



# International Union of Tenants

## Association Internationale des Locataires

[www.iut.nu](http://www.iut.nu)

## **The rent is too high: We need a 21st century rent control.**

### **IUT Congress Statement Glasgow, October 15, 2016**

1 (1)

**Regulation of rents has different names in different parts of the world: rent control, rent regulation, rent stabilisation, rent certainty, etc. But in reality, they all mean basically the same: the real goal of rent regulation is to protect the moral rights of occupancy. Long-term tenants who contributed to their homes being a desirable place to live have a legitimate interest in staying there.**

Rent regulation is a response to the power imbalance between landlords and tenants, which creates an opportunity for landlords to exploit tenants that certainly exists in cities with a tight market.

For too long politicians and commentators have been dogmatic in their rejection of any form of rent control. But it is time to look at the issue again. There is more than one method of regulating rents.

In Germany, a rent-cap is imposed on new leases, and on-going leases are also controlled. In Sweden, all rents are negotiated – between the tenants' union and private and public landlords. In New York, rents for about 1 million rent stabilised tenants are annually set by the Rent Guidelines Board. In Paris, rent control regulations on all new or renewed leases came into effect in 2015. In the Netherlands, a rent increase is never allowed to exceed the legally established maximum rate, determined every year by the government.

In some countries, even when rent levels for sitting tenants are controlled, rents for new contracts are not regulated, hence they are being set much higher by landlords. To keep housing affordable and have a more equal treatment between new and sitting tenants it is necessary also to have rent regulation for new contracts.

Some argue that the answer to high housing costs is simply increasing supply. This might work if the world's housing markets functioned normally. But the economic concept of supply and demand, the backbone of the market economy, never seems to prevail in practice – when it comes to housing.

Millions of tenants are seeing increasing amounts of their wages taken up by rent. This affordability disaster is hitting some of the poorest people in society.

This rental catastrophe is negatively impacting many cities' economies too. Average and lower-income tenants have very little disposable income to use in other parts of the economy – and to spend on their own quality of life, after such a huge outgoing to their landlord. Key workers and others cannot find affordable housing in many cities, which further hampers their own and their cities' economies.

Due to high rents, businesses move out, the service and leisure economies suffer, whilst hitting the poorest hardest, undermining the diversity of big cities and exploiting the most vulnerable. Rents have to be affordable – and controlling them should be a major political priority.

As the growing cost of rent continues to be ignored by those in power, we need a policy that tackles affordability head-on.

The International Union of Tenants and its members are calling for controlled rents in the private rental sector, anywhere in cities where escalating rents are pricing people out of housing where they live and work.

IUT congress statement signed by heads of delegations, Glasgow October 15 2016.

---