

# GLOBAL TENANT



INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE September 2003



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Publisher and  
Editor: Magnus Hammar  
April 2003  
Publication Design: Cinna Gross  
Cover Photo: Magnus Hammar

## GUEST COLUMNIST OF THE MONTH:

Ms Barbro Engman, Chairwomen of the Swedish Union of Tenants

# Housing matters!

A couple of years ago the Austrian government ordered an extensive report on housing policies within the European Union from one of its most distinguished academics in the field, Dr Christian Donner. The report is interesting reading. It gives an overview of the housing situation in western Europe and of the various solutions various countries rely on. It is clear that the trend for some time has been less government and more market.

For a Swede it is intriguing to find out that Swedish housing policy that once set an example to the rest of Europe and the world, today rank average or at the bottom of the list. During the 1990's Swedish housing policies were subjected to a thoroughgoing metamorphosis. Housing policies as an integral part of the welfare system were abruptly discarded due to the severe economic slump. The country was in such a state that the cuts took place without debate or protest.

Today the results are increasingly obvious; housing shortages impede economic growth as companies have difficulties recruiting needed labour, socially disadvantaged find it increasingly difficult to find a decent housing and the number of homeless is increasing. Some low income earners pay up to 50 percent of their income in rent, young adults stay with their parents in increasing numbers and years and their entry to the labour market is delayed, nativity is at an alarmingly low level as young couples cannot afford or find a home to settle in. The building industry has during the last years been focusing on exclusive and expensive housing and now, with decreasing economic growth, construction has come to at total standstill. Sweden is undergoing a major housing crisis.

One could expect that politicians eagerly would rally to solve the situation and that parliament would be busy with extensive government proposals. But no, the issue is hardly on the political agenda. It is up to the market – i.e. the four companies in the construction oligopoly to come up with solutions.

Still I am hopeful. Sooner or later the politicians will have to deal with the housing issues. In the long run the problems rising from lack of housing policies will be unbearable to the citizens and to society.

In the meantime we can look at the bright star on the housing sky of Europe. In Austria housing policies are still an integral part of the welfare system and a major concern for the politicians. Among them one can find a clear view of the positive effects of generous housing policies on the well being of the citizens, on integration, on the conditions of the young and on the labour market. That housing matters!

Barbro Engman



## Calendar

### 2003

**September 30:** Round table conference with EU Housing Ministry representatives, the EU Commission and European Housing Forum representatives, in Brussels.

**October 3-6:** IUT east/central Europe meeting in Zagreb, Croatia.

**October 6:** International Tenants' Day / UN World Habitat Day

**November 24-26:** International Workshop on management of housing stock, by institutions of different ownership. Moscow, Russia

**November 27-28:** EU Housing Ministers meet "informally" in Padua, Italy.

### 2004

**February 5-6:** Conference on Housing and Social Development. Emerging Theoretical Issues in Asia-Pacific.

Venue: Hong Kong. Organised by the Asia-Pacific Network for Housing Research, APNHR.

**June 26-29:** International Housing Research Conference "Adequate & Affordable housing for all". Toronto, Canada.

**August 6-8:** IUT Congress. Birmingham, England.

**September 13-17:** World Urban Forum in Barcelona, Spain

For more information: [www.iut.nu\\_conferences](http://www.iut.nu_conferences)





Mr Marijan Babić,  
President of USH, and  
Ms Sanja Mahac

## Next stop; Zagreb

By Magnus Hammar, IUT



**Once a year the IUT meets with its members from east and central Europe. Last autumn we met in Krakow, Poland. This year we will all go to Zagreb, Croatia, from October 3-6. We try to make these conferences coincide with the UN World Habitat Day and the International Tenants' Day, which occurs annually on the first Monday in October, on the 6th this year.**

**The local or national tenant organisations host these meetings.**

This year we are looking forward to the patronage of Mr Marijan Babić President of the Udruga Stanara Hrvatske, the Association of Croatian Tenants. Also, on the 6th we will be the guests of the Mayor of Zagreb.

This year we will have representation from Bosnia and Herzegovina, the Czech Republic, Croatia, Estonia, Hungary, Latvia, Poland, Serbia and Montenegro, Slovenia and from Macedonia.

The issues to be dealt with are those that these 10 countries have in common. Yes, the problems and situations differ slightly from country to country. But the period after 1991 has generated a situation where many tenants, and former tenants – now owners, face a future which they had not anticipated; low incomes in relation to increasing costs for rents and maintenance, insecure tenure, selfishness, difficulties in organizing themselves, insufficient laws and regulations – often in connection with restitution and uncertain ownership conditions.

The countries of the former Yugoslavia also have to deal with returning refugees and insufficient cadastral information – about registration of land and buildings. The tenants and their representatives also often have to fight against the leading star of market liberalism.

No, it not a question of returning to socialism, but the market situation in Russia and in countries in east Europe is *very free*. The market in the “west”, is a lot free too – but with the difference that we have surrounded this freedom with efficient laws and regulations.

### A large mix of tenures

Udruga Stanara Hrvatske, the Association of Croatian Tenants, deal with many categories of residents; those who live

in social flats owned by the municipalities, those who live in a social flat of nationalized origin, tenants in social apartments which origin is uncertain, e.g. flats that were private but were taken over by the communists in 1945 or flats that have been taken, after 1991, illegally by someone. Then there are

tenants who have a dwelling right by law, but the flat is of private origin, was privately owned before 1945. These tenants also seek the right to buy for less than market price as they claim that they have been the caretakers and investors of these flats for perhaps 50 years. Today about 350 000 flats have been sold to tenants in these four categories.

Then there are the less well off, such as tenants who sublet one or more rooms in a private owned big flat, often as big as 300 m<sup>2</sup> and then tenants with private landlords who charge free market rents, tenants who are concierges and tenants who live and rent in an attic, a cellar or in a garage.

As always in east Europe, the actual rents are relatively low, but costs for maintenance, electricity, water and heating etc. are high, often in proportion 1 to 4.



Magnus Hammar opened the IUT-meeting in in the Town Hall of Krakow in 2002.



Photo: Jens Wetterling

# A new demand for affordable housing in Ireland

**In the Republic of Ireland home ownership levels are among the highest in the European Union. In the late 1990's 82 per cent of Irish people owned their home, compared to the EU average of 59 per cent.**

As a consequence, relatively few Irish people are tenants and as home ownership has expanded in recent years the proportion of households who rent their homes has fallen. In 1961, 17.2 per cent of households rented their home from a private landlord, but by 1999 this group had fallen to only 9 per cent. Until recently most social rented housing in Ireland have been provided by local authorities - in 1961 18 per cent of households lived in dwellings of this type, but by 1999 this had fallen to just 8 per cent.

## Young Irish cannot afford to buy homes

The advent of rapid and sustained price inflation in the housing market may have the potential to change traditional tenure patterns in Ireland, however. During the last six years house price inflation has been particularly high. Rates of house construction in Ireland are high compared to most other EU member states, which indicate that these price increases are related mainly to higher demand which is in turn the result of low interest rates, strong economic growth, historically high levels of immigration into the country and Ireland's unusual demographic structure. By European standards, the Irish population is relatively young. A large proportion of the population are aged between 20 and 35 years – the age

group when people traditionally enter the housing market.

Households who cannot afford to buy homes are forced to seek alternative sources of accommodation. Demand for social rented housing and for dwellings rented from private landlords has increased. Applications for social rented housing have increased steadily from 17,564 households in 1991 to 48,413 households in 2002.

Demand for dwellings rented from private landlords has also increased. Rents for the vast majority of tenancies in this sector are not regulated by government and the rents payable by tenants living in this sector have also increased in recent years.

## Reforms to policy on rented housing

The developments in the housing market outlined above have inspired the government to introduce a range of new supports for home buyers in Ireland. More significantly they have also precipitated the introduction of some radical reforms to policy on rented housing as there is a growing realisation among policy makers that it may no longer be realistic to assume that the vast majority of the population will be in a position to purchase a dwelling at an early stage in their working lives.

## Market forces and market rents

Traditionally privately rented housing in Ireland has been very lightly regulated. Rent control was introduced at the beginning of World War One, and was subsequently applied permanently to the dwellings in question. In 1981 the Supreme Court found the system of rent control to be unconstitutional. Since then, in the vast majority of cases, private sector rents are determined solely by market forces. In addition households living in this sector have had very little security of tenure compared to their counterparts in other EU member states. The Housing Act of 1992 allows landlords to repossess a dwelling after giving tenants only 28 days to leave.

## Improved conditions in the private sector

In 1999 the Minister for the Environment appointed a commission to examine the private rented residential sector, and on its recommendation legislation has been drafted to improve the rights of private renting tenants. This legislation, which is currently passing through parliament, establishes a Private Residential Tenancies Board (PRTB) with which landlords must register all tenancies. The PRTB will also mediate in disputes between landlords and tenants. Furthermore, under the terms of this legislation, tenants who have completed a six month tenancy will be entitled to a secure lease on their dwelling of up to four years.

## A renaissance for social housing

Increasing demand for social rented housing has also inspired a similarly radical response from the government. In the early 1990's efforts were made to diversify the supply of social housing. Non governmental, non profit agencies, are being enabled to get involved in the provision of dwellings in this tenure. Traditionally the local authorities have been

the principal sources of social housing in Ireland. The illustration demonstrates that this policy has been largely successful and non governmental agencies now provide some 10 per cent of new social housing output in Ireland. As demand for social housing increased during the 1990's, policy makers were anxious to increase the supply of social housing. However in urban areas, where social housing need is greatest, this objective was stymied by the high price of suitable land. Furthermore there was a concern that increased social housing output would lead to the creation of large estates, inhabited solely by low income families – a real possibility considering that access to social housing in Ireland is strictly means tested. The Planning and Development Act, 2000 was introduced to address this problem. Under the terms of this Act, local authorities can require that up to 20 per cent of land zoned for residential development locally is employed to meet social housing needs and/ or for the construction of dwellings for sale at low cost to lower income home buyers.

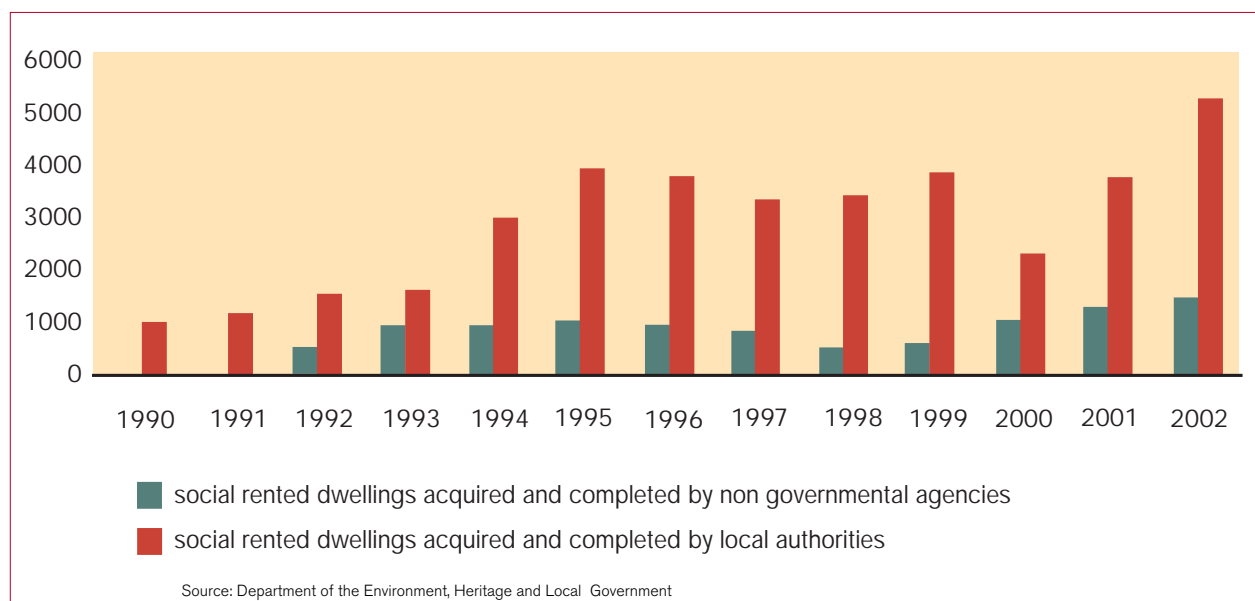
## Multi tenure to beat segregation

As a result of this legalisation it is likely that in future most new social housing in Ireland will be located in multi tenure estates which, and the widespread spatial segregation of tenures, which in practice also led to spatial segregation of different income groups, will be less common.



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**Social house building by local authority dwelling and non governmental agencies in the Republic of Ireland, 1990 - 2002**



# Nigerian tenants plagued by 450

Text and photo by David Dahmen

**Many tenants in Nigeria, the most populous country in Africa with 120 millions inhabitants, have a hard time to make ends meet. Some tenants in the commercial city of Lagos have to spend half of their income on accommodation alone, according to a survey by the Vanguard, one of the major daily newspapers. This means that the leading housing NGO, Socio-Economic Rights Initiative (SRI), has a crucial role to play.**

Traffic jam and congestion in major Nigerian cities is a serious problem by any standard. Once stuck in a queue you have no idea when you will reach your final destination. And the exhausts from cars and trucks are a threat to anyone's health. Yet, this is the environment many tenants have to endure in cities like Lagos, Benin City and Port Harcourt. On top of this comes the lack of basic facilities like water, electric power and proper drainage. For the commercial sector this means that every serious business organisation depends on a generator for reliant power supply. Yet, this is something that most tenant can not afford.

Against this background, shock rents are most unwelcome. There is a law to check arbitrary rent increase and guarantee legal security of tenure, but it has become a "paper tiger" hence the skyrocketing rents charged by landlords in various parts of Lagos. According to the Vanguard survey, rents have risen by over 400 per cent over the last five years. This means that the typical rent for a 3-bedroom flat in Lagos may cost anything from 70 – to 250 000 Naira a month, equalling 500 to 1850 US\$.

The Vanguard tells a story of a business man who could not gain access to his flat in Lagos, having missed the deadline for the rent to be paid. Only with the help of a lawyer could the tenant regain access to his property. But that was not until he had produced about 60 000 Naira (450 US\$) which the lawyer allegedly used to prosecute the case in court.

**"Tenants should not voice any complaint whatever"**

Mr Eze Onyekpere, the Executive Director of the Socio-Economic Rights Initiative, has called on the Lagos State House of Assembly to review the law. He argues that the rents now paid by many tenants are clearly "unjustified and inhuman". But the high rents are still a trifle compared to the forced evictions by both State and non-State actors facing many tenants.

"There is a misconception by the perpetrators that a tenant is in possession of his or her flat at the pleas-

ure of the private landlord or the government, says Mr Ray Onyegu, responsible for legal projects and special services at SRI. This is a major misconception that the organisation has had to fight hard. According to Mr Onyegu very little thought is spared for the legal rights for the tenants.

"Every private landlord believes that having sweated it out to build a house, without assistance from any third party, the tenants should not voice any complaint whatever problems might occur".

## Hoodlums thrive in a culture of violence

This also goes for people that are waiting to move into their flats. Due to the severe shortage of housing, many people queuing up for flats, are being asked to pay rental advances to cover two or more years, before taking their flats in possession. This still do not guarantee a continued contract after the pre-paid years. The landlord then often introduces a new tenant, asking him to pay another lump sum for several years to come.

"Of course, the sitting tenant is likely to offer resistance





# per cent rent increases

and the landlord would then design some extra legal schemes for throwing out the tenant into the street without due process of law “, says Mr Ray Onyegu. According to Mr Onyegu, the landlord may go as far as securing the services of unemployed youths and hoodlums who will pounce on the tenant and beat him until he will not resurface within the vicinity of his former accommodation.

This harsh treatment can be explained by the history of Nigeria since independence in 1960.

“Many years of military dictatorship has entrenched a culture of violence, impatience and impunity. People generally issue orders with the same military fashion and expect obedience with the same precision “, Mr Onyegu explains.

## One more African watchdog to the IUT

Founded in 1995 as Shelter Rights Initiative, but then renamed to SRI, The Socio-Economic Rights Initiative, has been dedicated to the promotion of basic standards in economic, social and cultural rights. This national NGO, operating from Lagos, works mainly through advocacy, action research, investigation and reports on rights abuses. The



Mr Emmanuel Efosa outside his parents house in Benin City.

principal tools of work are campaigns and networking.

SRI has built an extensive network on both the African continent and abroad, having gained Observer Status with the African Commission on Human and People's Rights and a working relationship with the UN Committee on Economic, Social and Cultural Rights.

In November, the IUT board will consider the membership application from SRI.

## Most city-immigrants become slum tenants

Nigeria has a population of about 120 million people. Out of that, 90 million people live in urban centres and more than 90 per cent of them are tenants.

“This means that many grown-ups stay on in their parent's house – a way of living which is most common in African households. But eventually, when its time for marriage and children, the situation becomes untenable for most families, says Emmanuel Efosa, a 27 year old architect, still living with his parents in Benin City.

The lack of existing and affordable housing, have had many city dwellers ending up in slum areas. A majority of these people are connected to organisations like the SRI.

“We provide these people housing rights and environmental health education. It has also become necessary for them to link up to us because the threat of being evicted en masse “, says Mr Onyegu.

Caring for the slum tenants, SRI's commitment has grown beyond the typical judicial service and support, now including health and environmental education as well as gender action programs aimed at



Street scene from Lagos



Tenants in Lagos

women's empowerment and unequal power relations. SRI is also engaged in practical support of slum tenants, digging water holes and organising waste collection.

### Lip service to UN commitments

SRI also does educational work among the general public. Here the task is to take socio-economic rights to the streets, for the law to reach the common people. For this purpose a handbook on legal security has been produced. Another book, "Help improve out slums", gives advice on Best Practices.

SRI has put a lot of effort into promoting the implemen-

tation of the UN Istanbul Declaration. In 2001 it worked together with the Nigeria Habitat Coalition to review the development in Nigeria for the Istanbul + 5-meeting. This included a Public hearing in Lagos to include views of the grassroots.

The outcome at the time, as well as now in 2003, is depressing according to Ray Onyegu:

"Our findings are that Nigeria pays only lip service to its Istanbul commitments".

David Dahmen is a freelance journalist and photographer. Contact David through e-mail: ddahmen@swipnet.se

NOTICES

## Denmark – selling the public housing, or not?

**On May 30<sup>th</sup> the Danish government presented the report which many had been waiting for; on how to go ahead with the selling of 500 000 flats in the public housing stock, approx. 20 per cent of the total housing stock in Denmark.**



Tenants will have the possibility to buy their flats:

- if the flat is over 10 years old,
- if the majority of the households of the association agrees to,
- if the purchase comprises at least 3 flats in the building.

In less attractive estates, the association can sell empty (>1 month) flats to others than the tenants. The price of the flat: 30 % of the market value.

The report estimates that at least 60 000 flats will be sold in the first round. Expropriation! Say those who oppose (see Global Tenant/April. One of the

government's reasons for selling is to bring in money which should be used for new construction of flats. No, not a single affordable flat will be built, exclaims the Danish Tenants Union. The money will be used for other purposes, when the planned tax cuts are being effected.

Mr. Jørgen D. Jensen, representative of the Danish Tenants Union, also claim that those residents who choose to remain as tenants will find it very difficult

to have their voices heard when the majority of the residents will be owners of their flats.

This is the experience from Stockholm when municipal houses were sold to the residents. Many elderly persons in inner-city flats did not want to buy off their flats when the offer came. Many of these elderly have often been easy victims when their neighbors, now the joint owners of the house, wanted to get their hands

on their flats, which represents a high value on the market.

*To be continued...*



Mr Jørgen D. Jensen, representative of The Tenants Union



# Swiss say no to a better tenancy law

**The Tenants' Associations in Switzerland, which initiated a national referendum in May, called for an uncoupling of rents from mortgage interest rate levels. The applicable legal regulation has resulted in a regular increase of rents whenever the mortgage interest rate increased.**

The Swiss Tenants' Associations wanted a switch from mortgage interest rate to an interest rate that was "graded" over several years as basis for rent determination. This was to prevent rents behaving like they were on a road through the mountains that always led upwards, but never down again!

Swiss voters went to the polls on an initiative for a better tenancy law – see article in the last edition of *Global Tenant*. The benefit of a reduction in mortgage interest rate, however, was only passed on partially or not at all. In addition, we were seeking an improvement in the protection of tenants. In particular, the landlord should bear the burden of proof for reasons given in a notice to quit. Protection for tenants in Switzerland is notably weak in comparison with surrounding countries such as Germany or Italy.

## No in 25 cantons, only Geneva says Yes

Unfortunately, this move was forcefully rejected by 2/3 of the voters. The results were slightly better in the French and Italian speaking parts of Switzerland as well as in Basel-City. In general, the yes-voting proportion was higher in urban areas than in the countryside. For the passing of a public initiative the majority of the votes, and also the majority of the cantons, are required. In this respect, the results for the Tenants' Associations were even more disastrous. Only one of the 26 cantons, the city canton of Geneva, approved the initiative and that with a flimsy majority of 50.3%.

## A surprising result with many explanations

How did such an astonishing result come about in a country where 70 percent of the population, the highest rate in Europe, are living in rented apartments? 20 percent of the Swiss population is foreign, and of which most live in rented flats. These people have no vote. In addition, during the more recent years, the mortgage interest rate has not increased but decreased. Though this did not result in decreasing rents as the current law, in principle, requires. At least they did not increase significantly. Consequently, the awareness in the population of injustice has undoubtedly been anaesthetised. Furthermore, the text of the initiative on which citizens had to vote was extremely complicated. As we also wanted to improve further aspects of the tenancy law, the well-meant text of the initiative was barely intelligible, even for a lawyer. The Landlords' Associations spent



Lac Léman, Geneva

million of francs on a campaign on the vision that the new protection of tenants would make it impossible to remove trouble makers.

The outcome of the vote may well also indicate that a lot of tenants harbour a desire to be owners of their own four walls.

## A better outcome in February?

How should matters proceed now? The Swiss parliament has opposed our initiative with a so-called counterproposal. And this counterproposal is even worse for tenants than the current law. This draft law contains paragraphs in which rents will no longer be bound to mortgage interest rates. The landlord will instead be entitled to a rent increase equivalent to the full annual increase in cost of living. Employees in this country can only dream of such a legally justified claim. In addition, the landlord will be able to fix the rent at his own discretion, virtually without control, when new tenants move in. After a change of hands, the new owner will also be free to increase the rent. The Tenants' Associations have collected the necessary 50 000 signatures in opposition to this draft law, which will therefore also be subject to a public referendum. This will take place in February next year. We believe that we will have a better chance at this next vote. The results of previous referendums show that the chances of success are much higher in a referendum where the voting citizen can say "no" to an innovation. We will report again on the outcome of this vote.

By Mr Jakob Trümpy, Schweizerischer Mieterinnen- und Mieterverband, [www.mieterverband.ch](http://www.mieterverband.ch)





**An article entitled “From bad to worse in Slovenia”, published in the latest issue of this magazine, contains entirely untrue and misleading statements concerning the new Housing Act adopted in June 2003 by the National Assembly of the Republic of Slovenia.**

- The allegation that “the tenant must seek permission” from the landlord to bring a new family member into the flat is not true. The new Housing Act specifies quite clearly that the owner must conclude an annex to the tenancy agreement at the tenant’s request if the number of tenants increases by one or more persons that the tenant must maintain by law (e.g. child, spouse...), as well as any other persons if the size of the flat is still adequate with regard to the number of persons.

- The allegation that the owner may move the tenants any time without any culpable reason is not true either. The owner may terminate the tenancy agreement for non-culpable reasons only once, and after that only for well-founded reasons (e.g. if the building will be demolished, in the case of safety risks) and only if a new, adequate flat has been provided by the owner. The costs of moving are borne by the owner.

- The tenant’s position in the landlord and tenant relationship must not deteriorate, which means that the flat is considered adequate if it is located in a single-family house or a block of flats built in compliance with the minimum technical conditions for housing construction and a licence has been issued for it in compliance with building regulations. Any disputes are settled before a court of law having jurisdiction over these matters.

- We vigorously deny the allegation that from now on landlords will be able to harass tenants opposing the development of a flat, and renovate it against the tenant’s will. The tenant must admit the owner into the flat to check the proper use of the flat according to the current regulation; which is, after all, the consequence of the fact that the owner is responsible for damage occasioned in other flats or common parts of the building and arising from this owner’s flat.

- It is true that the tenant must permit entry to the flat in order to enable maintenance and the improvement of living conditions in the flat, unless this would represent a bur-

den too excessive for the tenant and his or her family with regard to the scope and duration of work, increased rent, and so on. Repairs and improvements must be made as quickly as possible and cause as little inconvenience as possible to the tenant.

- A delay in payment of the rent or operating expenses is in no way grounds for terminating a tenancy agreement, if the delay is justified. Tenancy agreements cannot be terminated for the tenant of a non-profit flat in the event of exceptional circumstances which could not have been foreseen or controlled (e.g. death in the family, loss of employment, serious illness, natural catastrophes) and that prevent the tenant from paying the rent and operating costs in full. The tenant is obliged, however, to initiate proceedings – not later than 30 days from the occurrence of these circumstances – for subsidised rent and special assistance in the use of the flat, and he or she must inform the flat owner of these circumstances at the same time.

**The allegations that “rents have gone up by 37 per cent during the last two years;**

”78 000 tenants in municipal flats and 17 000 in resituated flats, most of them in Ljubljana, do not sleep well”, are exaggerated. A majority of rents will indeed increase, but not more than 22% in the years 2005–2006. The rents of those tenants who rented flats after 2000 will decrease by approx. 8 per cent. The rent for an entirely new non-profit flat of 50 m<sup>2</sup>, including an approx. increase of 37 per cent amounts to 15.3 per cent of an average family income. It is true that rents for tenants living in denationalised flats older than 60 years will increase; it is also true that these tenants currently pay a much lower non-profit rent than other tenants of non-profit flats. It is important that the new act will adequately reshape the rent subsidy system. Thus the tenants that are worst off will be entitled to subsidies up to even 80 per cent of the rent, which is much more favourable than those provided for in the current Housing Act.

To date, all tenants have been entitled to rent subsidies irrespective of their financial situation. From now on, the subsidy level will depend on a tenant’s income. For the well-off that will be now paying a normal non-profit rent, the situation has indeed changed “from good to worse”, while for the rest, “from relatively good to better”.

Ministry of the Environment, Spatial Planning and Energy of the Republic of Slovenia.

**COMMENTS to the Ministry's response, from the Zdrúženje Najemnikov Slovenije (Association of Tenants of the Republic of Slovenia)**



**About the need for permission;** The new Housing Act prescribes the owner *can* evict the tenant if he/she brings in the flat a person for whom the owner did not give his/her consent. (the Housing Act, Article 103, Par. 1, Item 7). It is true that the owner is obliged to draw an annex to the contract *but* only in case of marriage and birth. The owner is not obliged to do so in cases of family members, such as parents, siblings, etc. Not to mention that there are hardly any cases without problems when people get married or have a baby. Many of them have to sue the owner first before he/she gives up.

**About the possibility for the owner to move the tenant to an equivalent flat:** The ministry themselves *admits* (don't they?) that they can do it for the first time - only once. Isn't it bad enough you may lose your home *once*, especially after living in it for decades! On the other hand, the new Housing Act ensures the tenant is entitled to an *adequate* flat, not an *equivalent* flat, and that makes a huge difference. We know what equivalent means, but an adequate flat simply means minimal social standard. That means the tenant ends up in a flat which is much worse than the one he used to live in. Some flats are simply inadequate as we can see from many cases but they still satisfy these minimum social standards. (Article 106 and 10).

**About development and refurbishment of flats:**

The Ministry should have a closer look at Article 99 of the New Housing Act. The tenants in Slovenia do not object that the owner maintains the flat *but* they do object that the owner *can* refurbish their flat *anytime* and *in any way* they want and *against the tenants will*. Also when any such work is not necessary and when it is not a question of maintenance at all.

**About the delay of payment and;** Yes, the new Act does stipulate that a delay in payment is no reason for terminating a tenancy, *but* in cases when the delay in payment is to be long-term the tenant will be removed to a dwelling which we call the 'Russian Komunalka' (a building with individual bedrooms and a common kitchen and toilets/bathroom), in accordance with Article 104 §4. This prob-

lem is particularly relevant with rapidly increasing rents introduced with the New Housing Act. Increased rents will affect many tenants which inevitably means that many tenants will be forced to move to Russian Komunalkas.

**About the rent increases:** In March 2003 the Constitutional Court of Slovenia decided to allow the rents to increase by 37 percent which hit approximately 82 300 households. The decision triggered a legal action of several hundred Slovenian tenants at the European Court of Human Rights in Strasbourg. The new Housing Act prescribes the increase in rents by additional 75 per cent by 2006 for the tenants who used to hold the housing right, and by an additional 32-75 per cent for new tenants. Only 1700 households with the tenancy agreement obtained after March 2000 can expect a very low increase of 32 per cent, or even a decrease of 8 per cent if the relevant municipality decides not to increase. This is less likely due to the shortage of municipal funds. Additionally, it is emphasised that a rent increase *does not include* the operating costs of the flat which may amount to 2/3's of the rent. Poverty, which the Slovenian government so much wants to conceal from the EU states, will soon include thousands of families.

**About rent subsidies:** No comment - in our view this reply is cynical! Who are these "well-off" that the Ministry refers to?

And it's simple from "very bad to much worse", and beyond .

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Market-women in Ljubljana



# IUT Congress 2004 in Birmingham, England

**Next year, August 6-8, the IUT has been invited by TPAS, Tenants Participation Advisory Service, to hold the congress in connection with TPAS' Annual Meeting in Birmingham. TPAS' annual event usually gathers over 600 professionals and grassroots from municipals and housing associations from all over England.**

The IUT delegates will be able to take part in the different activities such as a variety of workshops, exhibitions and social events. The congress itself will deal with questions like membership fees, new categories for membership and perhaps new conditions for membership. Are we to involve ourselves with the new "Home owner organisations", like those in Rumania and Slovakia, or do we want to keep it strictly "tenant"?

In 2001, in conjunction with the celebrations of 100 year jubilee of Social Housing in Amsterdam, the IUT held its congress in this water-rich city. The Nederlandse Woonbond hosted the 3-day venue with altogether about 70 participants from 21 countries, including Uganda and Benin.

So, we would like to see representatives from as many continents and countries as possible in Birmingham next year. From experience we know that these three days in Birmingham will be very rewarding and most surely a memory for life. It's time to start thinking about funding, and perhaps vacation plans! If your organisation can not contribute, why not ask around in the Town Hall!



TPAS website: [www.tpas.org.uk](http://www.tpas.org.uk)



A warm welcome to Birmingham!  
Phil Morgan, TPAS Chief Executive

## EU / Reduced rates of VAT on housing

Clipping from RICS European Alert August/September 2003

The supply, construction, renovation, alteration, repair, maintenance and cleaning of housing could be eligible for reduced rates of VAT within the EU - if a controversial list of products and services proposed by the European Commission is accepted by the member states. Under the existing list, known as Annex H of the VAT Directive, only housing "provided as part of a social policy" was eligible though not every Member State chooses to apply it. The purpose of the new proposal is to give member states the opportunity to apply reduced rates in fields where other member states are already applying them with no apparent detriment to the smooth functioning of the internal market. And also to rationalise the numerous derogations which currently apply in some EU countries. The proposal also includes measures for a final decision on the VAT rate applicable to labour intensive services such as renovation and repair of private housing.

Ireland, Luxembourg and the UK have said that they will oppose the plan at the first opportunity because of the proposed removal of zero, super-reduced (< 5 %), and parking rates of VAT, on products not listed in Annex H. Taxation matters can only be decided by unanimity. However, Internal Market Commissioner Mr Bolkenstein insisted that the Commission would not be bullied by member states saying "it is our job to uphold Article 93 of the Treaty which obliges the Commission to remove market distortion related to VAT".

For more information: [www.europe.eu.int/comm/taxation\\_customs/taux\\_reduits\\_en.pdf](http://www.europe.eu.int/comm/taxation_customs/taux_reduits_en.pdf)

### NOTICES

#### Manhattan comes to Sarajevo

Bosnian and Malaysian developers have initiated the Bosmal City Center to be completed at the end of this year. According to the Bosnian Tenant organisation BIHUSS, this is the first condominium in this part of the world. The costs are estimated to 50 million \$US. There will be two tall towers, each 117 meter high. The towers will hold offices, shops and 307 flats, including luxurious pent houses with private swimming pools and terrace gardens.

Source: BIHUSS, Sarajevo

Editors comment: Will these flats somehow ease the present difficult housing situation in Sarajevo?

#### Australia : Caravan parks not only for tourists.

There are approximately between 26 000 and up to 50 000 permanent residents living in parks through out the state of New South Wales. These residents are considered tenants, and their rights are stipulated in the Residential Parks Act. This Act covers park residents from day one, provided they live in a caravan with a rigid complex or in a mobile home. In the state of Victoria they are covered only from day 91. It is not uncommon that tenants be evicted on day 79 or 80.

Source: Tenancy Quarterly, Tenants Union of Victoria , [www.tuv.org.au](http://www.tuv.org.au)

#### Hong Kong: 50 % public and 50 % private

The authorities in Hong Kong did not pay much attention to housing before Christmas Day in 1953. A massive fire at Shek Kip Mei settlement produced some 50 000 homeless fire victims. The following year, 1954, a semi-independent organization, Hong Kong Housing Authority was set up to provide low-cost self-contained flats. In 1981 the population in Housing Authority estates reached 2 million. In 1998 the Tenants Purchase Scheme was launched and a policy which favoured home ownership. Today still nearly half of Hong Kong's population live in various forms of public housing, of which 30 per cent lives in rental flats and 20 percent in subsidized sale flats. Source: [www.housingauthority.gov.hk](http://www.housingauthority.gov.hk)