

# How to get housing for all households

Reimagining Ireland's Future – housing, wealth  
and inequality

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# I will talk about

- Housing and the housing market
- Trends in Europe
- The importance of rental housing
- Some statistics
- Housing policy
- Examples

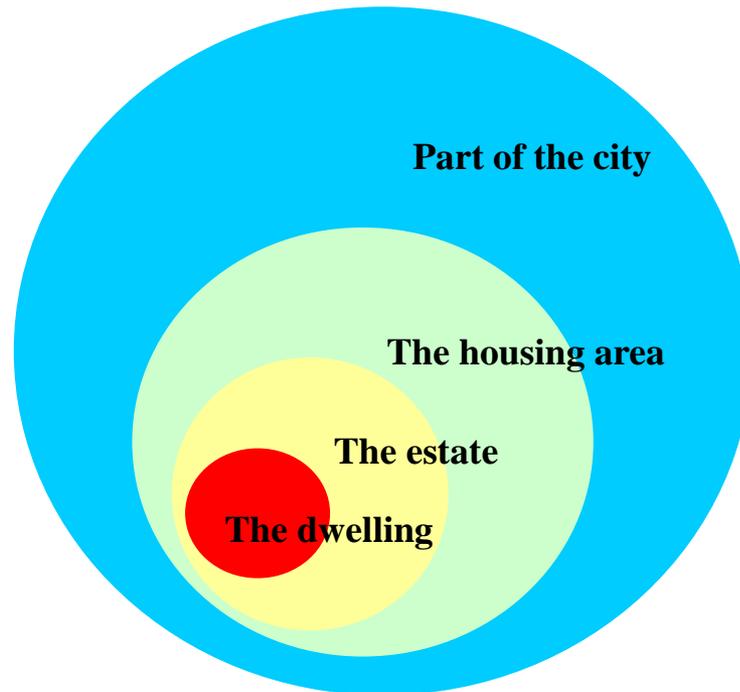
# Values in housing usage

**Aesthetic usage**  
Beauty and attraction

**Social usage**  
Security and och  
spirit of community

**The region**  
**The city**

**Symbolic usage**  
Meaning och importance



**Practical usage**  
Function and benefit

# Housing differs from any other market

- Has a unique set of characteristics
- We build societies not only houses
- Extremely sensitive for changes in demand
- Has strong impact on the whole economy
- Housing takes the largest share of the household budget - Lower rents/housing costs mean higher consumption of other goods.
- Dramatic changes of prices but low value growth in the long run
- The construction of new housing and other infrastructure investments, maintenance and energy-saving investments in homes and workplaces create jobs
- But investing in existing properties to make money on capital appreciation creates no new jobs and makes housing more expensive.

# Trends

- Increasing amount of people in Europe cannot access adequate housing.
- Increasing utility prices, housing costs and housing exclusions especially in profit-oriented and speculative parts of the sector, social segregation, and economic marginalization of low and middle-income groups
- Increasing number of homeless people as well as the number of people on the waiting list for social and public housing.
- Private big multinational actors like **Blackstone Group** and **Vonovia** have a growing impact on the housing markets in many countries.
- The uncertainty and instability of the finance framework and low expected returns prevent investments in social and affordable housing.

# A coming documentary “Push”

[www.pushthefilm](http://www.pushthefilm)

- **Lailani Farha** UN Special Rapporteur on Adequate Housing, “if we really want to make change to ensure people can live in the city, then we have to be able to hold someone responsible for what is going on”
- **Saskia Sassen**, Professor of Sociology at Columbia University, who coined the term “global cities” explains why an empty apartment is sometimes a better asset than its use as a home. She describes the investments in housing as high-end land grabs.
- **Joseph Stiglitz**, Nobel Laureate in Economy, explains how the private equity firms managed to grow throughout every crisis in the financial system, ending up becoming the biggest landlords in the world.
- **Roberto Saviano**, Italian journalist and author of Gomorra: “Tax havens are where criminal capitalism and legal capitalism meet and merge. Mafia organizations were the first to create and facilitate

# Rental housing in a changing society

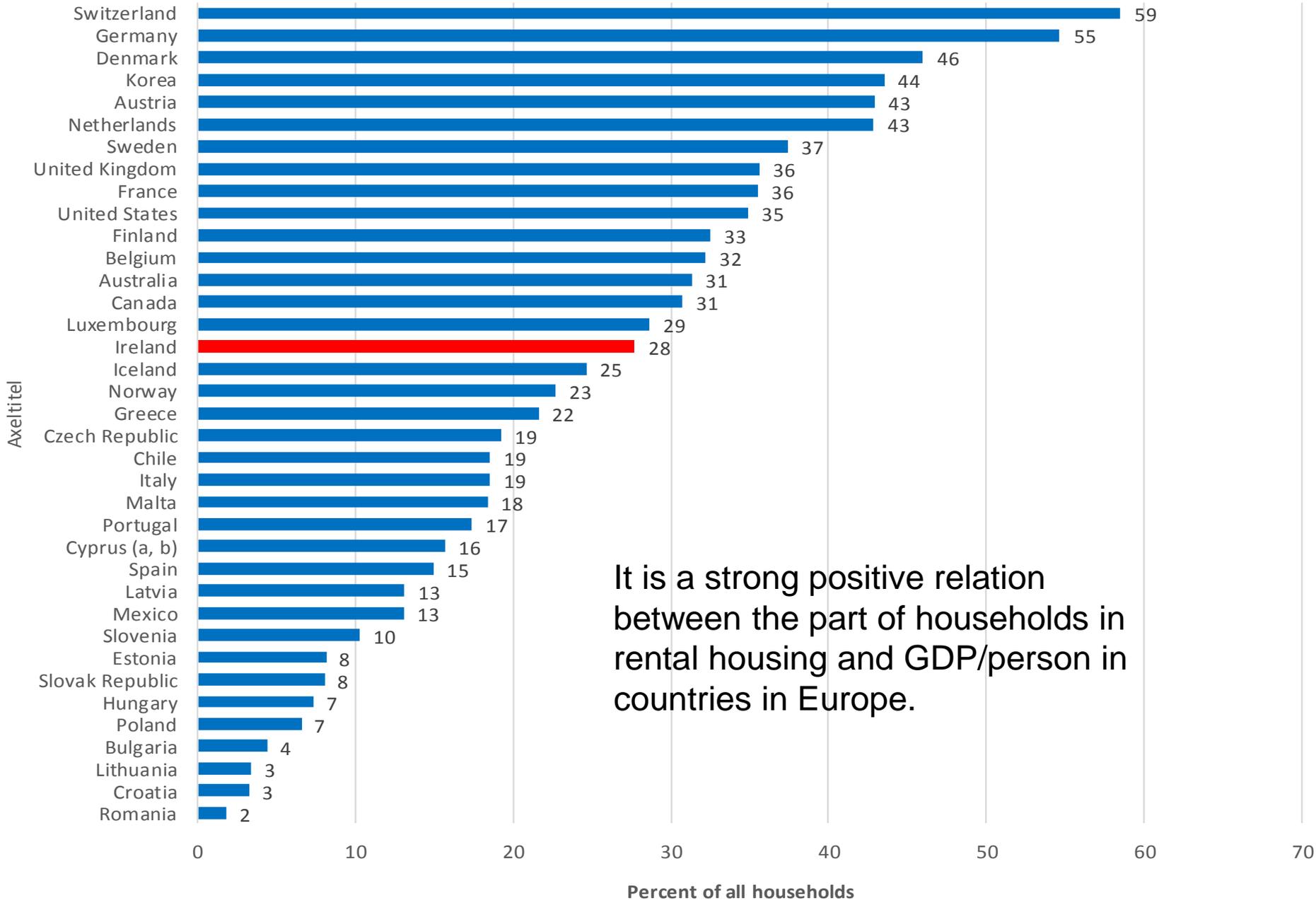
- Rental housing has a great future if laws and terms are fair for the tenants.
- We live in a changing society, where new jobs appear and industrial jobs disappear. Nothing is secure.
- Owner-occupiers who want to move have to find a buyer, and it can be difficult. Transactions costs are high.
- For a tenant is it easier to move. Transaction costs are lower.
- Many household could not afford or don't want to by an apartment
- Every country need a wide supply of decent and affordable rental housing

# The need for a large rental sector

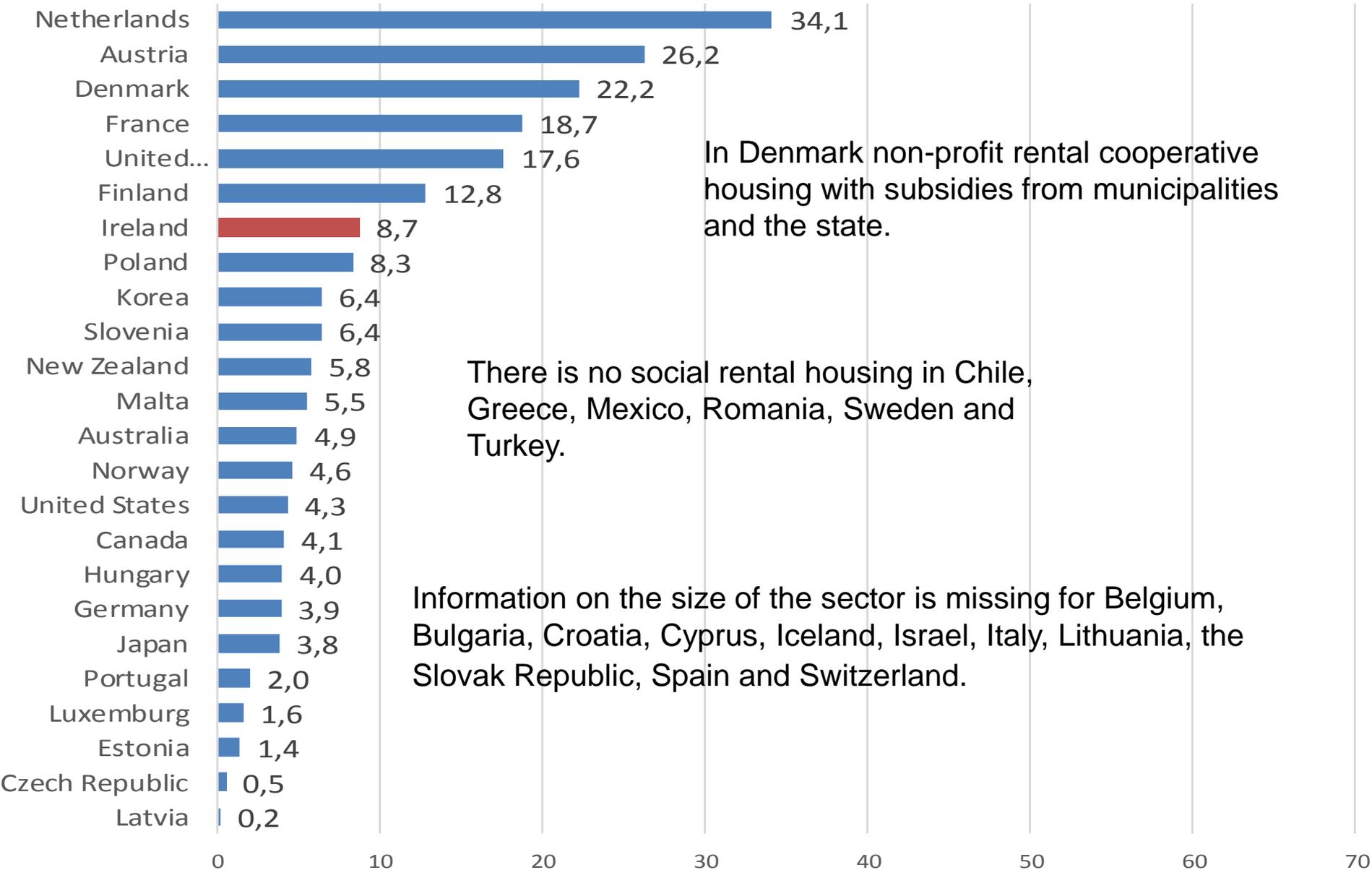
- “Analyzing a multilevel framework on survey data covering 26 European countries, I find that a large and integrated rental sector significantly reduces the prevalence of housing deprivation across EU countries. The organization of the rental sector appears to be crucial when it comes to reducing poverty and social exclusion in terms of housing insufficiencies.”
- **“Housing, poverty and the welfare state. Spatial distribution of tenure types and its effects on housing deprivation, unemployment and revisualization”** Academic dissertation for the Degree of Doctor of Philosophy in Geography with Emphasis on Human Geography at Stockholm University, Ida Borg

## Part of households in rental housing (OECD)

The figures for Norway has been corrected after contact with Statistics Norway



## Part of households in social housing (OECD)



# The need of housing subsidies

- The market alone cannot solve the housing problems for many e.g.
  - Young households
  - Low and low to medium income households
  - Migrants and refugees
  - Those with disabilities and those in need of care
- Subsidies and/or subsidized housing are necessary.
- Subsidies could have many forms: tax deductions, subsidies to social housing, housing allowance to households, subsidized loans, investment grants and so on
- No subsidy should be able to capitalize - Any subsidy must be tied to conditions, so that it results in lower prices or lower rents.
- Subsidies without any conditions “dope” prices, hurt the economy and make it more difficult for new households to enter the housing market

# The target group of social housing important

- Don't create ghettos with only the most needy - A social mixture is desirable and wise
- The social climate in a housing area effects the health and the future possibilities of households and individuals living there
- Social and affordable housing are needed in areas where the jobs are to counteract unemployment and cater for employers' demand for labour
- The target group for social housing sector should be a national decision without interference from the European Commission

# The need for regulation

- ❖ Regulation is necessary for a well functioning rental market – A balance of interests between landlords and tenants
- ❖ Security of tenure - Control of rent increase for sitting tenants
- ❖ Free rent setting for new tenancies may hamper mobility
- ❖ Housing shortage should not be a reason for increased rents
- ❖ Short-term holiday rentals must be regulated so that they don't destroy the housing market for citizens
- ❖ Deregulation has never resulted in increased construction of rental housing according to several research reports
- ❖ In regulated rental markets estate owners still can make a profit

# Non-profit cooperative rental housing Denmark

- The municipalities and the state subsidy
- At least 25 percent of the dwellings goes to socially needed households according to law
- To get a dwelling you have to pay a deposit – back when you move.
- The local associations are owned by its members
- The rents are decided by the local association. The sum depends on the costs.
- Some of the tenants with low incomes could get housing allowances
- Approximately 20 percent of the whole housing stock belongs to non-profit common housing associations

# In Sweden

- Most of the rents are decided after negotiations between a local branch of Swedish Union of Tenants and the landlord
- Rental agreements usually apply for an indefinite period
- The rents depends on the utility value of the apartment: size, standard, equipment and location
- The rent normally includes heating, hot and cold water, toilet, wash basin, a bath or a shower, cooker, sink, refrigerator, freezer, storage spaces, storages facilities within the property, appliance for domestic laundry.
- A minimum acceptable standard is defined by law
- If a tenant have complains he/she could go to a regional rent tribunal. It is free.

# That's all

## Thank you for listening!

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