

**European Coalition for Housing and the City  
Conference in Poznan, Poland  
November 2015**

The conference was attended by people from all over Europe. The subject was the housing situation in Eastern Europe and the presentations were about Croatia, the Czech Republic, Hungary, Poland, Romania, and Serbia. Generally before 1990 all these countries had large stocks of public housing, mostly built after 1945, and let out at very low rents.

After 1990, most of these homes were sold to the tenants, in some cases at very low prices, in Romania at the equivalent of one month's wages. The re-privatization had already started in Romania with right to buy from the 1970s but on a small scale.

In Poland in 1995 about half of the housing stock was still communal or cooperative but there is hardly any now. Banks and other investors have benefited from privatization, especially after entry to the European Union. Mortgage loans have risen six times in eight years. As well as selling off communal / cooperative stock, councils have stopped administering the housing stock. Maximum rent levels rose especially steeply between 2005 and 2008.

In the Czech Republic state housing was transferred to the councils, who privatized 90 per cent of homes under right to buy. Privatization of heavy industry included privatization of flats for employees.

In Hungary most housing was privatized between 1990 and 1995, although some families could not afford to buy. 90 per cent of housing is now owner occupied. Only about 2.5 per cent is public housing and about 8 per cent private rental. From 1982 people in Hungary could buy their flats but not many did before 1990.

There have been further problems for people who have taken out mortgages. In the credit boom in the early 2000s people in Hungary acquired property with mortgages. In 2004 Hungary entered the European Union. All new mortgages were issued in Swiss francs, a huge problem after the crash. It is mainly in the Eastern European countries that there are foreign financed mortgages.

In Yugoslavia between 1946 and 1992 a huge amount of social housing was built. 70 – 80 per cent of the urban population lived in slums before the Second World War. Now in Croatia 70 per cent are in their own property – compared to a European Union average of 38 per cent. Only two per cent is public social housing. In Serbia the picture is similar. In Zagreb (Croatia) as before 1946 there is only a tiny amount of social housing which does not even cater for all of the poorest people. There has been a huge rise in evictions since 2008 in particular. In Croatia 150,000 people who were not eligible for normal mortgage loans took out so-called toxic loans. Then the interest rates were raised, so that re-payments were in many cases more than the household income.

In Serbia as a result of the war which broke up Yugoslavia there has been a huge influx of refugees and the whole arena of housing has been deregulated. Houses are even built on top of houses. Here too the centre of the city is being depopulated and transformed into luxurious apartments with foreign investors.

In all these countries governments and city councils are building very little public housing to replace what was sold off. In Poland in 2013, for example, 70 per cent of new houses were

developer houses, six per cent communal / social housing, and the rest private non-developer housing.

So there is now very little public housing for the next generation, and the rising prices of private housing mean many young people are living indefinitely with their parents. Rents in Bucharest, Romania, are huge compared to wages and salaries. As a result, three generations can be living in a flat meant for one family.

Upkeep is a problem. People mainly living in blocks of flats have the joint responsibility. Economies, particularly industry, were hard hit after 1990, so that many people lost their jobs or now have low waged employment. As a result, many homes have become run down. In one example people have jointly been collecting recyclables and selling them to pay for the upkeep of their homes.

Utilities have been privatized; heating and lighting which used to be included in the rents are now only available at high prices, so that people are running up big bills, especially for electricity. People who can't pay the bills are losing their homes.

Another common problem is that people are being forced out of their lifelong rented homes. Banks and private owners are buying up buildings, especially near the centres of towns and cities. The conference heard of cases where they employ 'house cleansing' firms to get the tenants out by starting renovations which leave gales roaring through windows that have been removed, cutting off water and electricity, puncturing pipes causing floods, making holes in the roof, and other forms of harassment.

Conference delegates were taken to a block of flats in Poznan which had been owned by the state and sold to a bank, supposedly under the condition that the tenants would have the right to remain. Our guide had been born there and lived there for fifty years, along with other families. They were subjected to this kind of harassment. They formed a tenants' association but they could not save their homes. They could not afford the rents in the 'renovated' building and the most they could get was some compensation. No one lives there now; it is full of lawyers' offices.

It is often very hard for the tenants to find out who the new owners are, let alone contact them, and their rent agreements may still be with the city council. 'House cleansing' is illegal and due to public pressure there is a new law about harassment of tenants. But so far the only cases of prosecution have been of the 'house cleansing' firms, and not of the owners who employed them.

City councils can be keen to sell off city centre buildings as they are short of money and want to attract tourists and investors. In Poznan the conference delegates visited Srodka, a classic example of gentrification. It is one of the oldest parts of the city, and nearly 60 per cent of the inhabitants have been forced to move out. There are cafes, banks, hotels, and a Museum of the Beginning of the Polish State which opened two years ago. This is one of the projects realized from the budgets for the 2012 European football competition. But hardly anyone now lives there.

Another problem is that former owners – some real, some fake – are appearing who say that certain buildings were their property before 1945 and they want to reclaim them. They have often sold their rights (whether real or not) to companies who seek to take possession of places where people have lived for years. In Romania, for example, a 1995 law, strengthened

in 2001, gives total rights to former owners. This is backed up with constant pressure from the European Union.

The most striking example of the injustice of the situation reported at the conference was Warsaw. During the Second World War the city was 85 per cent destroyed, mainly by the Nazi occupiers, so that in 1944 many families were living in the cellars of ruined buildings. The people of Warsaw rebuilt their city, including some buildings the city authorities judged to be beyond repair, and they lived in the city they had rebuilt. Much of the labour was voluntary, and 70 per cent of the working brigades were made up of women. Now people alleging to be former owners are appearing to claim these buildings as their own. There is no talk of paying compensation to the people who actually rebuilt them. The delegate from Warsaw spoke bitterly of the so-called 'charm of pre-war Warsaw' where 95 per cent of the city was in private hands, and three or four people would be living in one room, mostly with no running water or central heating.

Because the priority in the countries of Eastern Europe was often to build new industries in the decades after the Second World War, and to build new homes and facilities for people round them, often upkeep of old buildings in the centres of towns and cities was seen as less important. In recent years these rather run-down buildings had become cheap homes; in Romania, for example, they were often inhabited by Roma people, who are now being driven out of their homes by developers who see money to be made out of these city centre properties.

150 people were evicted in 2014 from a house near Bucharest city centre. 27 families have been living on the street outside for more than a year as a protest, but with winter coming again it will be hard for them to continue. This property was one of those being restored to its pre-1945 owner. In another case someone received 66 houses which his grandfather was supposed to have owned, despite the suspicion of false papers. There have been many protests against these evictions, but what tends to happen is the leading person will be offered a house, and this splits the tenants.

In Hungary, the Mayor wants to change the city centre of Budapest. The city had the highest proportion of remaining public housing. In 2004, many old houses were bulldozed, to be replaced by flats, offices and a shopping mall. Many people were displaced; there were problems for people who owed rent or who did not receive enough compensation. Rents rose and forced people out as well. European Union money has been available for this 'social regeneration' project, while because of restrictions it is very difficult to use EU funds to build social housing.

Where do people go when they lose their homes and there is no public housing to re-house them? Delegates visited the site of some 'container homes' erected by the city council in Poznan. There are only a few in Poznan because there was a vigorous local campaign against them, but there are large developments in some other Polish cities.

These are metal boxes, set down on bare earth in the middle of places like industrial estates, with no facilities nearby. People who can't pay the rent are dumped here; this includes pensioners and families with children. There is no insulation; the temperature rises to 40 degrees in summer and falls below freezing in winter. People already on very low incomes are forced to pay a fortune for electrical heating to survive the winter months.

Protection of tenants has also got worse. In the Czech Republic until 2012 there was reasonable protection of tenants but since then their position has been severely weakened by

such things as short term contracts, easier eviction and higher advance payments. In the 1990s rents were regulated but in the last ten years they have been gradually deregulated, since 2010 completely deregulated. There used to be housing benefits for up to 90 per cent of rent payments, but since 2012 there have been a series of benefit cuts. In Hungary too subsidies to individual households to help pay the rent have been withdrawn.

All of the delegates who made the reports also reported on campaigns by tenants to defend their homes, to inform and support tenants in trying to protect their rights, to support people who have been evicted, and to demand the right to the city for everybody.

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