



## Promoting Tenure Neutrality – Housing for All

### Problem Description

A tenure neutral approach emphasizes providing a wide availability of suitable housing alternatives regardless of income, age, or gender. Rather than focusing solely on homeownership, housing policy should prioritize housing for all. This should be the aim of European, national, and local policy concerning housing.

Housing is a fundamental right. The certainty and security of a home should be adequately safeguarded for all, regardless of whether a home is owned, rented or part of a cooperative housing model. Furthermore, housing policies should promote an equal approach to home ownership or alternative housing. Housing for all should be the aim of housing policy.

Unfortunately, many housing policies remain inherently discriminatory, deepening the divide between those who own property and those who do not. Homeownership has increasingly become a tool for wealth accumulation, reinforcing socio-economic inequalities. Regrettably, these policies persist in many states, further marginalizing those without property ownership.

### Challenges in Creating Tenure Neutral Policies

#### Financial and Social Inequality

Looking at the Dutch housing market for example, there are a lot of tax reductions and financial incentives to own a home. Those who can buy, get tax breaks that costs the Dutch state up to approximately EUR 10 billion annually. This form of subsidized ownership enforces a “reversed Robin Hood effect”. Those with the highest incomes or the most capital can buy, can get higher mortgage loans, and receive more government support through tax cuts. At the same time, home ownership has been a way for households to accumulate wealth. Their house is not just a home, but also a financial asset. These policies that favour home ownership above tenure enforce the heritability of social and financial equality as well. Therefore, having a negative impact on generational equality of opportunity. Another example is the social housing model in Vienna.<sup>1</sup> Where Vienna has maintained a robust public housing sector, with approximately 50% of its population living in municipal or subsidized flats. This approach ensures affordable housing and prevents wealth accumulation through property speculation.

Vulnerable groups, including low-income households, young people, and migrant communities, are disproportionately affected by these housing policies. Since they often lack the financial means to buy a home, they are forced to rely on private rental markets, where affordability and security are increasingly under threat. The rapid expansion of short-term rentals further exacerbates this issue by driving up rental prices and reducing the availability of long-term rental housing. As a result, those who are already struggling to find stable and affordable housing face even greater difficulties, increasing their risk of displacement and housing insecurity. The unequal promotion of

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<sup>1</sup> <https://socialhousing.wien/policy/the-vienna-model>

homeownership over renting or collective ownership ensures that only those with financial means can fully benefit from housing policies, widening the gap between different socio-economic groups.

The unequal promotion of homeownership over renting a home or forms of collective ownership ensure that ownership is the preferred choice from a personal finance perspective. Those who can afford it buy a home, and reap the benefits provided by society.

### **Inequality in Livelihood Security**

But policy makes ownership the preferred choice of living from a livelihood security standpoint as well. This is because a lot of countries have a lack of tenure protection. The threat of renoventions is a threat that falls upon those who rent, more than those who own a house. Short time tenures put tenants in an uncertain position that does not allow them to experience the safety and certainty of a home and does not give them the chance to build a life. Looking at housing as a fundamental right, we must conclude policies often do not guarantee that right to homeowners and tenant equally. Tenants' rights and needs are frequently overlooked in housing policies, and their concerns should not consistently be placed second to those of homeowners. In 2020, in an attempt to level the playing field on the housing market, Berlin implemented the Mietendeckel, a rent control law that set rent limits and froze increases for five years. However, in April 2021, the Federal Constitutional Court declared the law unconstitutional, leading to its repeal<sup>2</sup>.

Making home ownership the preferred choice from an individual 'consumer' standpoint has a crippling effect on addressing the housing crisis as well. Building for the 'consumers choice' entails building more expensive privately owned dwellings, instead of social housing for example. Obscuring the necessity for affordable rental homes and driving up prices for building ground at the same time.

## **The Tenants' Perspective on Tenure Neutral Policies**

### **Addressing the Housing Crisis**

In many countries, the housing crisis has become a huge issue, with the lack of availability of affordable homes as a key concern. A growing number of people struggle to find homes that are within their financial reach. One potential solution to this crisis is the adoption of ownership-neutral housing policies, which focus on the overall accessibility and affordability of housing rather than promoting a specific ownership model.

It is essential to recognize that the traditional emphasis on homeownership as a means of building wealth and stability has, in many instances, led to an imbalance in the housing market. While homeownership remains a goal for many, it is not necessarily the most practical or feasible option for everyone. The increasing concentration of property ownership in the hands of a few, often leading to higher prices, has excluded many potential homeowners. This has pushed up rental prices, making it difficult for low- and middle-income individuals to afford suitable living spaces.

An ownership-neutral housing policy would prioritize the creation of affordable housing, regardless of whether the residents own or rent their homes. Such policies can help ensure that more people have access to stable, well-maintained housing, regardless of their financial capacity to purchase a property. By focusing on the affordability of housing itself, rather than perpetuating an idealized

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<sup>2</sup> The court ruled that because the federal government had already enacted a law regulating rents, state governments could not introduce their own conflicting regulations, rendering Berlin's rent cap law null and void.

vision of ownership, these policies can be more inclusive and flexible in addressing diverse housing needs.

As an example, to address housing shortages and discourage property speculation, Spain has empowered municipalities to impose taxes on vacant homes<sup>3</sup> owned by large investors. This policy aims to increase the availability of housing for residents.

### Strong Tenure Protection

This also entails strong tenure protection. Security of livelihood is not a commodity for those who can afford it, but an integral part of housing as a human right.

This includes the fundamental right to organize, which empowers tenants to advocate for their rights and secure stable living conditions<sup>4</sup>. The ability to come together in associations and collectively negotiate with landlords or policymakers is essential for safeguarding tenants' interests.

### Housing Cooperatives – Of the People, For the People

EU policy should facilitate the ability of collectives to build, purchase, and own housing collectively. Housing cooperatives offer a valuable alternative, bridging the gap between renting and individual homeownership, providing a more inclusive and sustainable housing model. This model promotes more affordable and inclusive housing options, as it often operates outside the speculative market, ensuring long-term stability for its members. By prioritizing policies that support collective ownership, the EU can help create a more sustainable and equitable housing system, where the needs of communities are placed above profit-driven motives. In France and Switzerland *UrbaMonde*<sup>5</sup> project supports housing cooperatives that remove properties from speculative markets, ensuring long-term affordability for members. These projects demonstrate the viability of collective ownership models across different economic and regulatory environments.

## Conclusion

The International Union of Tenants (IUT) advocates for tenure-neutral policies that ensure access to housing for everyone, regardless of income or wealth. A tenure-neutral approach prioritizes the provision of homes over wealth accumulation, creating a fair and inclusive housing system. Instead of solely favoring homeownership, policies should focus on making adequate, secure, and affordable housing accessible to all.

To achieve this, the EU should:

- Support the **adoption of tenure neutrality** as the foundation of all European housing policies, ensuring that policies serve all citizens equitably.
- Ensure that EU Member States **integrate tenure neutrality** into their national housing policies, particularly in fiscal measures that currently favour property ownership.
- **Strengthen legal protections** for tenants, ensuring their security and rights are upheld to the same degree as those of homeowners.

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<sup>3</sup> <https://www.euractiv.com/section/politics/news/spain-taxes-tourism-to-save-housing/>

<sup>4</sup> The right to organise is reflected in the International Union of Tenants (IUT) Tenants' Charter (Article VI.a), which reinforces the importance of tenant organisations in advocating for fair rental practices and defending access to affordable, secure housing. Tenure protection, combined with the right to organise, ensures that housing is not a commodity only for the privileged, but a fundamental right for all. <http://www.iut.nu/wp-content/uploads/2017/07/Tenants-Charter-english.pdf>

<sup>5</sup> <https://www.urbamonde.org/?lang=en>

- Facilitate the **development of housing cooperatives** by improving access to funding and supporting the growth of collective, community-driven housing solutions.
- Respect the principle of **cost neutrality** when enacting legislation with relevance on housing markets, ensuring that new regulations do not impose undue financial burdens on Member States or distort national housing markets.

By implementing these measures, the EU could help create a more balanced and inclusive housing system that prioritizes people's need for homes over financial incentives for property ownership.