"Existing tools to prevent renovictions"

Report from FEANTSA online event – May 2022 Watch the video here

This online debate was organized by FEANTSA on May 24, 2022, to explore ways to address renovictions at the national and European levels. The speakers were two researchers, an actor from the political sphere and two experts from NGOs working on tenants' rights and the right to housing.

Foreword. The word "renoviction" is a contraction of "renovation" and "eviction". It refers to deliberate or indirect evictions due to rent increases caused by housing renovation. In the context of the Renovation Wave, an initiative which aims to double the rate of energy-efficient housing renovation in the European Union (EU) to meet the Green Deal carbon emissions' reduction targets, the risk of renoviction is increasing in Europe. From Canada to Sweden and at the European scale, what are the tools to avoid low-income households to pay for the costs of the energy transition?

Marie Linder, President of the Swedish Union of Tenants and of the International Union of Tenants, introduced the event. She warned against the financialization of housing and pointed out that research in Sweden has shown that renovations are "a ticking bomb", with renovations leading to massive rent increases. She denounced the fact that many landlords make unnecessary renovations to increase rents. As this problem emerges in Europe, she said that while renovations are a normal part of building life, they should be done with the agreement of tenants. While the EU Renovation Wave can be seen as a unique opportunity to create tomorrow's housing market with increased access to adequate housing, there is a serious risk of people being evicted, which must be considered and fought collectively.

<u>The first panel</u> focused on resisting renovictions at the national level, with experiences of social movements and political practices in Sweden & Canada.

Åse Richard and Dominika V. Polanska, researchers at Södertörn University and Uppsala University, presented the case of the resistance to renovictions and current state of play in Sweden.

In 2010 in Sweden, the media drew attention to the issue of renovating multi-family housing in the context of the state's demand for greater energy efficiency. These renovations targeted marginalised neighbourhood. Following this debate, 400 000 renovations were identified in Sweden between 2013 and 2020, accompanied by sharp rent increases. According to the researchers, these were unnecessarily extensive renovations ("over-renovation"), combined with decades of a lack of maintenance in the housing stock. Research show that these extensive renovations caused mental and physical illness, relocation, unrest in residential areas, housing segregation and inequality. There has been resistance and a struggle for politicizing these renovations.

Sweden is known as a welfare state with a fair housing system and strong tenants' rights. However, since the 1990s, the country has undergone heavy deregulation that has led to the marginalization of formal rental housing. A 2011 law harmonized legislation with the EU and paved the way for renovictions.

The Swedish legal framework governs the relationship between tenants and landlords. But the researcher says that there are loopholes, mainly the fact that in cases of renovation, the legal interpretation is biased in favor of the landlords.

Research show differences between renovations in co-ops and in residential housing. In co-ops, where residents have formal influence, renovations lead to cautious and small-scale, cheaper, and energy-efficient structural renovations. In the rental housing, tenants have primarily symbolic influence, lead to large scale, rent-raising renovations, causing renoviction. This contributes to an increase in tenure inequality.

How to stop renovictions in Sweden? For Åse Richard and Dominika V. Polanska, the main solutions are to organize, create allies, and politicize the issue to facilitate understanding in research, the civil society, and politics. They recommend regulating profit-making by implementing rent caps, expanding state subsidies, improving law and legal practice with strengthened tenants' rights, promoting progressive housing policies informed by research and focusing on good practices.

Claudia Chender, the Canadian Member of Parliament for Dartmouth South and NDP (New Democratic Party) House Leader, shared the experience from Nova Scotia where the political authorities implemented a ban on renovictions, which recently ended.

Nova Scotia experiences a rise in homelessness, particularly due to a sharp increase in the cost of housing due to the financialization of housing. In the Halifax housing market, there is a 1% vacancy rate in urban areas, and the prices are dramatically rising since 2020 (by approximately 25-30% per year). Nova Scotia has had a massive uptake on heat pumps and solar. Heat pumps replacing oil furnaces may be behind renovictions, but it hasn't shown up statistically yet.

A ban on renovictions was introduced. On November 25, 2020, a Direction of the Minister, under a declared State of Emergency was issued that prohibited "renovictions" (defined as "a renovation undertaken by a residential landlord to residential premises, or a building containing residential premises, that will require the tenant to vacate the premises") for the duration of the provincial State of Emergency. The ban was not explicitly connected to energy efficiency renovations. While Nova Scotia still relies heavily on gas and oil and there is a lack of data on energy efficiency retrofits and the evictions that may result. Nonetheless, Claudia Chender believes that this could be hiding something significant. The renoviction ban ended when the State of Emergency ended on March 20, 2022. A 2% rent cap was also put in place, and this remains.

The ban was replaced by a new legislative framework, supposed to help tenants. This legislative framework states that there are two permissible ways to terminate a tenancy for demolition, repairs, or renovations:

- 1) mutual agreement (i.e., the landlord and tenant both agree to end the lease due to a renovation),
- 2) or an order of the Director.

If the landlord and tenant do not mutually agree to terminate a tenancy, the landlord may make an application to the Director for an order that terminates the tenancy on a date specified in the order and ordering the tenant to vacate the premises on that date. The legislation provides that the date must be in not less than 3 months and not more than 12 months. Landlord must have all the necessary permits and approvals and require possession of the residential premises for the purpose of:

- demolition of the residential premises,
- or making repairs or renovations so extensive so as to require a building permit and vacant possession of the residential premises.

If a landlord terminates tenancy the tenant is entitled to compensation equal to the rent payable for:

- the last 3 months, if the residential complex (defined as a building in which one or more residential premises are located) contains more than four residential premises,
- or the last month if the residential complex contains four or fewer residential premises.

Where the tenant continues to reside in the residential premises until the date specified in the agreement or order, they are not required to pay rent to the landlord for the applicable period noted above. If the landlord provides another unit to the tenant and the tenant agrees to enter a lease for the new unit with the same benefits and obligations as the current lease, the tenant is not entitled to compensation. Unfortunately, this almost never happens.

The MP says that this legislation is almost useless, due to a lack of enforcement. There is an unequal power struggle between the tenant and the landlord, and cases rarely get to a hearing. Landlords either pressure the tenant to leave, tell them they must leave when they do not, or make their lives so miserable that they end up leaving. The day after the renovation ban ended, families began to be told they were being evicted from multi-unit buildings in Claudia Chender's neighbourhood. All but one of the families left before their hearing because between that day and their hearing, their housing conditions had deteriorated significantly (heat source cut off, flooding, etc.).

The solutions to dealing with renovictions are law enforcement, but also thinking about how to renovate a home without displacing the inhabitants. The group "ReCover" (based on a Dutch program called Energiesprong) has pioneered a way to doing environmental retrofits without displacement, with engineered panels placed outside of the home. This shows several advantages over conventional approaches to building energy retrofits:

- 1) It is more affordable.
- 2) Retrofits can be done more quickly.
- 3) Employing panels realizes greater energy savings and carbon storage potential.
- 4) The process is less disruptive to occupants, who can remain in their home throughout the work.

There are examples of successful initiatives. During Covid, the Federal Government earmarked funding to the <u>Rapid Housing Initiative</u> to house vulnerable people in energy efficient housing. However, the number of units is low (this corresponds to only 137 units in total).

Claudia Chender concluded that there is a need to increase non-market housing (cooperatives, public housing, non-profit housing, etc.) and to significantly improve building codes for new construction to avoid the need for renovation. She also stressed on the need to

leverage public-private partnerships in housing to meet the challenge of increasing housing pressure, soaring energy prices, and the climate crisis. She finally called for strengthening renoviction legislation by tying public subsidies to security of tenure (if tenants do not stay, the landlord does not receive a refund).

The second panel focused on tools to resist renovictions at a supranational level, with the intervention of experts from International and European NGOs working on tenants' rights and the right to housing.

Marie Linder, President of the Swedish Union of Tenants and of the International Union of Tenants (IUT), explained how to take up the challenge of defending tenant's rights against renovictions at the international level. She states the importance of using the power of organizations to combat renovictions, and the need to work at both national and European levels. The objectives of IUT are to put pressure on housing companies at European and national levels for to defend tenants' rights, to promote sustainable and socially just public renovations and to ensure that public money goes to public housing, that the "housing cost neutrality" becomes the main principle of the Green Deal, that rent increase is balanced by the energy savings, and that the principle of subsidiarity is respected during renovations. In Sweden, one of IUT's demands is for sufficient public funding to cover the costs of renovation for low-income households, which is not currently the case. The organization is also calling at European scale for the Green New Deal to become this source of financing preventing renovictions.

Maria José Aldanas, Policy Officer at FEANTSA and coordinator of Housing Rights Watch, presented the available judicial tools to combat evictions and renovictions at the EU level. She reminded that tenancy law and civil law regulate housing, and that an eviction represents the primacy of property or contractual rights over the human right to home. Eviction must be a last resort, because of contractual bad faith, or non-respect of the obligations emanating from the rental contract. Rent control mechanisms allows for limitations of the rent, especially for new leases, but renovation is an exception to the limit to rent increases in many systems.

Binding obligations exist for EU Member States to guarantee the right to housing. In the case of evictions, it imposes legal protection for persons threatened with eviction. These protections must include:

- a prohibition to carry out evictions at night or during winter,
- access to legal remedies,
- access to legal aid,
- and compensation in case of illegal evictions.

The person concerned must have prior access to an effective judicial remedy to ensure that the measure is justified. Any person threatened with eviction must have the opportunity to have the proportionality of the measure assessed by an independent court. This means that attention must be paid to the consequences of an eviction when the person is at risk of becoming homeless. Where an eviction is justified in the public interest, states must rehouse evicted households or provide financial assistance. There is an obligation to consult with affected parties to find alternatives to eviction.

Maria José Aldanas proposes legal strategies to combat renovictions. One of the solutions she is considering is to take the case to the UN Committee on Economic, Social and Cultural Rights (UN ESCR) and ask whether the post-renovation eviction is a disproportionate measure, and to ask the committee to ask the state for compensation in that case. Another solution she proposes is that, if rent goes up due to renovations while heating costs go down due to increased energy efficiency, the increase of the rent must be proportionate to energy savings. Another idea is the launch of a collective complaint against an EU member state to the European Committee of Social Rights of the Council of Europe (ECSR) arguing that the renovation policies that were implemented generated renovictions, in front of the Article 31 European Social Charter, which recognizes the right to housing and prevention of homelessness. At the EU level, the Charter of Fundamental Rights of the European Union can be used, and especially the Article 7, which states that "everyone has the right to respect for his or her private and family life home and communications". One could prove that article 7 was violated and the national judge can request the European judge of preliminary ruling for a case at domestic level.

Structural changes can also be undertaken to combat evictions and renovictions. The expert recommends defining eviction related standards from the international instruments and integrating them into national policies, creating a legal obligation on courts (and other agencies involved in evictions) to promptly inform housing and social care agencies, ensuring respect of the right to legal aid, advocacy and representation in cases of evictions, better integrating housing consumers into national and EU consumer protection policy, promoting and disseminating information on eviction related to housing rights, and putting into place enforcement procedures.

Clotilde Clark-Foulquier, Policy Manager at FEANTSA, concluded the event. She recalled the main points: the balance between housing as a financial asset and housing as a human right, the role of the politics (at the European and national level) in addressing the power dynamics between tenants and landlords, the need to identify data gaps (on evictions at the national level and on rent increases due to renovations mainly), the notions of security of tenure and security of costs, and the need to ensure the implementation of policies. She also recalled the concrete tools available to fight renovations, such as rent caps, prohibition of renovations and possible legal procedures, as well as the need to increase public housing (cooperatives, social housing, etc.).