

# GLOBAL TENANT



INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE

July 2011



## C O N T E N T S

**"German youths need new and fair housing"**  
Chronicle by Heidrun Clausen, Deutscher Mieterbund, DMB.  
page 2

**Young adults' rights to housing of their own**  
page 3

**USA: Renewed importance of rental housing**  
page 4-5

**Young adults in Japan**  
page 5

**Scotland, with a right-to-housing by 2012!**  
page 6

**Canada: No-fault policy on bed bugs**  
page 7

**Armenia, suffering from nature and political disasters**  
page 8-9

**Bulgaria with a long tradition of homeownership**  
page 10-11

**Capital of Australia with young people in housing distress**  
page 12

**New Zealand, selling of public rentals**  
page 13

**20th Anniversary of Croatian Union of Tenants**  
page 14

**Deregulation of rents in the Czech Republic**  
page 15

**International Tenants' Day in Brussels**  
page 16



## IUT member organisations in:

Austria, Australia, Belgium,  
Benin, Bosnia-Herzegovina,  
Canada, the Congo (Dem. Rep.),  
Croatia, Czech Republic,  
Denmark, England,  
Estonia, Finland, France,  
Germany, Greece,  
India, Israel, Italy, Japan, Kenya,  
Latvia, Liberia, FYR Macedonia,  
the Netherlands,  
New Zealand, Nigeria,  
Norway, Poland, Portugal,  
Romania, Russia, Scotland,  
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](mailto:info@iut.nu)

Website: [www.iut.nu](http://www.iut.nu)

Publisher and Editor: Magnus Hammar

July 2011

Publication Design: Peter Bäckstam

Cover photo: Magnus Hammar / IUT

# German youths need new and fair housing

In Germany the pressure on the so called "free market" has dramatically increased as a consequence of misdirected state aid towards the building of private homes, and by selling hundreds of thousands of former public flats to international investors, who we in Germany call "Heuschrecken", eng; ~financial locusts. These investors take every chance to increase the rents.

The conservative-liberal German government, instead of solving the problems, plans to give less support for new rental housing and less solutions to the urgent housing situation in bigger cities like Munich, Frankfurt, Stuttgart, Berlin and Hamburg. An Ice Age for the tenants!?

A more offensive approach is taken by the German tenant organisation, the Deutscher Mieterbund, DMB. At the Tenants' Days in Berlin, June 16–18, the DMB will claim for climate protection with an offensive energy policy. Our congress will demand that housing, including rents and energy, should become secure, reliable and social!

The housing situation for young people in Germany is difficult. This year we have had a big run for flats from young people. Because of a changing school system, Germany now experiences twice as many young people who finish school as compared to previous years. Also with the interruption of the compulsory military service, together with the possibility of alternative community

service, young people hurry to the university towns for the few available small flats.

Students often queue up with twenty or more other applicants, for often run down flats not worthy the demanded rents. National economy wise, this lack of affordable rental housing has negative effects; many of the students need a second job to cope with the housing costs, which often results in longer time of studying and therefore enter the labour market, and pay taxes, later. And many landlords do not accept students because of their often low and irregular income.

We need more student housing with fair rents, and we need more housing in cooperatives. When the students leave their rooms after studying for three or four years, the DMB demands a rent limit for new contracts of the next student, to stop the spiral of increasing rents.

Looking forward to more affordable housing, and a warm summer – at least in Germany!



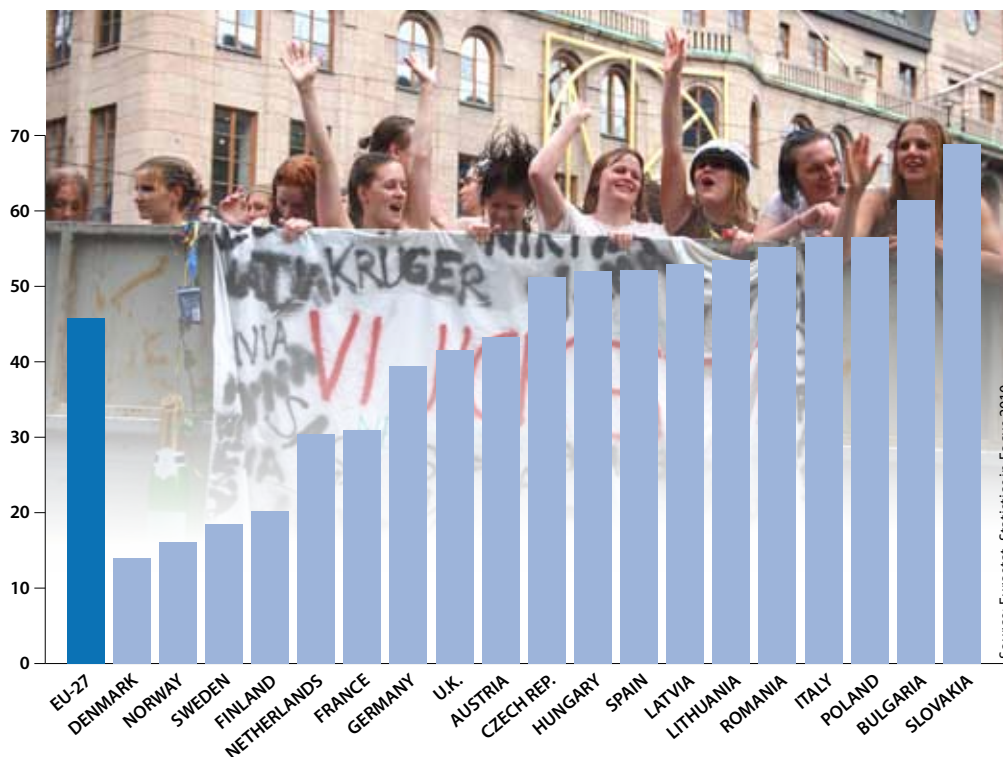
Heidrun Clausen, Lawyer,  
Deutscher Mieterbund,  
member of the Board

## C A L E N D A R 2 0 1 1

<b>July 5–8:</b>	ENHR 23rd conference in Toulouse, France
<b>July 25–27:</b>	Texas affordable housing conference in Austin, TX
<b>July 28–29:</b>	TPAS England annual conference, in Birmingham
<b>August 25–28:</b>	Housing the poor by private in initiatives, Bangkok, Thailand
<b>September 2–3:</b>	Non for profit housing assoc's days in Copenhagen
<b>September 6:</b>	3rd EHF lecture in Brussels, on choice of tenure forms
<b>September 16:</b>	Research conference on homelessness in Europe, Pisa Italy
<b>September 21–23:</b>	The Nordic City in an open Europe, by NSBB in Oslo Norway
<b>October 3:</b>	International Tenants Day, IUT in Brussels – see page 16
<b>October 3–4:</b>	UN ECE Session Com. on Housing and Land Management, Geneva
<b>October 10–13:</b>	1st National housing convention, in River State Nigeria
<b>October 11:</b>	4th EHF lecture in Brussels, on housing privatisation
<b>October 21–23:</b>	TPAS Scotland annual conference
<b>November 1–2:</b>	International Housing Summit, Rotterdam, the Netherlands
<b>December 8–10:</b>	APNHR, 10:th annual meeting in Hong Kong

For more information on conferences: [www.iut.nu/conferences.htm](http://www.iut.nu/conferences.htm)





Share of young adults, 18-34, still living with their parents, 2008, in percent.

Full table, and more facts and figures on Young Adults, is available via [www.iut.nu/conferences.htm](http://www.iut.nu/conferences.htm)

In 2008, approximately 46% of young adults aged 18-34 in the European Union still lived with at least one of their parents. In northern countries, a low share of young adults live with their parent(s), while in southern countries, as well as in some new Member States, the share is three to four times higher.

In all countries, fewer young women tend to live with their parent(s) than young men of the same age. At EU level, the gap was about 12 percentage points in 2008.

Other EUROSTAT comparison between countries reveals considerable differences between eastern and western Europe. Inhabitants in the new member states generally have a lower material housing standard and a higher degree of overcrowded conditions compared to the older member states in western Europe.

# Young adults' rights to housing of their own

*Perhaps the most transforming and revolutionary years of a person's life are after when she/he has become 18 years old. Leaving childhood, teenage years, parents and school behind and entering adulthood, via being a 'young adult'*

Revolutionary in the way that young adults faces the possibility of so many choices for the future, that is - if you belong to the few lucky ones that can afford to choose; the choice of vocational training, education and a career, choice of political belonging, choice of political belonging, choice of a partner, and choice of living arrangements. All in all, choices which lead to a young person's independence. In most cases this independence also includes the desire and the need for housing of one's own.

But many young adults have no other choice than to stay with their parents because they can not find any affordable housing. In the Global Tenant of March 2011 Magnus

Hammar gave figures from Europe, North America and Australia that showed common problems that young people face on the housing market.

Someone may say: 'But they don't want to move from their parents!' But that is not true, at least not in most countries. When this issue was discussed at the Housing Forum Europe & Central Asia in Budapest in April this year, several representatives from countries where the age when leaving parental home is high, around 30 or more, assured us that the majority of these young adults really wanted to move away from home, but the choice was not theirs to make. There simply is no affordable housing available where they want to live, where they can find education or a job.

This is not only a problem for the young adults but it is also a problem for the economy. If young adults want to work but can not move to where the jobs are they will stay unemployed and the companies and institutions

might not get the employees they seek. Likewise, if they want to go on with higher education at a university but can not find housing this will hamper the intellectual capital.

When governments subsidise owner-occupancy the effects are increasing prices. The subsidies are capitalized, especially in regions and cities with expanding economy and higher education. High prices make it even harder for young people to move to these places. Especially since the supply of affordable rental housing is quite insufficient. And many governments also decrease the supply by cutting down and also abolish subsidies and give rental housing worse terms than owner-occupancy.

IUT urges all its members and associates to raise the issue of young adults and the lack of affordable and decent rental housing with their local decision- and policy makers. And do not forget to mark October 3, International Tenants' Day, in your calendars!

**Text** Sven Bergenstråhle, President of IUT

# Renewed importance of rental housing

*The troubled homeowner market in the US, along with demographic shifts, has highlighted the vital role that the rental sector plays in providing affordable homes on flexible terms. But while rental housing is the home of choice for a diverse cross-section of Americans, it is also the home of necessity for millions of low-income households.*

The share of US households unable to find affordable rentals has been on the rise for a half-century, with an especially large jump in the last decade as renter income fell even further behind housing and utility cost increases. Even as the need for affordable housing grows - both assisted by the government and supplied in the private market - long-run pressures continue to threaten this essential resource.

**Rental markets are now tightening**, with vacancy rates falling and rents climbing. With little new supply of multifamily units in the pipeline, rents could rise sharply as demand increases. Regardless, affordability is likely to deteriorate further over the next few years as persistently high unemployment limits renter income gains. Meanwhile, policymakers must find ways to do more with less as they confront the stark realities of federal budget cuts. In this difficult environment, all levels of government will be challenged to support efforts to meet the nation's fundamental need for affordable, good-quality rental housing.

**The foreclosure crisis** gripping the owner-occupied housing market serves as a stark reminder of the advantages and importance of rental housing. The plunge in home prices across the country, coupled with steep job losses, has put the financial risks of homeownership into sharp relief as millions of Americans lose their homes. The economic distress caused by the recession—including the swelling ranks of low-income households - has also underscored the critical importance of an adequate supply of affordable rental housing.

**Renting offers many benefits.** First, moving to and from rental housing involves much lower transaction costs than homeownership. Although renters do incur moving costs and landlords typically



demand the last month's rent plus a security deposit, these outlays are smaller than the fees associated with buying and selling homes. Second, renting transfers primary responsibility for upkeep and maintenance to a landlord. And third, renting does not tie up funds in the form of a down payment,

Almost all Americans rent at some point in their lives. Among the population that reached adulthood around 1980, fully 95 percent lived in rentals sometime during the ensuing two decades.



nor does it expose households to the risk of loss of that investment. While renters do face the risk of rent inflation and the loss of their security deposits, rental housing provides a safe haven during times of falling home prices or job insecurity.

**Almost all Americans rent at some point** in their lives. Among the population that reached adulthood around 1980, fully 95 percent lived in rentals sometime during the ensuing two decades, including the vast majority of those leaving their parents' homes for the first time.

**Renting is a common choice for young adults** since they face frequent moves as family, work, school, and living arrangements change - not to mention wealth and income constraints that prevent them from becoming homeowners. Moreover, many of those who do buy homes return to renting at least once as they relocate for new jobs or look for work, divorce or separate, or opt out or fail in homeownership.

**Even during the recent home buying boom**, the share of US households living in rental housing never fell below 30 percent. Of course, many households remain renters throughout their lives either because of the flexibility and freedom from property management responsibilities renting offers, or because of the financial barriers or risks associated with homeownership.

**Renting has social as well as individual benefits.** By sharply reducing the transaction costs of moving, the rental market allows the labour force to adjust more smoothly and rapidly to geographic shifts in the demand for workers. Rental units also provide a ready option for those who lack the wealth or credit quality to own but want to live independently. And for individuals as well as businesses, owning rental properties is an avenue for wealth creation. At the community level, good-quality rental housing can provide a key component in efforts to stabilize distressed neighbourhoods.

Today, both economic conditions and demographic forces are bolstering rental demand. Reversing trends prevailing from the mid-1990s to the mid-2000s, the housing bust and Great Recession have pushed up the share and number of renter households. With millions of homeowners delinquent on their mortgages, further increases in the renter population are likely. Owners that have gone through foreclosure are especially likely to remain renters for a number of years to come.

Reprinted from the publication "America's Rental Housing, 2011", with permission from the Joint Center for Housing Studies of Harvard University. All rights reserved.

**Photo** Magnus Hammar / IUT



Visual-kei girls in Tokyo. Visual-kei is a movement among Japanese musicians and their fans, which is characterized by the use of much make-up, elaborate hair styles and flamboyant costumes. Visual Kei refers to a music genre, or to a sub-genre of J-rock, Japanese rock.

## Young adults in Japan

***In 1980, 24 % of young people aged 25-29 lived at home with their parents, and 41 % in 2005. In 2007 this figure had increased to 82 %, for those between 18 and 30, according to a report by the state.***



Also, the average age for first marriage has increased from 28 for men and 26 for women in 1995, to 30 for men and 28 for women in 2005. Many young adults need to stay with their parents due to insecure conditions on the labour market and low income, due to the long-term business recession and lack of affordable rental housing.

**Acute social withdrawal** is a new phenomenon in Japan. Single, young adults, end up in what is referred to in Japan as *hikikomori*, or "acute social withdrawal". Young men, but also young women, withdraw from social life, and often seek extreme degrees of isolation and confinement because of various person-

al and social factors in their lives, such as lack of possibilities to move out from their parents. They refuse to seek work, they do not want to study and they do not socialize with friends. *Hikikomori* are often confined to their rooms, in front of their PC, for long periods of time; over six months, or even up to ten years in some cases.

**Another effect** on young Japanese adults, from a socially stressed society, is a tendency to adopt a negative attitude towards love, sex and marriage as they are very afraid of being injured in human relations. These young men are in Japan referred to as "*sosyokukeidan-shi*", or herbivore men.

On the other hand, some young women are called "*nikushokuku joshi*", meaning "carnivore women". These women are more proactive in life and in their careers, and have a positive attitude towards new partners, and of love, sex and marriage.

**Text** Kazuo Takashima, Japanese Tenant Association, Tokyo  
**Photo** from Wikimedia Commons



Glasgow, as seen from Queens Park.

# Scotland, with a right to housing by 2012!

*Scottish voters elected a historic majority Scottish National Party Government in May in the Scottish Parliament election. The newly formed Scottish Government will preside over a range of ambitious targets in relation to social housing.*

New legislation has been passed in Scotland; by 2012 anyone who is homeless will be entitled to a home. Further, by 2015 all social rented housing should meet the Scottish Housing Quality Standard and by 2016 no one should be living in fuel poverty. Most of these targets were set around 10 years ago, and as desirable as they remain, there is much debate around whether or not these targets can actually be met. Shelter Scotland report that the 2012 target will only be possible with a significant increase in funding to build new homes coupled with better measures to prevent people from becoming homeless in the first place.

The Scottish Housing Quality Standard appears to be achievable for many landlords, but the added pressure to invest resources in property upgrades means some landlords will have to transfer their housing stock to another landlord, or join forces by way of a merger. Moreover, steps towards eliminating fuel poverty took a blow on June 9 when Scottish Power announced energy prices would rise by 19 % for gas and 10 % for electricity. The price hike is expected to affect 2.4 million households and has been met with fierce criticism from the Scottish Government.

Low income households will face further hardship when the UK Government's Housing Benefit cuts take effect. Reliable estimates indicate that around one in five Scottish tenants will see their incomes fall imminently. Tenants living in homes bigger than their needs will see their entitlement to Housing Benefit cut further in 2013. The move is designed to free up larger proper-

ties for families. Many fear the move will lead to increased rent arrears and a rise in homelessness, as well as exacerbating people's financial problems.

**Fresh challenges** have also been set. Last year the Housing Scotland Act 2010 was passed which has introduced some important changes; the Right to Buy has now ended for all new tenants and all new supply social rented housing. Also, the Scottish Housing Regulator has been created to uphold standards in the sector, and a new Scottish Social Housing Charter is to be developed. The Charter will replace the current performance standards and is intended to set out 'what good landlords should be doing'.

**Will standards rise?** TPAS believe that the Charter has the potential to raise standards across the Sector. However, some landlord organisations such as the Scottish Federation of Housing Associations are concerned that the Charter may become too onerous on landlords, whilst others view the Charter as a 'white elephant' that will do nothing to raise standards of service at all. Whatever the outcome, tenants have been well supported by the Scottish Government and TPAS to have their say in the development of the Charter. The Scottish Social Housing Charter is expected to be launched for full consultation in the Autumn.

**During these challenging times**, TPAS Scotland believes that effective tenant participation strategies have never been more important.

If a housing organisation needs to make changes, tenants should be involved – even in the difficult decisions. Lesley Baird, TPAS Chief Executive says "It is no coincidence that the organisations who are delivering the best services to their tenants, also happen to be very good at tenant consultation and supporting participation". TPAS in Scotland offers a nationally recognised Accreditation scheme that recognises landlord organisations that are serious about maximising tenant involvement.



**Text** Jamie Ballantine,  
TPAS Scotland.  
[www.tpascotland.org.uk](http://www.tpascotland.org.uk)

**Photo** Chris Haikney,  
by permission  
Wikimedia Commons





# No-fault policy on bed bugs

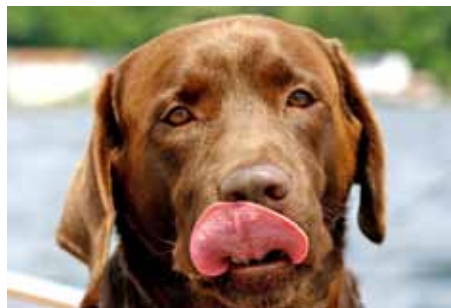
*There is a myth that bed bugs are directly attributed to poverty and poor hygiene. This stigma in itself simply adds to the problem. Until bedbugs are viewed from a no-fault perspective, we will likely never gain any ground.*

The problem of bed bugs has increased in Canada in recent years, due to resistance to current pesticides, increase in global travel and a lack of public awareness. Also, the ban of DDT in the USA in 1972 and in Canada 1985, which used to be the main pesticide for bed bugs, has been linked to their resurgence. Statistics obtained from [www.canada-bedbugs.com](http://www.canada-bedbugs.com) reports the growth to be as much as 100-500 % annually.

Bed bugs are flat, oval, brown, wingless insects, approximately the size of an apple seed that feed on blood. Although they are most commonly found in beds due to the ideal atmosphere for hiding and close proximity to a host, they are also found in furniture, carpets and inside walls, accessed through electrical sockets and cracks in unsealed baseboards.

While the battle rages on in search of a way to eradicate this problem from a scientific perspective, a great deal of value lies with how landlords and tenants can work together.

**Tenants must report** any suspicion of bed bugs as soon as possible but often do not report bed bugs for fear of persecution, financial penalties and eviction. This fear leads them to attempt to deal with the problem them self, only exacerbating the situation due to the ineffectiveness



Another tool, new on the scene is canine inspections. Long has the keen scent of man's best friend been valued in detecting explosives, narcotics, humans, and even the presence of cancer cells in patients.



Although bed bugs show no preference between clean and dirty mattresses, poor hygiene may create a better environment for these pests, with regards to detection and treatment. Mattresses will present with small reddish-brown dots, indicating blood and fecal matter from feeding.

of off-the-shelf remedies, which only leads to the spread of the infestation, not to mention the risk to their own health.

Low income tenants may face the challenge of not being able to afford the costs of regular laundry services and are more likely to obtain discarded clothing or furniture, increasing the chances of bringing bed bugs into their home, without knowing it. Housing geared towards a lower income population has a greater turnover rate and consequently a greater chance of bed bugs being introduced with each new tenant.

**Housing providers are** recommended by TRAC to; start by developing a no-fault policy, which focuses resources on dealing with the infestation rather than trying to determine what caused it. Tenants who are confident that they can report without the threat of harassment or eviction are more likely to do so. Educate staff and provide information to tenants on inspection, prevention and treatment. Bed bugs should be treated as soon as possible, including inspection of nearby units beside, above, and below for early intervention. Provide compensation for laundry and alternative accommodation to tenants if required. Tenants should be referred to local service agencies for physical and emotional support. Housing provid-

ers can assist tenants in disposing of infected items, and tenants should be provided with preventative interventions such as traps, covers and interceptors.

A "bed bug oven" was installed at The Lux Social Housing complex in Vancouver Canada, during recent renovations. Infested furniture is placed in the 200 square foot (18 m<sup>2</sup>) sealed room and heated to 60° C for 4-6 hours. This helps preserving the tenant's belongings and aiding in the containment of the infestation.

There have been many bed bug cases brought in front of The Residential Tenancy Branch in British Columbia. Some, where tenants are being blamed for having bed bugs or not cooperating with treatments, while other cases involve tenants filing claim against their landlord for not meeting their obligations by treating infested units.

When tenants call TRAC's help line, they are given information on what their rights and responsibilities are under the Residential Tenancy Act and when necessary, referred to an advocate to assist further. TRAC also delivers public legal education sessions to landlords, tenants and advocates.

**Text** Nicky Dunlop,  
Executive Director of TRAC, Vancouver.  
[www.tenants.bc.ca](http://www.tenants.bc.ca)

# Armenia, still suffering from nature and political disasters

*Armenia is a landlocked mountainous country in the Caucasus region of Eurasia, with a population of about 3 million people and a former Soviet republic. The Armenian economy heavily relies on investment and support from Armenians abroad.*



The privatization process of state housing stock in Armenia started already in 1989, and by January 1999 the main part of the housing stock in Armenia had been privatized. By 2000, 96 percent of Armenia's housing stock was in private hands.

During the Soviet time, providing decent housing was one of the main obligations of the state towards its citizens. Production of public housing ceased drastically after the fall of the USSR and stopped fully in 1995.

The housing situation in Armenia was influenced largely by the conflict with Azerbaijan over Nagorno Karabagh in the late 1980s and early 1990s, forcing the influx of an estimated 350,000 refugees.

A devastating earthquake in 1988 rendered about 17 percent of the nation's housing stock uninhabitable, leaving 25,000 people dead, 100,000 wounded and more than 500,000 homeless. In addition, Armenia experienced a production decline in its housing sector. Another major problem was deterioration of housing stock, apart from that caused by the earthquake.

The real estate market in Armenia has experienced dramatic growth in volume, and prices have consistently increased over the last five years. The majority of residential construction targets wealthy customers, and is not accessible even to the middle class. It is estimated that approximately 100,000

households are either without permanent housing or need urgent assistance owing to, among other things, overcrowding.

The lack of affordable, adequate and well-managed housing in Armenia has many negative social and economic impacts. These include labour market inflexibility and the resulting unemployment, social restrictions - young families cannot obtain housing, inadequate social and public services, inadequate services to the elderly and pensioners, deteriorating urban areas, and low energy efficiency in housing. Private ownership at market prices, however, is currently not affordable for a large share of the low to middle income group, because they can neither purchase a house themselves, nor have access to affordable mortgage finance.

A comprehensive national housing strategy to address all housing problems effectively has not yet developed by the government



Liana Grigoryan's family is Habitat for Humanity Armenia's partner family in the town of Spitak.

In the 1988 earthquake thousands of families in Spitak suffered great losses and the Grigoryan family was no exception. The family consists of Liana 32 (not in the photo), her husband Arsen 41, mother-in-law Marietta 65 and children Marine 5 and Grisha 4 years old. Marietta is a pensioner and takes care of the children and the household as well. Arsen is a construction worker, but does not have a permanent job. Liana is a teacher and is employed in a nearby school. After the disastrous earthquake their house was no longer habitable and they built a shack with their own hands. There was no compensation from the government and the family suffered for years trying to survive. Many years passed before they started the renovation process to get rid of the shack. Although the family has stable income they hardly suffice for paying the bills and buying food. Before partnering with Habitat, the house completely lacked kitchen and bathroom system. The roofing and the windows were among urgent things to be renovated.





Armenia, a former Soviet republic, is a land-locked mountainous country in the Caucasus region of Eurasia.

of Armenia. Housing stock is deteriorating because of poor maintenance. Twenty years after the collapse of the Soviet Union, transformation to a new housing management system still is not going smoothly. Although projects supporting the management and maintenance of apartment buildings, including upgrading communal infrastructure and monitoring communal services, are some of the most important priorities of the government, reportedly only 20 percent of registered condominiums are effective. This is due, in large part, to irresponsible owners not caring for common areas of buildings; poor service provision; a lack of competition; nonpayment of service fees by local governments; lack of knowledge of building residents; and weak managerial skills by the management body.

**The private rental market** in Armenia is relatively small. The largest category of rental units is those transferred to local governments, 4 percent of the housing stock. There is no rent control. Landlords set the rents themselves, and most private leases are concluded informally. Lease contracts are subject to notarization and state registration, which is expensive and not expedient for the many landlords who have to set low rents for housing. Most rental apartments are in multi-story buildings and concentrated in the capital city of Yerevan. In rural towns, there is a significant shortage of rental apartments.

**Vulnerable groups** in Armenia have not yet been provided with a unified government housing strategy. Commitments in various regulations and documents often overlap. The Armenian government's action plan

for 2008–12 pays special attention to housing projects for earthquake-displaced, refugee households; children remaining without parental care; the socially vulnerable; newly formed young families; and people with disabilities or partial mobility. But the governmental programs do not address the needs of housing for low and middle income groups.

**Despite the improvements** in the legal framework in housing finance and the testing of mortgage mechanisms in Armenia by international donors, the mortgage portfolio of banks is very small, with strict eligibility criteria, low maturity period and very high interest rates. Loans were mostly allocated for housing purchase and renovation. In sum, though Armenian financial institutions have both mortgage loans and micro-loans in their portfolios, the housing microfinance is relatively new concept for Armenian financial sector and currently with its' projects in the country Habitat for Humanity Armenia acquires a leading role in this area.

**Text** Siranush Vardanyan,  
Habitat for Humanity in Armenia,  
Program Development Manager

**Habitat for Humanity** is an international, Christian non-profit organization dedicated to the cause of eliminating housing poverty. Since its founding in 1976, Habitat has built and renovated more than 400,000 homes worldwide, providing simple, decent and affordable shelter for more than 2 million people. In Europe and Central Asia, it is present in 20 countries where it works with partners, donors and volunteers.

## FRANCE, ÎLE-DE-FRANCE

### Social housing at record low levels

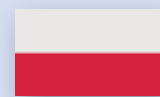


In 2010 there were 406,000 applicants for only 75,000 available social housing flats in the region of Île-de-France, which is the wealthiest and most populated, 12 million people, of the twenty-six administrative regions of France. Île-de-France is composed mostly of the Paris metropolitan area. Paris itself accounts for 29 % of the applicants, corresponding to 117,000 households. Total social housing stock in Île-de-France was 1,2 million flats, in 2010. In 40 years, the number of applicant households increased by 142,000, but proportionally the number of households in social housing remained stable, 7 % in 1973 to 7,8 % in 2010. Still, the average waiting time has increased from 3 years in 1978 to 5,5 years in 2010.

Source: LePoint.fr

## POLAND

### Social housing hindered by lack of money



No Polish municipality possesses, according the Polish Chief Audit Office, a social housing stock large enough to meet the needs of their poorest citizens. Currently social housing is only granted to 17.5 % of eligible applicants. The government is said to have paid only 10 % of the promised budget on social housing to the municipalities and infrastructure for the homeless people in 2010. The municipalities could also apply for subsidies from a special fund, but most of them are however reluctant to do so due to the co-financing requirement.

Source: FEANTSA

### Spain, Catalonia, new social housing



The European Investment Bank, EIB, is providing € 125 million to finance social housing in Catalonia. This loan is designed to support the implementation of the Catalanian government's housing plan aimed at facilitating the construction of 12,000 new homes, initially to be rented for 10 to 25 years but with the right to buy after 10 years.

Source:EIB

# Bulgaria with a long tradition of homeownership

*In Bulgaria 97 percent of the dwellings are privately owned. And contrary to the other post totalitarian countries this situation existed also during days of socialism. Only 9 percent of the housing stock in Bulgaria is rented, out of which only 3 percent is state or municipally owned. Why is it so?*



During times of rapid industrialization in Europe, from the 1960's to the 1990's, the Bulgarian state used to play "smarter" than their neighbours in the region by selling the apartments from the newly built prefabricated blocks of flats to individual households to receive fresh money to build new blocks, and so on. The system was working, because the construction, technical designs and works implementation, has been of low quality, thus relatively cheap. People were allowed to buy the apartments "on a lease" - with long term credits from the state bank at affordable conditions. The production and distribution were regulated through central planning only - not only of dwellings, but also of goods, and utilities like heating, electricity, water. Insufficiency was the biggest problem, and access was difficult. However everything was cheap and consumption was wasteful.

After the democratic changes of 1989, the pendulum swung to the other side and the housing policy was entirely left to the market forces. From this year and until today, there is no state or municipal construction of housing, only private entrepreneurship exists. Prices' formation is based on market principles and especially those of utilities rocketed. No loan schemes or other financial mechanisms to support acquisition of first home, which makes new construction affordable only for higher income categories of people. Central or local government housing subsidies are practically none existent, apart for a small social assistance of € 75 for heating, but only a small number of very poor households are eligible to receive it on a yearly basis.

There is no law, neither any definition, for social housing in Bulgaria, but one can say that social housing consists of the only three percent of the total stock which is state or municipally owned and rented, some 109,000 dwellings. These flats are being offered only to households with very low incomes, people from socially vulnerable groups. And even these tenants can buy their flats after 10 years. Private dwellings, whose owners have low incomes, have difficulties to cover even their basic family needs for food, clothing and utilities.

During the transition period large parts of the population were impoverished. Most social-

ly vulnerable are the pensioners and elderly unemployed, who at the same time remain as homeowners. The average monthly income of one person from the household, according to the official statistics for 2010, was € 1,949, of which more than 37 percent went for food. Only 14 percent was spent on housing costs such as water, electricity and heating, a relatively low figure because most people cannot afford more and are saving at the cost of their comfort and health. The poverty threshold in Bulgaria is established at €141 per month and according to the official statistics nearly 22 percent of the Bulgarians are living below it, including many 'poor owners'.





**Bulgarians emigrate en mass.** About 1,5 million people have left the country in the last 20 years, which leaves the total population of today to a bit more than 7,2 million. In an attempt to counteract this exodus it is no wonder why the Government sets as a priority the need for renovation of the existing, private, housing stock, rather than considering building new social housing, which is also necessary.

The buildings are degrading without proper management and maintenance and with the excuse of the poor owners that they cannot afford more. The energy efficiency of the buildings is many times worse than the current norms require, and experts estimate that investment of at least € 5 billion is necessary to bring the existing housing stock to the up-to-date European energy efficiency standards.

A breakthrough to this vicious cycle is the Housing Renovation Project of the Bulgarian Ministry of Regional Development and Public Works together with UNDP. It

created a successful model for energy efficient retrofitting of multiunit housing, to be used from this year on for access to European structural funds for housing renovation. The project has been recognised by the EU as a best practice in the "LIVING" category of this year Sustainable Energy Europe Competition for its high replication potential and impact.

**Text** Tzveta Naniova,  
Executive Director  
of the Bulgarian-Austrian  
Consultancy  
Company JSC and Chief  
Technical Adviser of the  
Bulgarian Housing  
Renovation Project

**Photo** Tzvetelina  
Kostova-Koleva

The full energy retrofitting of multifamily buildings is still rare enough to be the cause for spontaneous celebration. Residents celebrate by dancing at the official completion of the retrofitting multifamily building in the Bulgarian city of Blagoevgrad.

## SOUTH AFRICA

### New social housing for Cape Town



"We have always said where we stay should be where play, where we pray and where we work," said Human Settlements Minister Tokyo Sexwale when launching Drommedaris Brooklyn Social Housing project in Cape Town in March. Minister Sexwale continued: "It is important to house people closer to their place of work as well as other amenities."

The project is part of the department's social housing initiative that aims to provide accommodation for people who do not qualify for government subsidised houses while also not being able to access home loans from banks.

Source: [www.southafrica.info](http://www.southafrica.info)

## SWEDEN

### More privatisation of rentals



2010 was an all-time-high year for privatisation of rental flats, public and private. A total of 440 multifamily houses, mostly in Stockholm, were bought by, and transferred to, the tenants, for a value of over € 3 billion. 90 percent of these transactions implied the selling to newly formed tenant owned co-operatives. As tenants buy the whole house, costs per flat get lower, compared to if individual flats would have been bought. This often results in 50 % 'discounts'. Flats are bought for an average price of € 2,800/ m<sup>2</sup> and can be sold the next week for twice as much.

Source: Swedish Union of Tenants

## DENMARK

### More Danes seek housing allowances



Never before since Statistics Denmark started reporting housing welfare, in 1983, has so many Danes received housing allowances to allow them to pay the rents. In 25 out of a total Danish 98 municipalities, housing allowances increased by 10 percent in 2009. Maximum allowance is 38,628 Danish crowns per year, approx. € 5,200, but can be increased by 25 percent for four or more children in the household. Costs are shared between municipality and state.

Source: A4 Velfærd

## BELGIUM, BRUSSELS

### Lower VAT on social housing?



The Brussels Parliament said on June 10 that it is prepared to examine a proposal submitted by MP Alain Hutchinson to extend the application of reduced VAT to 6 %, from 21 %, of public constructions, to also include new construction of new social housing in the capital. Such measures would make it possible to offer more public social housing on a market, already in crisis, with positive effects particularly on low income and vulnerable households.

Source: [www.lavenir.net](http://www.lavenir.net)

## TANZANIA

### President against housing demolition



President Kikwete has directed the National Housing Corporation to reduce house rents and prices of their houses, saying that they are beyond the reach of many Tanzanians. He has also warned the Housing ministry's officials against involving themselves in corruption activities. Further, the President has stopped demolition of structures, such as homes, when new construction of roads is carried out. He also said that special teams to assess disputes should be formed.

Source: The Citizen

## CANADA, ONTARIO

### Longer waiting for housing



The number of households on social housing waiting lists across Ontario has jumped nearly 18% to 152,077 over the last two years, according to a report released on June 6 by the Ontario Non-Profit Housing Association, ONPHA. In reality, the actual number of people requiring assistance is even higher. Many workers find that they will likely wait years to be housed. Discouraged by lengthy waiting times, in some cases up to 15 years, many households in need walk away without applying. "Over 260,000 households spend more than half of their income on housing and virtually all of them would be eligible for financially assisted housing", said Sharad Kerur, ONPHA's Executive Director.

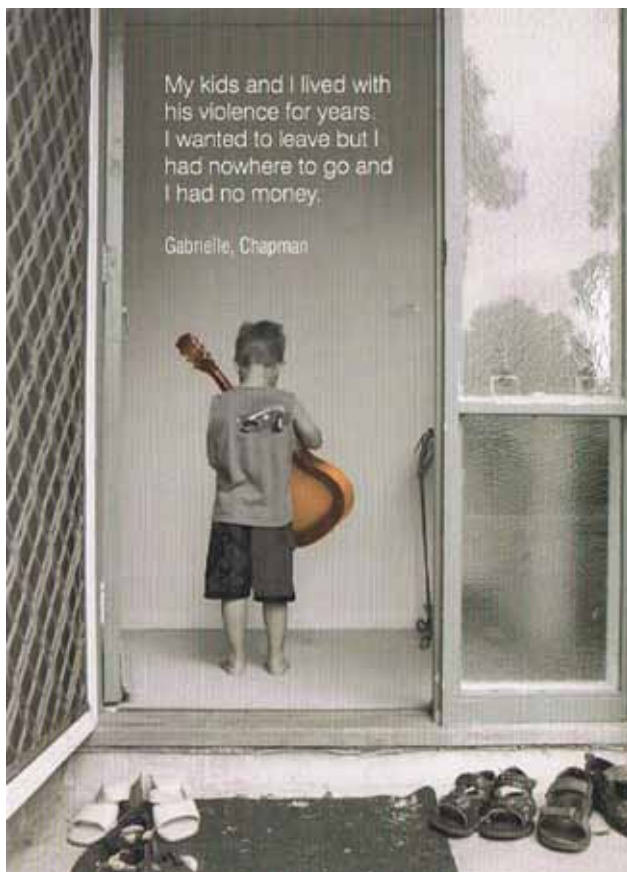
Source: [www.newswire.ca](http://www.newswire.ca)

# Capital of Australia with young people in housing distress

*Canberra, founded in 1913, is Australia's capital with a population of 360,000 people. It is a planned city located in the Australian Capital Territory (ACT), between Sydney and Melbourne. Canberra is a regional centre as well as a centre for national government, and produces amongst the highest rents in the country. The Tenants' Union ACT is a relatively young union, having been incorporated in 1993.*

With about one third of the population in rental housing the ACT provides a snapshot of tenancy issues across the country; lack of affordable housing, the loss of public housing, lack of security in rental housing together with excessive rent increases, much sub-standard accommodation, the growth in marginal tenancies and lack of tenants' access to services to support them and inability to assert what rights they have.

**The standard of rental dwellings** is of particular concern for TUACTION as we head into Australia's winter. In areas that experience snow and cold weather such as the ACT, Victoria and Tasmania, the lack of standards for rental housing causes considerable hardship for disadvantaged tenants and people in other forms of rental accommodation. In Canberra there are a significant number of properties that are inadequately built for the climate, houses without insulation and sometimes even without heating. If there is heating it is often ineffective and inefficient, causing people to suffer from the cold and unaffordable bills. This combined with high rents leads to serious financial hardship. The ACT Greens have tabled a Bill, which TUACTION strongly supports, to change the tenancy legislation to



Postcard from ACT Shelter, by John Tucker.

include standards for all tenancies including minimum Energy Efficiency Ratings. There has been a strong backlash by landlord groups to this Bill, although support generally across the community. There are similar campaigns going on in Victoria and Tasmania. The ACT Government has not yet given support.

**Growth in inadequately regulated** or unregulated marginal tenancies, like caravans, boarding houses and private 'shared' houses, is another significant issue across the country. Individuals take advantage of the extreme shortage of affordable accommodation. In July last year in Canberra a private landlord was found to be housing more than 120 people in five houses, including a suburban two bedroom house transformed in 7 dwellings housing 24 men, women and children and sharing one toilet. The tenants were evicted and, despite Government claims of a quick

response, to date no action has been taken against the landlord.

**Young people** are a section of the community particularly vulnerable. They find it very difficult to access private rentals in the tight market. In the ACT, with 5 tertiary institutions, the age group bracket with the largest proportion of the population is 20–24 year olds. Often these young tenants, desperate for accommodation, are without renting experience, and therefore references and often unaware of tenancy legislation. They seek shared accommodation as the only affordable way to rent and then find themselves discriminated against - as they seek places as a group - and then discover that landlords and real estate agents choose waged families over them. This means they will often take properties in poor condition that others may not want. Numbers of group households in Canberra have almost doubled since 1995. Today 37 percent of people in group households are aged 15 – 24 and 38

percent aged 25 – 34.

Once in their rental accommodation young people are often taken advantage of as they lack the skills or knowledge to assert rights and deal with conflict with landlords or their agents. Further, our tenancy legislation does not deal effectively with shared households in terms of how to manage the breakdown of groups when relationships break down and conflict arises. Often young tenants are left with substantial liabilities if a group fails and all or some move out.

Many of these issues have solutions already identified and need to be implemented; some have a long way to go.

**Text** Deborah Pippen,  
Executive Officer of TUACTION  
"Tenancy in Tenants' Hands"  
[www.tenantsact.org.au](http://www.tenantsact.org.au)







As many as 100,000 structures were damaged by the earthquake that struck the Christchurch region on New Zealand's South Island on February 22, and up to 10,000 homes will have to be rebuilt.

# Selling of public rentals

*Housing is at the heart of our everyday lives and binds our communities together. The worldwide market failure in housing provision means there is an urgent need to adopt fresh thinking and new ideas to increase the supply of affordable housing.*

Unfortunately this is not happening, and here in New Zealand home ownership has disappeared for the majority of people and the culture of renting looks to be the future for that majority. In New Zealand there are 1.6 million homes, of which nearly 70 percent are home ownership. Private rentals account for 83 percent of all rental accommodation, the state manages around 15 percent, and local government less than 2 percent.

Only 69,000 are state/public homes, or 4.3 percent, of which the present National government intends to sell of another 20,000

state homes over the next few years. It was the same political party that sold 13,000 state homes when last in power in the 1990s. Its "Right to Buy" programme saw 92 percent of those sales go to private landlords, while only 8 percent of tenants were in a position to purchase their homes.

The earthquake in February, which severely hit Christchurch, has meant that there will be a need to build at least 10,000 new homes. Just who will pay and how many will be built by the government is yet to be decided.

The political will is required in most countries to get affordable housing on their agenda. A house building programme is required in New Zealand to maintain stable communities and afford our children, a decent opportunity to contribute to society. Housing is still the number one, basic human right, everything else flows from that right.

The fight for decent affordable housing is an issue in New Zealand even if our politicians

## Need for more rentals

The number of owner households in New Zealand is projected to increase by 4.1 percent over the period 2006 to 2016 or by 43,010 households, according to a report by the Housing Research Aotearoa New Zealand. However, the number of renter households is projected to increase much more strongly over the same period, by slightly less than 30 percent, or 151,890 households. 43% of the increase in renter households is projected to be in Auckland.

appear to be only interested in home ownership issues, they risk ignoring affordable rental accommodation issues at their peril.

**Text** Kevin Reilly,  
Manawatu Tenants Union,  
Palmerston North

**Photo** from Wikimedia Commons



On the occasion of the 20th anniversary of the Croatian Union of Tenants, USH, representatives of the Union were received by the President of Croatia Mr. Ivo Josipović. Existing problems in the area of tenancy were presented to the President, who promised his assistance in finding solutions. From left; President of USH Marijan Babić, The President of Croatia Ivo Josipović, Chairman of USH Slavko Trumbić and Vladimir Severinać representing tenants in private rentals.

# 20th Anniversary of Croatian Union of Tenants

*The Croatian Union of Tenants, Udruga Stanara Hrvatske (USH), was founded in 1990, during the break-up of the former Yugoslavia and the foundation of the Republic of Croatia. Also, this was on the eve of fundamental changes in the social relations in the area of housing and tenancy. The main objective of the Croatian Union of Tenants is the protection of tenants in all forms of tenancy rights.*



When the Republic of Croatia was founded there were over 350,000 public dwellings, in which tenants held tenancy rights. At the beginning of its activities, the Union advocated for tenants' rights and appealed to all authorities not to endanger tenants and

their future lives by abolishing public ownership of apartments and their tenancy rights. There were considerations to sell all those public apartments on the market. This is why the Croatian Union of Tenants proposed that these tenants be given an opportunity to buy these public apartments under the same conditions and criteria, regardless of their original ownership.

The state, that is, the legislators, made a sensible and fair decision to sell public dwellings to their tenants against an affordable price of 10-15 % of the market value, with a possibility of paying them off in up to 25 years. Such decision was made taking into account the financial situation of tenants and the war, which was going on in Croatia at the time.

This is how we helped protect tenants in public dwellings. After tenancy rights were abolished, around 5,000 tenants, who had held tenancy rights in private apartments, were guaranteed permanent use of those

apartments against a protected rent under state control.

The Croatian Union of Tenants will continue with its activities aimed at the protection of tenants in all forms of accommodation, through insisting on the adoption of further laws regarding housing and tenancy issues, which would be fair to all categories of citizens.

The Croatian Union of Tenants is a member of the International Union of Tenants, which has provided much opportunity to make use of the experiences and advice of other members, shared at numerous conferences, in which its representatives have participated. This is why we would like to take this opportunity to also thank other IUT members, and the IUT Secretariat, for good cooperation during these 20 years.

**Text** Marijan Babić,  
President of Croatian Union of Tenants.

**Photo** Croatia State Protocol Office



# Deregulation of rents in the Czech Republic

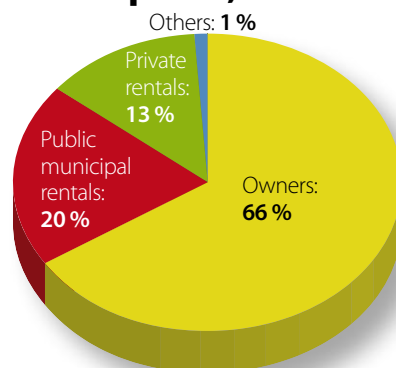
*Despite intensive work by SON ČR, the Union of Tenants of the Czech Republic, and its partners, the overall position for Czech tenants has significantly worsened in the last 20 years.*

The situation has become particularly difficult for senior citizens and low-income households as they often spend more than half of their income for housing. Average monthly income in the Czech Republic is 22,000 Czech crowns, or € 900, while average 'cold' rents for a 80 m<sup>2</sup> flat are around 12,000 Czech crowns. Deregulation of all rents, from 2013, will have further negative effects on all those who can not afford market rents.

The Ministry for Regional Development, responsible for housing, has together with SON started to assess the tenant's situation in the Czech Republic. Also, the same ministry is currently preparing the Czech housing policy for 2020.

**Czech housing has proceeded** along a long a bumpy road since the Velvet revolution in 1989. Until 1994 rents were mainly set by decrees from the state or municipalities.

## Tenure in the Czech Republic, 2007



Source : Cecodhas, 2007

From 1995, when most state housing had been transferred to the municipalities and then on to private individuals, new leases were negotiated between landlords and tenants for both municipal and private rentals.



PHOTO IUT/ MAGNUS HAMMAR

Wenceslas Square, or Václavské náměstí, was the main scene of the Velvet revolution in 1989. The police suppressed a peaceful student demonstration on November 17 which sparked a series of demonstrations. On December 29, Václav Havel became President of free Czechoslovakia.

For tenants in restituted houses, 'sitting tenants', the amount of rent was increased pursuant to legal regulations until 2002. Due to disputes between the private sector and the state, the rents were not increased from 2002 to 2006, when new regulations were introduced which allowed landlords to increase rents up to a limit determined by law. Four years later, in December 2010, the validity of this Act expired, within approximately 60 percent of the Czech Republic, but was extended until December 31, 2012, for Prague and larger cities, like Brno and Pilsen.

All in all, until December 2012 rents in the Czech Republic are set according to two models; according to agreements between landlords and tenants in 60 % of the country, while in Prague and larger cities they are still regulated.

**By January 2013** all rents, except public municipal rents, in the Czech Republic will be deregulated. But the state is aware of the fact that this deregulation will bring about difficulties for low income households and is now encouraging the municipalities to

increase the construction of public municipal housing.

**SON is presently negotiating** the rents with owners of large number of flats in the Ostrava and Ústí region, approximately for 65,000 flats. In November 2010 SON managed, to reach an important agreement with one large owner of blocks of flats, previously belonging to a state mining company. This agreement considerably increased security of tenure as the tenants now have rental agreements valid for an indefinite period of time. Also a new system for setting rents was agreed on, and the owner agreed to establish a rescue and social fund for low income tenants. An arbitrary commission, where SON is represented, will solve disputes.



**Text** Milan Taraba, President of SON, and Anna Pachtová, international relations.

SENDER: International Union of Tenants  
Box 7514, SE-103 92 Stockholm  
SWEDEN

Make it happen now!

## Affordable rental housing for the Young

Invitation, October 3, 2011

International Tenants' Day / UN World Habitat Day

Location: B-1040 Brussels, Committee of the Regions (CoR),  
Rue Belliard 99-101, Room JDE 51, 9.30 – 17.00 h

### Interventions:

- Sven Bergensträhle, President IUT • Eva-Britt Svensson, MEP
- Gerhard Stahl, Secretary General of the Committee of the Regions
- Claudio Acioly Jr., Chief Housing Policy Section, UN-HABITAT
- Alain Hutchinson, Member of the Committee of the Regions, Member of the Brussels Parliament
- Hella Dunger-Löper, Permanent Secretary for Building and Housing, Berlin
- Rudy de Jong, Vice President CECODHAS • Prof. Hugo Priemus, University of Delft
- Freek Spinnewijn, FEANTSA • Karol Szytko, Polish Tenants Organisation
- Ylva Westander, Swedish Tenants Organisation
- My Malmeström Sobelius, Swedish Youth Organisation, „I want housing now!“
- Kathleen Kelly, Joseph Rowntree Foundation, UK • Vaclav Prochaska, Czech Union of Tenants

more information and registration:  
[barbara.steenbergen@iut.nu](mailto:barbara.steenbergen@iut.nu)