

GLOBAL TENANT



INTERNATIONAL UNION OF TENANTS' QUARTERLY MAGAZINE October 2004



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Austria
Australia
Belgium
Benin
Bosnia-Herzegovina
Canada
the Congo (Dem. Rep.)
Croatia
Czech Republic
Denmark
Ecuador
England
Estonia
Finland
France
Germany
Greece
Greenland
Hungary
Iceland
Ireland
India
Italy
Japan
Latvia
Macedonia, FYR
the Netherlands
New Zealand
Nigeria
Norway
Poland
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Romania
Scotland
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Publisher and
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October 2004
Publication Design: Cinna Gross
Cover Photo: Peter Forsman

A word from Sven, new IUT President

In Birmingham, at the 16th congress of the IUT, I was elected as new IUT President for 2004-2007. I feel very honoured indeed and I look forward to three very exciting years.

IUT has a very important role to fill, by bringing tenants together from all across the world. Tenants in different countries have different experiences and different problems to tackle and we must always seize the opportunity to exchange information and experiences.

One of the most important tasks is to constantly lobby for everyone's universal right to good, sound and affordable housing. Also, everyone should be able to feel safe and secure in his or her dwelling.

The Congress adopted the statement "Affordable Housing for All". Too many people live under poor circumstances, or even worse – they do not have shelter at all. There are too many that can not afford to pay the rent.

In spite that the world's governments have signed declarations that guarantee everyone's right to decent housing – there is yet very much to be done! And we will remind them!

The congress also dealt with the usual matters; IUT revised statutes, motions were discussed and decided upon, and a new IUT program for 2004-2007 was adopted. This program put particular stress on the right to affordable rental housing.

Also, we have a very comprehensive and useful platform in the Tenants' Charter. We now have the instruments and we now need to make policy makers, researchers, decision makers and people in other key positions to pay attention to the contents of the Tenants' Charter. And to make them act in favour of this Charter.

We in the tenant movement, nationally as well as within the IUT Board and Secretariat, need to be seen and heard in the debate whenever there is an opportunity. It is my aspiration and ambition that we shall bring our positions forward during my term of office.

Sven Carlsson,
IUT President



Calendar

2004

November 8-9: Housing and Urbanisation – trends and perspectives, Ljubljana, Slovenia.

November 9-10: Quality of life in Europe and the role of social aspects of housing. Bratislava, Slovakia.

November 28-30: UN / ECE - Conference on Social Housing. Vienna, Austria

2005

January 26-31: World Social Forum in Porto Alegre, Brazil.

February 21-24: Housing the poor through the private sector. International workshop in Bangkok, Thailand.

March 14-15: Informal meeting of the EU Housing Ministers. Prague, Czech Republic.

May 20: DMB National Assembly / German Tenant's Day 2005. Kiel, Germany.

May 19-21: International conf. on restructuring large housing estates in Europe. Ljubljana, Slovenia.

29 June - 2 July: "Housing: New Challenges and Innovations in Tomorrow's Cities". ENHR conference in Reykjavik, Iceland.

September 6-8: Housing and Globalisation - call for papers! Asia-Pacific Network for Housing Research. Kobe, Japan.

October 3: International Tenants' Day / UN World Habitat Day

2006

June 19-23: UN World Urban Forum, Vancouver Canada.

For more information: <http://www.iut.nu/conferences.htm>

A win-win set up!

The IUT Congress in Birmingham, England, August 6-8, gathered some 80 participants from 20 countries. By invitation from TPAS, Tenant Participation Advisory Service, the IUT congresses run parallel with TPAS' annual conference. Altogether we were over 800 delegates that conferred, mingled, danced and exchanged views and addresses. It was a win-win set up. IUT participants cast an international flavour to TPAS conference and IUT speakers provided TPAS' delegates with information on the housing situation in countries outside the UK. And without TPAS' logistics and invitation to participate in parallel events, such as workshops and study tours, we would not ourselves been able to organise such a successful congress.

The outcome?

Well, as all of you who have participated in similar events know, the outcome is rarely very dramatic. As it should not be – if the preparations and pre-conference debate have been properly dealt with.

1. The congress adopted the *Tenants' Charter*. It is now much up to IUT's 54 members to pursue their local and national governments to implement and bring these paragraphs into their recommendations, legislation and policies. The Charter, in seven languages, is available from the IUT website.

2. The congress also adopted the revised *IUT Statutes*. What perhaps affects our members the most are the new membership categories, and apurtenant fees. From 2005 there will be three categories; Board members, Members, and Associated Members.

The fee for Board Members will be, as previously, negotiated according to their respective turnover and ability (and willingness!) to pay. The minimum fee today is 1500 Euro, or 1850 US\$. Members will pay a minimum fee of 50 Euro. Finally, Associated Members are all those who are categorised as consumer organisations or other organisations that include issues as secure tenure, access to affordable housing and tenants' rights in there work programs. Also, present IUT members that can not afford to pay the 50 Euro fee will become Associated Members. ►

TPAS and IUT joint opening ceremony. From left; retiring IUT President Elisabet Lönngren, TPAS Chief Executive Phil Morgan, retiring TPAS Chair Ms Angela Clapp and Peter Dixon, Chair Housing Corporation England. PHOTO: PETER FORSMAN



Housing and the effects of HIV and AIDS

Two statements were negotiated and adopted; one regarding the effects of AIDS and HIV, with special emphasis on the loss of breadwinners. When household members, who contribute to the family income, fall ill and can not continue working - this has grave effects, often resulting in evictions and homelessness. Other direct or indirect effects are increasing number of street children and mothers, sisters or daughters who are forced to enter prostitution.

Affordable housing

The second statement concerns the increasing lack of affordable housing around the world. This scarcity often depends on the selling and privatisation of public or social housing, or decreasing government financial assistance to social housing.

Homeownership has been the leading star for many governments. These in fact even though that rental housing is the most common tenure form in the world, and will doubtless stay so. Many, particularly in the developing countries, live as tenants of necessity. But many in Europe and in North America and Australia live as tenants as of choice because it is convenient and they prefer to spend their money on other services or goods.

There will always be a need for affordable housing. Access to affordable and sound housing is, with regard to national economy, more financially sustainable in the long run.

It could be me...

And worth considering – anyone of us, today physically and financially well off, can quite easily become less well off through divorce, illness, unemployment or other unexpected and unwanted occurrences in life. Then we too would in many cases look for affordable housing!

Housing and Democracy

Affordable housing also has an impact on political stability. Societies that can provide its inhabitants with housing are generally politically more stable. Lack of affordable housing can contribute to a breeding ground for unstable and undemocratic societies.

New IUT President

Mr Sven Carlsson of Sweden was elected as new IUT President for 2004-2007. Mr Carlsson succeeds Ms Elisabeth Lönngrén as IUT President. Mr Carlsson, as Ms Lönngrén, is a long time elected representative of the SUT, Swedish Union of Tenants.

Why now Sweden again? Well, primarily for practical and financial reasons as the IUT Secretariat is sponsored by the

SUT and is accommodated in the SUT headquarters in Stockholm.

Mr Carlsson said that the IUT faces a multitude of tasks but he wanted to emphasise two; Affordable housing for everyone and secure tenure. "Affordable, secure and decent housing is a human right that must remain our priority. We can never tamper with these demands. We, The IUT and its members, must raise our voices, sharpen our pencils, and be present in the debate whenever we can".

Thanks to his namesake, the English national foot ball coach, Sven will be for ever remembered by - at least - the British delegates!

Study visits and workshops

The IUT congress delegates also had a choice of work shops and study visits. IUT and TPAS together offered over 70 different workshops and several study visits to nearby housing estates and to the historical Shakespeare country. A few extracts;

Ms Nadja Horvath of the Austrian Tenant Organisation discussed the future of the housing in Austria. Today, Vienna has a stock of over 75 per cent rental housing. But will housing stay as a public task or will it become an issue for the private market in the future?

Mrs Alicja Sarzynska President of the Polish Association of Tenants reported of a Poland in deep financial and social crisis, with 20 per cent of the population being unemployed. Many less well off tenants live in very insecure conditions. Mrs Sarzynska outlined the background to the present difficult housing situation in Poland.

Mr Georg Hardt presented the Swedish model for housing subsidies – see page 10.

HRM, King Dr. Frank Eke, representing the Nigerian tenants, described a housing and rental market which in some perspectives are familiar to us in the (over?)developed world. But with regard to issues like secure tenure and rent setting - any attempts to make comparisons become irrelevant.

"Bush proposes radical housing cuts and 3,5 million US families experience homelessness each year". said Mr Michael Kane, Executive Director of National Alliance of HUD Tenants, NAHT. Read more on page 8.

Hand outs from the IUT workshops are available on www.iut.nu/conferences.htm

Last, but not least – thanks TPAS!

Without your co-operation, logistics, helpfulness and patience we could not have done it. Yes, a congress – but not with so much of everything for everyone! Special hugs to Janet Killilea and her staff!

Text: Magnus Hammar, IUT

Front: Magnus Hammar, IUT, and HRM King Dr Frank Eke, Hon. President of the National Union of Nigerian Tenants. Back: Bengt Lundström, Sven Bergenstråhle and Barbro Engman, President of the Swedish Union of Tenants.



PHOTOS: P. FORSMAN AND M. HAMMAR



Former IUT President ▲ Elisabet Lönngren and Deborah Phippen, Tenants Union ACT, Australia.

Cora Carter, TAROE ► England.

From left; Stanislav Křeček, President of the Czech Union of Tenants, Christina Wessling and Barbro Engman of the Swedish Union of Tenants. ▼



Elisabet Lönngren delivers farewell greetings as IUT President

Party time! From left: Helene Toxværd from the Danish Union of Tenants, Lars Aasen representing the Norwegian tenants and Mária van Veen, Director of the Nederlandse Woonbond.



Alicja Sarzynska, President of the Polish Association of Tenants and Richard Hewgill, Chairman of TPAS, England.



Statements from the IUT congress, with 24 signatures.

These have been sent to governments, and local authorities in all respective IUT-countries.

Copies are available from: http://www.iut.nu/conferences.htm#Congress_04



Consultative status with
UN Economic and Social Council

International Union of Tenants

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Secretary General, Mr Magnus Hammar

Statement from the XVI Congress of the
International Union of Tenants, IUT
Birmingham, England, August 6-8 2004

AIDS/HIV causes loss of breadwinners and increase homelessness

Every minute, five young people between 15 and 24 years old are infected with HIV. Experts predict AIDS and other diseases will leave more than 44 million orphans in developing countries by the end of this decade.

HIV/AIDS has become part of the permanent condition in human settlements around the world especially in Africa and Asia. The highest incidence of HIV/AIDS is in cities and towns. There is growing consensus that strategies to reduce HIV/AIDS must go beyond the disease because of its severe social consequences. The disease exacerbates poverty, marginalises people and stigmatises those afflicted and their families. It has the ability of local urban institutions to deliver services because so many employed every level of society.

AIDS devastates families as so many of the victims are heads of households. HIV/AIDS tends to push more households into hardships and urban homelessness, generating a greater need for low-cost housing by the growing number of families affected by HIV usually experiences a reduction in income at the same time increased expenses in health care, thus resulting in homelessness. To make ends meet, families take children out of school and save on food. If not sufficient, they then default on rental payments or mortgages.

We, the signatories of this statement and appeal, urge the developed world to increase its Official Development Assistance (ODA), for the purpose of stemming the spread of HIV/AIDS.

We also direct our plea to the UN-Habitat, to its funding to the governments affected, to put special emphasis on problems linked to the effects of HIV/AIDS, loss of breadwinners, loss of accommodation, which then again are causing new problems. Access to safe and affordable housing is a crucial step to reduce the increase of homelessness among the most vulnerable and children.

Birmingham, England, August 8th 2004

Chairman Norges Leieboerforbund

Mr Antonio Maria da Silva Freire

Board Member Associação dos Inquilinos

Lisbonenses, Portugal

Ms Marina Ragush

Board Member Association of Tenants

Serbia and Montenegro

Ms Barbro Engman

President Swedish Union of Tenants

Mr Sven Carlsson

President, IUT



Consultative status in the UN ECOSOC
www.iut.nu

Affordable Housing for All!

Statement from the XVI Congress of the
International Union of Tenants

Birmingham, England, August 8th 2004

- 1 billion people are poor and live without a home or in inferior and unworthy dwellings¹
- 108 000 people were registered homeless in London 2001²
- 3.5 million US families experience homelessness each year³
- 72 % of urban African citizens live in slums.⁴
- 500 000 living in temporary housing in France.⁵
- 50 % of the homeless in parts of Canada have jobs, but can not afford to rent or to buy.⁶
- 53 % of renter households in the US can not afford "affordable housing"⁷
- 82 % of Romani households in Romania do not have indoor toilets and 39 % sleep on earthen floors in their homes.⁸
- Every 7th household in Berlin is not able to pay their rent with their own income.⁹

Following declarations have been signed by the respective governments

- o Universal Declaration of Human Rights 1948; Article 2:1 "Right to housing",
 - o Istanbul Declaration, 1996 article 9; We shall work to expand the supply of affordable housing...
 - o The Habitat Agenda, article 68 "Promote the supply of affordable rental housing..."
 - o UN Millennium Declaration 2000; "By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers"
- And many more declarations, conventions and ...promises.

Tenants everywhere fight high rents, discrimination and insecure tenure.

We, representatives of tenants, urge all governments to fulfil their obligations and to adopt the recommendations in the Tenants' Charter

¹ UN Habitat, ² www.statistics.gov.uk, ³ NAHT, USA 2003, UN Habitat, ⁴ Global Report 2003
⁵ Fondation Abbé Pierre / FEANTSA, ⁶ FEANTSA, Homeless in Europe 2004, ⁷ Shelterforce 2004,
⁸ World Bank / COHRE 2003, ⁹ Deutsche Presse-Agentur dpa, 29.06.04

Tenants, USA

Mr Magnus Hammar

Secretary General, IUT



Ms Mateja Fajs and Ms Edita Stok are among those who will represent the regional CEE IUT office in Ljubljana. Here together with Sven Carlsson, IUT President.

Change-over from Prague to Ljubljana

Text: Lidija Bertoncely

The IUT Congress handed over the baton and the responsibility for the IUT office for Central and Eastern Europe, CEE, to the Tenants Association of Slovenia.

The transitional experience

In the last fourteen years, the transitional countries have gone through many drastic changes particularly in the housing area. In this respect, most transitional countries have a lot in common. They all experienced a general sell off of former social flats at very low prices while the governments did not realize how much damage that would cause. The housing prices rocketed on all markets and pushed the most vulnerable social groups to the edge of the market, particularly as the social housing became one of the last priorities in most countries. Most flats available on the market are affordable only to the more affluent citizens. Denationalisation in most transitional countries caused a total confusion, injustice and an unbelievable breach of human rights with many families losing their home they had lived in for decades.

The Tenants Association of Slovenia has been struggling for twelve years to improve the position of the tenants to hardly any avail. Each failure, however, gives us even more strength to carry on fighting for the rights of the tenants.

It's a challenge!

This year we are talking over the regional CEE IUT office which is a great challenge, an opportunity and a liability

for us to link the tenants in the transitional countries. Our objectives will be:

- Providing information on how to arrange the tenancy in different CEE countries.
- Collating information and composing an overview of the tenancy legislation and court practice in Europe and in the USA.
- Establishing the data base of the problems caused by the transition in the CEE countries.
- Forming proposals of the IUT measures for solving the problems of the tenants in CEE.
- In cooperation with the relevant EU institutions, establishing good practice in the area of tenancy in the EU.

Our priority will be to establish what the present situation is in the transitional countries. For this purpose we are already preparing a questionnaire on the tenancy in these countries. It will be introduced in our meeting on 3rd and 4th December in Ljubljana when we will also have an official opening of our office.

What we want to do in our office is to gain a clear and thorough picture of the housing situation in the countries of CEE, which problems are country specific and which are common to us all, and establish a thorough plan how to fight it. We know that some countries are more affected than others, the legislation and tenancy vary but we believe that the variety itself is a starting point for our future work and that we should unite to solve this issue in the CEE.

For more information, please contact Ms Lidija Bertoncely, e-mail: lbertyoncelj.cup@siol.net www.zdruzenje-najemnikov.si



IUT correspondent M. Tiset, middle, and NAHT demonstrators speak out.

NAHT, USA, gives President Bush a notice to quit! 60 000 families this year are under the threat of forced evictions from their homes by the current federal cuts of subsidy payments to housing authorities. In 2006 another 250 000 households are threatened and 900 000 in 2009.

For NAHT, one fact is clear; it is the tax cuts for the rich and the war in Iraq that are responsible for this bad housing policy. In this particular electoral year, the National Alliance of HUD Tenants, NAHT, couldn't miss out on betraying the on-going erosion of the national's affordable housing supply as private owners opt out of the HUD subsidy contracts.

NAHT's annual conference took place in Washington DC, in June. This was an exceptional opportunity to deliver a giant and loud "notice to quit" to President Bush and to HUD Secretary Jackson, who recently declared that "poverty is not a condition, it's a state of mind" ...

Three buses transported the conference delegates to HUD headquarters where they joined local demonstrators. On the final day of the conference a large group of delegates participated in actions in the Capitol with its senators and congressmen. In the morning we participated in a Senate Forum together with one senator and the assistants of three others. This is one way how US citizens can meet with their elected state representatives. After lunch NAHT delegates met with some of their own elected representatives from respective states. Republican representatives had been invited, but none showed up. Democrats representatives gave insurance that the situation will change if George W. Bush is not re-elected.

By Jaquay Tiset, IUT and CNL, France

USA Tenants Fight to Save Social Housing

In the USA, unregulated markets and government policies to undermine social housing are aggravating a chronic problem of homelessness.

The National Coalition for the Homeless estimates that 3.5 million US families experience homelessness each year. Although it is well-established that the private sector cannot produce housing affordable to low income families that need it without massive government assistance, the US government has not sponsored a new low-cost rental housing production program since 1983.

The explosion of massive, visible homelessness dates from that time, as the low income population which needs government housing assistance has grown more rapidly than the available supply. The problem has been made worse by the lack of private market rent controls in the US, which puts much of the rental housing stock beyond the reach of low income families, who must double and triple up to avoid homelessness. (Only New York, California, New Jersey and Massachusetts allowed rent controls ten years ago; these regulatory systems have all been weakened or repealed by the reactionary "property rights" movement in the US in the past decade.)

"the American Dream"

In its housing policies, the Bush Administration has emphasized assistance to first time homeowners through down payment assistance and access to low cost credit. While this version of "the American Dream" undoubtedly works for some working and middle class families, most poor and working people in the US are unable to purchase homes due to poor credit, unstable or low incomes, and high costs in many markets.

Although most states and large cities maintain some sort of rental housing production programs, their resources are woefully inadequate and fall far short of housing needs. Only the federal government, through its housing agency HUD, the Department of Housing and Urban Development, has the potential resources to meet the challenge. But since the Reagan Administration's dramatic cutbacks of HUD programs in the early 1980's, the nation's supply of affordable subsidized rental housing has stagnated and declined.

By Michael Kane, Executive Director of NAHT, National Alliance of HUD Tenants
E-mail: michaelkane@saveourhomes.org
www.saveourhomes.org



Michael Kane

PORTUGAL New housing rental legislation raises concern among city tenants

New housing legislation was recently announced in Portugal. This will deeply affect people of low to medium income living in popular neighbourhoods.

If lower income residents are expelled from the city centres to the peripheral suburban areas this would also transform the present vivid and colourful quarters into after-six o'clock dead office blocks or housing for the ascending middle classes.

For nearly 50 years until 1986, the legislation in place didn't allow lease raises in Lisbon and Porto. Knowing leases would remain unchanged, landlords demanded high premiums for first contracts. Portugal thus had the highest initial lease values per square meter in Europe, even though the average income of its population was among the lowest in the European Union.

456 % rises

After 1986, when lease freezing was over, leases were updated by, firstly, a special correction factor and afterwards an annual increase raise dependent on the inflation rate. The result was that a lease on an apartment dating from 1970 accrued by 456% in the last 18 years, an amount considerably above the inflation in the same period. Notwithstanding, old leases are still significantly lower than new leases, particularly on those apartments which were never renovated (the majority) since renovations usually imply a substantial lease raise.

Young people buy

However, the housing rental market in Portugal is rather small, as young people usually prefer to buy instead of leasing. This is mainly due to the policy pursued by government in the last decades, based on generous subsidies to interest rates for house purchasing loans, making the amount due monthly to the lending bank generally lower than a new lease.

Staying or leaving?

According to the announcement recently made by the Government, the main policy change will be the complete liberalization of old housing leases. The landlord makes an initial proposal of a new lease (increased), which the tenant will either accept or reject. The tenant can also try to negotiate by making a counterproposal. If the landlord rejects it, the leasing contract is terminated and he will have to pay the tenant a compensation for leaving. The value of this compensation would amount to 24 times the lease he asked for in the initial proposal.

Should this new law be approved, a tenant wanting to stay in the apartment he/she rents has to make the landlord believe he/she is interested in leaving. The landlord, fearing he will have to pay a huge compensation, will thus be persuaded to make a low proposal for lease increase. On the contrary, a tenant wanting to leave, will try to persuade the landlord he/she is interested in staying, so that the lease increase is higher and the compensation for leaving also higher.



Tiled houses are common in Lisbon.

PHOTO: M.HAMMAR

My home at stake

The Associação dos Inquilinos Lisbonenses (AIL) has signified its strong reservations to this new law. AIL fears that in this sort of poker game between landlord and tenant, where the stake is the right to live in a house to which one is deeply attached for sentimental, moral and family safety reasons, the winner will be the party with the highest financial ability to "bluff", i.e. normally the landlord.

Text : António Maria da Silva Freire, Associação Inquilinos Lisbonenses, AIL – Portugal
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www.alp.pt

Housing subsidies in Sweden

By Georg Hardt

Housing – one of the Swedish “systems”

The former European Commissioner for the Environment, Margot Wallström, from Sweden, has ironically remarked that Swedes often use the expression “In Sweden we have a system”, as an answer to all kind of questions. The expression implies that there is a coherent and logical model with a substantial degree of public participation. This description does not reflect the situation of housing subsidies in Sweden. Housing subsidies in Sweden are unfair to the rental sector, ineffective when it comes to income distribution and involving less and less public participation over the years.

Housing as a milk cow

The popular view of housing subsidies in Sweden is perhaps that the public sector spends a huge net amount on housing. But when we compare taxes in total (the state income) with subsidies in total (the state expenditures) a very different picture appears, see diagram 1. In 1991 there was a clear, although small, net amount of public money spent on the housing sector. Today the situation has radically changed, and the housing sector pays a lot more in taxes than it gets in return. The housing sector can easily be characterised as a cash cow!

When it comes to housing subsidies tax deduction and housing allowances form the lion's share, see diagram 2. Tax deduction (30% of the interest rate) applies to owner-occupiers only. Housing allowances are paid to pensioners, households with children or households with applicants in the age between 18-29, and are related to income and housing costs.

Interest subsidies as a major tool for new construction

The interest subsidies have traditionally been one of the most important sub-



Public and private rental 16th and 18th century housing in Stockholm. PHOTO: MAGNUS HAMMAR

sidies but the present rules are much stricter than before. Interest subsidies will be paid to new construction and renovation projects, if they reach “lowest acceptable standards”. The subsidy amounts to

30% of interest charge, based on a fixed interest rate (currently 4,21%) of the project, together with an absolute limit per each project. Owners-occupiers are not eligible for interest subsidies.

Investment grants are meant to facilitate new construction in areas with housing shortage. Depending on the degree of housing shortage the grants vary between Euro 9,900-23,100 per flat constructed, and will be given only when interest subsidies have been granted. The costs of project must also be “reasonable”.

The public sector gives credit guarantees to projects (both new construction and renovation) that have been granted interest subsidies. Guarantees can be provided up to 90% (in some cases 95%) of the market value and only to loans advanced by financial institutions operating in Sweden.

Other subsidies, comparatively small, are also given. Municipal companies

with extremely bad economies, mainly because of surplus of housing, are given financial support, together with sometimes tough stipulations. Other subsidies worth mentioning are support for environmental purposes, for example decontamination of radon and more efficient use of energy.

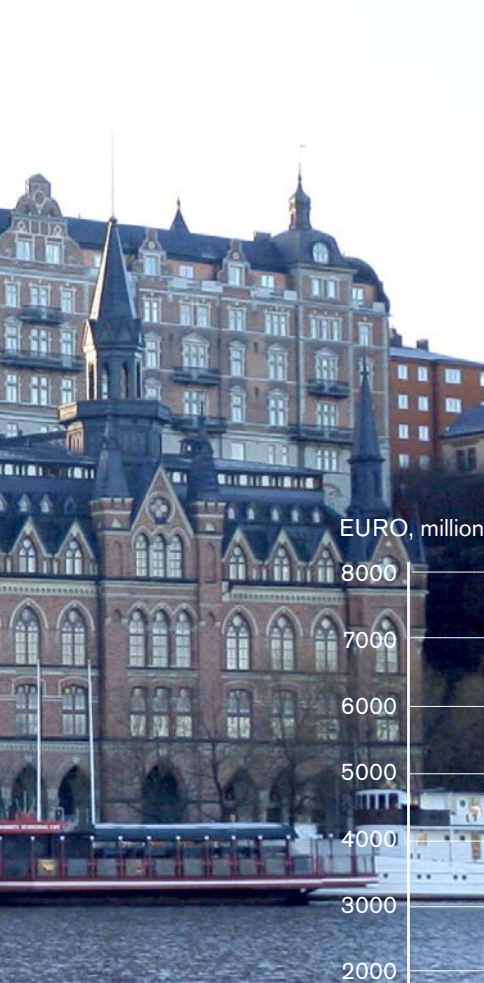
Subsidies, but more selective

Following a trend in the western world subsidies in Sweden have become less general and more selective/income related. Together with a reduction of the subsidies this causes some serious problems, and the topic will be dealt with more closely in the next issue of Global Tenant.

Georg Hardt is Rent Negotiator, with the Swedish Union of Tenants.

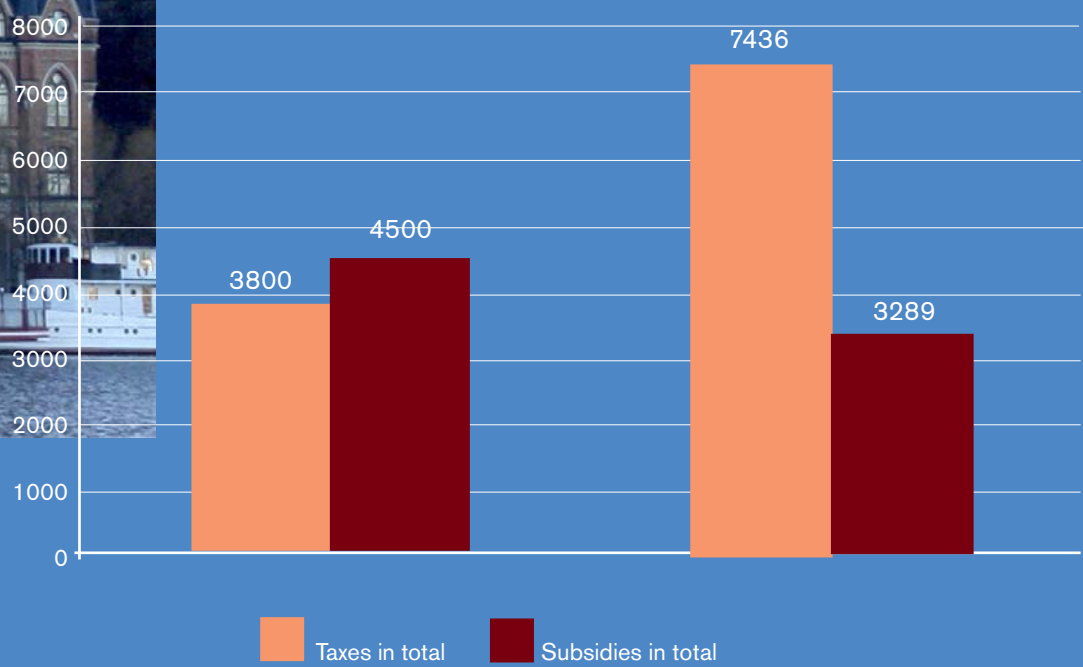
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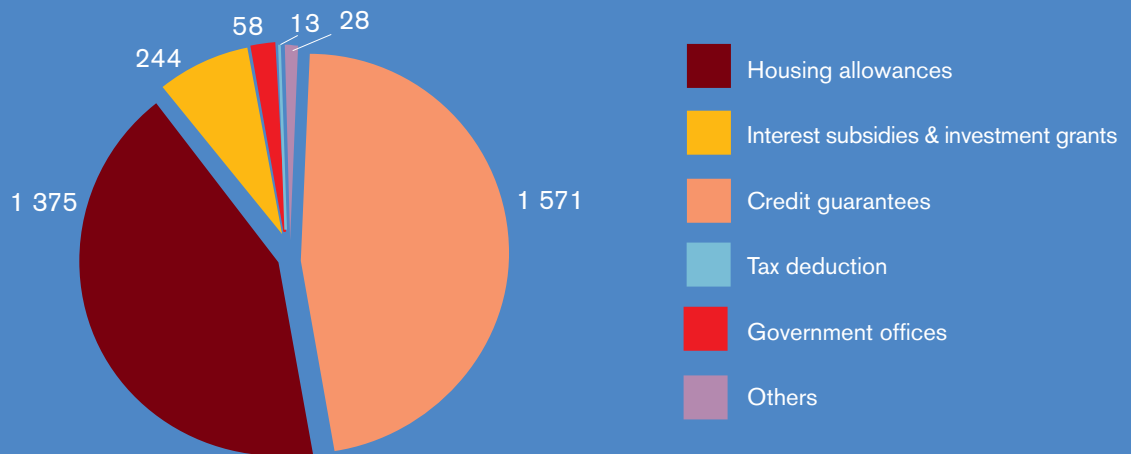


Subsidies and taxes 1991 and 2004

EURO, million



Subsidies – an overview



EURO, million. Year 2004, total 3 289.

Collective living in KALININGRAD

Text: Gunnel Bergström

The Russian enclave of Kaliningrad, with one million inhabitants, has many collective flats as a heritage from the Soviet era. People share kitchen and bathrooms, even if they are strangers. Some find it terrible, while others enjoy the collective life.

In the Mayor's office, there is a model of how the Victory Square in Kaliningrad will be reconstructed. According to the new general plan, modern Soviet buildings and old German houses will become more of an entity. The Lenin Statue will be replaced by an archangel, when the gigantic Russian orthodox cathedral Christ the Saviour will be inaugurated in 2006.

During the last years, some new business buildings and shopping centres in shining steel have been erected in amazingly high speed. Around the centre, "New Russians" are designing new villas or restoring old German houses, rise high fences and in install frightful dogs behind.

But most of the citizens of Kaliningrad still live in low quality buildings from the Soviet era, with entries smelling of cat pee and cabbage. However, the apartments are equipped with bathrooms, functional kitchens and in the small but cosy rooms you will find nice carpets, comfortable sofas and flowered wallpaper.

Collective flats with shared bathrooms

Lilya Prishep is the head of the residential office, under the Mayor. She has to phone a colleague to get the current facts: "Around half a million people are living in the city, in some 140 000 apartments. Most of the flats belong to the municipality. We have no exact figures about how many tenants there are, but you see a tendency to privatize the apartments"

Mrs Prishep continues: "Probably 40 000 apartments are shared by several generations of a family. And apart from this, there are about 15 200 "kommunalkas", where several households, not related to each other, live in the same apartment and share bathroom and kitchen. Some 3 300 of these are "obshezhityes", municipal dormitories for students or workers."

In Soviet times, the rent was extremely low, and electricity and water services were free. Today the rent has gone up, and heating, water, gas, electricity

and telephone bills are very high. Many people need to have 3 different jobs to make ends meet.

– No, they do not exist here, Lilya Prishep answers, when asked about tenants organisations.

Beauty and poverty

In the outskirts of Kaliningrad city, you will find several low worn out German houses. Where Katya lives, they have gas heating, water and sewage.

Katya is 20 years old. She lives in one room together with her mother and two sisters, 17 and 18. In the other room lives an old lady with her son. They two households have one stove each in the poor kitchen with naked bulbs. Red fresh flowers are standing in a crystal vase on the table. The fire is always lit, to avoid leaking gas! There is a tiny bathroom, but the girls prefer to shower at a friend's place or go the local "banya", which is a Russian kind of sauna.

– We are lucky to have water both day and night, as we are living on the ground floor. Many households, also in





KALININGRAD – Russia within the EU

Kaliningrad County is a Russian enclave between Lithuania and Poland. It used to be a part of East Prussia, but during World War II it was bombed by English planes, and later besieged by the Soviet Red Army. When the new borders of Europe were staked out after the war, Stalin demanded that this territory would be a part of the Soviet Union, and he closed it as a military zone. Since the beginning of the 1990s, Kaliningrad is open for foreigners, but foreigners need a Russian visa.

Living in a kommunalka is still very common in Russian cities. Whether you like it or not, it is very much depending on your neighbours – and yourself!

ILLUSTRATION: IGOR PASCHTCHENKO

modern houses, get no water at all during the night.

Katya explains that there are certain rules for taking care of the apartment; “We are five persons here, so we are responsible for one week at a time.”

– I would not mind moving out of this flat, she continues. The house is in bad shape, and there is no use complaining. Recently we painted the staircase ourselves.

Katya is well dressed in a leather coat, and like many Russian women she

looks perfect, even though she lives under very tough conditions. Katya works as a book keeper at a TV factory and spends her evenings with friends, sometimes at bars and discos.

– I want to spend my life in Kaliningrad. We are closer to the West here than they are in Moscow.

Kommunalka nostalgia

Elena is around 40 and she plays the guitar and sings romantic songs with a dark voice.

– Kommunalka! she exclaims. Please don’t talk to me about kommunalka! I moved from it two years ago to live in a flat of my own. I miss the kommunalka life so much I want to cry! I have spent all my life in kommunalkas.

– You never feel lonely there, she says, there is always somebody to talk to.

In the last flat I visit there are five households living in one room each. They share a kitchen and a bathroom. There are gangsters living next door, says Elena lowering her voice.

– But they are always very sweet to me, when they knock on the door, asking for a cup of sugar. And they were always prepared to defend me if I would need it!

Of course, I think to myself, kommunalka life must be very dependent on the people who are living there. But probably Elena would change any dull atmosphere with her guitar and songs!



Katya is always looking beautiful, in spite her modest living conditions in a Kaliningrad kommunalka.

PHOTO: ANDREEA ERLI

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The European Union has influence on housing

Text: Magnus Hammar, IUT

Even though housing is incorporated in the principle of subsidiarity¹, several areas do exist where the EU has competence and will have effect, or has already had effects, on housing.

1. State support and EU competition rules

According to the ruling of the European Court of Justice in 2003 (The Altmark case), the EU rules allow state support when four conditions are met:

- a. The recipient undertaking must have public service obligations to discharge and those obligations must be clearly defined.
- b. The parameters on the basis of which the compensation is calculated must be established in advance and in an objective and transparent manner.
- c. The compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of the public service obligations, taking into account the relevant receipts and a reasonable profit.
- d. Where the undertaking is not chosen in a public procurement procedure, the level of compensation must be determined by a comparison with an analysis of the costs that a typical transport undertaking would incur (taking into account the receipts and a reasonable profit from discharging the obligations).

Procedurally, this means, that EU member states need not notify such compensation to the Commission. But, of course, the Commission remains free to take up cases on its own initiative or on a competitor's complaint. It may order compensation payments to be recovered, when it considers that the conditions set out by the court are not met.

The Swedish case:

The Swedish government has since 2000, financially supported weak Public Housing companies. The private sector has not been able to apply for these grants. Both the Property Owners' Federation, in June 2002, and also the Swedish Government (because they want an acceptance from the Commission) have reported, filed complaints, to the EU Commission.

The Property Owners' Federation claims that subsidies go against the competitive rules of EU and EC Courts.

The Swedish government claims that the public housing stock in Sweden is comparable with social housing in other EU countries, and as such excepted from the EU rules on competition. By law in Sweden, it is the responsibility of the 290 municipalities to supply housing. And municipal companies in Sweden can not, by law, go into liquidation, as any private company can.

The German case²:

The European Commission has decided to refer Germany to the European Court of Justice because of its discriminatory rules on housing grants. The Commission considers that the German rule whereby houses outside Germany are excluded from the scope of the grant for the construction or acquisition of personal accommodation, available to persons subject to unlimited German tax liability, is contrary to the EC Treaty provisions on the free movement of persons. Germany replied to a formal request from the Commission to change the legislation by defending the rules and declaring that it was not willing to change its legislation.

2. EU and rules on procurement

Housing associations and registered social landlords are regarded as "public bodies" and as such governed by public law for the purposes of EU procurement law. Accordingly, contracts have to be advertised in the Official Journal of the European Union. The EU procurement rules, Council Directive 93/36/EEC, apply for contracts over 200 000 Euro for public supplies contracts and over one million Euro for works.³

NB. It is the total value, not the annual value, of the multi-year contracts that counts under the rules!

So a way to get around this is by breaking a big contract down into smaller ones...

3. EU and VAT

VAT is one of the areas where the principal of subsidiary applies. But together with the issue of Competition rules, there have been opinions on trying to harmonize VAT, value added tax.

Through EU directive, 1999/85/EC, the member countries of the EU had the possibility, on a trial period, to make use of reduced VAT till the end of 2003 on certain "labour-intensive services" e.g.

- Renovating of private accommodation (not building material)
- Hairdressing business
- Small repair jobs (cycles, shoes, clothes etc.)

The aim was to assess its effectiveness in terms of creating jobs and combating the black economy.

Nine countries - not Sweden, Germany or Denmark -

applied for a reduction of VAT. The directive has now been prolonged until December 2005. But the big issue still remains, whether it will be possible to harmonise VAT in all 25 EU countries? Possibly to 15%, or 17,5%? Big national revenues are at stake!

4. EU and Standardisation

The European standardisation institutions are CEN (The European Committee for Standardisation), CENELEC (The European Committee for Electrotechnical Standardisation) and ETSI (The European Telecommunication Standardisation Institute). In the directive 98/34/EG2 these organs acknowledge the responsibility for the development of European standards. It must be observed that these organs are not EU organs, but institutes which, on a commercial basis, work with standardisation of e.g. toys, and then make proposals to EU.

How can EU standardisation have effects on the rents?

One example: Today, many public and private intuitions are busy trying to prevent crime and vandalism. Close circuit cameras, locks, security alarms, safety doors and windows etc. are used. At present, manufacturers of these, and their organizations of interest, are involved in standardisation of these products. We might assume that these manufactures are not expected to present a "low" standard, but rather a "high" standard, which also would point at an expensive standard!

Thus, there is a large private financial interest of standardisation. Building companies can then be motivated to install better, but unfortunately more expensive, windows, doors and locks.

In the long run this can even effect on how insurance companies will formulate their rules for how and when insurances will apply. Together with a higher premium? Together such changes and measures can entail higher housing costs.

5. EU and the Structural Funds

Today it is not possible to make use of the structural funds for housing projects. Several of the ten new members from east and central Europe would like to see things otherwise. They would like to open up the possibility of using structural funds for e.g. the renovation of houses, energy saving measures like insulation, new windows and for the exchange of pipes and electricity cables. The Commission states that if this was possible, the funds would be drained within a few years.

However, there are several funds that supply resources to upgrading of public areas such as parks, squares, playgrounds etc.

6. Statistics

What is a room in Europe?

Within the EU today, there is lack of concordance as to what a room is! How big is a room? Does a room need a window? Most EU countries, when asked for statistics, use the UN /

ECE definition: Minimum 4 m² (43 sq foot), and a minimum height of 2 meters (6.56 foot). But countries often use national and higher requirements when they report on the number of rooms.

What is a dwelling housing?

One example of misleading figures: in EU's statistics, all HSB-flats (cooperative housing for profit) in Sweden are counted for as social housing! And these 500 000 flats are sold and bought, just like any 99-year lease flat in the UK.

How much housing, how many dwellings, does a country have?

In France and Spain, 2nd homes, such as summer houses, are included in the statistics. This is not the case in most other EU countries. In Spain these homes account for 14 per cent of the total stock.

A tenant?

Within the present 15 EU countries, there are different ideas as to what a tenant is, and how many tenants there are. It will be even worse when Eurostat and others will try to collect data and statistics from the ten new EU members. E.g. sublettees are counted in some countries and not in others.

Cost of housing.

There are two main ways in Europe today on how housing costs are calculated;

- A. The output of housing services (dwelling, fuel and electricity), as percentage of the total private consumption.
- B. Housing expenditures as a proportion of disposable income.

Using these two methods result in different answers.

A debate on different grounds

There is a danger that when ministers and other government representatives, researchers, representatives for non-governmental organisations etc. speak of e.g. homelessness, rents and the cost of housing, they use figures from quite different output data.

Today EU collects statistics related to housing through Eurostat – The Statistical Office of the European Communities. A number of other institutions also collect statistical data; The European Mortgage Federation, UN / ECE (Economic Commission for Europe), The European Central Bank, OECD, RICS, and a number of individual EU member states.

All in all, there is much to be gained by using statistics – but the existing statistics of today are often old and unreliable.

¹ The principle of subsidiarity regulates the exercise of powers. It is intended to determine whether, in an area where there is joint competence, the Union can take action or should leave the matter to the Member States. Compliance with this principle may be monitored in two different ways, either politically or legally.

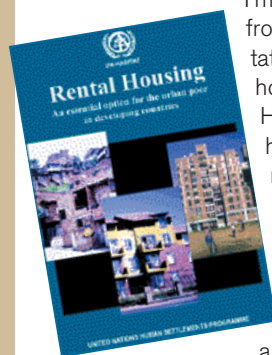
Housing, defence, education, health care, and also taxation system are among the areas where the EU do not have competence, and should be left to the respective members to decide on.

² Source: RICS, European Alert August/september 2004

³ <http://simap.eu.int/EN/pub/docs/thres/thres-en.htm>

NEW LITERATURE AND CD

Rental housing: An essential option for the urban poor in developing countries



This publication from the UN Habitat fills a gap in the housing literature. How many of us have an image of rental housing in developing countries? This book demonstrates that most arguments le-

ading to the current bias against rental housing are highly flawed. Argues for more tenure-neutral housing policies, and urges governments to modify regulatory frameworks, develop credit programmes and other forms of assistance to support housing production, with a view to creating more rental housing and to improve the existing stock. Published by UN-Habitat. ISBN 92-1-131687-1 (printed). Available also from UN Habitat website:

<http://www.unhabitat.org/programmes/housingpolicy/pubrental.asp>

Housing and Housing Policy in the Nordic Countries

Nordic countries are often thought to have broadly similar housing policies, because they have traditionally had similar policies based on shared fundamental values. In housing however these countries have distinctive national differences in housing finance, support policy, tenure legislation and rent policy. This book takes an in-depth look at housing policies in the five Nordic countries.

Published by the Nordic Council. Editor: Martti Lujanen. ISBN 92-893-1027-9 www.norden.org/publikationer

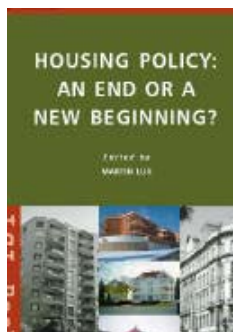
Housing Policy: an End or a New Beginning

About practices and lessons learned of local social housing policies in CEE countries.

Part I: Public Housing Policies and Economic and Social Perspectives. Part II: Country Profiles a. Rental Model (Czech Rep. and Poland), b. Homeownership Model (Estonia, Romania, Slovakia) c. Bulgaria. Part III: State and Local Gov - how to improve partnership.

Published by the Open Society Institute in Budapest, Hungary: Available at: <http://lgi.osi.hu>

Editor: Martin Lux 2003. ISBN: 963 9419 46X, E-mail: lgprog@osi.hu



Country Profiles on the Housing Sector

The Country Profiles on the Housing Sector are intended to assist the Governments of countries with economies in transition in improving the performance of their housing sector while promoting sustainable development. They analyse trends and policy developments, and make an overall assessment of the political, economic and



social framework of the sector in the process of reform. This work was initiated by the UN / ECE Committee on Human Settlements in the early 1990s in response to requests from its member States.

2000: Lithuania, 2001: Romania, 2002: Rep. of Moldova and Albania, 2003: Armenia, 2004: Russia.

Published by the UN: <http://www.unece.org/env/hs/cph/mail.htm>

Getting It Right' CD Rom

From TPAS, England: The 'Getting It Right' CD Rom is now available. This CD Rom was developed as a result of specific needs identified during the development of a tenant empowerment strategy for Chester-Le-Street Tenants' Panel, and the need to develop better practice in relation to tenant involvement in Chester-Le-Street.

The CD, consisting of around 14 video clips, with linking text, shows involvement work taking place. It is an accessible learning tool to aid the establishment of good practice in involving tenants and highlights innovative approaches to involving under-represented groups in tenant participation. The CD also contains best practice examples, training programmes, good practice guidance, checklists and exercises to help staff and tenants develop an effective way forward, plus details of resources, useful contacts and web links.

Available from TPAS, info@tpas.org.uk

October 4, International Tenants Day...

was observed in several countries with different focuses. A selection;

In Canberra, Australia, The Tenants Union; ACT, launched the "Leaking Roofs" report, and in Canberra they enjoyed the Tenancy Week, the whole week!

In the US, NAHT together with NAC (National Coalition for the Homeless), organised protests in seven major cities such as; Washington D.C., Los Angeles and Dallas. The protest was against the Bush' Administration to cut 600 000 families from the federal Section 8 housing programme.

In Örebro, Sweden, the Tenants Union organised activities under the theme "Defend our Children's Housing Environment".

The Association of Tenants from Serbia and Montenegro set off a campaign "They Have Rights Too!" "They" meaning the elderly in Serbia and Montenegro.

The Norwegian Tenants' Association organised a Habitat Day conference in Oslo under the theme of "Cities, Engines for Rural Development".

More information is available on: www.iut.nu/conferences.htm#TenantsDay04

Planning ahead?

In 2005 we observe the Tenants' Day on Monday, October 3.