

# GLOBAL TENANT



INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE

March 2017



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Ice skaters in Central Park, New York

## Farewell, and good bye – time is up!

Time flies...and it's been 18 good years! Maybe too good...I think sometimes. Should I perhaps have left IUT earlier, and found myself another job? This and other thoughts come to me, now when only some three months remain. But on the other hand, I have never had a boring day, and many of my dear colleagues in IUT member organisations, and in other institutions, have also been with their organisations for many years. And we've become good friends. And they will for sure remain as my personal friends.

So after seven congresses, 48 Global Tenant magazines and numerous conferences and meetings, the time has come to hand over to a successor. Sorry, can't give you a name today, but I am sure that he or she will keep up the work, and develop IUT further – with a new mind and new eyes.

I have enjoyed almost every single day, and never a dull moment. And I am as engaged in rental housing and tenants' rights as I was after my first year with IUT, perhaps more. I have visited tenants around the world, climbed their staircases

and have sat around kitchen tables listening to tenants telling me their life stories. Often stories about hardship, about evictions and about invisible and mean landlords, about unaffordable rent increases, etc. But also about good times, about their families, about friendly neighbours and great neighbourhoods.

Thank you all for having made these 18 years truly great and interesting for me, and for participating in all IUT's activities throughout the years. And, let's stay in touch!

People like you make IUT!



Magnus Hammar  
Secretary General IUT

## C A L E N D A R

2 0 1 7

- April 2–4:** National Low Income Housing Coalition, NLIHC 2017 Forum, Washington DC
- April 3–6:** 8th Annual Affordable Housing Projects flagship event, in Singapore
- April 19–21:** Social housing in contemporary Europe, in Bozen-Bolzano, Italy
- April 24–25:** Reducing energy poverty by energy efficiency in CEE counties, in Brussels
- April 27–28:** Effective exercise of the right to housing in the EU, by ENHR in Tarragona, Spain
- May 18–19:** FEANTSA 2017 Policy Conference, in Gdansk Poland
- May 15–June 15:** Exhibition; Rental housing, a forgotten segment of Czech architecture, in Prague
- June 8–10:** German Tenants Day, Deutscher Mietertag 2017, in Magdeburg
- June 9–11:** TIS, Annual Conference 2017: Health, Wealth, and Housing, in Glasgow
- June 13–23:** International Social Housing Festival, in Amsterdam
- June 27–29:** CIH Housing Annual Conference, Manchester UK
- July 12–13:** Tpas England: National Tenant Conference
- September 4–6:** ENHR Conference: Redefining the role of public and private sectors, Tirana, Albania
- September 4–7:** The Asia-Pacific Housing Forum 6, by Habitat for Humanity, Hong Kong
- October 2–4:** Housing Washington 2017, Spokane
- November 8–10:** 78th session UNECE Committee on Housing and Land Management, Geneva
- Nov. 29–Dec. 1:** Australian National Housing Conference, in Sydney

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





ILLUSTRATION: LASSE WIDLUND

# Airbnb – how and where it affects our homes and neighbourhoods

*Do you remember when Airbnb and other “homestay” websites seemed like an uncomplicatedly great idea? And it’s still a great idea when they function as intended; a chance to let your home for some days, or for a couple of weeks, when you are out of town yourself. But, in major cities, those days now feel like a long time ago.*

Flats are now being bought up by investors who let these flats on a regular basis. Lately, in

cities such as Paris, Berlin, Barcelona and San Francisco, vacation flats and the agencies that market them are now being closely monitored by city councils and legislators.

Airbnb and other for-profit home-sharing platforms in many cities deprive locals of flats for permanent rent, and often push up rents, as well as prices, for homes that do remain on the market. And we well know what the result is.

And in areas with too many of such apartments, locals can feel harassed by the endless stream of rolling suitcases banging up communal staircases,

and by unknown people in the house. This also causes whole neighbourhoods to change character. Small shop owners close down because their rents go up, in accordance with the general gentrification of the area, and are being replaced by fancy bars and restaurants that attract the short term lodgers.

But many cities are now putting up a fight, and have started to take legal action against Airbnb and other short-term rental platforms.

Here are some of them, and what is being done about the problem. ➔



## England, London

The Guardian reports that a quarter of London homes listed on Airbnb by the end of 2016 were rented for more than 90 days last year, many illegally and in breach of an act intended to stop landlords turning badly needed housing into unofficial hotels.

Airbnb admitted that almost 5,000 of its “entire home” London listings – 23% of the total – were let out for three months or more, despite a law requiring anyone doing so to apply for planning permission.

In December 2016, Airbnb moved to limit hosts from renting properties for more than the stipulated 90 days. But in February 2017, in a survey by the BBC, nearly a third of all boroughs told the BBC that the time limit would not slow the growth of short-term letting.

Last year, a study by the Institute for Public Policy Research (IPPR) showed that 11% (2,444 properties) of Airbnb’s entire home rentals were let for more than six months of the year.

Sources: BBC and the Guardian

## Spain, Barcelona

Barcelona has ordered hundreds of homes illegally rented out to tourists, via home websites such as Airbnb, to be removed from listings and hitting firms with a fine. A team of 20 inspectors, set up by the

city, is tasked with rooting out those who fail to jump through the legal hoops.

Barcelona’s town hall has said that the city would fine home sharing websites €60,000 each, if they do not comply with the laws.

Already in July 2014, the Catalan regional government fined Airbnb €30,000 (\$32,000) for breaking rules on people letting individual rooms in their homes and threatened to block access to its website from Catalonia if Airbnb did not change its ways.

Source: Reuters

## Denmark, Copenhagen

In February, Copenhagen city politicians began talks with Airbnb to impose a cap on the number of days’ residents can rent out their rooms or apartments. Mayor Frank Jensen called for a 60-day



limit, arguing that this was needed prevent room and apartment rentals made through the app degenerating into “illegal hotel operations”.

Copenhagen residents have complained that Airbnb’s activities contribute to a rental shortage, because it is so much more profitable to rent rooms out on a daily basis on Airbnb.

Source: The Local

## South Africa, Cape Town

Rents in Cape Town have increased by double-digit percentages. As in other major and attractive tourist cities, owners prefer to rent out their properties for shorter stays, by using mainly Airbnb.

PayProp CEO L. Liebenberg, in February said that “The growth of Airbnb and the promise of higher returns has motivated owners to remove their properties from the long-term rental market.”

Source: Sunday Times

## France

A group of French hoteliers and real estate agents has launched a lawsuit targeting short term platforms like Airbnb, arguing that their practices amount to unfair competition. The group, which targets vaca-

### What the laws say:

**Spain, Barcelona:** Owners must apply for a licence from the city and display it on any online advertisement. Heavy fines of up to €60,000. If the companies, like Airbnb, continue to refuse to regulate their own users, the fine would jump to €600,000 each.

**Paris, France:** Properties can only be rented for a maximum of 120 days a year. Those who offer more nights face fines of up to €25,000, but officials are looking into hiking this fourfold to €100,000.

On January 30, 2017, Paris tripled its surtax on second homes, raising the extra charge paid by owners from 20% of the standard property tax up to 60%.

**Berlin, Germany:** A law, *Zweckentfremdungsverbot*, effective from May 2016 says that owners are limited to renting only rooms, not entire flats or houses. Offenders can face fines of up to €100,000. But in August 2016, a court issued a blow to the capital’s attempts to curb Airbnb activities. The court said that people with second homes in Berlin may rent out their flats to tourists.

**Copenhagen, Denmark:** The city, in January 2017, called for a 60-day limit, arguing that this was needed to prevent room and apartment rentals made through the app degenerating into “illegal hotel operations”.

**London, England:** Owners cannot let property for more than 90 days in a given year on a short-term let. If an owner wants to let for longer, they must seek planning permission for a “change of use” from their local council.

**Amsterdam, the NL:** From January 2017, it is ok to rent out homes for up to 60 nights a year and to

tion rental portals, accuses the platforms of offering a string of tourism services, including tour operator and insurance services, without proper authorization. They want French authorities to impose the same rules on Airbnb and other platforms, as those regulating the traditional rental market. France is the world's second biggest Airbnb market after the United States. Paris has added a new section to its Open Data Portal, which lists all the Airbnb users who have officially registered their homes as long-term rentals.

Source: Financial Times

## The Netherlands

"A home should remain a home," says Amsterdam alderman Laurens Ivens.

The city of Amsterdam and Airbnb said, in December 2016, that they will work together to ensure that home owners can only rent out their properties for a maximum of 60 days per year.

Amsterdam has introduced its limit earlier, but Airbnb said that from 1 January 2017 its site will introduce automated tools to ensure homes are not listed for more than 60 days a year unless the owners have a license, in a statement.

Source: The Guardian

## Germany, Berlin

The Mayor of the central borough of Mitte von Dassel has taken on the fight against vacation flats and Airbnb, and says: "Dealing with the problem of existing vacation flats is much less important than making sure people realize that the time for buying apartments to rent out to tourists is over. We used to have listings on real estate websites saying 'ideal

no more than four people, provided you own the property or do not live in social housing. Airbnb has agreed to remove properties after 60 days. But so far there are no fines attached.

**Dublin, Ireland:** In June 2016 the city council ruled that the owners must apply for planning permission for commercial use if they rent out a flat on a short-term basis. But this only applies to Temple Bar district, so very limited.

**Sweden:** In principal there are no legal limitations. But, if you own a flat with a so called tenant owned cooperative, you need a per-



vacation rental.' That is now a thing of the past."

It is not easy for the city to be sure of who is listing what on Airbnb. A September 2015 survey found that 90% of Airbnb offerings were for entire apartments, rather than individual rooms.

A recent inquiry by the borough of Mitte found that in one Wilhelmstrasse building of 300 flats, 280 were for short-stay tenants.

Source: www.citylab.com

## USA, New York

A report by the New York state attorney general's office back in October 2014 said that about 72% of Airbnb's listings potentially violated local laws, which mandate that short-term rentals have to be rented out for more than 30 days.

In February 2016 Airbnb was accused of removing more than 1,000 listings from its site in order to rig a survey of its New York City hosts. New York attorney general Schneiderman said that "Airbnb continues to show a blatant disregard for New York laws designed to protect the rights of tenants and prevent the proliferation of illegal hotels."

Source: The Guardian

mission from the board of the cooperative.

For regular tenants who rent out a flat via Airbnb they run the risk of losing their lease.

**New York, USA:** Residential property located in a multiple residential dwelling unit, such as an apartment building, must be used for "permanent resident purposes." Short-term rentals have to be rented out for more than 30 days. So, it is illegal to have paying guests for less than 30 days.

**San-Francisco, USA:** The law limits rentals where the host is not present in the unit to a maximum of 90 days per year.

## Japan, Tokyo

More than 3 million visitors to Japan found lodging via Airbnb in the January–October 2016 period, even as the country continues to struggle regarding its legal stance on paid stays at private residences. Such home-sharing arrangements, like Airbnb, which are known as minpaku in Japan, exist in a legal grey zone. But user numbers have surged nonetheless. Roughly 10% of visitors to Japan are thought to use the service.

Source: Nikkei Housing Review

## Canada, Vancouver

"We're going through an enormous amount of trouble to try to produce rental housing. We're not doing it for tourist accommodation. We're doing it for people who otherwise could not afford to live and work in the city of Vancouver," said Councillor Geoff Meggs in an interview in April 2016. Vancouver bylaws prohibit rentals of less than 30 days outside of designated hotel and bed and breakfast zones and without a business license.

Source: Vancouver Sun

### There are other ways

If you want to avoid Airbnb and other money making methods of home sharing, check out sites which offer home swaps, where no money is involved. And where you can also get to know neighbours, use bicycles and even swap cars! And also where you can make new friends and stay in touch! See e.g. HomeLink, HomeExchange and Intervac.

From June 2016, Airbnb and other similar platforms can only post rental listings by residents registered with the City, or face daily fines of up to \$1,000.

**Quebec, Canada:** The Quebec law requires, from April 2016, owners who for more than 31 days on a 'regular basis' rent out their properties to obtain a \$250-permit, have at least \$2-million of insurance and pay a nightly hotel tax of up to 3.5 per cent. Violators face fines between \$500 and \$50,000.





The Grünerløkka neighbourhood in Oslo attracts tourist and young people, but gentrification discourages multi-cultural meetings.

PHOTO: BY HELGE HØIFØDT, BY PERMISSION WIKIMEDIA COMMONS

# Housing in Norway – what is so special?

*Foreign politicians, bureaucrats and researchers keep coming to Norway and Oslo on study trips, to find out how a non-regulated and market-run rental housing market functions. And yes, friends of privatisation and market based housing policies will often learn about a well-functioning housing market. But, there is indeed another side of the coin, which often does not get enough attention.*

There are mainly three aspects of the Norwegian housing model that fascinates market liberals.

Firstly, almost 80% of Norwegian households own their homes. Public spending in the housing sector is very limited, and hardly noticeable in the state budget. Secondly, the rental sector is almost all private, and deregulated. Thirdly, it is easy to get the impression that anyone, anytime and anywhere, can find a rental flat the very same day. Unfortunately, this is not the reality.

**What is so special about Norway?** After WW II, Norway chose its own strategy for solving the housing shortage. As a reaction to cynical and speculative landlords in an almost lawless rental sector, the political parties all agreed on a policy where homeownership was the sector to be supported and promoted for the Norwegians – either privately or through housing cooperatives. And housing co-operatives became the social housing model that would replace the old rental sector.

Today, through generous public loans and various support mechanisms, combined with extensive tax subsidies, four out of five households own their homes.

Tax subsidies yearly account for some 60 billion NOK, or 6.6 billion Euros. An additional bonus is tax deductible mortgage interest.

There is a growing opposition to this extreme favouring of homeowners. But as so many households in Norway have adjusted their economies to this situation, there is hardly any political party that dares to touch these policies – at least as long as they are in, or going after, government power.

**Unlike the other Nordic countries,** the Norwegian rental market is dominated by small private landlords, letting a room or a flat. Professional landlords are few, and only somewhat present in Oslo. The municipal rental sector is small, compared to other countries in north and central Europe, and reserved for the financially weakest in society, like refugees, newly released people from prisons and from institutions, etc. In other words, all those who are at the back of the queue in the private rental market.

The large number of private landlords contribute to a very volatile and vulnerable market, where macro-economic fluctuations can suddenly decrease the supply of rental accommodations. There have been some political proposals to improve the security of tenure, to introduce longer tenancies and some rent regulation, but this has failed as the authorities fear that such measures will discourage private landlords from letting.

It is very lucrative to let in Norway, and many people invest in one extra dwelling which they rent out. According to the tax authorities there are around 50,000 dwellings in Oslo alone which are owned by persons registered at another permanent address.

**Tenancies in Norway are short,** and about half of all tenancies are limited in time, often limited to three years. If the landlord lives in the same individual house as the tenant, the minimum tenancy is one year. After the ten-

ancy period it is up to the landlord to grant the tenant another period, which of course creates uncertainty for the tenant.

#### To buy – how much?

Prices on homes have increased almost continuously since 1993, with a small dip in 2008. Prices increased by almost 15% annually in 2015/2016, and by about 10% in the last four years.

Average price per m<sup>2</sup> was NOK 61,000 in 2016, or €6,800. Smaller flats often sell for NOK 100,000 per m<sup>2</sup>, or €11,200.

#### To rent – how much?

The average rent in Oslo, in 2015, was NOK 13,255 per month, or €1,500. The most common rental flats consisting of two rooms, plus kitchen and a bathroom, are rented for NOK 10,700 to 12,800 per month, or €1,200 to €1,450. Electricity, hot water and heating is extra.

Prices in Bergen and Trondheim are 15–20% lower compared with Oslo.

#### Who rents?

Young adults, and students, who do not want to remain with their parents, usually share a bigger flat. A five-room flat in Oslo rents for about NOK 24,000 per month, or €2,700, which is less costly than renting a studio, a one-room flat. For most young people it is OK to share the kitchen and bathroom with others – at least for a limited period.

If you are not a student, but on a low income, you can apply for a housing subsidy, a housing allowance. This allowance is strictly based on needs and income, and even households that we would usually consider poor do not always get this allowance.

And those who cannot find any cheaper, smaller or less central flat on the regular housing market, can apply for a municipal rental flat. These few flats have rents which are of course lower than those on the market, but with a kind of average price rent. These municipal flats are often of lower quality, with lower standards of maintenance and in housing environments burdened with the usual problems connected with stigmatisation.

**Text** Lars Aasen,  
Chief Executive of  
Leieboerforeningen, Lbf  
Norwegian  
Tenant Association



# Nordic IUT meeting

*In January, the leaders of the tenant associations in Sweden, Norway, Denmark and Finland met in Stockholm. The agenda was to discuss common threats and opportunities, national housing policies, best practices and cooperation across the Nordic borders.*

Several private landlords in the four countries have rental properties in one or more other Nordic country. Therefore, there is a need for closer cooperation between the four Nordic tenant associations, as to monitor the trends more broadly and to be able to act together.

But the housing markets in all four countries are quite different, especially when it comes to the rental markets. Sweden and Denmark have large public housing sectors, while this sector is small in Norway and Finland. Market rents in the private rental sector are generally more accepted in the latter two countries, while rents are more regulated in Sweden and Denmark.

In the respective national debates, one or the other model is often raised as a show case, particularly by the landlords' federations;

“Hey, look at Norway, they have market rents, and it works fine...”, “And, look at Finland, they deregulated the rents in the 1990s and the market functions fine...”

But the Norwegian representative, as well as the Finnish representative, expressed great concern about their respective housing markets, and said that low- and medium income households find it increasingly difficult to access affordable rental housing.

Also, “renoviction” is an issue in all four countries, where apartments are renovated often too extensively, at high cost, and rents become 20%–50% higher than before renovation – and tenants can not afford to move back in.

The Swedish Union of Tenants proposed to write a Nordic Declaration on the Implementation of the EU New Urban Agenda. The declaration calls for a stronger political leadership in developing our cities, and to base it on participation and sustainability. The four Nordic leaders agreed that cities need to be more inclusive and should also allow people without big wallets to establish themselves close to public transportation and workplaces.

**Text** Stefan Runfeldt,  
Swedish Union of Tenants



From left: Marie Linder and Stefan Runfeldt (SUT – Sweden), Lars Aasen (Lbf – Norway), Helene Toxværd (LLO – Denmark), Marie Juhlin (SUT – Sweden) and Anne Viita (Vuokralaiset ry – Finland).





PHOTO: MAGNUS HAMMAR / IUT

# Berlin, a city of tenants

**Over half of all German households rent their homes. And even more so in the cities, like in Berlin where around 85% of the residents rent their homes.**

Berlin is the largest city in Germany, with over 3.5 million inhabitants. Between 2012 and 2015 alone, the city expanded by 175,000 people. Berlin has a total of 1.89 million apartments, of which 16% are condominiums, and 18% are apartments owned by municipal housing companies. The remaining 66% are owned by private owners or by institutions, such as Deutsche Wohnen or Vonovia.

The net average rental cost per m<sup>2</sup> per month for newly leased apartments is currently 9€, just slightly more in USD. However, rents in new buildings as well as for apartments in the inner city districts are significantly higher – between €13 and €17 per m<sup>2</sup>.

Even though the *Mietpreisbremse*, a rent cap, was established in 2015, rents in Berlin are on the rise. According to this cap, landlords

are only allowed to re-let apartments at rents that are no more than 10% higher than the local comparative rent. The local comparative rents are calculated using the Berlin *Mietspiegel*, a tabular overview of the existing rents paid. The *Mietspiegel* is published every other year by the Berlin administration in conjunction with tenant and landlord associations.



However, the *Mietpreisbremse*, literally a 'rent brake', has not yet had the hoped-for effects. Many landlords ignore the rental control legislation, or make use of loopholes. For instance, the rental cap does not apply if the previous tenant already paid a rent tariff above the 10% limit. In this case the landlord does not have to reduce the rent. According to an investigation by the Berlin Tenant Association in 2016, 74% of the advertised housing offers ranged above the 10% limit.

The rise in rents is mainly due to population growth. On the other hand, the construction of new housing is progressing slowly. Out of

the necessary 30,000 new dwellings per year, only 11,000 were constructed and ready for occupancy in 2016, of which only around 2% were suitable for the cross-section of the population. New building sites tend to focus on condominiums or luxury rented apartments.

Half of the population in Berlin are entitled to subsidised housing based on their income. The six municipal housing companies are expected to expand their existing portfolios from a current 300,000 to 400,000 homes by 2020. However, in the inner-city districts where the pressure on the rental housing market is greatest, the construction areas are predominantly in the hands of private investors. So, the city of Berlin has little chance to acquire land in the inner-city districts on favourable terms.

Although subsidies are available for the construction of social housing, private investors are reluctant to commit themselves to the terms involved. Since 2014, approximately 5,000 apartments have been built, exclusively by municipal housing companies, using social housing subsidies creating housing with rents ranging from €6.50 to €7.00 per m<sup>2</sup>.

The protection of existing rental homes is a concern in Berlin. Since May 2014 it is prohibited to use rental housing for other purposes. As well as the prevention of long-term vacancies, demolition and use for commercial purposes, the use of previous homes as holiday accommodation is forbidden. There are about 25,000 holiday apartments in Berlin, rented via Airbnb and similar platforms. Compared to the total stock, this is a small number. However, these apartments are concentrated in three coveted inner city districts where the pressure on tenants is greatest.

In the future there will be a focus on the extension of the social housing stock. Incentives must be found to motivate private investors to build housing for the low-rent market. The 'rental brake' needs to be intensified and speculation with unused building sites should be prevented.

Berlin's Tenants' Association intends to stay on the task!

**Text** Wibke Werner

Deputy Managing Director,  
Berliner Mieterverein e.V.  
[www.berliner-mieterverein.de](http://www.berliner-mieterverein.de)





# Catalonia, and the need for balanced housing

*Spain is the Western Europe country with the highest rate of homeownership, representing more than 78% of the housing market, according to Eurostat figures 2015.*

The financial crisis led to the burst of a real estate bubble in Spain and showed that a state should not simply rely on one single type of functional tenure, i.e. homeownership, as this leads to an increase of mortgage defaults and evictions.

In this regard, Catalonia has taken a strong step towards solving this structural problem with two different approaches. *Firstly*, designing new ways – affordable and sustainable – to access homeownership, unknown to date in south European countries. *Secondly*, to offer a real alternative to those who do not want to buy their homes by means of creating a more balanced tenancy legal framework.

The first structural measure was the introduction, in 2015, of shared and temporal ownership. Two new ways of access to housing that combine the benefits of homeownership and tenancies: affordability, stability and flexibility. Both schemes are now regulated in the Catalan Civil Code.

The Catalan shared ownership scheme enables the gradual acquisition of homeownership (stair-casing), but without depriving the buyer of the rights (and duties) of a regular homeowner.

Thus, if the buyer, the material owner, acquires, for example, a 25% of property share, she is the full owner in practice. She has the right of exclusive use and enjoyment of the dwelling, and she can freely undertake works and renovations on the dwelling. And she is in charge of paying all the ordinary expenses and taxes.

The seller, known as formal owner, retains the remaining property share, for which she might ask the material owner to pay a kind of rent. The right of the material owner to gradually increase her share of property up to 100% cannot be excluded by the contract.

**So, shared ownership may be useful**, for example, for a person who wants to go from living



Tapas bar in La Barceloneta.

with parents or renting to accessing, by purchasing it gradually, full home-ownership. Or as a method to prevent evictions due to a mortgage enforcement procedure, taking into account the amounts already repaid.

**Under temporal ownership** and unlike shared ownership, the parties do not share the ownership at the same time. This scheme consists of acquiring ownership for a certain period of time (from 10 to 99 years for real estate) and, at the end of the agreed term, the full ownership reverts back to the seller, referred to as the “successive owner”.

Temporal ownership contains the whole bundle of rights of homeownership but limited in time. This scheme would be a good solution for a family that needs to move to a city because of work, but who want to return to their hometown when they retire; or to sell an inherited dwelling and recover it when the children get older.

Concerning the second structural measure, the Catalan Government has been working since July 2016 on the elaboration of the principles that need to frame a new Act on residential tenancies. This Act, which is planned to be passed by the end of 2017, will regulate tenancies in a way to achieve a

balance between the landlord's and the tenant's opposed interests: promoting, among others, open-ended residential tenancies, more co-responsibility with the maintenance of the dwelling and establishing a system of market-oriented rent reference.

**Tenure equilibrium** allows households to choose, taking into account their resources and needs, prevents excessive indebtedness and price rises and allows freedom of movement within tenures.

The UNESCO Chair of Housing URV has taken part in the legislative procedure of both the law on intermediate tenures and on the principles of residential tenancies in Catalonia.



**Text** Núria Lambea Llop and Rosa Maria Garcia Teruel, doctoral researchers at the UNESCO Chair of Housing of the Rovira i Virgili University, Tarragona, Spain



The Alt-Erlaa is one of the largest social housing estates in Austria, built between 1973 to 1985, for low-income residents with 3,172 terraced flats. Alt-Erlaa includes 2 clinics, 3 schools, 2-day care centres, a church, and a shopping mall. Alt-Erlaa also has its own rail station. On top of each of the 27-storey cascading blocks, there is an outdoor swimming pool.

continuously provides funds and means to further develop its real estate and infrastructure.

The government's regulatory actions consequently have a strong impact on the private rental market. Compared to many other European cities, renting an apartment in Vienna is considered less expensive. Prices for long term leases in the private sector have nevertheless increased strongly over the past years. This also includes tenants in a large number of privately rented apartments housed in historic buildings, where special regulations apply to limit rent and maintenance costs. These regulations were not just legislated to keep a lid on rising exaggerating rent prices for out of date living environments. They are part of a political agenda that encourages different social groups to be represented in all of Vienna's residential areas, including those primarily created at the turn of the 20th century.

PHOTO: BY PERMISSION WIKIMEDIA COMMONS

# Social housing under pressure in Vienna

*Unlike many other major metropolitan areas in the EU, the number of residents living in rented dwellings in Vienna amounts to a staggering 80%. To ensure rent prices remain moderate, the city government acts as a key player in the housing market.*

The City of Vienna steadily invests in new and existing municipal and cooperative housing complexes. As a result of the City's involvement in public housing programs, the private rental sector contributes only to 33% of available apartments. Tenants' unions, such as the Mietervereinigung Österreichs (MVÖ), help

to ensure that the applicable law effecting the rent is properly complied with.

Vienna has a long history of providing affordable housing to its citizens. Starting more than 100 years ago, the aim of municipal housing has been to supply lower income residents with good accommodation. The City currently owns and operates about one quarter of all primary residences available. In addition to municipal housing a large number of cooperative housing complexes are subsidised and developed, amounting to about 200,000 apartment units. These buildings are often characterised by innovative living structures and attract people from the so called middle class as well. Beyond that, Vienna's state legislature



**The Mietervereinigung Österreichs**, Austria's largest tenant union, supports its members regardless of whether they rent from the municipality, from a cooperative or from a private landlord. When a lobbying group for private landlords sued over a paragraph that regulates rent for specific historic buildings, several institutions and organisations joined forces; The Chamber of Labour (Arbeiterkammer Wien), the Gebietsbetreuung (local residential offices), the Mieterhilfe (RentersHelp) and our tenant union MVÖ all came together to battle the threat of weakening the tenants' rights.

This recent dispute at Austria's High Federal Court shows the importance of standing together when it comes to protecting our high social housing standards.

**Text Mag. Alexandra Rezaei**,  
Federal Secretary  
Austrian Tenants Union,  
Mietervereinigung  
Österreichs, MVÖ





# Tenants in the Netherlands protest against social housing tax

*The general elections on March 15 was particularly important for social housing tenants, as over 30% of the Dutch live in social housing.*

A growing tax on social housing is becoming a burden for many households, and there is a growing resistance against this special annual tax of nearly 2 billion euro. This tax is leading to a decreasing supply of affordable homes, rent increases and less investment, for instance in energy saving.

A majority of the participating political parties, 28 (!), is against this tax and wants to abolish it. Some of the parties want to replace it for an obligation to invest in more dwellings, in energy saving and/or lower rents.

There are also many organisations who are against this special tax on social housing: labour unions, environmental organisations and interest groups for the homeless, the elderly and for people with special needs etc.



In July 2016, the Dutch tenant organisation Woonbond demonstrated in The Hague against the "Verhuurderheffing", the 2-billion tax on social housing.

PHOTO: JAN REINER VANDER VLIET

A declaration against this social housing tax, also supported by the IUT, was presented by the Woonbond in February.

Source: Dutch tenant's organisation, the Woonbond

## Social housing, well worth celebrating!

*For ten days, June 13 to 23, the Social Housing Festival will host a series of events, exhibitions, meetings, field visits, community activities, etc in Amsterdam.*



Amsterdam is a city with a strong tradition of social housing. Over

45% of the total housing stock in Amsterdam is categorized as social housing, something which the citizens cherish and appreciate.

In 1901, the Dutch parliament passed the Housing Act. This allowed a variety of collectives to organize housing projects, and across the Netherlands many social housing corporations were established. They delivered an enormous amount of quality yet affordable dwellings. While the system and organizations have evolved since then, the driving force remains the same: providing people with low and mod-



The museum, Het Schip, is a typical representative of the "Amsterdam School", and the centre of activities June 13–23.

erate incomes with good and affordable housing in liveable communities. Municipalities and tenants have played an important role as partners.

The centre of activities will be the Amsterdam School Museum Het Schip which is one of the architectural icons of the 'Amsterdam School' movement which celebrated 100 years in 2016.

The Amsterdam School, is noted for its brick construction and complex masonry work, both inside and out, reflecting the vision of a socially inclusive expansion of the city of Amsterdam.

The Festival will also be a platform for debates, and two main themes have been announced: What will social housing look like in the 21st century both in terms of design and function in society? And, how to finance, construct/deliver and manage this?

More information via <http://socialhousingfestival.com>





PHOTO: MAGNUS HAMMAR / JUT

# Russia, it's all about homeownership

***In the Soviet Union the housing stock was mainly state-owned. In urban areas state ownership accounted for 79%, in the largest cities up to 90% of the housing stock. Today, about 85% of the urban housing stock is private.***

In accordance with socialist ideology, rents and housing costs for citizens were nominal and housing was heavily subsidised by the state. Residents paid only about 10% of all housing costs. Other costs were covered by the state or by local municipalities, but the whole amount was usually insufficient to meet all necessary maintenance needs. Every year the condition of the housing stock became worse.

After the collapse of the Soviet Union in 1991, the lives of millions of Russian people were affected by related changes in housing. There was a painful shift from paternalistic to

market-based housing policy, with growth of private ownership, a dramatic reduction of the rented housing sector and transfer of responsibilities for personal housing conditions from the state to the citizens. For creating a private housing stock, a policy of free privatization was implemented that allowed sitting tenants to claim ownership of their apartment free of charge.

The implicit aim of housing privatization was therefore to shift responsibility for the maintenance of the housing sector to consumers. At the beginning privatization was not attractive to everybody because of a lack of understanding of the privilege of ownership, as well as the poor condition of the housing stock. But after a massive propaganda campaign the image of ownership became increasingly attractive, and after 20 years of privatization Russia has become a country of poor owners, who cannot afford property maintenance and taxation.

About 85% of urban housing stock is private today and owners must take care of it and pay for its maintenance and management. Last year, maintenance costs doubled, which was a real surprise for the residents. They still expected that the state would pay – not they, or they did not understand their ownership status, as owners, and attempts to change the situation failed in many cases.

A Special Foundation for capital repair of housing stock was formed to repair poor housing, but later it was announced that almost all urban residents must now pay for major repair works themselves.

**Extension of free privatization** of housing has happened five times during the last ten years. Now we do not have any deadline for privatization, as the free-of-charge housing privatization period in Russia (expiring on March 1, 2017 under the current legislation) will be extended for an indefinite term.

According to plans of the Russian Housing Ministry, rental housing will make up about 7% of all new housing stock – a very small number. This means that the small attempts to support municipal housing stock and rental housing have failed. Nobody wants to invest in long-term rental housing projects, either municipal or private.

According to the State statistical data, only 131,000 m<sup>2</sup> of rental housing was constructed in 2015. Private investors in different cities construct only one to perhaps five multi-flat buildings, with some 50–100 flats in each house. Municipal rental housing for key municipal workers is being debated and these also have experimental status.

Our “black rental market” is increasing, as many families have “second houses”, usually rather small, in the countryside and rent out their town flats, using them as permanent sources of income, but trying to avoid taxes.

Unfortunately, we do not see any positive news and plans about the rental housing stock in Russia except for some first attempts to construct special rental housing for students – but all these projects are merely little more than experiments.

**Text** Prof. Elena Shomina,  
Russian Tenants Association  
Ассоциация нанимателей  
жилья, РАНЖ





# Australia, where tenants yell for change

*For tenants, the Australian housing market looks grim. The great Australian dream of homeownership is slipping away and tenancy laws are failing to provide security of tenure for renters.*

Tenancy legislation is determined by Australia's eight state and territory governments but no matter where you rent, the laws have tenure insecurity embedded within them. The structure of Australian tenancy laws has remained largely unchanged since the 1960s when renting was a transitional tenure between a family of origin and home ownership. The private rental market, PRM, has now become the default tenure for low to middle-income earners priced out of home ownership and restricted in eligibility for social housing.

A third of all Australian households rent; just short of 50% of PRM households have been renting for over 10 years; approximately 35% of renting households include dependent children and PRM households are most likely to be in rental stress.

Tenancies can be ended without reason in every jurisdiction. Usually on six or 12 months fixed-term agreements, many tenants fear pursuing their rights, e.g. seeking repairs, lest they be asked to leave without reason at the end of the term. Without-reason notices allow eviction for a variety of retaliatory and discriminatory issues and create an enormous power imbalance.

Tenancy laws also feature limited protections against excessive rent increases and restrictions on tenants' use of the property, commonly the keeping of pets.

**Tenants Yell for Change!** This sense of fear and insecurity was borne out in the report, *Unsettled – Life in Australia's Private Rental Market* released by con-

sumer group Choice, National Shelter and the National Association of Tenant Organisations in February. The report resonated with renters across the country and gained press coverage nationally. Twitter feed #RentinOz, the top trend on the day of the Report's release, exposed a litany of experience of poor quality housing, unreasonable requests and evictions.

Tenant advocates hope to gain traction on their long held view to introduce Just Cause evictions only allowing tenancies to be ended where there are: prescribed and legislated reasons; no fixed term is in place; and procedural requirements have been followed.

The introduction of Just Cause evictions would fundamentally improve housing outcomes for renters whilst having minimal financial impact on governments.

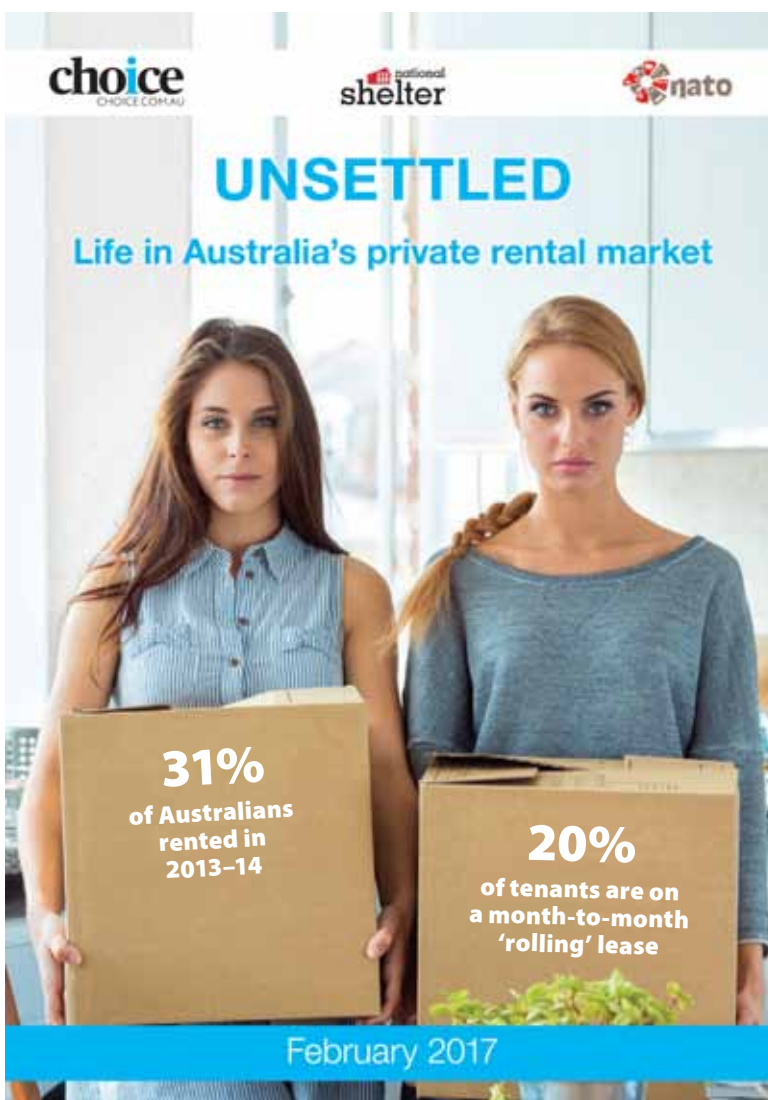
Generous negative gearing and capital gains tax discounts have encouraged speculative and leveraged investment in residential housing. Negative gearing is when an investor borrows money, to e.g. buy a house or a flat to rent out, but the investment ends up as a loss, and the loss is then deductible against other tax liabilities such as tax on wages.

Approximately one in six taxpayers are investors and roughly 75% are negatively geared. Interest rates and housing affordability are at record lows.

The cost of residential property increased by 23% on average in the last five years, more acute in the capital cities (30%) and dire in Sydney at 55%! Michael Sukkar MP, Assistant to the Treasurer on Housing Affordability, stated that 'getting a high paid job' is a first step to home ownership. The Treasurer then announced that housing

affordability – ownership, rental and social – will be the centrepiece of the May Federal budget. He also announced an Affordable Housing Implementation Taskforce to develop a bond aggregator model funding affordable housing, similar to the UK.

The Federal opposition are pushing for changes to negative gearing. The government have ruled this out but their position on reducing capital gains tax discounts is less clear. Rumour has it that the Federal government will withdraw support for the primary instrument funding social housing. This would fundamentally change the face of public housing in Australia.



**Text** Penny Carr,  
Chief Executive of Tenants  
Queensland  
<http://tenantsqld.org.au>

# Housing rights in practice

*Tenants in Edinburgh, Scotland are taking a human rights based approach to improving housing conditions by linking local indicators set by tenants to international human rights standards.*



At Scotland's celebration of International Human Rights Day at the Scottish Parliament in December 2016, tenants from Edinburgh took centre stage talking about human rights in housing.

Heather Ford, a tenant from West Cromwell, Citadel and Persevere Courts, introduced a film in which local people spoke about their housing conditions and their work to assert their right to adequate housing. The film makes a powerful statement. It shows how poor housing conditions impact on individuals' lives; their health, wellbeing and self-esteem. Film available via [www.edinburgh tenants.org.uk](http://www.edinburgh tenants.org.uk)

What was unusual at this national human rights event was that housing was at the centre. Housing is not usually talked about in human rights terms in the social housing sector in Scotland.

The Housing Rights in Practice project is part of Scotland's National Action Plan (SNAP) on Human Rights and a collaboration between Edinburgh Tenants Federation (ETF), the Scottish Human Rights Commission (SHRC) and the Participation and the Practice of Rights (PPR) in Belfast.

The project is about making human rights real for people in their own homes. It aims to empower residents, increase participation and improve housing conditions.

Judith Robertson, Chair of the SHRC, said, "When talking of the Universal Declaration of Human Rights, Eleanor Roosevelt stressed that human rights must have meaning in the 'small places, close to home.' This project shows how the work taking place through SNAP is taking international human rights standards and supporting people to apply them in their everyday lives – in this case, realising the right to housing."

In the last 18 months, residents have carried out participatory action research, surveying their neighbours in 182 homes and found that more than half experienced inadequate housing conditions, including dampness, poor heating, drainage issues,

inadequate kitchens and bathrooms and pest infestations.

These findings spurred residents to learn about their rights in practice. As part of the UN International Covenant on Economic, Social and Cultural Rights "everyone has the right to an adequate standard of living, including adequate housing."

The group set priorities for action and indicators for improvement, based on international human rights standards, which were then presented to the Local Authority housing provider in June 2016.

Since then, regular meetings with the Local Authority have been fruitful, with a programme of works to address tenants' issues being fast-tracked to include new heating systems, windows, kitchens and bathrooms and addressing the infestation problems that had been reported. There is a commitment to addressing tenants' issues by the end of 2017.

Introducing a human rights based approach explicitly into tenant participation work is a way tenants can hold landlords to account for their housing conditions and participation processes.

Tenants are not just the bankrollers for their landlord's housing stock – they are the rights holders, and they have a right to hold landlords to account, through international treaties and Scottish legislation.

And that shift in thinking – with empowered tenants really at the heart of framing what matters in their communities, transforms tenants from being 'service users' or 'customers' to rights holders. This shift can work brilliantly for communities. But it can also be transformative for public authorities and social landlords, as they move into territory that really puts people at the heart of change and improved service delivery.

For more information about Scotland's National Action Plan on Human Rights check out [www.snaprights.info](http://www.snaprights.info)

Victoria Street  
in Edinburgh.



PHOTO: BY PERMISSION WIKIMEDIA COMMONS



**Text** Clare MacGillivray,  
Development Coordinator,  
Edinburgh  
Tenants Federation





PHOTO: BY PERMISSION WIKIMEDIA COMMONS



### CNL launches proposition for presidential candidates

France is now in the heart of the presidential election campaign. The Confédération Nationale du Logement, CNL, the first French tenants' union, is not satisfied with the little consideration given to housing issues by the candidates. It has decided to edit a booklet of propositions in order to influence candidates in putting in place policies in favour of tenants. For instance, CNL proposes a housing social security, to improve rent control or to stop the cuts in social housing.

Chez Marianne, at 2 rue Hospitalières Saint-Gervais, is a popular restaurant in the Marais district.

# Paris tackles vacation houses with new tax

*Paris has faced a dramatic increase in house prices over the last decade. Twenty years ago, prices in Paris were one third of what they are now. The consequence is that it is increasingly difficult for middle class and working class families to live inside the "périphérique", the name given by the French to the urban highway that circles Paris.*

The centre of Paris has become inaccessible for most. These areas being the most frequented by tourists, it is also a good place for investors to transform family condos into vacation houses. This phenomenon has become huge over the years, withdrawing a consequent number of houses from the domestic housing market.

The best/worst example is the Marais. This medieval neighbourhood is located in the 3rd and 4th arrondissement. Up to the 1970s, it was full of little shopkeepers and workshops. Now, it is the kingdom of luxury shops and cafes. A study shows that there are more vacation homes than homes actually occupied by Parisians in the Marais. This situation, of course, is feeding speculation, higher housing costs and rents, and kicking partisan workers out of the city.

The tax on vacation houses is going to be tripled, as an attempt by the local authorities to curb recently rising phenomenon. The City Hall is justifying this decision by pointing out that between 1999 and 2014, the number of homes used by tourists rose by 43%. The goal is to create a strong incentive for investment in family houses rather than tourist accommodations.

A new tax on empty houses has also been debated recently. Indeed, several local NGOs or tenant unions have repeatedly shown that some big investors, e.g. banks, keep buildings they possess empty for speculative purposes. However, action has not yet been taken by the council of Paris in this way.

It is possible that these fiscal measures will not be enough to make Paris a welcoming place for the middle and working classes again. Since 2015, a rent control system has been put in place. But it seems that it is not all that efficient. A recent study established that, one year after the start of this control, almost one out of two homes that is put on the market does not respect the law. Indeed, there is no control; only the tenant can sue his landlord, in case of excessive rent.

In reality, this is too complex and expensive for a lot of tenants to do. Another way is to invest in social housing. In this field, the city of Paris has made some efforts in recent years, particularly in the most favoured areas. But at the state level, the government is cutting its subsidies, preventing local authorities from building enough social housing.

**Text** Antoine Salles, Confédération Nationale du Logement, CNL

## EU

## Housing costs increase in Europe



In 2015, households in the EU devoted nearly 25% of their total consumption expenditure to "housing, water, electricity, gas and other fuels". This represents a total spending of almost €2,000 billion (equivalent to 13.4% of EU GDP) and is by far the most significant expenditure of EU households. This is also the expenditure item whose share increased the most significantly over the last decade, from 22.5% of total household expenditure in 2005 to 24.4% in 2015.

Weight of household expenditure on housing is highest in Denmark (29%) and Finland (28%), followed by France (26%) and Sweden (26%). Costs are lowest in Malta (10%) ahead of Lithuania (16%) and Cyprus (17%).

Read the whole report via:  
[www.iut.nu/EU/Eurostat\\_Nov29\\_16.pdf](http://www.iut.nu/EU/Eurostat_Nov29_16.pdf)

## HONG KONG

## Still small flats



In Hong Kong, with a homeownership rate of only 50%, one million flats are needed to meet growing demand by 2046, according to a government report.

The report also estimates that 60% of private flats in the city will measure between 517 ft<sup>2</sup> (48 m<sup>2</sup>) to 689 ft<sup>2</sup> (64 m<sup>2</sup>).

As for public housing, the Housing Authority would continue with the current small flats of an average of 431 ft<sup>2</sup> (40 m<sup>2</sup>) for the long term.

Source: South China Morning Post

## PORTUGAL

## Tourism causes gentrification



Our many governments have ignored measures to ensure a dynamic rental market, with a diversified supply and compatibility with household's incomes, and reduced tenants' rights.

Since the 1980s the governments have encouraged homeownership, based on the facilities for credit for the purchase of housing. This policy has resulted in 75% homeownership.

More recently, the increase in short-term tourism in the cities has led to the intense

transfer of homes from the rental market to tourism, and increasing gentrification.

AIL has been proposing the reduction of taxes on a leased property in order to increase the construction, and make the lease affordable.

Source: Associação dos Inquilinos  
Lisbonenses, AIL

## IRELAND

## Private becomes social



The Irish government is to extend a nationwide scheme where the state pays for the refurbishment of private rental accommodation if it is allocated to social housing applicants.

More than 90,000 people in Ireland are on social housing waiting lists – with 45,000 in Dublin alone.

The European Investment Bank has confirmed its support for new investment in social housing in Ireland, totalling €405 million that will construct and improve thousands of properties. It is expected that 1,400 new homes will be built and more than 700 properties upgraded.

Sources: EIB and The Independent

## JAPAN

## Increase in rental housing starts



Rental housing starts in Japan, in 2016, is expected to exceed 400,000 for the first time in eight years. This trend owes to an inheritance tax hike that took effect in 2015. Constructing rental housing, which lowers the assessed value of the land it is built on, has become increasingly popular as a way to reduce the tax paid on the property when the owner dies.

Source: Nikkei Asian Review

## OECD

## New Affordable Housing Database



The Affordable Housing Database has been developed to help countries monitor access to good-quality affordable housing and strengthen the knowledge base for policy evaluation. It brings together cross-national information from OECD countries and EU member states.

Find the database via: [www.oecd.org/social/affordable-housing-database.htm](http://www.oecd.org/social/affordable-housing-database.htm)

## NEW ZEALAND

## Growing housing costs



In 2013, 65% of households owned their home, down from 67% in 2006, according to Statistics New Zealand

Housing costs continue to grow in New Zealand, and the nation's largest city, Auckland, has the fourth least affordable housing market among 92 major cities in nine western countries in the latest Demographia survey, presented in January 2017. Only Hong Kong, Sydney and Vancouver were ahead of Auckland.

This is the reality experienced by thousands of people sleeping in cars, garages or sleeping rough. This at the same time as state housing continues to be privatised and many state homes are demolished. Present housing policies are a shambles and low income tenants are paying the price with homelessness and high rents.

Source: Manawatu Tenants Union,  
New Zealand

## USA, NY

## NYC households spend 2/3 of income on housing



Rent growth continues to outpace income growth in New York City and that means people are setting aside more and more of their earnings to pay for housing.

In 2016, the typical household that rents in the city spent 65.2% – or nearly two-thirds – of their income on rent. That is up from 59.7% in 2015, according to a report from online real estate marketplace StreetEasy.

The median rent forecast for the city in 2016 was \$3,054 and the median income forecast is \$56,244. In other words, someone earning around \$3,000 will spend about \$36,600 on rent.

Source: NBC New York

## TAIWAN

## Gays may soon be able to get public housing



In 2015 Taipei allowed same-sex couples to register their partnerships, now they are going one step further and want them to be able to apply for public housing.

The amendments will be submitted to the city's municipal administrative council for final approval in May.

Source: GayStarNews