



International
Union of Tenants

Reports from IUT members to the 20th congress

Rent regulation and security of tenure in the private rental sector



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**Reports from IUT members to the 20th congress
on rent regulation and security of tenure
in the private rental sector.**

Glasgow, Scotland, 14–16 October, 2016



Registered delegations to the 20th congress of IUT were invited to report on the situation in the private rental sector, regarding the setting of rents and degree of security of tenure.

Regulation of rents and leases have many names around the world; rent control, rent regulation, rent certainty, rent stabilisation etc. But in reality, they all mean basically the same: Rent regulation is about protecting the moral rights of occupancy.

For practical reasons, answers given in these reports are in some cases simplified and abbreviated.

Notes

The texts published in this book reflects the views of the respective Rapporteur.
All references to tenure structure, in country reports, are for % of total stock.

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Publication design

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The need for regulated rents

During the last few years, problems with sky rocketing rents in metropolitan areas have increased in many countries due to migration, increased construction prices, speculation in land and low construction rates. So the ability of low and medium income household to rent a decent dwelling, as well as for employers to find the employees they need, have decreased.

We need means of ensuring affordability and security of tenure for low- and medium income tenants: rent legislation, regulation and control.

Methods of rent regulation vary between countries, but typically include:

(a) security of tenure, establishing a minimum duration of occupancy as well as limitations on reasons for eviction of tenants; and

(b) control on levels and frequency of rent increases, intended both to preserve affordability and to preclude de facto economic eviction.

Rent control usually means that rents can increase only at the inflation rate or because of major improvements to the dwelling. Landlords should still be able to make profits and finance maintenance, but massive rent hikes and economic evictions should be avoided. Growing housing shortages and speculation in land and properties make it important to restrict rent increases even in new leases.

The need for mobility is one of the strongest arguments for a substantial rental market. Mobility among tenants is also higher than among home-owners because the transaction costs are lower for tenants. Rent increases in new leases exacerbate tensions between landlords and tenants as the landlords have an incentive to increase the rotation of contracts in order to get rid of sitting tenants eg by encouraging evictions or reducing maintenance.

If vacancy rents are higher than the rents of sitting tenants, then a barrier is created for people wishing to move. On the contrary if rent increases are restricted in new leases, tenants will not be discouraged from moving.

But it is also necessary to work for lower construction prices and fight speculation in land. Big and persistently increasing rent differences between older and newly built rental dwellings also prevent mobility among tenants. And an even bigger barrier is the skyrocketing prices for owner-occupied dwellings in metropolitan areas.

Critics of rent control and regulation claim that such measures produce inefficiencies, distort market values, reduce the housing supply and encourage corruption and low housing maintenance. That is why it is necessary that rent regulation is combined with other measures for a social housing policy and an increased construction of affordable rental housing.

Rent regulation has had favourable effects on stabilizing the rental sector and maintaining access by low income households to well-located urban housing.

Notable examples include Austria, Germany and Switzerland, as well as the cities of New York and San Francisco.

Quebec has also retained a consistent and well established regulatory system, with a reasonable balance between protecting tenants and encouraging investment.

Such examples demonstrate that it is possible to design rent regulation and tenancy protection mechanisms that do not distort or discourage the private rental market but actually encourage it.

In Sweden landlords can still make good profits in spite of the regulated rental market. A well-regulated rental market can promote the twin goals of protecting tenants, particularly low income tenants, and encouraging investment in rental housing simultaneously.

According to the former UN Special Rapporteur on Adequate Housing, Raquel Rolnik, elimination of rent controls and the easing of eviction procedures have rarely led to more investment in the rental market but have actually skewed the market in the direction of homeownership. Researchers have also shown that deregulation of rental markets in Europe has not lead to an increased construction of rental housing anywhere.



Sven Bergensträhle

Sven Bergensträhle
IUT President

Estimated degrees of security of tenure, based on country reports to IUT congress 2016
Private rental sector (incl. public sector for Sweden)

	Initial rent			Duration of lease			Most common term	Notice term	Deposit
	Free	Both	Reg. ¹	Indefinite	Mix	Ltd ²			
AUS, ACT	X					X	6–12 m	4–26 w	1 m
AUS, NSW	X					X	6–12 m	3 m	1 m
AUS, Qld	X					X	6–12 m	2 m	1 m
Austria		X ³			X		3 y	1–3 m	3–6 m
Belgium, Flanders		X ⁴				X	3–9 y	3–6 m	2 m
Canada, Quebec	X					X	1 y	6 m	illegal
Czech Rep.		X ⁵			X		1 y	3 m	3 m
Denmark		X ⁶				X	2 y	3–12 m	3 m
England	X					X	6–12 m	2 m	1 m
Finland	X				X		1 y+	3–6 m	1–2 m
Germany		X		X			indefinite	(3–9 m)	1–3 m
Italy		X				X	3+2, 4+4 y	6 m	1–3 m
Japan	X					X	2 y	6–12 m	5–7 m
Latvia	X					X	1 y	1 m	2 m
The Netherlands			X	X			indefinite	(3–6 m)	1–2 m
Northern Ireland	X					X	1 y	1 m	1 m
Norway	X					X	3 y	3 m	3–6 m
Poland	X					X	6–12 m	3 m	1–6 m
Scotland	X					X	6–12 m	28 d–2 m	2 m
Slovakia	X					X	min 1 y	3 m	2–3 m
Spain, Catalonia	X					X	1–3 y	1 m	2 m
Sweden			X ⁷	X			indefinite	(3 m)	–
Switzerland	X					X	1+1 y	3 m	3 m
Wales	X					X	6 m	2 m	1 m

¹ Regulated

² Limited leases in time

³ Built after 1953

⁴ If lease is for more than 3 years

⁵ Based on local rent and utility value etc

⁶ Built up to 1973: regulated, after 1991: unregulated, in between: utility value/cost based

⁷ According to the utility value of dwelling.

Australia, ACT

Australian Capital Territory (Canberra, ACT)

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Tenure structure, census 2014

Owner occupied housing: 67.3%

Rental housing:

(I) social rental: 7.2%

(II) private rental: 22.5%

(III) others: 3%

Australia has no national rent control; tenancy law is administered by the states.

In ACT, the initial rent when a new tenant moves in, is not regulated, and there legally are no limitations on how much rent the landlord can ask for. No motive is necessary.

How often can the landlord increase the rent, for sitting tenants?

The rent cannot be increased during a fixed term unless the amount of the increase, or a method for working it out, is set out in the agreement.

During a periodic tenancy, the rent may not be increased at intervals of less than 12 months from either the beginning of the tenancy agreement for the first increase, or after that, from the date of the last increase.

The lessor must give the tenant 8 weeks' written notice of intention to increase the

rent and include in the notice the amount of the increase, and the date when it is proposed to increase the rent.

How can a sitting tenant challenge rent increases?

To challenge the increase, the tenant must apply to the ACT Civil and Administrative Tribunal for review of an excessive increase in rent more than 2 weeks before the increase is due to take effect. If the increase is less than 20% greater than any increase in the consumer price index (CPI) since the last increase, the tenant must satisfy the Tribunal that the increase is excessive. If it is greater, the lessor must satisfy the Tribunal that the increase is not excessive.

The application fee is AU\$68.

The Tribunal must consider a number of reasons, like the rental rate before the proposed increase; if the lessor previously increased the rental rate while the relevant tenant was tenant; the amount of the last increase before the proposed increase; the state of repair of the premises, the value of any work performed or improvements carried out by the tenant with the lessor's consent, and rental rates for comparable premises.

Duration of leases

All tenancy agreements are what we call indefinite. Meaning that a fixed term tenancy agreement automatically becomes a periodic tenancy when the fixed term ends.



A landlord cannot end a fixed term agreement merely because the fixed term is coming to an end.

In the private market people generally sign initially for a fixed term of usually 12, sometimes 6, months. Fixed terms can be

**All roads lead to
Tenants Advice
Service, in Canberra!**

for any length and are harder for either party to terminate.

At the end of a fixed term the tenant is the only party who can terminate because the term has ended.

If the tenant does not terminate, the term automatically moves to an ongoing periodic tenancy that is indefinite, which can last for years.

Notice periods, for periodic tenancies:

For landlords:

4 weeks' notice if lessor/family member/'interested person' genuinely intend to live in premise;

8 weeks' notice if the lessor intends to sell the premises;

12 weeks' notice if the lessor intends to reconstruct, renovate or make major repairs;

26 weeks' notice if no cause (no grounds termination).

For tenants:

Must give 3 weeks written notice to end a periodic tenancy.

Security deposit

4 weeks' rent.

The deposit, called a bond in Australia, must be deposited with the ACT Office of Rental Bonds. Disputes about return of bond are referred to the ACT Civil and Administrative Tribunal.

Bond disputes are one of the most common issues the Tenants' Union advises on.

Australia, NSW

Australia, New South Wales

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Tenure structure, 2011 Census

Owner occupied housing: 66%

Rental housing:

(I) social rental: 5%

(II) private rental: 26%

(III) others: 3%

Australia has no national rent control; tenancy law is administered by the states.

In NSW, the initial rent when a new tenant moves in, is not regulated, and there legally are no limitations on how much rent the landlord can ask for. No motive is necessary.

Two kinds of leases in NSW

A fixed-term agreement is for a specified period (e.g. 6 months).

A periodic agreement is one where the fixed term has expired or no fixed term is specified.

How often can the landlord increase the rent, for sitting tenants?

The landlord can increase the rent once a year in a fixed term contract of greater than 2 years.

There are no limits for contracts outside the fixed term, like for periodic leases.

Rent increases must be presented in writing. The applicable date is at least 60 days hence.

How can a sitting tenant challenge rent increases?

A tenant can apply to the NSW Civil and Administrative Tribunal (NCAT) within 30 days of receiving the notice of increase.

For what reasons can a tenant challenge a new rent?

If the new rent is greater than market rent and other factors (7 of) excluding affordability.

When deciding if a rent increase is excessive, NCAT will consider:

- rents for similar premises in the same or a similar area ('general market level of rents')
- the landlord's outgoings under the tenancy agreement
- any fittings, appliances or other goods, services or facilities provided with the premises
- the state of repair of the premises
- the accommodation and amenities provided in the premises
- when the last increase was
- any work you have done to the premises

There is an application fee of AU\$47, or AU\$5 if the tenants is on statutory minimum wages income



PHOTO: BY PERMISSION WIKIMEDIA COMMONS

Duration of leases

1. Periodic agreements are indefinite, i.e. after the fixed term.
2. Fixed terms are not usually greater than 99 years.

Most residential tenancies start with a fixed term less than 2 years.

Notice periods

Normally 90 days without grounds (i.e. no reason), or from 14 days for breach of contract.

Security deposit, bonds

4 weeks' rent.

Often landlords claim damage or cleaning costs. In 2014–2015, 53% of bonds were returned entire to tenants, 9% went entirely to landlords and 38% were divided between the parties.

Other information

The Residential Tenancies Act 2010 (NSW) is currently under review. Rent increases are a feature of discussion from advocacy groups and tenants.

Tenants' Union of NSW, has rejected the proposed sell-off of 293 public housing properties at Millers Point.

Australia, Queensland

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Tenure structure, 2013–2014, Housing Occupancy and Costs
Owner occupied housing: 63%
Rental housing: 36% (31% for all Australia)
(I) social rental: 4%
(II) private rental: 31%
(III) others: 2%

Australia has no national rent control. Tenancy law is administered by the states.

Queensland has the highest percentage of renting households of any state or territory in the country except for the Northern Territory. This figure is set to increase, with population growth of 10.7% predicted to 2021 (ABS, 2011) and declining home ownership affordability.

Across Queensland, 77.4% of tenants rent from private landlords or real estate agents, though the proportion is significantly higher in some areas, notably in Brisbane.

Initial rent – regulated or unregulated?

The initial rent is unregulated, and tenants cannot challenge the initial rent, except for social housing tenants.

Rent increase, for sitting tenants, when and how?
There are no limitations to rent increases.

In Queensland the lessor can increase the rent once every 12 months. No motive is necessary. Periodic leases: Rent increases must be in writing with 2 months' notice.

However, if the tenancy agreement is being renewed at the end of a fixed term, no notice is required if the tenant agrees to the increase by signing a new agreement – which agents usually oblige them to do. The rent still cannot be raised more than once every 2 months.

Can tenants challenge rent increases?

If the tenant considers the increase excessive, they can apply to the Tenancy Tribunal to have it reviewed. This rarely happens as tenants need a lot of market information in order to make the challenge. Tenants may also be locked in anyway to a fixed term agreement if the tribunal does not agree – depends on whether they have a fixed term or periodic agreement to start.

Most importantly these applications are not made because tenants are worried about a retaliatory without ground notice to leave.

Periodic leases: Tenants must apply within 30 days of receiving the notice of an increase.

Fixed term leases: Tenants must make an application to the Tribunal within 30 days of signing the new fixed term agreement. However, if the application is not successful, they will be locked into the fixed



PHOTO: BY PERMISSION WIKIMEDIA COMMONS

term agreement at the rent increased rate.

The tribunal considers the following issues in deciding the application:

- (a) the range of market rents usually charged for comparable premises;
- (b) the proposed increased rent compared to the current rent;
- (c) the state of repair of the premises;
- (d) the term of the tenancy;
- (e) the period since the last rent increase – if any;
- (f) anything else the tribunal considers relevant.

Costs? Applications fees to the Tribunal are dependent upon monies involved. However, most of these applications would be free.

Duration of lease

Most commonly they are 6-month fixed term agreements but this is negotiable between the parties and does sometimes vary.

In other Australian states there is a propensity towards 12-month ones.

Queensland with around 250 sunny days per year is ideal for the use of solar panels.

Fixed term agreements become automatically periodic agreements if not ended either party by the end date.

Periodic agreements continue until one party or the other terminates the agreement. However, in Queensland not many real estate agents allow tenants to remain on a periodic agreements and seek back to back fixed terms of 6 – 12 months.

Notice periods

Notice to tenants from the landlord is 2 months if it is without grounds. For other specified grounds the notice period is even shorter.

Security deposit

4-week's rent.
Bond disputes are very common.

Austria



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Tenure structure, figures from Housing Europe 2015

- 1. Owner occupied housing:** 49%
- 2. Rental housing:** 41%
 - (I) private rental: 41%
 - (II) municipal rental housing: 20%
 - (III) limited profit rental housing: 39%
- 3. Other:** 10% (subleases, loans, etc.)

Tenancy law = Mietrechtsgesetz (MRG)

Three kinds of rent control

Three different systems of rent control are relevant for contracts to which the MRG fully applies and if the rent agreement has been concluded since 31 December 1981:

1. The adequate rent (*Angemessener Hauptmietzins*) limits free market rents depending on size, type, location, maintenance condition and furniture of a dwelling.

In general, the adequate rent is relevant in leased property in houses built after 8 May 1945; in flats above 130 m²; in tenancy contracts unlimited in time with rent agreements in written form where the transfer of the rented dwelling has taken place more than one year ago (TenLaw).

2. Category rent (*Kategoriemietzins*) limits free market rents through classification of

dwellings according to their equipment level (standard). Rent agreements which were concluded between 1982 and 1994, and rent agreements which have been concluded since 1 March 1994. For each category a maximum monthly rent is fixed per m².

3. Standard value rent (*Richtwertmietzins*): Rent agreements which have been concluded since 1 March 1994.

Initial rent – is it regulated, or not unregulated?

No rent regulation exists in the unregulated private rental market, which includes mostly new buildings, built after 1953.

Rents are regulated in the private sector for leases in old buildings, built before 1954.

How often can the landlord increase the rent?

The increase based on law is mostly relevant for the Category rent and the Standard value rent. Usually, rent increases occur every 2–3 years, linked to inflation.

There are two exceptional cases, § 45 MRG and § 18 MRG, in which the landlord can increase the rent without an agreement on the indexation.

1. The first regulates the minimum of rent the landlord should get, and the landlord can claim the increased rent, regardless of an agreement.

2. The second exception regulates the landlord's possibility to claim a higher rent, if there are necessary repair works to be

done and the rent reserve of the past and the future 10 years is insufficient to cover the costs.

How and when can a sitting tenant challenge rent increases?

The Austrian authority that deals with rent challenges is called “*Schlichtungsstelle*”, a kind of arbitration board.

For a rent-controlled dwelling: If the rent is suspected to be too high, according to MRG, a tenant can challenge the rent, via arbitration or court.

For a not rent-controlled dwelling: it is possible to challenge the rent for usury and *laesio enormis*. Furthermore, it is possible to reduce the rent, if there are impairments, like construction noise, damage in the apartment etc.

In the regulated sector it is possible to challenge the initial rent within 3 years, from the date the lease was signed.

If the initial rent is part of a fixed-term lease agreement, the tenant can furthermore challenge it within 6 months from the date of the termination (this could also be after eg. 5 years).

For what reasons can a tenant challenge a new rent?

It is possible if the new rent is higher than what is allowed by the tenancy law. An increase can also be challenged within 3 years.

If the increase is not based on an agreement, it can also be challenged, but there is no time limit to do so. Also increases for dwellings without rent control can be challenged, if they are not based on an agreement in the lease.

Duration of leases

Both parties can agree on an indefinite or a fixed-term lease, in the regulated, as well as in the non-regulated sector.

The fixed-term in the regulated sector has to be at least 3 years. If the parties agree



The Gasometers in Vienna are four former gas tanks, used from 1899 to 1984. Today they are used for residential and commercial purposes, including public housing.

on a shorter period, it would be an unlawful fixed term and the lease would, most often, be indefinite by law.

Notice periods

Fixed term lease: The landlord is bound to the fixed term. The tenant can terminate the lease after 1 year with 3 months' notice.

Indefinite lease: If the parties have not agreed on anything else in the lease agreement, they are both bound to a notice period of 1 month.

Security deposit

3 months' rent is most common. But 6 months is possible.

The Mietervereinigung Österreichs has dealt with many cases regarding the refund of deposits. Landlords quite often try to renovate dwellings for future tenants with the money from the deposit, so they don't have to make an investment themselves.

Belgium, Flanders

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The Flemish Tenants Platform

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Tenure structure

1. Owner occupied housing: 70%

2. Rental housing:

(I) private rental: 20%

(II) social rental: 7%

3. Other: 3%

The Flemish Tenants Platform is the umbrella organization which supports Tenants Unions and Social Tenants groups in Flanders.

Before 2014, legislation on renting was the authority of the federal Belgian government.

Since 1 July 2014 the legislation on renting has become the authority of the three regions; Flanders, Brussels and Wallonia.

Initial rent – is it regulated or unregulated?

The initial rent in the private rental sector when a new tenant moves in, and a new lease is signed, is in principal freely negotiated between tenant and landlord – if the lease is for less than 3 years.

Exceptions:

1. If it is a short term lease, of maximum 3 years, and the lease has been extended to another short term lease with the same tenant, then, even when there is a new lease,

the rent of this new lease cannot exceed the adjustment to the cost of living.

2. If the landlord gives notice of a short term lease, of maximum 3 years, then the new initial rent with another tenant cannot exceed the adjustment to the cost of living.

This second ruling law is very hard to apply for tenants because they do not know the initial rent of the former lease with another tenant, neither do they know if the landlord terminated the short term of the lease with the former tenant.

How often, and by how much, can the landlord increase the rent?

– Once a year by indexation (adjusting to the cost of living) on demand of the landlord.

– by agreement between 9 and 6 months before the ending of every 3-year period. When there is no agreement, a judge can decide to change the rent when the value of the property has decreased/increased by 20%

– or when the owner can prove that the value has increased by 10% because of unnecessary works.

The increase should be presented to the tenant in written, or by sentence of a judge when there is no agreement by sentence of a judge.

There are generally no limitations to the increase in rent, but when the parties do not agree on a rent review, the judge should sentence in fairness – the judge can authorise a fair rent.



PHOTO: LUC ROYMANS

Challenge rent increases?

A sitting tenant can challenge a new rent at any time by written letter to the landlord, and when necessary to the cantonal judge.

A tenant can challenge the new rent at any time, without a proper motive or when the agreement on rent revision did not take place between the 9th and 6th month preceding each term of 3 years.

Duration of leases

Standard leases are for 9 years, but most leases, around 50%, are short-term leases – up to 3 years.

Every lease of more than 3 years is automatically a lease for 9 years. So if the lease stipulates a duration of for example 4 or 6 years, then it becomes automatically (by law) a lease contract of 9 years and is considered a long term lease.

Notice periods

9-year leases: The landlord can give notice of termination of the lease 6 months before the end of the lease.

A tenant can end the lease with a notice period of 3 months. But if the contract ends by notice of the tenant, he should pay a notice fee of 1, 2 or 3 months' rent when the lease is for the first, second or third year.

Short term leases, up to 3 years: The landlord can terminate the lease by a notice of 3 months before the agreed end of the short term – maximum 3 years.

Security deposit

2 months is most common, on a blocked bank account.

Return of the deposit is quite a problem in Belgium. When there is a disagreement, the cantonal judge has to decide.

Other information on rent regulations

We are currently waiting for the Flemish parliament and government to introduce rent reforms. Notwithstanding this, the tenant's unions propose 'conventional renting'. This means that landlords in exchange for subsidies or other government support agree on regulated renting levels, residential security and compliance of the dwelling with basic quality standards. This would be a first important step towards rental regulation. It is quite possible that the Flemish government will adopt our propositions on that point.

The Belgian private rental market is marked by poor quality, and unaffordability. This is also the result of a policy that until now has supported home ownership. But there is a growing consciousness even within the political parties that there is need for a paradigm-shift and that the private rental market needs more support, both on the side of the tenants and on the side of the landlords.

Residential 2.5 meter-wide house in Antwerp.

Canada, Quebec

Organisation: Federation des Locataires d'habitations à loyer modique du Quebec (FLHLMQ)
Federation of low-cost housing tenants of Quebec

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Tenure structure

1. Owner occupied housing: 56%

2. Rental housing: 44%

(I) private rental: 90%

(II) social rental housing: 10%

Until the end of 1993, the federal government funded social housing in Canada. However, on December 31, 1993, the federal government ended all new social housing programs, no more funding for co-ops or public housing, and no federal support for any affordable housing. Also, thousands of rental flats were converted to condominiums.

This meant that more low and medium income households, who could not afford to buy, were referred to the private rental sector.

Initial rent – is it regulated or unregulated?

The initial rent in the private rental sector when a new tenant moves in, and a new lease is signed, is unregulated – landlord can legally ask for any amount.



But, the tenants can challenge the rent if the new tenant has proof that the preceding rent is not the same as the new rent and if there hasn't been any improvement or renovation. The new tenant must have a written proof from the previous lease.

Challenge the initial rent?

If by any chance, the new tenant has written proof that the previous tenant was paying less and no improvements have been made to the housing, the new tenant can then file a complaint to the rent tribunal, Régie du logement, to lower the rent within 30 days. But in the meantime the tenant still has to pay the amount he/she signed for.

Although in reality, in Quebec nobody really does that because of the context of scarcity, the landlord has the choice of picking whoever he wants as a tenant.

How often can the landlord increase the rent?

Once a year, at the renewal date but he has to give a written notice to the tenant from 3 to 6 months before the end of the lease.

Any limitations to increases?

No.

Challenge rent increases?

Yes, the tenant can formally challenge the increase by refusing the increase, on official form.

The landlord has then to take action against the tenant before the rent tribu-



PHOTO: BY PERMISSION WIKIMEDIA COMMONS

In Old City Quebec, just below the Chateau Frontenac, you will find a lovely area known as Terrasse Dufferin.

nal, Régie du logement, and prove that the increase is justified.

A tenant can challenge the rent if no improvements or renovations have been made to his apartment.

For a 1-year lease, the landlord has to give a written notice to the tenant from 3 to 6 months before the termination of the lease. The tenant, then has to answer within 1 month from the date that he receives the notice.

Costs involved? If the rent is CA\$350 or less it costs \$45. If the rent is more than \$350 and less than \$600 the cost is \$56, and \$73 if the rent is above \$600.

Duration of lease

Leases, in the private rental sector are generally unlimited in time. Tenants can legally stay until he/she gives notice.

Notice period for landlord is 6 months.

Reasons for landlord to legally give notice

If the owner wants to recuperate the flat for an immediate member of his family or to change the vocation of the building.

Security deposit

It is not legal to ask for a security deposit.

Czech Republic



Organisation: Czech Union of Tenants,
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Tenure structure, 2014

1. Owner occupied housing: 56%

2. Rental housing: 23%

(I) private rental: 12%

(II) social rental: 5%

(III) other rental: 6%

3. Co-operatives: 9%

4. Other: 12%

Initial rent, free or regulated?

Initial rents are negotiated agreements between tenant and landlord. So, in principle the initial rent is unregulated. The level of regulation is determined by the level of local usual rent, utility value, for a comparable apartment in the area, or by expert opinion.

Agreed rents are not possible to contest. But, the tenant and landlord can at any time during the rental lease period modify the lease if there are significant changes in the socio-economic situation or if the utility value of the apartment was markedly different.

How often, and by how much, can the landlord increase the rent?

The landlord can raise the rent by up to

20% every 3 years. But the landlord must prove that, for example, the utility value of the house/flat has increased, after investments/renovations in the flat, or because of inflation/deflation.

Rent increases must be announced in written.

Sitting tenants in the Czech Republic do not generally challenge rent increases

In the Czech Republic there is no special court, or other institution, that deals with rental issues. The Czech Union of Tenants (SON) seeks legal base for the introduction of a “rent mirror”, something to what they have in neighbouring country Germany.

Any disputes over rent are resolved by civil court in connection with the provisions of the Civil Code.

Duration of lease

Tenants who have at any time in the past entered a lease of indefinite duration continue to have indefinite leases – a landlord cannot unilaterally change the lease contract for a specified period. Sometimes even new leases can be arranged for an indefinite period.

But, a landlord and tenant can agree on periodic, short term, leases for example one year. Then they can agree on an indefinite lease period.

Rental period is always stipulated in the lease between landlord and tenant.

If the parties negotiate a rent in the lease agreement, it can be changed only by agree-



PHOTO: HANS PETER SCHAEFER

ment of both parties or by a court of decision on a proposal by one of the parties to the lease.

Landlords usually conclude a contract of indefinite period only when they know the new tenant from the past or if any close person recommends the new tenant. If they do not know the new tenant, they usually want to conclude a contract only for a fixed period.

Notice period

Notice period is 3 months with the fact that in the next 2 months, the tenant may apply to the court for the court to discuss the legitimacy of testimony. This request court has suspensive effect.

Security deposit

3 months of rent, but the law admits deposits of up to 6 months' rent.

Lantern and window in Újezd street, Prague.

The deposit is guaranteed by the provisions of the Civil Code, but sometimes there are problems that the landlord does not return the deposit. Remedy is however possible judicial proceedings on evidence.

Other information

In the Czech Republic there is a law on services associated with the use of apartments – a legacy from the ‘old days’ – before 1991. These rights are treated as rights and mutual obligations of the landlord and tenant in the provision and payment of heat, hot water, water and sewage, a lift, cleaning common areas in the house, etc.

Denmark

Organisation: Lejernes Landsorganisation, LLO, Tenants Organisation of Denmark
Rapporteur: Claus Højte, Director
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Tenure structure, 2011

Owner occupied housing: 58%

Rental housing: 42%

(I) public rental: 20% ("Almene boliger" – Housing with a public task)

(II) private rental: 20%

(III) others: 2%

Initial rent – is it regulated or unregulated

- Flats in houses built up to 1973 are generally regulated (77%).
- Flats in houses built after 1973 where the rent is set according to "value of the premises" (11%)
- Flats built in houses after 1991 with unregulated rents – free setting of rents (13%)

The initial rent can be challenged in a Rent Tribunal (*Huslejenævnet*), within 12 months after signing the lease.

How often can the landlord increase the rent?

Any motives necessary?

There are no restrictions on how often it is possible to demand an increase.

This depends on the kind of regulation, but either due to increase in running costs (water, energy, etc.), but this must be documented, or after 2 years from signing the lease, or from most recent rent increase.



Or if the landlord can show that the rent is significantly below the value of the rented flat.

Increases must be presented in written, and must meet certain conditions in the tenancy act.

Challenge rent increases?

A tenant can challenge the rent at any time, with a local municipal Rent Tribunal, but only with retroactive effect.

Tenants can challenge rent increases, if the rent has not been calculated correctly or significant above the value of the rented property, within 6 weeks after receiving a demand for a rent increase.

The cost for submitting such a complaint is 139 DEK, or €19.

Duration of lease

Generally, 2-year leases for the private rented sector. But no legal duration.

After 2 years, the lease can automatically turn into unlimited tenure, if the landlord fails to give notice within 1 month after the 2-year lease.

Thereafter the landlord can only give notice with 1 years' notice. In principle, free duration.

1. For a limited period, if it is warranted by the landlord's own situation.

2. For an unlimited period, which is the general rule if nothing else is agreed upon.

Notice periods

For landlords, normally 3 months, but up to 12 months, depending on the reason for termination of the lease.

Unlimited tenancies may normally be terminated by the tenant giving 3-months' notice.

Reasons for termination before the end of the lease period

By tenant: Where the premises are defective, and where the landlord fails to repair the effect immediately, or where it cannot be

repaired within a reasonable time, the tenant may terminate the agreement without notice if the defect is deemed to be material, and the landlord is deemed to have acted fraudulently. (TenLaw – Denmark)

By landlord: Rent arrears, anti-social behaviour, not taking necessary care of dwelling.

Where the landlord intends to use the premises for his own purposes. He/she may terminate the contract with 1-years notice. (TenLaw – Denmark)

Security deposit

3 months' maximum.

Usually the tenant should receive the deposit back within 1 to 2 months. If the landlord refuses to pay back the deposit – the tenant must make a claim to the Rent Tribunal. This might take 3–4 months, or more.

Other information

There is no mandatory content of a lease contract. A tenancy agreement does not require a specific form or content. The only formal (mandatory) requirements are found in the Rent Act sections 4 to section 7, and some of the rules only apply to contracts on certain premises. These also means that if a contract is oral only, the tenancy agreement will be deemed to have been concluded subject to the provisions of the Rent Act unless otherwise provided in the agreement can be proved by the landlord.

If the lease contract is in writing, which is the normal, the lease often contains information on the address of the rented home, whether the dwelling is a flat, a house or a single room, the area and how many rooms are included, and of course the rent, deposit, and house regulations. (From TenLaw – Denmark)

England, U.K.



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Tenure structure, DCLG 2014
Owner occupied housing: 65%
Social rental: 15%
Private rental: 20%

Initial rent – is it free or regulated?

Rents in the private rental sector can be freely negotiated when the contract is signed.

Can the tenant challenge/test the initial rent?

If the tenant thinks his rent is higher than is being paid by other tenants for similar properties, he can go to a rent assessment committee, which will assess a market rent. However, UK law gives the tenant no protection against retaliatory eviction by the landlord.

Tenants can do very little, and challenging in courts is lengthy and most tenants do not want to do this. If the tenant finds mould, the tenant can involve the local council if there is an environmental, safety or health issue.

Rent increases, for sitting tenants?

There are no limitations to rent increases – and no motives for increases are necessary. Generally, increases once a year, but will be

set in each rent agreement, in writing.

Rent increases must be notified to tenants using a special form. If the tenant does not agree, he can go to the Rent Assessment Committee.

Again, the problem is that UK law gives the tenant no protection against retaliatory eviction by the landlord, who can evict him at 2 months' notice without giving a reason.

Duration of lease

Most leases in the private rental sector are for 6 or 12 months, then they go into a rolling tenancy.

But, lease contracts may be for any term that the parties agree on – two weeks, a month, six months, ten years, or for other terms.

Notice period

Either duration of contracted lease remaining, or 1 month.

UK law gives the tenant no protection against retaliatory eviction by the landlord, who can evict him at 2 months' notice without giving a reason.

Tenants challenge the termination of the lease in a civil court.

Security deposit

A deposit of 1 month's rent. Deposits should be held in a security deposit scheme. Many are not... Also, 1 month's rent in advance is the norm.



Victorian row houses in Muswell Hill, London.

The “assured shorthold tenancy”¹

Since 28 February 1997, all new tenancies for less than £25,000 per year are “assured shorthold tenancies,” unless the contract specifies that the dwelling is being let on an “assured” tenancy. (Tenancies above £25,000 per annum can be entirely freely contracted).

The assured shorthold tenancy gives the tenant security for an initial 6 months, even where the contract is for 6 months or less, unless the tenant has breached one of the standard grounds for possession. After that, the landlord need only give 2 months “notice requiring possession” to remove the tenant. No reason need be given for requiring possession.

Where the tenant refuses to surrender, the landlord cannot just walk in, he must apply to the court for a possession order, but this is easy and relatively quick. The court has no discretion to refuse.

If the contract is for a longer fixed term the landlord cannot apply for possession before the end of that term. Again, 2 months' notice must be given after the end of the term.

At the end of any fixed term the tenancy becomes a periodic month-by-month tenancy. As always, to evict the tenant, 2 months' landlord's notice is necessary, and no reasons are necessary.

¹www.globalpropertyguide.com/Europe/United-Kingdom/Landlord-and-Tenant

Finland



Organisation: Finnish Tenants
Vuokralaiset (VKL) ry
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Tenure structure,
Statistics Finland, 2013
Owner occupied housing: 65%
Rental housing: 32,5% (Helsinki 50%)
(I) Social rental: 16%
(II) Private rental: 15%
(III) Other: 2.5%

Rents in the Finnish private sector were regulated until 1991, when new leases could be freely negotiated. In 1995 rents were deregulated also for old leases.

So what happened after the deregulation? After 1991 nothing really happened, rents did not increase significantly, mainly because there was an oversupply of rentals due to much construction in the 1980s. After 1995, the oversupply was history, and between 1995 and 2000 rents increased by 26% in Finland, and 42% in Helsinki.

So, did the market function – was there increased construction as an answer to shortage? The answer is ‘no’. The private rental sector did increase slightly, but mainly as a result of conversion of ownership flats to rental flats, as rentals became more profitable.

Initial rent –free or regulated?

The initial rent is negotiable in the private rental sector, and not regulated by law

New rents are free, in general, but the increases are stipulated in the lease.

Can a tenant challenge the initial rent?

Once the lease is signed, you cannot challenge the initial rent.

The rent can be challenged in court, during the tenancy.

Rent increases

The landlord can increase the rent once a year, for most leases.

The landlord is free to set the increase, within limits stipulated in the lease, either in Euros or as a percentage (e.g. 3% per year), or according to the CPI.

When there are renovations or/and major price increases e.g. to energy, then the landlord negotiates with the tenant. If they cannot come to an agreement, then the landlord can give the tenant a notice to leave.

Rent increases should be presented to the tenant in written.

Challenge rent increases?

Yes, rent increases can be challenged during the tenancy, in the Consumer Disputes Board (Fi; Kuluttajariitalautakunta), and then in a district court.

Most tenants *do not* challenge a new rent simply because the costs must be paid by the losing party.



Firstly, the tenant may claim that the rent significantly exceeds the current market rate charged in the area, and the court may at its discretion reduce the rent.

Secondly, the landlord may bring an action to increase the rent.

Tenants should challenge the rent within 6 months of a new tenancy period.

Duration of leases

There are no time-limitations by law in the private, unregulated, rental sector.

Notice periods

For 1-year leases, or less, the landlord must give 3 months' notice, or 6 months' notice if the lease is over 1 year.

Tenants must give 1 month in both cases

Security deposit

Maximum 3 months, but tenants typically agree to deposit security of 1 or 2 months' rent in a separate bank account.

Deposits should be returned “without delay”, according to the law, and with interest.

Disputes concerning the landlord's refusal to give back the deposit on grounds of the condition of the apartment are perhaps the most problematic area in Finnish tenancy law.

These disputes are handled by the Consumer Disputes Board.

Tram in Helsinki, with a Koff sign – the most common beer brand in Finland.

Germany

Organisation: Deutscher Mieterbund, DMB, German Tenants' Association
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www.mieterbund.de

Tenure structure, 2013
Owner occupied housing: 45%
Social rental: 4%
Private rental, market rent: 51%

Initial rent – free or regulated?

Initial rents can be freely negotiated and agreed upon when a new tenant moves in. But, the rents are limited to reference-rents in the official lists of representative rents, rent mirror, or *Mietspiegel*.

However, the landlord can be fined, if in a time of limited housing accommodation (tight housing markets), he/she demands rent in excess of 20% above the rent charged for comparable premises.

Since 2015 there is a new cap, a ceiling, which limits rent increases for new leases in the private rental market, called *Mietpreisbremse* – rent brake. As of June 2015 the Federal States can set up a capping limit for rent increases.

The capping limit for rent increases only applies to tight housing markets, which have to be determined by the Federal States. The rent increase may not exceed 10% of the reference rent customary in the locality. The *Mietspiegel* serves as a benchmark for possible increases. The first renting of



Mural protest against gentrification and unaffordable rents in the Kottbusser neighbourhood, in Berlin Kreuzberg.

newly constructed dwellings will however be excluded from this regulation. The capping limit now applies in almost 300 cities.

Can tenants challenge the initial rent?

Yes, in District Court, if the rent is too high, as described above about the *Mietpreisbremse*.

Rent increases

For the first 15 months, the rent cannot be increased. Then, at the earliest, 1 year after the last rent-increase, in writing.

Rent increases for sitting tenants are limited, capped, by the *Kappungsgrenze* – capping limit for rent increases in existing tenancies.

The landlord may demand approval of an

increase in rent up to the reference rent customary in the locality. And the rent may not be raised by more than 20% within 3 years.

Rent increases in regions with 'a tight rental market'
Since 2013, the Federal States are legitimized to determine regions *with a tight rental market* in which the rent in existing tenancies may not be raised by more than 15% within 3 years. Renovation measures or changes in operating costs are exempted from this regulation.

As of today, eleven Federal States have determined areas, where the capping limit for rent increases in existing tenancies is reduced to 15%.

Motives for rent increases?

Yes, but only according to the official lists of representative rents = rents according to the *Mietspiegel*.

The landlord can also increase the initial rent if he/she would like to renovate/modernize the house, in order to save energy for example. The landlord may increase the annual rent by 11% of the costs he has incurred for the apartment.

Challenge rent increases?

Yes, with the District Court, if the increase is too high. The Deutscher Mieterbund can represent the tenant, and it is then free of charge if the tenant has an insurance that covers legal expenses.

Duration of leases

Unlimited leases, in time, are the norm. But, a tenancy agreement may be concluded for a 'limited' or 'unlimited' period, and the landlord and tenant negotiate this term between themselves. However, unlimited terms are the norm.

Limited contracts can only be limited terminated for very good reason e.g. that the landlord will, at the end of the contract, need his property for himself or his family or that renovations will be done at



expiration. There is no maximum period for 'limited' agreements.

Any contract that lasts more than 1 year must be in writing.

Notice periods

For landlord: Between 3 to 9 months – depending on the historical length of the lease.

For tenant: He/she must generally give 3 months' notice.

Security deposit

The security deposit must not exceed 3 months' rent.

The deposit must be paid directly into the landlord's savings account, with interest rates common for such savings accounts, and with a 3-month termination period.

Landlord should return the deposit upon leaving the flat, when handing in the keys, or at a maximum within 6 months.

Problems? Yes, it is difficult for tenants to get their deposits back. If the landlord does not release the deposit, the tenant has to raise a formal claim for repayment.

Dividing the costs for energy efficient modernization

The landlords are able to increase the rent annually to the amount of 11% of the costs for modernization. To prevent households with low and middle incomes from having to move out due to high rent increases, it is very important that rent increases should be reduced after energy renovations and modernization.

The ministerial draft of a second tenancy law amendment provides that the apportionment to the tenant of costs for energy efficient modernization measures shall be reduced from 11% to 8%. Within a period of 8 years' rents should increase at most 3.00 Euros per m².

Tenants, who have to pay more than 40% of their income for housing after modernization, can invoke a case of hardship regulation.

Italy



Organisation: Sindacato Unitario Nazionale Inquilini ed Assegnatari, SUNIA National Union of Private and Social tenants

Rapporteurs: Emiliano Guarneri / Simone Porzio

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Tenure structure, 2012

1. **Owner occupied:** 80%
2. **Social rental:** 5%
3. **Private rental:** 14%
4. **Others:** 1%

Initial rent – is it regulated or unregulated?

The Italian law allows both.

The rent cannot generally be modified during the lease. But, the landlord – if he/she chooses – can increase the rent according an index, according to changes (fluctuation) in prices of common goods, as determined by the National Institute of Statistics, Istat.

Landlords can also choose to opt out from such increases, and instead get tax breaks, but this very rarely happens.

Generally two kinds of leases

1. **Free leases** with unregulated rents, which are, at least, 4+4 years long. After the first 4 years, the rent is automatically renewed at the same rent as for the previous 4-year period.

Free lease rent minimum duration is 4+4 years. At the end of the 8th year the landlord can terminate the contract.

2. **Regulated leases** which are, at least, 3+2 years long, where landlords receive tax breaks.

Landlords choose which “lease model”. Rents cannot be increased during these 5 years, except for Istat fluctuation. Rents can only be increased after the 2nd period.

If you want to rent a flat for a shorter, temporary, time, say 1 or 2 years, you have to use a different lease-model. “Temporary” location is allowed for students or for work reasons; duration is from 3 till 18 months (renewable, e.g. 12+12 months) or from 6 till 39 months if you are a student. “Temporary” leases must be “motivated” by the tenant or the owner.

When the lease expires, you need to sign a new lease. Any duration must be renewable at the same rent, excluding Istat fluctuation – see above.

Can the tenant challenge/ the initial rent?

Yes, if the rent for a regulated lease is not in accordance within the range managed in “territorial union agreements”.

For free unregulated leases, rents cannot be challenged.

How often, and how much, can the landlord increase the rent?

Annually, within the Istat fluctuation;



A grocery store in Naples.

index based on changes in prices of common goods, as determined by the National Institute of Statistics, Istat.

Increases should be presented in written.

Question: If I rent, privately, a flat for say 1 year (with a 1-year lease contract), and then I want to stay one more year – can the landlord then charge any (unlimited) rent then, for the 2nd year?

Answer: No, the rent depends on the lease contract. If I had a temporary 6+6-month lease contract, at the end of the year the lease is expired and if I want to stay longer then I have to sign a new lease. But a duration shorter than 4+4 year must be “regulated” – not free!

Duration of lease

Leases are time-limited by law:

- Free lease: at least 4+4 year
 - Regulated lease: at least 3+2 year
- Both established by negotiations between landlord and tenant.

Notice period

Usually 6 months.

Security deposit

1 to 3 months of rent.

Usually there are no problems getting the deposit back.

Japan

Organisation: Japanese Tenant Association, JTA

日本借地借家人連合

Rapporteur: Kazuo Takashima, President

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Tenure structure, 2013/2014

Owner occupied housing: 61.7 %

Rental housing: 35.6%

(I) social rental: 5.4%

(II) private rental: 28.0%

(III) others: 4.9%

Initial rent – free or regulated?

Rents are freely negotiated in Japan.

If the landlord is a good and honest person, a tenant will be able to negotiate the initial rent.

How often can the landlord increase the rent?

Normally once every two years, in writing. Legally speaking, the landlord can increase the rent as long as there is a just reason to increase it.

Does the landlord need any motives for increasing the rent?

Legally, the landlord needs a motive to increase the rent, like when the present rent seems, to the landlord, to be lower compared with rent levels in the neighbourhood.

Increases also occur because of e.g. rises of

a property tax, or renovation work by the landlord.

Challenge rent increases?

Yes, a sitting tenant can first negotiate with the landlord, or his/her agent, about rent increases. If this is not successful, the tenant can apply to an arbitration committee in a summary court or a district court.

The point is to determine if the reasons to increase is right or not, and what is the appropriate increased rent.

If the landlord refuses to accept the rent, the tenant must deposit it to the Regional Legal Affairs Bureau.

Duration of leases

Ordinary lease: Minimum of 1 year, although most leases are for 2 years. As a rule, these leases are automatically renewable. If the term of a contract is less than one year, its term will be indefinite.

Fixed term lease: Can be for any period of time, but most leases are around 3 to 5 years. The lease is terminated at the end of the period, but a new lease can be entered into if both tenant and landlord agree.

If the tenant intends to renew the contract, the necessary procedures must be completed by the tenant a month before the expiration of the contract. The landlord might ask for an increase before the contract is renewed. Some agents ask for a

renewal fee equivalent to about 1 month's rent for the new contract.

Notice periods

The landlord must also provide 6 –12-months' notice to the tenant before the end of the lease to inform the tenant that the lease will end as planned.

The landlord can cancel the contract for any violation of the contract. Usual grounds for cancellation are non-payment of rent and other fees, alterations in the house, and excessive noise. Because of space limitations, subleasing is almost always prohibited.

Deposits and other fees

About 5–7 months of rent is standard.

The deposit and other fees are composed of the following:

- Reservation fee (*tetsukekin*): 1 month's rent paid when the tenant applies for an apartment and before the contract is signed. After the contract is signed, the money is included as part of the deposit.
- Security Deposit (*shikikin*): 2 to 3 months' rent used to cover eventual damage to the apartment or unpaid rents and fees. It is seldom that this is refunded in full (alterations to the property are one of the thorniest issues between landlords and tenants). It is refunded without interest.
- Key money (*reikin*): 1 to 2 months' rent – a "gift" to the house owner when making a contract and is not refundable.
- Advance rent – 1 month's rent – the rent should be paid before the start of the month.

There are often problems involved in the return of deposits. About 84,300 cases related to the clearance of deposits occurred from 2002 to 2007 in Japan. The city of Tokyo has established an "Ordinance for Preventing Troubles Related to Rented Housing" in order to make the real estate agents give applicants detailed

explanations about repairs. And now these kind of troubles have reduced drastically.

Other information

Typically, a renter cannot rent an apartment on her or his own, but is required to have a guarantor who promises to pay the rent if problems arise.



Self built homes in Tokyo, built by homeless people, have windows too.

PHOTO: BY PERMISSION WIKIMEDIA COMMONS

Latvia

Organisation: Latvia Tenants Association / Latvijas Irnieku Apvienība (LĪA)

Rapporteurs: Edvards Kvasnevskis, and Nataly Yolkina

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Tenure structure, Eurostat 2015

Owners: 80%

Rent at market rent: 9%

Reduced rent or free: 11%

Initial rent – is it regulated or unregulated?

Rents are unregulated in the private rental housing sector, regulated in municipal housing.

A tenant cannot challenge the initial rent.

Rent increases, for sitting tenants

There are no particular limitations to increases. However, in order to increase rent, a possibility thereof must be explicitly included in the rental contract.

Increases must be presented in writing, 6 months in advance.

Does the landlord need any motive for increases?

Landlords need to provide the “reason and the financial justification of the rental payment increase”. Examples are: repair of the house (no limits on costs) or general inflation.

There is no particular statutory limit on landlord’s profit, although a tenant can argue in a court that it is excessive.

Can a tenant challenge rent increases?

Yes, if there is no motive for the increase presented in the new lease. Or if the landlord deprives the tenant of crucial services, such as cold water, sewage, heating and waste removal.

Tenants can file written objections, and if landlord and tenant do not reach a settlement, both sides can request the court to determine the rent increase.

Costs involved: When applying to court, the fee is 15% of the difference between the old and new rent, (for a term up to 36 months). Also there are fees for the court’s expenses and for legal representation.

Duration of leases

Contracts for any period are possible, but most common are 1-year leases.

But, indefinite leases are also legal. However, in practice landlords do not tend to sign such leases. Therefore, in practice indefinite lease only applies to the tenants of formerly-public (de-nationalised) housing who had rental contracts with public authorities before the property restitution started in 1992.

Notice periods

For 6–12 months’ leases, the notice period is only 1 month.

3 months’ notice, if capital repairs are planned for, or demolition of the building.

6 months’ notice, if the owner needs to



Lady selling honey in Riga market.

live in the dwelling – of a de-nationalised dwelling.

Security deposit

Equal to 2 month’s rent.

Other information

Before 1990, virtually all Latvian tenants obtained the rights for residential leases in municipal and state housing under equal conditions.

When the laws on restitution were adopted, all tenants were divided into two groups, even though they had previously had equal contracts for lease of dwelling premises:

First group: Tenants of municipal and state housing, who were granted the opportunity to privatize the state apartments where they lived in exchange for privatization certificates.

Second group: Tenants of denationalized houses, who were deprived of such opportunity. The State did not provide these tenants with any mechanisms of legal or social protection to compensate for this deprivation. Thus, the Resolution “On Coming into Force of the Law on the Denationalization of Building Properties in the Republic of Latvia” and “On the Return of Building Properties to Their Lawful Owners”, which stipulates the development and implementation of those mechanisms of legal and social protection of denationalized housing tenants, was ignored.

The Netherlands

Organisation: Nederlandse Woonbond
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Tenure structure, 2012

Owner occupied housing: 60%:

Social rental: 30% (social housing organisations)

Private rental: 10%

Initial rent – is it free or regulated?

The rents are regulated for 90% of the rental dwellings in the Netherlands.

Rents are regulated for all rental dwellings (flats and houses) with a rent below €711/month (2016). These dwellings are often called “social dwellings”. Rents are assessed through a points system.

Points are given for size, equipment, market value and so on. Points correspond to a certain maximum rent.

Can tenants challenge the initial rent?

Yes, in court, by the Rental Commission – *Huurcommissie*, if the tenant suspects that the rent is too high for his/her flat.

This is possible within the first 6 months, to prevent the flat from becoming unregulated/liberalized.

A landlord can ask for a rent above €711 and thereby making it an unregulated/liberalized rental dwelling – but a tenant can challenge this increase if he/she thinks the number of points, when

re-calculated, would lead to a lower maximum rent.

There are 1.600 challenges every year, concerning the initial rent. About 80% are won by tenants!

How often can the rent be increased?

Once a year, usually on July 1, on an official form.

Any limitations to increases?

- Regulated flats: rent increase according to inflation + income related increase.
- Unregulated/liberalized flats: No, rents are freely negotiated between landlord and tenant. The system for a yearly increase is a clause in the rent contract. It often has inflation as a basis.

Tenant must challenge rent increases within 2 months, with the Rent Commission – but only for regulated rents.

A tenant can challenge a new rent, if he/she suspects that the rent is too high according to the system of points.

A tenant who challenges the rent pays €25 in advance and if his challenge is successful this sum is returned.

Duration of leases

In the Netherlands tenants have indefinite/unlimited duration of lease in the regulated/social sector, as well as in the unregulated/liberalized sector.

Lease protection is strong!

Under a number of conditions there are

also time-limited leases of 5 years, especially for students and young adults up to 28 years of age.

And since the 1st of July 2016, limited leases up to 2 years are also possible.

In exceptional cases, it is however possible to agree upon a minimum time, of usually 1 year.

Notice periods

Landlords can very rarely give notice; only for rent arrears, violation of duties of care, or misconduct, etc. And also in proven cases when the landlord needs the premises for his own use.

For tenant: 3 months if time limited lease, 1 month if unlimited.

Security deposit

1 months' rent is most common, sometimes 2 months'.

3 months' rent is considered unreasonable, by courts.

Deposits should be returned immediately, after the return of the dwelling. Problems rarely occur, but it happens.



PHOTO: MOYAN BRENN, BY PERMISSION WIKIMEDIA COMMONS

Northern Ireland, U.K.

Organisation: Supporting Communities NI

Rapporteur: Murray Watt

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Tenure structure, 2011 NI House Condition Survey

Owner occupied housing: 66.5%

Social rental: 11.5%

Private rental: 18%

Others: 4%

Initial rent – is it free or regulated?

The rent is determined by the local "market" and is largely free and unregulated although there is a small and declining number of rent-controlled properties, like older stock, rural tied cottages etc.

Can the tenant challenge the initial rent?

All new tenancies are to subject to a fitness inspection by the local authority but these relate to the physical condition and minimum standard of the dwelling.

How often can the landlord increase the rent?

Most tenancies are for 12-month periods, although there has been a popular call for establishing a formal basis for longer term tenancies.

Increases would be a matter between the landlord and tenant and should be subject to a condition of the tenancy.

Challenge rent increases?

The Rent Assessment Panel is an independent body funded by the Department for Communities. Rent Assessment Committees (usually made up of a chair and one member) are constituted from the Rent Assessment Panel.

The function of a Committee is, at the request of a landlord or tenant, to consider if the rent determined by the Rent Officer is an appropriate rent.

The Rent Officer determines an appropriate rent for any property subject to rent control. This only applies to properties subject to a Rent Control decision by the Rent Officer.

In Northern Ireland, if a tenant and landlord have a dispute after seeking individual advice from the local Environmental Health Department, Housing Rights Service or a landlord representative body, such as the Landlords Association for Northern Ireland, the only option is to take the dispute to a small claims court.

Duration of leases

Most commonly are 1-year leases.

As there are increasing numbers of people seeking longer term lets in the private rented sector it is not hard to envisage a situation where tenancies roll on for a succession of 12 month periods – because that is how the tenancy period has traditionally been viewed. We suspect it gives the landlord the comfort of being able to extricate



PHOTO: BY PERMISSION WIKIMEDIA COMMONS

themselves from the letting market if they wanted to sell the property, at times of price inflation, but remaining in the rented sector for as long as it suits.

Another advantage of renewing 12-month leases for subsequent year – this benefits landlords as at renewal a new rent would be agreed for the forthcoming 12 months and this would take into account inflation/increased rates/costs/other rents in the area and these would be at the landlords' discretion.

Notice periods

- **For leases for less than 5 years:** The notice to quit period remains at 4 weeks written notice. But the legislative provisions were amended as follows:
- **For 5–10 years' tenancies:** The notice to quit period is not valid unless given in writing not less than 8 weeks before the date on which it is to take effect;
- **For more than 10 year tenancies:** Here the notice

Two of the many murals in Londonderry – or Derry if you are republican.

to quit period is not valid unless given in writing not less than 12 weeks before the date on which it is to take effect.

Security deposit

Generally, 1 months' rent, although this has been formalized by the Tenancy Deposit Scheme.

The exception to this is in the case of tenancy deposit disputes as the Three Scheme Administrators, three separate administrators of the Deposit Schemes, provide an independent dispute resolution mechanism,

Since 1 April 2013 all tenants' deposits for privately rented accommodation in Northern Ireland must be protected by their landlord in an approved Tenancy Deposit Scheme.

Still, Housing Rights advisors continue to report a significant number of enquiries from tenants in dispute with landlords over tenancy deposits.



Norway



Organisation: Leieboerforeningen, Lbf, Tenants Association of Norway
Rapporteur: Lars Aasen, Director
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www.lbf.no

Tenure structure, 2011

Owner occupied housing: 77 %

Rental housing: 23 %

(I) social rental: 11 % (municipal dwellings)

(II) private rental: 86 % (private persons, institutional owners, organisations)

(III) others: 3 %

Initial rent, free or regulated?

Free, in reality – but in theory, the rent must not be ‘unreasonable’, compared to rents which are normally obtained when concluding the new letting of similar property, on similar terms.

Can the tenant challenge the initial rent?

Yes, if a party considers the rent to be unreasonable.

In some areas of Norway there is a court specialising in lease disputes, the Rent Disputes Tribunal, *Husleietvistutvalget*. Otherwise there are Rent Evaluation Boards. If the parties do not accept the outcome, they may take the case to the district/city court, *Tingretten*.

There is no specific limit, for when a tenant must challenge the rent. If time passes however, it could indicate that the tenant has accepted the agreement as it is.

If the tenancy has run for a period of 2 years and 6 months, the tenant can demand that the rent be fixed to the current level of rents.

How often can the landlord increase the rent?

Every 12 months, in writing, according to the official CPI, Consumer Price Index.

Every 3 years, to a level defined as ‘average’. But if the lease is 3 years or shorter, and the parties want to enter into a new contract, the landlord can offer a new lease with a market rent – and the tenant must accept this.

Landlord does not need to state any motive for increases.

Deduction shall be made for that part of the rental value that is due to the tenant’s improvements and investments.

Challenge rent increase?

If the case is regarding adjusting to the current level of rent, the parties may request that the dispute be decided by a Rent Evaluation Board.

Anyone who has paid a higher rent than is lawful, may claim reimbursement of the difference between the amount paid and the lawful amount unless the payer must be regarded as having a major share in responsibility for the infringement.

A tenant can challenge his/her rent every 3 years, to a level defined as an ‘average’ – but very rare though.

Costs: To bring a case to the Rent Disputes Tribunal or the Conciliation Board is 1025 NOK (€109).

Duration of leases

A lease in the private unregulated sector may be agreed for any specified or unspecified period.

Unspecified period = indefinite lease = if there is no expiry date in the lease.

Specified period: the main rule is then that the contract may not be less than 3 years.

The term of the tenancy is negotiated and agreed by the landlord and the tenant

Notice period

3 months’ notice, or agreed by the parties.

The parties may also decide that the contract cannot be terminated in the lease period.



Norwegian students celebrating their National Day on May 17 in Oslo.

If the landlord wants to terminate the contract, there needs to be objective grounds for termination. And termination may be set aside if the termination is considered, by the court, to be unreasonable. Examples of objective grounds: the property will be used as a dwelling by the landlord himself, the property must be vacated owing to demolition or alteration, or the tenant has breached the tenancy agreement.

The landlord can terminate the contract with immediate effect if there is a serious breach of the agreement, like rent arrears.

A tenant should challenge the termination within 3 months.

Security deposit

Most common is 3 months’ rent, but 6 months is possible.

The landlord needs to keep the deposit in a special account in the tenant’s name, with a normal interest rate.

Any problems connected with return of deposit?

A large number of the cases in the Rent Disputes Tribunal is regarding deposit claims after termination of the contract;

- Sometimes the bank does not want to pay out because the landlord is claiming a part of the money. The rules are clear; if the landlord wants to claim the deposit, he has to take the case to court. If he does not take the case to court within a certain time period, the money is to be paid to the tenant.
- In some cases the landlord asks the tenant to transfer the money directly to the landlord’s account. The tenant can claim that such a deposit be transferred back at any time during the lease. Some landlords do however not accept such a claim, and the tenant must take the case to court to get the deposit back.

Poland



Organisation: Polskiego Zrzeszenia Lokatorów, PZL, Polish Tenant Association

Rapporteur: Karol Szyłko

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Tenure structure

Owner occupied housing: 75%

Rental housing: 25%

(I) social rental: 7 %

(II) private rental: 15%

(III) others: 3%

Initial rent – is it free or regulated?

The initial rent is free to negotiate between tenant and landlord, and tenants cannot challenge the initial rent.

How often can the landlord increase the rent?

Once every 6 months, in written. If the tenant demands, then the landlord is obliged to present calculation and reasons of rent increase.

There are generally no limitations to increases, but the court can repeal raise if the rent exceeds “reasonable profit”. Landlords can also increase the rent because of increased maintenance costs.

Challenge rent increases?

Tenants can challenge increases at any time, with the court, if he/she considers the rent unreasonable. There are costs for the court proceedings.

Duration of leases

A. Leases unlimited in time give the tenant more or less permanent security of tenure. Landlord can only terminate the lease because of:

- severe breaches of the tenant’s duties,
- absence of the tenant from the apartment for more than 12 months;
- ‘Important reasons’ such as that the apartment has become indispensable to the landlord for family reasons, and is not necessary to the tenant;

B. Leases limited in time can be concluded for any specified period, except that once a contract has been in operation for ten years it transforms itself into as contract unlimited in time

Usually, the minimum period is from 6 months to one year.

Notice period

The parties can freely decide on the time limit within which a notice of termination must be given.

For landlord: 3 months

Security deposit

1 to 6 months’ rent.

Return of deposit – a problem?

After rent agreement is finished.

The deposit to be repaid to the tenant is based on a multiple, not on the amount of rent stipulated in the contract, but on the amount of rent at the time of termi-



nation. So if the rent remains the same throughout the contract, the tenant will be given back precisely what he paid in deposit.

Shops in the main square, Rynek Główny, of Krakow.

Scotland, U.K.



Organisation: TPAS Scotland
Rapporteur: Lesley Baird, Chief Executive
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Tenure structure, Housing Statistics for Scotland, 2015
Owner occupied housing: 58%
Social rental: 23%
Private rental: 15%
Others: 4%

Initial rent – free or regulated?

The vast majority of rents in the private rental sector are not regulated – only a small number of pre-1989 tenancies are subject to or can apply for a regulated so called ‘fair rent’.

Can the tenant challenge the initial rent?

- tenants with ‘short assured’ tenancies can challenge the rent, with the Private Rented Housing Panel, where they suspect that their rent is higher than the market rent for similar properties in their locality. No time limits.
- ‘assured’ tenants cannot challenge the initial rent but can challenge when they have been notified of a rent increase.

How often can the landlord increase the rent?

– If the ‘assured’ tenancy is for a fixed period of time, such as 6 months or one year, the landlord cannot increase the rent until the fixed period ends unless the tenant

agrees to the increase or the lease states that the rent will be increased.

The landlord can only increase the rent once in every 12 months – unless there are exceptional circumstances – using a legal form.

– Landlords of ‘short assured’ tenancies can increase the rent if they renew the tenancy agreement at the end of the fixed term of the let.

Motives for rent increases?

Landlords do not need to demonstrate a reason though they may seek to increase rent if improvements have been undertaken.

Challenge rent increases?

Tenants can challenge the increase by referring the rent to the Private Rented Housing Panel.

The tenant of an ‘assured’ tenancy can challenge the rent when the landlord serves a notice to increase the rent.

A tenant of a ‘short assured’ tenancy can challenge at any time.
No costs are involved.

Duration of leases

1. ‘Assured’ leases can run on after the initial let period e.g. of a month – it continues on the same terms until brought to an end by serving appropriate notice and there is a specific reason for ending the tenancy. For an ‘assured’ lease the landlord and

tenant could agree the length of the lease period e.g. if lease on a weekly, fortnightly, monthly, three monthly etc., though this is unusual.

2. ‘Short assured’ tenancies, is a short version of ‘assured’ tenancies, which has to be for minimum of 6 months and the landlord can bring it to an end at the end of the period by serving the appropriate notices – no reason is needed to end the tenancy.

Notice periods

For a ‘short assured’ tenancy the period of notice is a minimum of 2 months

For an ‘assured’ tenancy the length of notice depends on the length of the lease:

- 28 days if the tenancy agreement is up to 1 month,
- 31 days if the tenancy agreement is up to 3 months,
- 40 days if the tenancy agreement is for more than 4 months or more.

Security deposit

The deposit is 1 or maximum 2 months’ rent.

Problems for tenant to have their deposit returned? Yes, problems do occur. There is now a tenancy deposit scheme and landlords now have a legal duty to pay the deposits into an approved tenancy deposit scheme. These are independent organisations that protect tenant deposits until they are due to be repaid.

Other information

It is important to note that the law relating to most tenancies in the private sector will undergo a complete change. It is likely to be implemented by the end of next year, in 2017.

This will affect the type of leases granted, the reasons for terminating the tenancy, the length of notice given and rent arrangements.



Slovakia

Organisation: Občianske združenie Právo na bývanie, Organisation for the Right to Housing

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Tenure structure, Census 2011

Owner occupied housing: 90%

Social rental: ~3 %

Private rental: short term contracts only: 3%

Private rental: 3%

Others: under 1% (sitting tenants, in restituted houses)

Initial rent – is it free or regulated?

Rents in the private sector are free, and tenants cannot challenge the initial rent.

How often, and how much, can the landlord increase the rent?

There exist no regulations for rent increases, no limitations.

According to a law from 2011, Slovak landlords in the years 2012 – 2015 could increase the rent once a year by a maximum of 20%. But in reality, the total increase from 2011 to 2015 was 184% This year, 2016, rent increases were not possible.

By January 1, 2017, free market rents will prevail in restituted houses.

No rules on leases are prescribed in the Civil Code, but generally increases should be presented in writing.



PHOTO: LUBOMÍR REPTA

Detail from house
façade in Tallerovej
street no 3 in
Bratislava.

Private landlords can increase rents only under conditions mentioned in the rental contract and it depends on the negotiations between the contracting parties.

Challenge rent increases?

Yes, in court

The tenant should challenge the increase immediately after the presentation. Once

the tenant starts to pay the rent – even increased contrary the law – this is understood as a consent.

A free, negotiated, rent can be challenged in cases when the landlord does not fulfill his obligations from the rental contract.

Duration of lease

Leases may be concluded either under two laws:

A. Under the Civil Code where leases can be either for a definite or for an indefinite period (open-ended). Newly concluded open-ended leases of flats are a rarity nowadays.

B. The other law is for short term rents of flats. Under this law contracts for a short period of time, up to 2 years are allowed.

Private owners offer almost only short term leases, and lease periods are negotiated between the parties.

Generally, the Civil Code does not prescribe caps or minimum thresholds for the duration of leases.

Notice period?

3 months under the Civil Code, but a shorter period is possible under the Act on short term rents of flats.

Reasons for termination, before the end of the lease period

By landlord: tenants can be evicted for rent arrears, misbehaviour, damage to the flat, etc.

Tenant can terminate the contract more “freely”.

Security deposit

Usually, under private contracts, 2 – 3 months’ rents. The maximum deposit for rent is not limited by law, and is only subject to agreement between the landlord and tenant.

Sitting tenants in restituted houses will be required to pay 6 months’ rent once they are assigned substitute flats.

Return of deposit is usually no problem – the tenant often does not pay the last rent, equal to the amount of the deposit.

Other information

Slovakia remains a “special case” concerning the part of the rental sector in the overall housing stock. Due to the mass privatization of the public housing stock (on very favourable conditions for the inhabitants of those flats) the vast majority of flats are private. This affects also the behaviour of Slovaks today. The rental sector remains underdeveloped – therefore the rents remain high and for most people it is more advantageous to buy a flat.

In social flats (owned by municipalities) there is price regulation – the monthly rent cannot exceed 5% of the construction costs of the flat. The respective municipalities set a lower rent. However, contracts in social houses are concluded only for a definite time.



Spain, Catalonia



Organisation: Federació d'Associacions de Veïns d'Habitatge Social de Catalunya
Social Housing Neighbourhood Federation of Catalonia

Rapporteur: Javier Pastor, project manager, and Toni Vidal, technic staff

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Tenure structure, 2013

Owner occupied housing: 82%

Social rental: 1

Private rental: 10

Others: 7

Initial rent – is it free or regulated?

The initial rent for a privately rented dwelling is free to negotiate between landlord and tenants.

Can tenants challenge the rent?

Yes, but he/she has to wait until 1 year has passed, then he/she can every year challenge the initial rent, if the rent is much higher than CPI, Consumer Price Index.

How often can the landlord increase the rent?

Once a year, in written.

Rent increases are limited by CPI.

The landlord and tenant can, from the 3rd lease year, negotiate the rent, both upwards and downwards, without having to link it to CPI.

If a tenant makes improvements to the property, it is possible to reach an agree-

ment with the owner, and deduct the costs of the work from the monthly rent.

Challenge rent increases?

Not possible.

Only way for tenant to decrease the rent would be to refer to less demand in the neighbourhood.

Duration of lease

Leases are normally from 1 year, up to a maximum of 3 years, and then tenants have the right to extend the lease each year automatically if landlord do not do nothing about it.

If neither the landlord nor the tenant serves a notice to terminate the contract 1 month before it ends, the contract is renewed by yearly terms up to a maximum of 3 years.

Tenants are entitled to put an end to the contract before the 3 years' period, by giving notice at least 30 days prior to the termination of the contract.

Short term contracts are designed for holiday rentals, but can last as long as one year.

Notice period

1 month before the end of the lease contract.

Can landlord terminate the lease, before the end of the lease period?

A landlord can evict a tenant and regain



PHOTO: ZARATEMAN, BY PERMISSION WIKIMEDIA COMMONS

Barcelona – Barrio de la La Barceloneta.

his property on several grounds, including failure to pay the rent. But courts have often ruled that these arrears must exceed 6 months' rent before any action can be taken. At present, after 10 days if tenants do not pay the rent, landlords can start a legal

action to terminate the lease. This is called express judgement.

Security deposit

2 months' rent, and it is normally not a problem for tenants to regain their deposits.

Sweden

Organisation: Swedish Union of Tenants, Hyresgästföreningen

Rapporteur: Mariell Juhlin, Chief Economist/Head of Policy

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Tenure structure, SCB 2012
Owner occupied housing: 64%
Public, municipal, housing: 18%
Private rental: 18 %

Initial rent – free or regulated?

Rents in Sweden are set through collective bargaining between the SUT and the landlords, both private and public. Rents for about 3 million tenants are negotiated this way each year covering over 90 percent of all rental flats.

The rent-setting is based on a number of variables reflecting the utility value of the flat to local tenants at market equilibrium. This may include the actual quality, standard and situation of the flat in the building as well as the geographic location and quality of the actual property and the adjacent area.

It is possible for landlords and tenants to agree to a lower rent compared with the one determined within the collective bargaining – but not higher.

For newly constructed flats, rents can be set higher compared to rents in 'older' houses.



Swedish Union of Tenants demonstrating; Our many members are our strength!

This means that rent-levels can reflect higher costs for construction, land purchase, etc. The duration of time during which such rents can differ from the overall system is currently 15 years. After that they would need to be lowered/increased in order to reflect rents within the utility value system.

Direct rent-setting by the landlord is

possible but landlords run the risk that they can be challenged in one of the eight local Rent Tribunals in Sweden.

Can the tenant challenge the initial rent?

Yes, it is possible, but after the first 6 months. The case is then brought, by the tenant, to the Rent Tribunal – but this rarely happens.

How often can the landlord increase the rent?

Once a year is most common, but twice a year is possible.

Are there any limitations to increases?

No, but the new rent cannot be higher than rents of flats of similar standard and location; not more than 5%.

But, if the rent is considerably lower than the utility value, then rent increases can be high. In such cases, the rent is increased gradually.

Annual rent increases are determined in negotiations between the three parties; representatives of SUT, and representatives of public and private landlords, according to inflation, cost of energy, possible renovations.

Challenge rent increases?

There are two ways to challenge a rent increase:

First: If the landlord has an agreement with the SUT for collective bargaining, the tenant has to challenge the increase to a Rent Tribunal latest 3 months after the new rent has become effective.

Secondly: If the tenant does not accept a higher rent, and the landlord lacks a collective bargaining agreement with the SUT, the landlord must bring the case to the Rent Tribunal.

Tenant should not pay the new increased rent, until the Rent Tribunal has decided on the new rent.

For members of the SUT, the membership fee covers all advisory costs.

Duration of lease

Indefinite in most cases.

Notice periods

1. Indefinite lease, or more than 3 months: 3-months for tenant, and landlord.

2. Time limited leases:

- between two weeks and three months' lease: 1 weeks' notice (for tenant)
- more than 3 months' lease: 3-months' notice.

Reasons for termination, before the end of the lease period

A landlord must have a legal ground, such as rent arrears (one week's delay*), anti-social behavior (disturbing behavior) or illegal activities in the dwelling.

* but if tenant pays the rent within three weeks, after having received the notice, he is ok.

Security deposit

Generally there are no deposits for first-hand contracts, but occurs often for sub-letting.

Generally, no problem to regain the deposit for first-hand contracts but an increasing problem for sub-lettings.

Other – information

In the Swedish context of rent-setting through collective bargaining, the system has produced stable and high yields over time and in fact at a much higher rate of return than office rentals which are entirely market-based. The construction of own homes has not been sufficiently large despite "free" price-setting which seems to suggest that the price-setting mechanism is not what is restraining the supply of new homes. It is more likely that low levels of supply are a reflection of market failures and well as of households' limited ability to pay. Overcoming these failures thus necessitates some form of public response.

Switzerland

Organisation: Swiss Association of Tenants; SMV, ASLOCA, ASI
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 www.smv-asloca-asi.ch

Tenure structure, Statistique Suisse, 2014
Owner occupied housing: 37%
Rental housing: 63%
 (I) social rental: 4%
 (II) private rental: 96%

Initial rent – is it free or regulated?

Initial rent is freely negotiated between the landlord and prospective tenant.

Can the tenant challenge the initial rent?

Yes, tenants can challenge the initial rent in court, if he/she considers the rent unfair, or abusive: the landlord receives an excessive return from his investment. In 2016 the net yield should not exceed 2.25%

A tenant should challenge the rent within 30 days of receiving the keys.

Out of tens of thousands of new contracts, only some 800 challenged their rents.

How often can the landlord increase the rent?

Each time he could cancel the lease – end of lease period.

Increases should be presented on an Official form

No general limitation in size of increase.

Motives for increases?

- Increases in general costs, including official mortgage rates.
- Inflation
- Additional service costs.
- After longer lease periods (5 – 7 years), and new rent within the range of customary rents in the area.

Challenge rent increases?

Yes, within 30 days, with the court, or Rent Tribunal if there is one in the Canton.

A tenant should challenge a new rent within 30 days, with reasons described for increases of initial rents.

No costs are involved, at the first level. But yes, if the case goes to next level – depends on the Canton.

Duration of leases

The duration of a lease is freely negotiated between landlord and tenant.

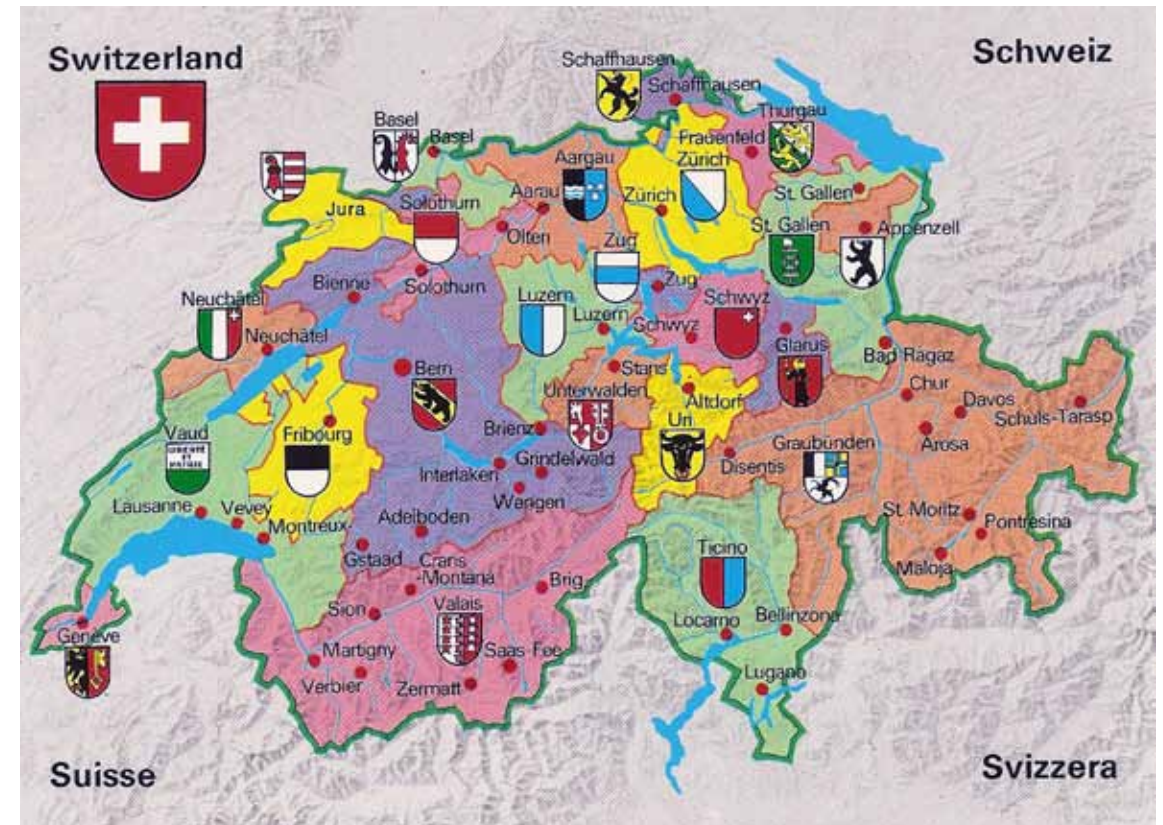
The lease is renewable if the contract is not cancelled 3 months before the end of the period.

But basically the duration of the contract is free!

Notice periods

By landlord and tenant: Minimum 3 months before the end of the contract.

The tenant can return the dwelling before the end of the contract, if he proposes to the landlord a new tenant who is solvent and willing to enter the rental agree-



ment on identical terms; in that case a 30 days' notice is sufficient.

Security deposit

Usually 3 months' rent. The bank deposit should be in tenant's and landlord's name.

Return of the deposit according to agreement between the tenant and landlord, or maximum 1 year after the termina-

tion of lease, if the landlord did not start a procedure against the tenant.

Other information

There is an acute shortage of available dwellings in all Switzerland, but especially in cities

Only 1.19% of dwellings available in Switzerland, but 0.34% in Basel, 0.41% in Geneva and 0.78% in Zürich. On the other hand, 2.35% in the Canton of Jura.

Wales, U.K.

Organisation: Welsh Tenants
Rapporteur: Steve Clarke, Managing Director
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www.welshtenantsfed.org.uk

Tenure structure, Statistics Wales 2014–15

Owner occupied housing: 69%
(I) social rental: 16%
(II) private rental: 15%

The rental market makes up 31% of accommodation in Wales. The private rented sector is set to overtake the social rented sector in 2020 as the predominant market in Wales.

Initial rent – is it free or regulated?

In reality rents in the private rented sector are determined by what the market can sustain.

Rents are guided by the Broad Market Assessment Areas and Local Housing Allowance (LHA) rates in Wales, published by the Valuation Office. These are broadly based on average rents for the market.

Private rents are based on type, size and location, but rarely reflect quality or how energy efficient they are.

Can the tenant challenge the initial rent?

Yes, within 6 months of the tenancy.

The rent is the rent offered for the property. Demand is high so the asking rent is usually the rent achieved. The tenant can challenge the rent charged but must do so

within the first 6 months of the tenancy.

In the case of a new 'proposed rent', the tenant can challenge the rent through the Rent Office.

It is up to the tenant to put forward the argument of an unfair rent. Condition of property and comparative rents are the most frequently used.

Very few cases are being brought up for a Rent Office review process. Probably this is because of lack of understanding of rights, fear of retaliatory eviction or fees charged.

How often, and how much, can the landlord increase the rent?

There are no limitations to increases.

The tenancy agreement should outline when the rent is due for renewal. This is normally on the anniversary of the tenancy.

Increases should be presented a written prescribed notice.

Challenge rent increases

The tenant may refer that notice to the Rent Assessment Committee at any time before the proposed date of increase. If a notice is so referred, the proposed increase will not take effect on that date, pending a determination by the Committee.

Rent challenges are dealt with by the Rent Office – Residential Property Tribunal Service, a branch of the Welsh Government.

Unless a new tenancy is entered into, tenants must challenge rent increases within 6 months.



PHOTO: CHRIS BROWN, BY PERMISSION WIKIMEDIA COMMONS

Fees are chargeable and increase depending on the amount in dispute. These range from £50 to £350. There may also be hearing fees in addition to application fees of £150.

Two spectators in Welsh flags, in Cardiff.

Duration of lease

The standard for the private rental sector (PRS) is a 6-month short-hold tenancy agreement – in which there is a moratorium where the landlord cannot evict for the first 6 months unless in extreme cases. The tenant therefore has reasonable security for a minimum of 6 months.

It is possible with some letting agents/landlords to secure a longer term agreement, although these are rarer. What tends to happen is that tenancy agreements are initially for 6 months and then revert to periodic tenancy, month to month.

Notice periods

Landlord: 2 months' written notice. Ordinarily, 1 month for the tenant. Landlords do not have to provide any reason to give notice.

Security deposit

For the PRS, average deposit is slightly above one month's rent, typically around £450–£500.

If a deposit is required, then it is protected through the Government approved Deposit Protection scheme.

We have seen some letting agents and landlords charge extra for perceived risks. i.e. extra weeks/months due to pets or to mitigate risks due to prior tenancy failure. The PRS has a reasonably good intelligence network to assess tenant risk.

Return of deposit, a problem?

Yes! Landlords typically make claims on the deposit – however the scheme allows tenants to challenge spurious claims made by landlords by offering mediation. However, you need to be literate and competent to prove your counter case.

The system works against tenants with mental health conditions or people with poor numeracy and literacy skills.

