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## The Financialisation of Housing and its Impact on Human Rights: Housing and Homelessness in the EU

FEANTSA fully supports the Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and the right to non-discrimination in this context, with a focus on the financialisation of housing<sup>1</sup>.

*In particular, FEANTSA welcomes the call of the Special Rapporteur on adequate housing to treat housing not as a commodity but as a human right in order to achieve the goal of “ending homelessness by 2030”.*

FEANTSA has worked over the years on housing issues including the role of housing markets in generating and combating homelessness, the housing needs of homeless people, the role of neighbouring sectors such as social housing and the overall role of housing as part of solutions to homelessness. FEANTSA represents organisations working to prevent and tackle homelessness and housing exclusion in the EU. Addressing homelessness ultimately means promoting, protecting and fulfilling the right to adequate housing.

**The financial and economic crisis** has had widespread social consequences including on the capacity of households to access and maintain adequate housing. Although the EU is undergoing a fragile recovery, housing exclusion and homelessness have increased in many Member States.

FEANTSA’s **report on Housing Exclusion in Europe in 2015**, in partnership with the Fondation Abbe Pierre, showed: *“a broad trend of increasing difficulties in meeting housing costs for households already experiencing difficulties. Inequality is worsening with each region having its own specific housing difficulties: from quality problems, to cost issues, to geographical location, etc.”* The fact is that the most vulnerable segments of the population are often ignored and left without solutions.

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<sup>1</sup> [http://ap.ohchr.org/documents/dpage\\_e.aspx?si=A/HRC/34/51](http://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/34/51)

FEANTSA recommends that **housing affordability** should be a central concern in the functioning of housing systems. Housing cost overburden and over indebtedness have been, in parallel, important contributors to the current financial crisis.

The dramatic situation in Greece is one of the most violent aspects of the crisis: the Memorandum of Understanding signed between the Troika (European Commission, European Central Bank and International Monetary Fund) and Greece initiated a series of **austerity policies** whose social consequences are visible, particularly in relation to homelessness and housing exclusion where 1 in 70 people in Athens are homeless <sup>2</sup>

**Social housing companies** all over Europe are under increasing financial pressure. This compromises their capacity to house those who are excluded at the bottom end of the housing market. Vulture funds are buying social housing in Spain, where the crisis has left millions of empty homes due to the burst of the property bubble.

**Property speculation** has been a relevant factor to explain vacant property. One in six properties are **vacant** in Europe; vacant real estate represents a significant and under-utilised windfall of housing that could be used to respond to the growing and alarming issues of housing exclusion in Europe. In some countries affected by the crisis and the bursting of the property bubble (such as Spain, Ireland, Portugal and Greece), the **increase in the vacancy rate** is due to the abandonment of new complexes and to banks repossessing a portion of the housing stock. Individual households have been affected by predatory lending practises which often resulted in foreclosures for mortgage default.

Unacceptable attacks on **tenants' security** have been imposed by the Troika forcing governments, for example, in Portugal and Spain, to revise rental laws.

FEANTSA agrees with the Special Rapporteur that **States need to reclaim the governance of housing systems from the logic of global credit markets and financial institutions.**

Because of human rights obligations, States **must take appropriate action to regulate the markets** so that they don't explicitly violate rights but also to **make sure that their actions are**

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<sup>2</sup> <http://greece.greekreporter.com/2016/05/31/most-of-the-athens-homeless-are-greeks-victims-of-economic-crisis/>

**consistent with the right to adequate housing.** There is a need for a shift so that States ensure that **the social function of housing is recognised.**

FEANTSA supports the recommendation of the Special Rapporteur to **develop strategies by States and local governments to achieve target 11.1 of the Sustainable Development Goals**

**and the New Urban Agenda** including a full range of measures to re-establish housing as a social good, promote inclusive housing systems and prevent speculation.

FEANTSA is hopeful that we are going in the right direction as some governments are already taking up the challenge and are re-investing in genuinely affordable housing, introducing measures to tackle vacancy and other measures affirming the social function of housing.

FEANTSA hopes that some recent EU policy instruments will help guarantee the right to housing in line with this: the **European Urban Agenda** connected with the United Nations' Sustainable Development Goals and Habitat III and the **European Pillar of Social Rights**, where housing and homelessness have been included.

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#### Notes for editors:

1. **FEANTSA** is the European Federation of National Organisations working with the Homeless. It is an umbrella of not-for-profit organisations which participate in or contribute to the fight against homelessness in Europe. It is the only major European network focusing exclusively on homelessness at European level.

## FEANTSA POSITION

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