



International Union of Tenants

IUT EU Policy Priorities

Eradicate the Housing Crisis Across Europe by 2030

All over Europe, tenants and home seekers are affected by the housing crisis. One third of the European citizens, which corresponds to 150 million people, live in rental housing. Rents are unaffordable, and the costs of energy in poorly insulated homes have soared. Many individuals live with crippling uncertainty due to the lack of tenant rights, while others struggle to find a place they can call home. We need a further embedding of housing as a social right in the European Pillar of Social Rights. Housing is about dignity. It is about fairness. And it is about Europe's future.

1. **Ensuring Housing as a Fundamental Right:** Housing is a fundamental right, as recognized by Article 25 of the Universal Declaration of Human Rights. The housing crisis is not a force of nature; it is a consequence of inadequate policies at both the local, regional, national and EU levels.
2. **New European Housing Alliance:** The European Housing Alliance should contribute to the smooth roll out and the peer-to peer revision of the EU affordable housing plan in the light of market requirements and ensure that the measures are appropriate and targeted. We are ready to contribute with our expertise on fair and balanced rental markets to the new 'European Housing Alliance'.

3. Technical assistance to cities and members states with focus on investment: IUT strongly advises to implement the principle of “housing cost neutrality” in the procurement guidelines for housing construction and housing renovation of the European Commission Funds. Housing cost neutrality after renovation (meaning that rent increases are at least balanced by energy savings at the same amount) combines ideally the EU green deal with a socially just transition. It prevents that residents and tenants are subject to displacement, gentrification and “renovictions”, evictions by renovations. This is in line with the social safeguards for tenants of the Energy Performance Buildings Directive (EPBD), inserted in Article 17 EPBD as well as the EC recommendation to counteract energy poverty (C/2023/4080). It is critical to ensure that the burden of renovation costs is distributed equitably to counteract disparities between social groups.

4. Funding and conditionalities: The European Union and its institutions, including its funding and lending mechanisms, should re-consider their recent funding schemes for the provision of affordable and social rental housing. Loans should be preferably channeled to not-for profit housing providers and housing cooperatives to ensure long-time housing affordability and stabilization of the rental markets which are de-railed through massive price and rent increases. These 4 conditionalities are essential for the use of EU Funding for affordable rental housing:
 1. Conditionality: Regulation of rent profiteering through market stabilization mechanisms such as rent caps and rent indices
 2. Conditionality: long-term rental contracts as the norm, no short-term and short-stay contracts
 3. Conditionality: Social and affordable housing must remain under public control and serve the common good
 4. Conditionality: The focus must be on not-for-profit housing provision to ensure affordability and accessibility

5. European Semester and revision of housing overburden definition: the housing overburden rate (40% of disposable income for housing costs) needs to be revised to shape more targeted housing policies at MS level. One third of the EU citizens, 150 million people are tenants, tendency rising. In contrast to homeowners, that receive subsidies for homeownership in most MS, tenants pay a considerably higher share of their income for housing costs. Housing costs (including energy and utilities) should be a maximum of 25% of the disposable income of households, which can be reached by effective rent stabilization mechanisms including rent caps and housing allowances.
6. 30% quota of social and affordable housing: To combat the housing crisis and establish a stable, price-controlled rental housing segment, the EU should consider setting minimum quota for social and affordable housing in every Member State and in every single municipality in EU of at least 30% by 2030. A dedicated EU fund for public social and affordable housing, complemented by national and regional laws and regulations, direct investments, cost subsidies and substantial tax reliefs can support this initiative.
7. Revision of state-aid rules: The design and definition of both the social and affordable categories must remain within the competence of the Member States according to the principle of subsidiarity. The current proposal does not make this sufficiently clear. The revision of the state aid rules should sufficiently safeguard the continuation of existing housing systems. Otherwise, the capacity and initiative of Member States, local and regional authorities would be restricted and hindered. Current efforts to provide social and affordable housing could be undermined. Moreover, if private investors are to participate as builders or operators of social or affordable housing, they must be subject to the same binding legal conditionalities as existing public, non-profit, limited profit and cooperative providers.

For both social and affordable housing, the SGEI decision refers to a maintenance or affordability period of 20 years. Especially because the affordable rental category is explicitly open to all investors, there is a clear and blatant risk of misuse. Publicly supported affordable housing could be developed with the deliberate intention of selling it off or re-letting it at higher

prices as soon as possible. A period of twenty years is far too short to guarantee long-term affordability. This is particularly apparent when compared to the expected lifespan of new housing across Europe, which is much longer. The International Union of Tenants therefore recommends setting the affordability or maintenance period for affordable housing at a minimum of fifty years, even better unlimited. Such a period would prevent public funds from being used to generate short-term profits and would help to maintain a larger stock of affordable housing, as these dwellings would be less likely to leak away into the more expensive segment.

8. Effective roll-out of the “Social Climate Fund” to help with renovations and access to affordable and energy efficient housing: The EC guidance should recommend to MS to implement “climate housing allowances”. Equal access to energy-efficient housing should be a priority for all, regardless of income.
9. Respect tenants’ rights and guarantee transparency in rental agreements: Online rental platforms should provide the average rent costs in the area and be obliged to publish the rent paid by the previous tenants. This is an effective measure to challenge unfair terms and counteract extortionate rents.
10. Continue regulation of short-term rentals (STR) and short-stay rentals: Short term and short-stay rental housing is extracting existing housing from the regular housing market, at the expense of residents. The misuse of international short-term rental platforms for profit maximizing can jeopardize tenant rights and disrupt local communities, causing problems like displacement, touristification and gentrification. EC should advise and give guidance to MS that urban planning, legislation and respective national tax regimes must address these concerns and prioritize the rights of residents and their access to affordable housing.

11. Counteract the housing market financialization and speculation in Europe: Access of large international funds and profit-maximizing investors to European markets must be regulated. Money laundering and tax evasion by international real estate trading needs to be stopped at least at EU level. An EU transparency register on real estate transactions is the first step for de-financialization.

12. Best Practices on inclusion and affordability: Include the “European Responsible Housing Initiative and Awards” www.responsiblehousing.eu as people’s led initiative for co-design and residents’ participation in the affordable rental housing sector- inspiring best practices all over Europe!

The International Union of Tenants (IUT) advocates for a comprehensive approach to housing policy in Europe that emphasizes affordability, accessibility, and tenant rights. By eradicating the housing crisis by 2030, promoting public, social, and affordable housing, and protecting tenants, the EU Member States together with the European Commission and the responsible housing authorities, can work towards ensuring affordable and secure housing for all citizens, fostering social cohesion and well-being across the continent.

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