



## Respect Tenants' Rights and Guarantee Transparency in Rental Agreements

### Problem Description

Renting a home is more than just “consuming” any good. It is the fulfilment of a fundamental right: the right to adequate and affordable housing. Rental agreements should reflect this by respecting and underlining housing as a human right. But since a rental agreement is also a legal contract describing (and delivering guidelines for) a transaction, the principles of fairness and transparency should be ensured. Unfortunately, in many tenure agreements across the EU, these principles are not always upheld, leading to financial insecurity, lack of stability, and unjust evictions for tenants.

This position paper distinguishes between fundamental housing rights that should be respected in rental agreements and the transparency that should be an integral part of every rental agreement. Additionally, rental agreements should be recognized as a key aspect of consumer law, ensuring that tenant protections align with broader consumer rights frameworks.

### Challenges

Ensuring the respect of tenants' rights and guaranteeing transparency in rental agreements presents several challenges across the EU. Firstly, there is a lack of uniformity in tenant protection laws across different countries, which leads to disparities in the level of security and fairness tenants experience. While some Member States enforce strong protections, others leave tenants vulnerable to arbitrary rent increases, hidden fees, or sudden evictions.

Another challenge is the lack of awareness among tenants regarding their rights. Many tenants are unfamiliar with local housing laws, making them susceptible to exploitation by landlords. Ensuring that rental agreements clearly outline tenant protections and obligations can help bridge this knowledge gap, but enforcement remains an issue in many jurisdictions.

Additionally, informal rental markets pose a significant challenge. In some EU cities, a substantial portion of rentals occurs without formal agreements, leaving tenants without legal recourse in case of disputes. Efforts to bring such arrangements under regulatory oversight are essential for improving tenant security.

Finally, enforcement mechanisms vary widely. Even where strong laws exist, tenants may face difficulties in accessing legal remedies due to bureaucratic hurdles, lengthy court procedures, or fear of retaliation from landlords. Strengthening enforcement mechanisms and providing accessible legal aid to tenants can help address these issues.

### Tenants' Perspective on Rights and Transparency

#### Fundamental Rights

The standard for all rental agreements should, in principle, be for an **indefinite period** unless temporary contracts are necessary due to the nature of the housing (e.g., temporary accommodation

in buildings scheduled for demolition). Many EU countries, such as Germany, have indefinite rental contracts as the default. This offers tenants long-term stability and fixed-term tenancies are permitted only under specific conditions, such as the landlord's intention to use the property personally, undertake extensive renovations, or rent the property to an employee. This model provides long-term stability for German tenants. However, in places like Spain, short-term rental contracts have become more prevalent, leading to instability, and forcing tenants to renegotiate or relocate frequently.

Tenants must be protected against **unjust eviction**. Grounds for terminating a lease should be limited to serious infractions, such as severe neighbor nuisance or nonpayment of rent. For instance, in the Netherlands, Dutch legislation provides strong protections against unjust eviction. Landlords must have significant justification, such as severe neighbour nuisance or non-payment of rent, and must follow legal procedures to terminate a lease. In contrast, in some EU regions, landlords exploit loopholes to terminate leases arbitrarily, leaving tenants vulnerable to sudden displacement.

**Fair and stable rent increases** should be the standard for rental agreements. A rental agreement should not contain clauses that allow unreasonably high rent increases. Housing should remain affordable and stable. For example, in France, there are strict regulations on annual rent increases, which are tied to an official rent index to ensure that landlords cannot impose excessive rent hikes. In contrast, in cities like Dublin, where rental price caps were only introduced recently, unchecked increases previously led to widespread tenant displacement.

### Transparency

Transparency starts with requiring a **clear, written contract**. The well described subject matter of the contract should allow both parties to fully understand the terms of the agreement. Having a written document helps resolve disputes and ensures legal accountability. In countries such as Sweden, rental agreements are required to include explicit terms about costs, responsibilities, and duration. Effectively making it easier for tenants to understand their rights and obligations.

Rental contracts should explicitly **reference national tenant protection laws**. In countries like Denmark, rental contracts often reference national tenant protection laws, which regulate rent control mechanisms and prohibit unjust eviction practices. However, many tenants remain unaware of their rights, underscoring the need for greater transparency. In Austria, legislation mandates that landlords disclose all rent-related costs upfront, including the method for calculating future increases, ensuring tenants are well-informed about their financial commitments. Ensuring that all agreements reference applicable tenant laws can help bridge possible knowledge gaps and empower tenants.

Tenants should have access to a **complete disclosure regarding the costs** associated with renting a property. At the start of a rental agreement, tenants should be informed of all expected costs, including service fees and potential rent increases. In Austria, landlords must disclose all rent-related costs upfront, including how future increases will be calculated. In contrast, in countries with weaker regulations, landlords often impose hidden fees, leaving tenants financially burdened.

Landlords should not be allowed to charge tenants **extra fees for standard rental processes** such as providing a lease contract or issuing keys. Charging additional fees for these essential services is an exploitative practice. In Belgium, authorities have implemented strict laws prohibiting landlords from charging extra fees for standard rental processes, such as providing a lease contract or issuing keys, protecting tenants from exploitative practices. This ensures that tenants are not unfairly charged for simply signing a lease. However, in some EU regions, landlords still demand "administration fees" that add to tenants' financial strain.

## **Conclusion**

The EU should implement guidelines and regulations that ensure nation-states have laws and policies in place that guarantee all tenants have a written contract that is transparent, respects housing as a human right, and complies with national and local tenant protection laws. By promoting tenant security and transparency, the EU can uphold housing as a fundamental right while fostering fairness in the rental market.

Moreover, rental agreements should be recognized as a key component of consumer law. Tenants, as consumers of housing services, should be afforded the same protections that exist in broader consumer rights legislation. By integrating rental agreements into consumer law frameworks, the EU can further strengthen tenant protections, ensuring that rental markets operate fairly and transparently.

Addressing these issues will improve housing stability, prevent financial exploitation, and create a fairer housing market for tenants across Europe.