepaja's Tenants Association, an IUT member. Tenants in denationalised flats in mainly Riga are represented by a group of devoted individuals who have formed the group "Solidaritate", under the leadership of MP Sergejs Mirskis, e-mail info@solidaritate.lv

Text and photo: IUT



Sanja, Pance and Martin Nikolovi in Skopje.

A decent home in Macedonia?

Text and photo: Maja Dilberova, "MakeDom", Skopje

Macedonia became independent from Yugoslavia in 1991 and as elsewhere in the former socialist countries the processes of privatization started. Today 99 percent of all dwellings are private, and only one percent remains under state or company ownership. According to the World Bank (2006), every eighth citizen in Macedonia lives in inadequate living conditions and about 240,000 citizens are without a decent home.

The severe situation has led to an informal rental market where many private dwellings are rented, and no facts and figures exist. Private owners, who let their apartments or houses, do not want to pay the 12 percent tax so they usually only make a verbal agreement with their tenants. In Skopje, the capital of Macedonia, the monthly rents go from 200 €, for a 25–30 m² flat, up to 600 or 700 € for larger flats. Costs are lower in other cities, but still too high for most people. In Bitola, the second city in Macedonia, the rents are about 100 – 200 €. The biggest problem for tenants in this private sector is that the Housing Law mostly protects owners.

To buy a flat in the centre of Skopje costs 800 € to 1,200 € per m², giving approx. 70,000 € for a flat of 70m².

Figures speak for themselves when housing costs are compared with the national average monthly salary of about 220 €. And where should people with present legal minimum salaries of about 120 € live?

To these facts we can also add the official and present figures for unemployment which is about 30 percent.

Ends do not meet for the Nikolovs
Pance and Sanja Nikolovi live, with their

9 years old son Martin, in a flat of 52 m². The flat, which they got through friends, is situated in a rather expensive area called Aerodrom. But since their friends knew the owner, they got it for a lower rent, of 150 €/month. It is a two-room flat and everything would be fine if it would not be the problem of having only one regular salary in the family. Pance gets paid 200 € a month, but Sanja is still studying but works from time to time teaching English in private language schools. Additionally to the actual rent they pay for electricity, water and for heating. They also have costs for their son's school. Without the help from their parents, they would not get by. The apartment is rented on a basis of a written agreement between two parties.

Unrealistic housing schemes?

The Ministry for Transport and Communication, in which the Housing sector works, has formulated a National Housing Strategy for 2007 – 2010. This strategy mentions plans for non-profit or low-profit housing organisations. Also there are plans for the construction of flats with market rents where the profit gained will be used for building additional rental apartments.

"MakeDom" fears that that this process will be really long and we have



New residential building in Skopje.

doubts whether the plans will be accomplished by 2010. The housing Strategy also states that the category 'vulnerable groups' should be defined and that a law on social housing should be adopted. Minimum standards for building social dwellings should also be defined, together with a policy for housing subsidies.

"MakeDom" is co-operating with the Ministry and will be involved in, hopefully, the implementation of this Housing Strategy.

Endangered sitting tenants

"MakeDom" is also working on the problem connected to sitting tenants, which are approximately 10,000 families. There is a problem appearing that tenants living in flats which were owned, and allocated to the workers during socialist times, by their formerly state owned companies, are now endangered. These companies, which also own the flats, have now been privatised and the tenants are threatened to be left without a home if they don't buy the flats.

Maja Dilberova:
maja.dilberova@gmail.com



Derelict houses in Brussels. PHOTO: IUT

The Seamy Side of Brussels

By Anna Eklöf, Swedish Union of Tenants

In Brussels many people rent housing of low standards, with bad sanitary conditions at very high costs. Brussels, the heart of Europe, is often mentioned in the media as an example of a city where the housing market is in balance. Supply meets demand, and everyone is happy. A study made recently by the Swedish Union of Tenants shows that reality is more complex than that.

Today, Brussels has just over one million inhabitants. In the beginning of the 20th century blue-collar and white-collar neighbourhoods started to separate

from each other. Well off families moved from the city centre to the outskirts of Brussels, to a house with a garden. The workers stayed in the city centre. Today, this division of socio-economic groups persists.

Figures speak

Brussels has about 465,000 housing units, of which 190,000 are owner occupied. The rest is private rental (82 percent), and public rental (18 percent). The majority of the public rental stock is social housing, which corresponds to about 10 percent of the total housing stock. Household income limits for being eligible for social housing is set at 18,680 € per year. The average monthly rent in Brussels is 508 €. It may not seem

very high, but for low income households and for the unemployed it is a lot. 40 percent of the inhabitants of Brussels pay over 40 percent of their net income in rents and other housing costs.

Lack of comfort

One third of the houses in the centre of Brussels are built before 1945, and many flats lack bathrooms and central heating. The many different private landlords do not always afford to renovate the houses, and since these flats are the cheapest on the market, the poorest people will always choose these flats no matter the comfort and standard.

The typical city centre tenant

A third of the population in the Brussels region has an income that is below the European poverty-standards of 822 €/month. In 2003, 67 percent of the income-tax return forms in Brussels presented an income lower than the average, something that indicates a strong distortion in the income distribution. Unemployment rate is around 20 percent in Brussels region, and 14 percent in Belgium. Some parts of the city centre, show figures of up to 50 percent unemployment. More figures: 97 percent of the people living on social subsidies live in rented homes, of which 19 percent live without a bathroom. A single person, living on social subsidies, renting a studio with low comfort levels, had to pay 62 percent of his or her income in rent in 2006. In 2005, one fourth of the inhabitants in Brussels were non-Belgians, first or second generation immigrants.

The seamy side of Brussels – and of Europe

Brussels is not the only European city showing these two faces today. Increasing international career opportunities attract educated citizens. The growing service sector and the deindustrialisation of society simultaneously reduce working opportunities for the less privileged. The city becomes a scene for the educated and successful as well as a mal-functioning place of refuge for people in poverty and social exclusion.



Contact Anna Eklöf:
anna.eklof@hyresgastforeningen.se

Rental housing

is overlooked in Norway

Text: Lars Aasen, Director of the Norwegian Tenant Organisation, Oslo.

“I am worried about the future, of market rents. Most of us here at Rivern will not have the possibility to live here after 2010 when the Rent Regulation Act is phased out”, claims 41 year old Merethe Hannestad. Merethe is head of the Rivertzke Residents’ Association in Oslo.

The Rivern houses are named after the Norwegian architect Kristen Tobias Rivertz who was an enthusiastic participant in the social housing debate in the beginning of the 1900’s. Rivertz wanted to show that it was possible to build modern and affordable housing for the workers and engaged the tenants as joint owners and share holders. Rivertz started the construction of the houses in 1911, which consisted of 500 one- and two- room flats. The neighbourhood immediately became extremely popular among the workers who often referred to it as Paradise! Unfortunately the workers could not afford to become share-holders, and the shares were sold to the Oslo bourgeoisie and to private companies, but with a 4,5 percent profit limitation.

100 percent increase next two years

– I am the fifth generation of my family living here, says Merethe. Most of us in this house have grown up here and we really love this area. As tenants we have already paid for the refurbishment many, many times and the shareholders have got their profit, and more. Most sitting tenants do not have the sufficient incomes to pay marked rents, and you have to remember that these dwellings are small, draughty and not well insulated. I expect that in a few years time this area will be segregated. The original tenants will be spread all over the city and in suburbs, and I suppose a lot of us will become social clients. The only one



Merethe Hannestad, worried resident of Rivern.

who can stop this development is our red-green government, but they don’t seem to care much about tenant issues, concludes Merethe.

Due to later refurbishment there are less than 350 flats left in the Rivern houses. Today’s rent, not including heating or warm water, is approximately 950 € a month for a two room flat. The next

couple of years the rent will increase to marked rents, or approximately 1,900 €.

Extreme market orientation

The Norwegian Parliament decided in 1999 that The Rent Regulation Act was to be phased out. There are about 3,500 rent controlled flats in Oslo, according to a new report¹. The rent level of these



Riven house in Oslo.

dwelling is estimated to double between 2007 and 2010. The survey found the majority of renters are elderly people living alone. Half were old age or disabled pensioners in the low income bracket. About half of the households will not manage the new rents.

The end of rent regulation can be looked upon as the last and final step towards an extreme market-oriented Norwegian housing model. Also, the overall Norwegian housing policy is all about ownership. After World War II the Norwegian Government decided that all households should be able to own their own dwellings. Today, 60 years later, ownership is about 80 percent in Norway. The remaining 20 percent are rentals, of which public rental housing represents less than 5 percent.

The Sheiks of Scandinavia

The world economy has experienced some harsh crisis throughout the last 30 years. Norway is in a fortunate position, having plentiful revenue from its oil holdings in the North Sea. One result of this position is that most Norwegians live in large and good quality dwellings, with plenty of space. With a population of only 4,5 million people there are 2,3 residents and 4 rooms per dwelling. One out of every four dwellings is 160 m² or more and only 12 percent are smaller than 60 m². Almost two out of three live in detached houses.

Upcoming crises?

Lately there have been reports that say that the supply and demand situation

does not work very well. Media has shown pictures from overcrowded flat and house showings and had reports about landlords



Tore Johannesen ,
Norwegian Co-op
Housing association.

organising bid-
dings and auc-
tions at show-
ings. There has
been high rent
increases for the
last three years.
In 2007 the
rents increased
by 17 percent
in Oslo, and
the average
monthly rent
for a two room
flat of 55 m² is
now 1,100 €.

Assistant Director Tore Johannesen of the Norwegian Federation of Co-operative Housing Associations, believes there will be a furthermore increase in the rent levels that might lead to a more explosive political debate about housing. He points out four main reasons for this scenario: "Young adults will have to act more strategically in choosing whether to rent or to buy a dwelling. The uncertainty in how real-estate prices will develop the next years will probably lead more people into rental accommodation. Secondly, the prices for house-ownership are already at a very high level and an increasing number of tenants do not have an income enough to buy their own dwelling. Thirdly, Norway breaks all records of an influx of foreign workers, establishing themselves in Norway for a shorter or longer term. These foreigners

want to rent."

– And at last, there is a strong growth in the youth population, some 100,000 more the next ten years. – Many of these will probably become annoyed by the high costs, both for ownership and renting, and will therefore demand changes, concludes Tore Johannesen.

Less subsidies to owners!

Generally speaking, there is little focus on housing politics in Norway. It is more than 30 years since the steering mechanisms were handed over to the market forces. The Tenant Organisation in Norway has for many years fought for a more visible debate about housing. The tenants claim that it is not enough that three out of four Norwegian have good houses – more attention is needed to those who do not live the good life. Also, ownership leads to less mobility on the labour market.

The Norwegian Tenant Organisation, Lbf, has proposed some solutions. Tore Hansen, chairman of Lbf, says:

– It is not fair that the government subsidises ownership by tax-relief on interest and reduced property taxes, in 2008 stipulated to 6,8 billion €, when tenants have no chance to benefit from these economical privileges. No, we do not suggest more subsidies for tenants, only a more fair distribution. Out of



Tore Hansen, Chairman
of Norwegian Tenant
organisation, Lbf.

6,8 billion € we suggest that some 1,2 billion € should be allocated for new construction of affordable rental housing. This would lead to a significant change in the number of rental dwellings in a few years, and will in turn

lead to a more modern and flexible housing market.

Contact info: Lars Aasen la@lbf.no ,
Internet www.lbf.no

¹ Rent Control – Status prior to the repeal of the Rent Regulation Act in 2010. Norwegian Institute for Urban and Regional Research (NIBR), 2007.



Tenant leader Alease McKelvey speaks at a Harlem Tenants United Coalition Press Conference with Senator Charles Schumer, Representative Charles Rangel, and Assemblyman Keith L.T. Wright.

NEW YORK

Low-income tenants in Harlem fight for their homes in a community rapidly gentrifying

By Kate Johnston, Tenant Organizer, New York State Tenants & Neighbors

On March 2nd, a crowd of tenants held signs reading “Keep Harlem affordable!” and “Tenants built Harlem, not landlords,” at a press conference outside Mother Zion McMurray Apartments in West Harlem.

The members of the Harlem Tenants United Coalition had come to make a statement about the urgent need to preserve subsidized and affordable housing in Harlem, where 4,500 units of government-subsidized housing have been converted to market rate rentals in the past three years, and hundreds more could disappear in the next nine months.

Harlem as an epicentre of culture
Harlem is known across the world as an American epicentre of culture. The unique fusion here of an African American community and of succeeding waves of immigrant communities-Russian, Italian, Mexican, Dominican-is irreplaceable. However, a demographic shift is bringing higher-income tenants to the area. Without adequate regulation to ensure current tenants’ rights are respected, the market is pushing

low- and moderate-income tenants out of their homes, leaving them with few options as rents across the city continue to rise. The historic character of Harlem and the well-being of its tenants are at risk.

More condos means less affordable rentals

Several development schemes aim to fuel Harlem’s gentrification and profit from it, including Columbia University’s plan to extend its campus five city blocks north into West Harlem. A real estate investment trust proposed a 21-story tower intended to house Major League Baseball offices. New York City Mayor Michael Bloomberg has plans to rezone 125th Street, Harlem’s major thoroughfare, to make way for more offices and up to 1,800 condominiums. Attracting higher-income residents to the area in the absence of adequate rent regulation will inevitably result in displacement of low- and moderate-income tenants as rents increase.

Section 8 tenants at immediate risk

Some of the earliest victims of Harlem’s rapid gentrification are low-income tenants living in privately-owned buildings that are

kept affordable by rental subsidies through the US government’s project-based Section 8 program. Right now, hundreds of families are at risk in these developments – their landlords are taking advantage of rising property values by trying to leave the affordability program and convert the apartments to market-rate housing.

The Tenant Response

Tenant associations from six federally subsidized estates in Harlem and neighbouring Morningside Heights have joined together in the new Harlem Tenants United Coalition to increase their collective strength. Together, they are reaching out to community groups, politicians, and the press to pressure their landlords either to renew their Section 8 contracts with the federal government or to sell the buildings to non-profit developers. The March 2nd press conference was a promising first step. The elected officials urged landlords to come to the table with them to work out a deal to preserve the buildings, and expressed commitment to supporting the Coalition’s individual building campaigns.

For contacts:
info@tandn.org, or www.tandn.org

Mexico City with a colonial heritage

By Christian Hellevang

Tenants are quite on their own in all Latin American countries. Ask a tenant about a tenant organisation and all you probably get is a ¿Qué? – What?

The housing markets are all liberal and more or less without regulations and everyone has to fight for themselves. Very few institutions advocate tenants' rights.

During the last years, housing production showed a huge increase in Mexico, through more affordable credit schemes for the population, and an increase in the financing resources.

Ownership is security

All Mexicans have a dream about their own house. During the period of former President Fox more than one million families got their own houses thanks to an ownership programme by the federal government. Mr Fox had a strong focus on housing, mainly on ownership.

The new president of Mexico Felipe Calderon wants to be even better than former president Fox. Mr Calderon has promised the Mexican people the possibility for more than six million people to obtain favourable loans from the state finance institution Sociedad Hipotecaria Federal for the purpose of buying or building a home.

Strict rent regulations for 60 years

In 1942 the city authorities introduced rent regulations for the central districts of Mexico City. This regulation of rents coincided with a drop of financial and social importance for these inner parts of



Mexico City Cathedral.
PHOTO:
CHRISTIAN
HELLEVANG.

the city. Rent regulation continued until 1993 when a period of deregulation started. But rents were not completely phased out until 2002 when a new housing law was introduced which opened up for market rents. The city centre with its old beautiful houses became attractive again, and big investments started in the renewal of the 19th century colonial houses. Elin Anne Gunnleiksrud writes in her article for the Norwegian Tenant Organisation that this new situation worsened the situation for the many less well off tenants as rents increased dramatically and many were forced to leave their houses.

Gentrification

In 1930 the population of Mexico City had already reached one million. Today Mexico City has an estimated population of 18 million people, and poor migrants fill the unregulated outskirts of the city with self constructed shacks in areas what Mexican NGOs call

“popular inhabiting”. At the same time the inner city centre is being gentrified. People with money buy out old tenants who can not afford the new rents. New shops, clubs and restaurants open all the time.

Housing quality is improving and building regulations prescribe that all housing units must have all the services and spaces corresponding to its function. Only problem is that 2/3's of the population cannot pay the costs for such housing.

No tenant representatives in Mexico

Tenants live under rather insecure circumstances and it is estimated that only some 60 percent of the tenants have formal and signed rental contracts. Neither Mexico nor Mexico City have any tenant organisation. The tenants are rarely organized, but in some areas or housing estates one might find small locally based tenants/resident organisations.

The Habitat International Coalition, HIC, advocates for recognition, defence and full implementation of housing rights. HIC has an office in Mexico City. HIC website: www.hic-al.org



Rural street in Oaxaca. PHOTO: ANDY BENNET.

Housing and Land situation in Liberia

Liberia has an extremely low share of homeownership. About 85 percent of all Liberians, 3,4 million, live in rental accommodations, without any security of tenure. There is no such thing as a government housing policy in Liberia.

Between the late sixties and late eighties there was however a transitional form of tenure as the economy was good, booming and living expenses was low during that time. In that time, it was assumed that many tenants would go on to build their own home.

However, with the increasing hardship and income polarization, coupled with years of instability, unemployment of about 88 percent and high costs of building materials, it is extremely difficult for most people to acquire a proper place they can call home. The government lacks the capacity to address unemployment and a political will to formulate or carve out housing policy. Confronted by low wages and high costs people will be poor tenants, squatters or slum dwellers for their entire life.

About 97 percent of Monrovia tenants are in private housing, and rents are usually paid for six to twelve months in advance. Tenants often do not get what they pay for in terms of facilities, like toilet facilities. The government is aware of the situation, but is reluctant to effect punitive measures. The most exploited and abused are those who rent rooms,



Jacob Bright, President of Liberian National Associations of Tenants and Residents.

commonly called Tenants-at-will.

Government flats overtaken by the well off

Homelessness is increasing in Liberia on a daily basis. People occupy war-shattered, bullet riddled and uncompleted or aban-

doned buildings. In the heart of Monrovia shacks or makeshift structures are constructed. The government owns a few and cheap public housing, but the tenants still pay 40–80 percent or, in most cases, beyond their income in rent. Initially this government public housing was targeted towards low-income tenants. Today well off tenants occupy 80 percent of public housing in Liberia. Most of these residents acquired these flats through swapping, or relatives extending the lease to another new member of the family. Some times there are forgeries of identities in order to secure unit in government owned public houses.

Tenant representation

The Liberia National Associations of Tenants and Residents is an IUT members since 2007, and aims at representing the interests of everyone living in rental accommodation in Liberia.

By Jacob Bright, President of Liberian Tenants: jacobbright@yahoo.com

Tenant categories in Liberia

1. Lowest of the low-income group, living in mat houses of very limited space, with one or two households in each house. Monthly rent is about 5\$US. These people are petty traders, marketers, shoe makers, newspaper vendors, etc.

2. Upper low-income households in half brick/ half zinc houses without in-built baths and toilets. These structures constitute about 85 percent of shelters in the slum. Rent is around 8–10 \$US. These people are school teachers,

nurses, police officers, taxi drivers and civil servants.

3. Middle class. This group is the urban breed and mainly single parent dominant and resides in a one bedroom flat with complete inbuilt facilities. Rent level: around 25–75\$US.

4. Upper middle-class, resides in a complete solid structure of a whole house of 2–4 bed rooms, and pay a rent of 125–300\$US. These tenants are managers, bankers, government ministers, doctors, top businessmen.



When winter hits hard, energy costs run high.

Fuel poverty is a 'new social evil'

Britain has the highest number of avoidable deaths due to recent winter colds in Western Europe. Latest figures suggest there are currently over 1.5 million households across the UK that cannot afford to keep adequately warm at a reasonable cost.

The rough and ready definition of fuel poverty is of someone who spends more than 10 percent of their income on keeping themselves warm. However, fuel poverty is not just about low incomes. It is part of a complex picture, linked to multiple deprivation, unaffordable fuel prices and poor housing stock characterised by inadequate insulation and inefficient heating systems. As energy prices rise the number of cold homes will rise. Yet, 34 percent of people would not ask for financial assistance if they could not afford to heat their home throughout the winter, according to a recent survey.

Fuel poverty can and does kill

Britain has the highest number of avoid-

able deaths due to winter cold in Western Europe. In 2005 it was estimated that 24,000 older people perished or were seriously ill because they could not afford to heat or from ill health linked to cold, damp living conditions. As for children, fuel poverty can lead to educational under-achievement, social exclusion, physical and psychological ill health.

In 1991 there were 7.3 million households that were either fuel poor or were considered vulnerable to suffering fuel poverty. By 2002 this figure had fallen to just over two million. Gas prices in Britain jumped by 43 percent from 2006 to 2007. This year Britain's six major energy firms have increased their gas and electricity prices by an average of 15 percent from January to March only. The typical household now pays more than £1,000 a year for energy – three years ago the annual cost was just £650.

Decrepit housing

Too much of Britain's housing stock is decrepit and close to being unfit to live in. The government and the power firms have invested about £400m a year in

insulating the homes of the fuel poor, and some suppliers have introduced special tariffs and trust funds for vulnerable groups, such as the elderly. The challenge now is to dispense the tailor-made help to those who really need it – from benefit maximisation to energy efficiency grants and making bills more manageable.

Source: Energywatch and BBC

Liberalisation increased energy prices in Germany

According to a poll cited by the Financial Times on 7 January, rising electricity prices are topping the list of concerns for Germans in 2008. Businesses are now paying 65 percent more for their power than when liberalisation started ten years ago, while consumers have seen their electricity bill soar by 50 percent since 2000, the paper notes, saying that "liberalisation fatigue is already tangible in the German government.

JORDAN:**Jordan prepares for a new housing law**

Amman, April 16; Prime Minister Nader Dahabi chaired a meeting of the ministerial committee entrusted with reviewing the Landlords and Tenants Law. During the meeting, participants agreed to initiate dialogue with different segments of society, as well as civic bodies and concerned institutions to form a clear idea about their perspectives on the proposed law.

Source: Jordan Times

SOUTH AFRICA:**New regulations for solving landlord – tenant disputes**

The Department of Housing has published a draft Procedural and Unfair Practice Regulations 2008, for public comment. The Practice contains procedures on how to lodge complaints to Rent Tribunal, rules on mediation, hearings, conditions for landlords and tenants; what a landlord/tenant “must do” and rules on eviction procedures.

SWEDEN:**Market rents – or, not market rents?**

The Swedish government tries to calm down tenant representatives and local governments who worry about a future Sweden with market rents. Sweden has since the 1950's had a system of public housing open for all Swedes and with annual rent negotiations between landlord's and tenant's representatives.

“No, we do not aim at market rents”, says Housing Minister Odell.

The Swedish Union of Tenants, with 535,000 members, does not trust minister Odell. “A governmental proposal is due to arrive on April 18, and then we will know”, says Barbro Engman, President of the SUT.

SCOTLAND:**Fast-track fix for council homes**

Emergency housing repairs will be carried out within 24 hours under a new policy to help council tenants. East Lothian Council in Edinburgh is making a series of changes to give a better service its tenants. The authority is introducing two-hour “appointment windows” for internal repair work to save people from having to wait at home for a whole day. Officials also promise to carry out normal repair work within 23 days, and respond to emergencies in 24 hours. A feedback scheme will allow them to monitor and improve the service.

Source: Edinburgh Evening News

SLOVAKIA:**Rents on restitution property to stay capped beyond 2008**

The Slovak government will keep regulating the rents of residences that were returned to their original owners, whose property was seized by the former regime. The regulation will continue until at least the end of this year.

Source: the Slovak Spectator

The Slovak tenant's association Právo na bývanie (Eng. Right for Housing) became IUT's 58th member on April 4.

FINLAND:**More rental housing in governments' proposal**

A new Finnish housing program was given an ok when the government voted in March. The Program particular stresses new construction of housing in zones of growth, and a particular stress on new rental housing is highlighted. The government's goal is to halve long term homelessness until 2011.

Source: Association of Finnish Municipalities

QATAR:**More rent cases filed after the new rent law**

Tenant-landlord disputes over rent hikes have not ceased after the new law was enforced in February freezing rent increases until early 2010. According to lawyers, one of the major factors behind the increasing number of litigations is a lack of understanding of the new rent law among both the property owners and the tenants.

Source: The Peninsula Daily

NSW, AUSTRALIA:**Public housing tenants to get health-check calls**

The Red Cross in Sydney has announced it will start a new phone-calling service to check on elderly people in New South Wales public housing. Volunteers will regularly call elderly public housing tenants who register for the Housing NSW Care Call program to check on their wellbeing.

Source: ABC News

RUSSIA:**“Affordable Housing” project is going nowhere**

While in the also former socialist countries Czech Republic and Hungary, the volume of funds allocated for affordable housing has exceeded one-third of the countries' GDP. In Russia it is just barely 2 percent of GDP.

Source: Moscow News weekly

Correction

In the Nov. 2007 issue of the GT magazine we wrongly presented this gentleman as Pat Carr. His name is Pat Cora and Pat works as Indigenous Tenants' Advocate for TUQ in Cairns, Australia.

