

GLOBAL TENANT

IUT INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE January 2004



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by Cassandra Fälling, 10.

Guest columnist: Ms Anne Viita, Director of the Union of Tenants, Finland.

Same old story in Finland

Houses in Finland are mainly in a good shape and built with care and good quality. The media frequently reports about city planning, costs of living, and of the state's and municipalities' role in housing construction. You get a feeling of two things: first that living is expensive, and secondly that there are many problems involved in housing.

Yes, there are frequent discussions and debates about the housing issue, and the problems seem to be well known. But no acceptable solutions seem to come out of these discussions.

In Finland the total amount of homeless people is increasing and the state-supported rental dwelling production is very low. The roughening values of society are also notable, which can be seen in the resistance from neighbours when there are plans to construct a block of flats. For being eligible to apply for a state-supported flat you can apply only when your income is below certain levels, or if you are without a home. Resistance from neighbours hardens considerably when the news get around that there plans for constructing a house aimed at the homeless or mentally disabled persons. Even to have physically disabled neighbors seem to cause a drop in housing value.

In Finland there were 9600 registered homeless people by the end of 2002, including almost 800 families. More than 50 % were of these people are located in Helsinki. There has been some success to reduce the amount of homeless, but much is still to be done.

Finnish families experience high costs of living. Many families with children live in small dwellings. Families with children always seem to be "short of one room". The most significant change in rental dwellings during the 1990's has been the sharp rise of living costs in Finland. An average of 23% of the household income is tied to living. The situation is hard to accept when the market for affordable housing is decreasing.

We at Central Union of Tenants in Finland tries to work for better and affordable living in the future Finland. Housing is not a matter that should be organized only by the Market. Housing needs support from the government and the community, who have the major responsibility for a well balanced and well functioning housing market.

We have an important task to preserve the rights of tenants. Largely, tenants are working people, pensioners and students. These groups don't necessarily want a life-long mission to pay off their housing loans, but may chose to live safe and secure as tenants.

More information, in English, on:
www.vuokralaistenkeskusliitto.fi/uk/



Ms Anne Viita

Calendar

2004

February 2-4: Housing in the 21st Century: Challenges and Commitments. Hong Kong

February 5-6: Conference on Housing and Social Development in Asia-Pacific. Hong Kong

February 17-19: Building Positive Inclusive Communities through Housing and Regeneration - Muslim and Christian initiatives. Philadelphia, USA.

March 27-30: Symposium of Housing II: Affordable dwellings. Riyadh, Saudi Arabia.

May 20-22: Housing and Economy - Experiences and Future. Warsaw, Poland.

June 18-19: International Symposium on post-communist cities. Univ. of Illinois, USA.

June 26-29: International Housing Research Conference "Adequate & affordable housing for all - research, policy, practice". Toronto, Canada.

July 2-6: East Europe/ Housing: Growth and Regeneration. ENHR conference in Cambridge, England.

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

September 13-17: UN Habitat: World Urban Forum. Barcelona, Spain.

For more information: www.iut.nu_conferences



Ms Nicola Havlíčková from SON assists clients at the Housing Centre in Těšnov Street No.5 in Prague 1.
Tel: +420 22 480 50 125

Mr Milan Taraba, Vice President of SON and the initiator of the Housing Centre.

Housing Centre in Prague

The new National Information Housing Centre was inaugurated on September 4th in Prague. The Housing Centre is a joint initiative between the Czech Union of Tenants (SON), the Czech Ministry for Regional Development and the Association of Coop Housing (SMBD).

The Centre is open from Monday to Thursday from 9 till 17 and Friday from 9 till 12. The Centre is not only for SON and SMBD members but for everyone who needs assistance in housing matters, such as legal advice. Lawyers from SON and SMBD are at their disposal. There is also a permanent telephone service for those who do not live in Prague. Assistance is also given in how to formulate letters to authorities, contracts etc. Visitors can use telephones at the Centre.

The people coming to the Housing Centre become members of SON by paying the membership fee of between 100 and 200 Czech crowns¹. The Centre is financed by SON and SMBD through governmental grants aimed at legal services and adult education.

In the future SON and SMBD hope to open similar centers also in Ostrava, Liberec, Tabor and Brno.

¹ Equivelent to 3-6 Euro, or 3.8-7.7 \$US

IUT Congress 2004, August 6-8

The IUT is inviting all members to take part in the 3-day event which will take place in Birmingham, England. The IUT-congress will run parallel to TPAS' annual meeting. This implies that TPAS and IUT will both run activities, such as seminars, which will be open to both groups. TPAS will gather about 700 delegates, and IUT...? Well, we reckon that we will get together about 70 – 100 delegates, from a great number of countries. This will cast an international flavour to the whole event at the Birmingham Hilton Hotel. IUT members will receive written invitations by the end of January. Also non-members might be interested to participate, as Observers. If there is an interest, please get in touch with the IUT Secretariat for more information. TPAS on the Internet: www.tpas.org.uk

A draft program is now available on www.iut.nu/conferences.htm

NOTICE TO SUBSCRIBERS

For those of you who have received more than one copy of the Global Tenant, in the future we will unfortunately only be able to send you one copy.

This is due to the increasing costs for postage. But, if you would like more copies for special reasons, please send us an e-mail and we will be glad to make exceptions. This notice does not affect sendings to IUT members. / The Editor

House-/flat swapping in 2004?

Anyone of the GT readers who are interested in making your holiday-purse last longer?

If yes, send us an e-mail to info@iut.nu and we may perhaps be able to match you up with some other holiday-makers!



Photo by Robert Eaker

Homelessness in Europe

Brussels, December 19: The European Observatory on Homelessness (FEANTSA) launched its latest review on Statistics on Homelessness in Europe. This report is based on 15 national reports from FEANTSA research correspondents, and contains information, facts and figures, on all existing data on homelessness in the EU. It also examines the methodology used in the member states. According to FEANTSA there are about three million homeless people in the EU. This report will also be available in French.

For more information:

office@FEANTSA.org, or tel. +32 2 538 66 69

Greetings from Israel

The IUT Secretariat received greetings from Ms Yochi Yahel, Chairwoman of the Israeli Organisation of Protected Tenants. Ms Yahel writes that there has been no public residential construction in Israel for many years and the present public housing is in a very poor condition.

"Key money", which belongs to the grey or black sector in most countries, have been regulated and legalized in Israel.

Mr Yahel writes:

Our organisation, the Israeli Organisation of Protected Tenants, was established in 1956, as an Ottoman Society. It is a voluntary organisation, supported only by membership fees. Attorneys – legal advisors, technical consultants and members of the management group all work a voluntary basis. There are today some 35 000 protected residential tenants, and an additional 15 000 persons with "protected" business leaseholds.

Our main objectives are to protect the integrity of the Tenant Protection Law in our Parliament – the Knesset – and in the government, and also in the courts and local authorities, and to provide technical and legal counselling to our members. We work for tenants irrespective of religion and ethnic background.

History still lingers...

The Tenants Protection Law was enacted during the time of the British mandate, before the establishment of the State of Israel in 1948. Amendments have since then been made until the final formulation of the Law in 1972. The law stipulates that the amount of the rent is controlled and may not be raised arbitrarily by the landlord. The government raises it once a year based on the consumer price index. Also, the landlord is precluded from evicting the tenants as long as they do not breach the law and the terms of the signed contract. As long as the tenant pays the rent in due time and complies with the terms of the original contract, there is no need to renew the rental contract each year and he or she may continue to live in the flat for unlimited time.

Survivors and immigrants arrive

Protected Tenants in Israel acquired this right by the historical background. During the time of World War II there was a severe shortage of residential flats in most western countries, and so also in Israel. There was little or no new

construction, also no construction of public housing. Without such laws that protected the tenants, rents would have gone through the roof.

At the end of the War, upon the establishment of the State of Israel in 1948, thousands of Holocaust survivors arrived from Europe and also Jewish immigrants from all over the world arrived daily. Construction, public and private, could not keep up with the need for new flats.

"Key money", regulated by the law!

In order to live in those flats that were protected by the Law from 1948, for which there was fierce competition, the custom spread of paying "key money". An illegal custom of course. The money was split between the outgoing tenant and the landlord. The money was paid "under the table" and increased with time. Since it was no longer possible to control or to revoke this custom, in 1958 this custom was stipulated in a special law. This law specified the rules of division between the tenant and the landlord. The amount of "key money" itself was established by supply and demand, and changed periodically. In fact, to this day, it is governed by the market economy within the confines of this law.

Over the years, the amounts ranged between 60 to 80 percent of the value of the property when vacant. Thus, in fact, the tenant acquired his or her right to protection against market rental fees, arbitrary evictions and various types of mistreatment.

It was later decided to "turn a new page" and it was stipulated that a building constructed after 1954 would not be included in the Law.

When a tenant leaves his flat after having lived in it for more than five years, he receives 60 percent of the key money paid by the new tenant. A protected tenant in Israel is someone who has paid "key money" for the rights conferred on him by the law. The property is still not his, despite the large amounts of money paid. Upon his demise the property reverts to the landlord, unless a descendant lived with the tenant for at least six months before he or she died.



Ms Yochi Yahel, Chairwoman.



The tenant must pay 50 percent of the proportional costs applicable to the flat in connection with the maintenance of the common facilities in the building.

Anyone who is not a Protected Tenant is not protected from eviction, nor with respect to the rental fee he has to pay. The tenant must renew his contract with the landlord each year.

As in most major cities, the difficulty to find a roof over one's head is considerable. Those who suffer most are young couples, single persons and of course those who have no money.

Rents

Free rental in the city centres is high. The rent for a two-room flat may cost 600-700 \$US per month. This is equivalent to the salary of a young teacher, a nurse or a low-level clerk. Students often live together in a family flat. When moving in, these flats are usually empty, without any kitchen appliances. Not included in the rent are municipal taxes and costs for electricity.

Landlords and the salami method

Of course we are fought against by the Landlords Organisation, which is rich and strong and makes every effort to cancel the Law or to "clip its wings", by attempts to insert amendments by the salami method – until the tenant will remain with no rights at all. Our organisation was established to face up to them, and prevent them from amending the Law to the detriment of the tenants. We do this in the Knesset, we lobby our government and the various authorities, and also the Supreme Court.

Our organisation provides counselling to tenants on understanding the Law with respect to what they may and may not do. We have six voluntary lawyers who provide legal advice to those tenants who are members of our organisation with respect to various arguments and disputes that arise.

Contacts: Ms Yahel at: Michael Street No 3, Tel Aviv 63 261, Israel. Fax: ++972 3 528 90 88

Some figures:

From the last population census in Israel, in 1995:

Owner occupancy: 76,2 %, market rental: 16,1 %, (including flats with "key money"), public housing: 6,2 %, rent controlled flats (protected tenants): 1,5 %. Next census will take place in 2006.

From the State of Israel, CBS, 2001: Owner occupation 71,2 %, rental accommodations 24,5 %, others 4,3 %.

Rents in controlled flats amount to between 10 percent and 20 percent of the market rent.

Further reading: "Petty Landlords in Israel's Private Rental Sector", by Prof. Elia.Werczberger of Tel Aviv Univ.; www.hel.fi/tietokeskus/tutkimuksia/enhr2000/Ws17/WS17_Werczberger.pdf

NOTICES

Settlers in Israel are costly business

Since 1967, when the West bank and the Gaza strip was occupied by Israeli forces, the total costs for the Israeli settlements have reached 11 billion \$US. The annual costs for tax subventions, road and housing construction, schools, healthcare and for electricity and water supply amounts to an annual cost of 690 million \$US.

Maybe the most recent peace plan, Aqaba in June, which called for a total halt of new settlements, can help to ease the economical burden. But unfortunately the Israeli government, which does not seem to share the view that these settlements are illegal, has so far not yet signed the peace plan. Source: Dagens Nyheter.

SUSTAINABLE HOUSING

– realistic goal, or fantasy?

By Michael Lee

“Sustainability” is as desirable as motherhood or sliced bread. It is engrained within the EU philosophy. But can the concept be applied to housing, or is it so vague as to be trivial? A study of multi-family housing in Lithuania suggests that it can be a useful prism, for tenants and owners, managers and politicians, to examine which management practices are in their best interests.

What is Sustainable Housing?

Sustainability is not so much an issue of the rational use of natural resources, as of the long term well-being of families that live in the existing stock of housing-how it affects their health and welfare; Whether the housing encourages or discourages social communication; Whether it is managed in such a way as to combat social exclusion. There are also issues how the housing is financed, by individuals and governments. Sustainable housing, then, is about how housing is managed – by and for its residents.

We should also be clear what sustainability is not about. It does not seek to preserve the existing housing stock for its own sake. Part of the stock may need to be improved, replaced or simply pulled down. But, for sure, one of the central issues of sustainability is to optimise the value of the physical stock of housing, making the best use of what we have got.

Why is there an interest in Sustainable Housing?

The European Union has enshrined sustainability as one of its guiding principles. It is, for instance, a prominent theme in the draft constitutional treaty. “Sustainable development offers the European Union a positive long-term vision of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment - a society which delivers a better quality of life for us, for our children, and for our grandchildren...”¹

As Hubert S. van Eyk noted in a recent article in *Global Tenant*, the European Treaty identifies a number of activities that relate to housing and, implicitly, to the sustainability of housing. These include “the achievement of a high level of social protection and the improvement of the quality of the environment, the raising of the standard of living and the quality of life, and social cohesion...”²

What does Sustainable Housing mean for Lithuania?

In 2002, the author was engaged by the Lithuanian Government as part of a team advising on a new housing policy. On the advice of the Ministry of Environment, which has the responsibility for housing, sustainability was taken as one of the main policy objectives. We asked whether the

existing housing stock was sustainable. The answer was, unambiguously; “No!” But there are many things that could be done to make the housing stock much more sustainable and which, following this study, the Government has included in a new draft strategy. Following independence, most residents newly became owners of their homes, but had little understanding of the benefits or responsibilities of home ownership. A recent survey by the City Council of Vilnius found that 97 percent of multi-family dwellings required some sort of repair.

Numerous financial, procedural and other difficulties inhibited the repair or renovation of the newly privatized apartment blocks. Redevelopment is rarely realistic, with most of the apartments in residential buildings being in individual ownership.

The housing is unsustainable economically. As prices were increased towards market levels, housing rapidly became unaffordable, especially in terms of heating and of maintenance and repair. Lithuanian households pay perhaps one-third of their income for rent or loan repayments, and utilities (water, electricity, heating, etc)³. Many pay much more than this, an extremely high proportion by international standards.

Many buildings are also in a poor state of repair, and deteriorating. If repairs are not carried out, especially to the common areas: staircases, outer walls, roofs, heating systems, the lifespan of many building will be substantially lessened, and their economic value reduced. The condition of the buildings also has an adverse effect on the health of the residents. For instance, moisture seeping into homes causes dampness and mould and, ultimately, respiratory problems.

The problem of deferred maintenance is not only a problem of ability to pay, but also of willingness to pay. Many homeowners who received privatized dwellings in the early 1990s do not understand that have an asset that can increase or decrease in value. They do not understand that ownership carries obligations as well as rights. The present situation is also economically unsustainable in the sense that neither central nor local governments can afford to meet the demand for more extensive subsidies.

The housing is environmentally unsustainable. There is considerable inefficiency in residential space heating, be-



Debrecono street No 31 in Klaipeda from 1972, with 60 flats.

Implemented energy efficiency measures:

Renovation of heating system, balancing, replacement of radiators, installation of thermostatic valves and individual heat cost allocation system, external walls insulation, roof insulation, windows replacement. Energy consumption before renovation was 439 MWh/year, and after renovation 154 MWh/year. 65 % energy saving!

The price of the renovation project was 706500 LTL, eq. to ~200 000 Euro, US\$ 253 000!"

Source: www.bkagentura.lt

ing, for example, 50 percent less efficient than in Denmark. This results in excessive carbon-dioxide emissions, high fuel imports, high costs to consumers, the need for high subsidies, and inadequate home heating.

Not least, **the housing is socially unsustainable**. It engenders problems of physical and mental health. Much of it is unsuitable for the elderly; and it is likely to generate problems of social exclusion.

The housing strategy adopted by the Government encompasses a range of solutions which would go a long way to overcoming these problems and to make the housing stock more sustainable. They aim to:

- increase maintenance, repair and upgrading (energy-efficiency and structural improvements);
- improve housing affordability, especially to low income households;
- enhance the value of existing housing through local initiatives;
- improve housing choice by increasing the proportion of rental housing; and
- increase social cohesion, especially in large housing estates.

How can these findings be used elsewhere?

In Lithuania, the principles of sustainability for existing housing were developed in brainstorming sessions by the main stakeholders, through surveys of tenants and owners, and consultations with the main institutional actors. Practical solutions for improvement were developed, prioritized and costed. Not enough time has yet passed to find out whether there is real consensus on these priorities.

Given time, a more interactive process could be adopted elsewhere to establish a durable foundation for future activ-

ism. However, reaching a common understanding of sustainable development usually proves to be a lengthy business. It might start with a series of meetings between government, residents and intermediary organizations (and academics, and the media?) to define the issues and different concepts of sustainability. Indicators and targets would then be prioritized in meetings with community representatives. They would finally be translated into action plans for each group of stakeholders. It is a process requiring patience, a high calibre core team, and commitment to the participatory process. In the last resort, though, it is a process that will pay high dividends.

About the author: Mr Michael Lee is a consultant urban economist who specialises in management of urban and housing sector projects in developing and transitional economies. You can reach Michael through e-mail: Michaelhanka@aol.com

Facts and figures

During Soviet time the majority of the housing stock was possessed by the state. But, privatisation of housing started even before 1990 and was more widespread in Lithuania than in other countries of the former Soviet Union. Cooperative dwellings had already been a kind of semi-private property with certain restrictions. In the restored independent Lithuania the state and municipalities have privatized much of their housing stock. In 2002 about 97% of total stock of dwellings belongs to the private owners, and only 3 % is referred to as rental / social housing, aimed at the most needy. (Statistic Lithuania, 2002).

More information from UN-ECE, Country Profile on Housing in Lithuania: <http://www.unece.org/env/hs/cph/lithuania/welcome.html>

¹ *A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development.*

² Hubert S. van Eyk, "Housing and the European Union – an uneasy and unclear relationship," in *Global Tenant*, April 2003, pages 10-11.

³ Some surveys show the average to be lower than 30 percent, but still relatively high.

What's IUT



European Union

IUT spoke at the EU Housing Ministers meeting in Italy, Padua, Nov 27-28

The Italian EU Presidency had invited the 15 EU countries and, for the first time, the 10 countries which will join the EU in May 2004, to this so called Informal meeting in Padua. Informal, as housing is not officially on the EU agenda - according to the principle of subsidiarity. Being informal also meant that no binding decisions were made. The theme for the meeting was "Housing policy and European integration: problems and perspectives."

The Czech and Swedish governments will prepare the EU Housing Statistics for 2004.

IUT focused on the enlargement of the EU – with reference to the IUT-Zagreb Recommendations, signed in Croatia on October 6th by eight national tenant organisations from east and central Europe; How will countries, such as Hungary, Slovenia, Estonia, Lithuania, manage any kind of social housing policy in the future when they have by now privatized almost their entire previous state and municipal housing stock? Was this rapid privatisation and sell out just an easy way out, to get state budgets in order – enabling them to apply for EU membership? The very urgent need for renovation and rehabilitation has now been transferred to the new owners – the former tenants! Who, in most cases, do not have the financial means. The statement also asked the present governments to regard their national NGOs, such as the tenant organisations, as an asset for the future – not as a threat and as troublemakers.



Magnus Hammar speaks in Padua. PHOTO SORCHA EDWARDS



Mr Michael Newey of RICS spoke on behalf of all 10 members of The European Housing Forum, including the IUT

The main items were:

- the definition of the objectives of Housing policy has to remain under the competence of the member States, according to the Treaty and to its principle of subsidiarity;
- the Housing policies of member States are fully in line with the basic objectives of the European Union, notably for social and territorial cohesion and the fundamental Rights ;
- the instruments of implementation of Housing policies defined at the national, regional and local levels, are in an increasing way framed by the community law, notably in term of :
 - Stability pact: pressure on the budgetary resources and the Housing budgets;
 - VAT on Housing: reduced rates for the social and private Housing sectors;
 - Procurement: procedures of tendering – social and environment clauses;
 - State Aid : compatibility of the Housing subsidies to undertakings;
 - Mortgage loans - Basel II: protection of the consumers and prudential ratio for banks;
 - SGIs: organisation and financing of the social housing sector;
 - Standardisation: urban security and extension in the field of the services and the town planning
- the increasing convergences between the objectives of the national Housing policies and the community policies must be exploited,
- ask the European Ministers of Housing to take part actively in a Housing lobby in 2004, by taking part in the community legislative process considering the increasing incidence of the community law on national housing policies.

The full IUT- and EHF statement, and the Minister's Final Document, are available on the IUT website: www.iut.nu

up to?



During 2003 the IUT has involved itself in two major UN projects, initiated by the ECE and Committee on Human Settlements:

1. As a member of the Project Steering Group, PSG, on “**Guidelines on housing finance systems for countries in transition**”. The aim of the project is to provide the countries in transition with an opportunity to grasp the range of experience available in the ECE countries. This should take form of practical guidelines on housing finance instruments based on studies of selected housing finance models available in the ECE countries.

The project was initially intended to

study only *private* housing finance instruments. But the word private was later deleted and the project is now supposed to study all instruments, both from the private and the state/municipal sector. The guide is planned to be finished by autumn 2004. The group is chaired by Mr Peter Gurtner, Director of the Federal Housing Office in Switzerland.

2. As a member of the **Reference Group on Social Housing**, from September 2003. The main task of the reference group will be to go through and comment on the draft guidelines produced by the Task Force on Social Housing.

The guidelines will cover items such

as; The role of social housing in Europe, intuitional framework and governance – different actors involved, the legal framework, financing of social housing, social cohesion and social housing design (quality, standards, health aspects, ecology, energy saving, etc.) It is planned that the task force will produce the final draft of the social housing guidelines by the end of 2004, and the publishing is scheduled for the beginning of 2005. Chairman: Mr Wolfgang Förster of the Housing Institute Dept, City of Vienna, Austria.

About UN ECE: www.unece.org/env/hs

Conference and celebrations on International Tenants' Day in Zagreb

October 6th, also the UN World Habitat Day, coincided with an IUT conference in Zagreb, Croatia.

For three days, October 4-6, IUT members from 9 tenant organisations in east and central Europe met in the Croatian capital of Zagreb. The meet-

ing was organised by the Udruga Stanara Hrvatska, the Croatian Union of Tenants. The delegations from Bosnia and Herzegovina, Czech Republic, Croatia, Hungary, Latvia, Slovenia, Poland, Serbia and Macedonia discussed housing in the context of returning refugees and displaced persons, the status of denationalized dwellings, restitution, and renovation of dwellings. The meeting also discussed a definition of social housing – a category which is actually not a matter of course in most former socialist countries. The meeting issued a final statement – **The Zagreb Recommendations**. Available at www.iut.nu/archives.htm

On October 6th the conference was invited by the lord mayor of Zagreb, to participate in a reception in the Town Hall.



International Tenants' Day was celebrated with dance and music in Zagreb.

Many other activities took place around the world on the International Tenants' Day, please check: www.iut.nu/conferences.htm



Housing Information booth in main street of Zagreb.



Swedish Union of Tenants

The housing shortage in Stockholm is still acute. About 90 000 people are listed on the housing queue, either for a flat in the private sector or in the public housing sector. The tenure situation in Stockholm was in 2002: ownership: 51 % and rental: 49 % (12 % public housing and 37 % private rental). Before the previous election in 2002, the local government in Stockholm (social democratic/green/left) promised to make sure that at least 20 000 flats, rental and private, were constructed until 2005 - without the re-introduction of state housing subsidies. But, by the end of 2003 only 1100 flats had been constructed in Stockholm, contrary to the promised 5300.

The major problem today seems to be the shortage of land to build on. Municipal land is sold to the highest bidder, which results in high initial costs. Another problem is the lack of competition between the five major building contractors in Sweden. Also, there does not seem to be any price-cutting competition from construction companies in other EU countries. There is simply no sight of any additional actors on the construction market, neither contractors nor suppliers of building material.

Rapporteur: Ms Torborg Wärn, Director.
Website: www.hyresgastforeningen.se

Deutscher Mieterbund e.V. about harsh cuts in Germany

One of the major political issues in Germany is the realization of the general tax reform, which will also have effects on housing;

- cancelling of the subsidies for owner occupied houses/condominiums,
- cancelling of the tax deductions for rental house construction,
- include rents in the basis for the new trade tax – with the result of approximately 5 % higher rents.

At the moment it is unclear when the political reforms will happen – if they will ever happen. The political opposition is introducing various new tax models and suggestions on how to cut state expenditures. The German Tenants' Union, with 1,2 million members, is promoting a total end to subsidies for owner occupied houses and condominiums – with the concession that 25% of the budget will be spent for urban renewal projects. Another threat is the sell out, privatisation, of former municipal housing. A sell would further decrease the present stock of affordable housing. Today, the mean household expenditure for rent is near 40 percent in Germany.

Rapporteur: DMB, Dr F-G Rips, Director.
Website: www.mieterbund.de

TPAS, Tenant Participation Advisory Service of England

TPAS is involved in a large range of projects and services, as well as developing new works:

- National Compact Framework Review: In partnership with TAR-OE, Tenants and Residents Org. of England, TPAS has been commissioned to run a series of workshops aimed at tenants. The workshops consider the effectiveness of Tenant Participation Compacts at forming the bedrock for Local Authority Tenant Participation work.

- Effective Involvement in Stock Transfer: Working with PEP, Priority Estates Project, to deliver a series of Road shows aimed to make sure that tenants are well informed about how they should be involved in making decisions about the future of their homes. Also informing tenants about the governments' scheme "Decent Homes Standard by 2005".

- The Housing Corporations' Draft Involvement Policy: A response to this draft policy was prepared. The Policy will bring in a responsibility on the landlord to publish its Tenant Participation Policy and agree this with its residents. Also, the landlords are expected to measure the impact of their involvement policy each year.

Rapporteur: Mr Richard Hewgill, Board member TPAS.
Website: www.tpas.org.uk



Mietervereinigung Österreichs, about the effects of new winds in Austria

The political climate and social situation in Austria is dramatically shifting towards a more market oriented system. Like elsewhere, privatization has effects on major institutions in Austria like public transport and industry, medical care, and of course also on housing. 60 000 municipal flats are planned to be privatized and rents in the remaining municipal flats are being adjusted closer to market rent levels. Also there have been different attempts from the present conservative government to weaken the previous rather strong influence on Austrian housing policy from tenant and housing organisations.

Rapporteur: Dr Heinz Barta, Board member.
Website: www.mietervereinigung.at



Nederlandse Woonbond, and rent raises in the Netherlands

The right wing national government is pressing for a decrease of rent subsidies. The landlords themselves, who are eager to benefit from this situation, proposed to contribute to the housing expenses – if they, in return, should be allowed to increase the rents. The landlord's organisation wants a considerably higher maximum percentage for the yearly rent raises in the Netherlands. The government has agreed to this proposal, but it is not sure whether the Parliament will also agree.

The Nederlandse Woonbond has had an agreement with the government, and with the national organisations of landlords, that the yearly rent increases would relate to the average % of inflation – until 2005. Between 2001 and 2004 a new system for the national rent policy would be elaborated by the Woonbond and the landlords. The new rent policy would be based on the basic assumption that the individual tenants would not be confronted with sudden substantial rent increases, and that rents in general would continue to be linked to inflation. The present government may propose for 3 % rent increases, above the inflation. As a consequence, the landlords have the possibility to raise rents with 5 to 6 percent.

Together with the cut of rent allowances these proposals are turned down by the Woonbond, which proposes that rents could be raised when the economy is growing, not during recession. Also, the view of the Woonbond is that it is unfair to put the burden only on the tenants, when the owners are left without any additional costs.

Rapporteur: Ms Mária van Veen, Director.

Website: www.woonbond.nl



Sdružení Nájemníku CR (SON), Czech Union of Tenants

The result of the elections in 2002 strengthened the position of the Czech Union of Tenants, and also the links to government and municipality bodies. Vice-Chairman Mr Milan Taraba is the Housing Policy Advisor of the Prime Minister. Actually, nine of SON's representatives are members of Parliament. Mr Krecek, Chairman of SON, is MP and a candidate to the Constitutional Court.

SON's main aim today is the adoption of New Rent Law, which would regulate the rent setting and improve the security of tenure. But, in spite of the good relations with the government, the outcome is not yet sure. There is opposition both from the right and the left wing; Right-wing parties are against because the law is too social, and the left wing parties consider it to be not social enough!

The **National Information Centre for Housing** was inaugurated in Prague. This is a joint project between the government, SON and the Association of Housing Cooperatives. **See page 3**

Rapporteur: Mr Milan Taraba, Vice President

Website: www.son.cz



Confédération Nationale du Logement, CNL, France

M Jacqy Tiset, board member of CNL, reports that rent levels have increased more than inflation; 3,5 % for present tenants and up to 10 % when signing new rental contracts.

For 2004 the government presented 3,5 % cuts on personal housing allowances, and 8 % cuts on state subsidies on new housing construction. The worst housing budget in 25 years! says Mr Tiset.

Further, to meet the demands from the social housing landlords, the government will present a new list of fees for heating, cleaning, maintenance, etc. Social landlords will be encouraged to sell off, privatize, their housing stocks, which will lead to a higher demand in the private sector. The government is also looking into the possibility to increase today's maximum rents in social housing, in central and attractive parts of Paris and in other major cities.

Website: www.multimania.com/cnl59



Leieboerforeningen, about a tenant tribunal in Norway

Mr Knut O. Eldhuset, board member from Stavanger, reports that even though housing is not commonly discussed among the Norwegians, every political party in the recent local elections in Norway had “housing” and adherent issues on their political agendas.

A new institution has been established in Oslo; a special court/tribunal for settling disputes between tenants and landlords. Leieboerforeningen lobbies for the government to establish these courts in all major cities in Norway.
Website: www.lbf.no

Tenants Union of Victoria reports of a housing bubble in Australia

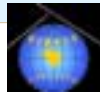


Australians have been flocking to invest in the property market, pushing median house prices up from 104 000 Euro (130 000 \$US) in 1998 to 214 000 Euro (267 000 \$US) in August 2003. A rise of 105 % in 5 years! A housing boom indeed, but also a housing bubble. What has the boom meant for renters, currently 23 % of households in Victoria? Very little so far. But if, or rather when, the bubble bursts, there will be a fall of rents in the next 18 months. The private rental sector will cause the burst by virtue of the fact that investment property owners must find tenants and if they can not, this lowers the yield. Many investment properties require tenants, and to restore the conventional vacancy rate of 3 %, a lowering of rents is necessary.

Source: Tenant News, spring 2003.

Website: www.tuv.org.au

BIHUSS, Bosnia and Herzegovina (B & H) and the aftermath of war



On October 6th, the human and minority rights ministers from Serbia & Montenegro and Bosnia & Herzegovina, Rasim Ljajić and Mirsad Kebo, signed an agreement on the return of refugees. The two ministers said that they would define the conditions for the voluntary, organized, and coordinated return of the refugees to their countries. This agreement may possibly facilitate a solution of the very complex and infected housing situation in this region. For Croatia there is not yet any similar agreement. For example; In Croatia, flats were abandoned during the war and these flats were allotted to the new occupants – if the previous righteous owners or leaseholders did not return in a period of six months. So refugees, mainly Serbs, who moved to B & H and Serbia, can not return to Croatia. Military flats in B & H were ransomed by mainly Serbian officers and military persons before the war and according to a decision they have rights to these flats. In 1992 the “Law of left flats” was passed in B & H. According to this law empty flats were allotted to those who had no dwelling - those who were refugees or to those whose flats were destroyed during the war. So all these, and many more, national and regional laws and regulations must somehow be taken under consideration before the housing and refugee circle can be closed on the Balkans.

Rapporteur: Mr Mehmedalija Huremović, BIHUSS Sarajevo. BIHUSS web adress: www.bihuss.com.ba
The full report is available on www.iut.nu – members – Bosnia and Herzegovina – report 2003.



Kirkless Federation of Tenants and Residents Associations

Kirkless Fed. of Tenants & Residents Association, KFTRA, England

KFTRA reports that the National Certificate in Tenant Participation is finally getting underway this spring. Tenants and officers will study together and look at things as the history of tenant participation and how tenants influence policy today. The main aim of the 1-year course is to equip participants with the skills, knowledge and concepts necessary to promote effective tenant participation. It aims to provide an essentially practice-driven course and qualification designed to meet the immediate needs of housing workers and tenant activists, and the needs of the tenant movement for skilled workers, advisors, trainers, promoters etc. The certificate was initiated by the Chartered Institute of Housing, CIH.

Source: Hometruths, Nov. 2003 and www.cih.org/distancelearning/natten.htm

日本借地借家人連合

Japanese Tenants Association, JTA

reports that the organisation has changed its name by deleting the word “private”. Their new website address is:

<http://www2.tcn.ne.jp/~jptaa/>

JTA also reports on the Academy of Housing for Life and Well-Being which aims at the exchange of experiences, information and research on the housing problems for life and well-being. Today there are Academies in Japan, China and in South Korea.

JTA asks other IUT members about the existence of “key money”. Does this grey and fishy market only occur in Japan, and in Israel??

Please get in touch with JTA on this matter, e-mail:

ttn78es27i@mx8.tcn.ne.jp

Rapporteur: Kazuo Takashima, President.