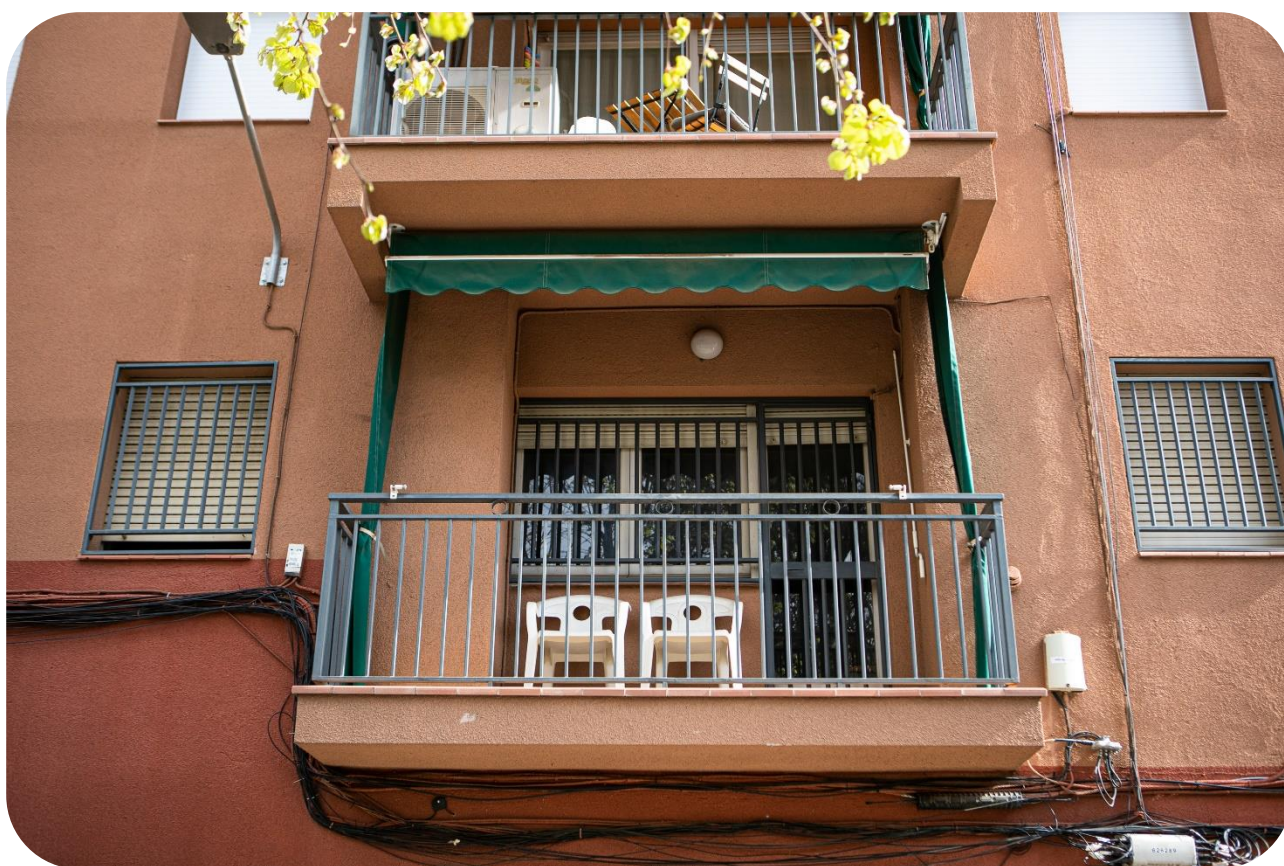


4 key activities to mobilise empty flats

for affordable rental housing

zoom-in °3



UIA project led by the city of Mataró

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1 The UIA project 'Yes, we rent!'

Initial situation

Within the UIA project 'Yes, we rent!' the city of Mataró, a city of 127,000 inhabitants 34 km north-east of Barcelona at the Costa del Maresme, tackles the challenge of “**people without flats and flats without people**”. There are about 2.800 private owned vacant flats in Mataró. Owners leave these properties empty due to different reasons.

At the same time there is a low number of affordable rental flats for households that both, are not eligible for social housing and cannot afford to buy a flat – as is typical in Spain. An increasing number of the inhabitants are overburdened by the rental housing cost, in particular younger people. Since 2015, rental prices in Mataró have been growing by 27 %. The expenses for rent can be significantly over a 1/3 of the monthly income.

Objective and task

To use the empty flats as an opportunity, the city aimed to mobilise them for a fair rent for people with problems at the rental housing market. To do this, the city has developed an incentive and support scheme to owners to let their vacant flats to a tenants' housing cooperative at a rent below the average market rent.

If you want to know more about "Yes, we rent!", take a look at the [interview](#) with Albert Terrones and Laia Carbonell from Mataró City Council (3 min) or the 5 min. [video](#) with the main players of the project. You can also read the article “[Owners, make your empty apartments available!](#)”.

Further web information on 'Yes, we rent!':

<https://www.uia-initiative.eu/en/uia-cities/mataro>;

<https://www.mataro.cat/sites/lloguem>



2 Activities to mobilise private empty flats for affordable rental housing



The 'Yes, we rent!' incentives scheme

To encourage owners to let their vacant flats to the tenants' housing cooperative, Mataró's Housing Department has set up the 'Yes, we rent!' incentive scheme. It is based on the assumption that owners do not rent their empty flats because of the following reasons:

- Risk aversion and a feeling of insecurity when renting, due to the fear that tenants may not pay the rent and discomfort when managing relationships with tenants.
- The amount of the renovation expenditures and the lack of financial resources.

Thus, the incentive scheme of the city council offers

- technical and financial support for the (energy-oriented) renovation of the flat: up to 16,000 € for the renovation and extra 2,000 € for energy-related renovation measures,

- rental guarantee during the contract period in case the tenant is not paying the rent,
- local property tax reduction of up to 70 %,
- free management of the flat and tenant.

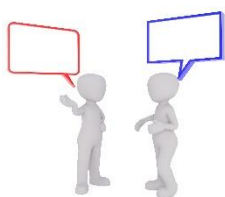
In return the owner rents for a minimum of 5 years the flat to the tenants' housing cooperative below the market price (below the medium reference index of rental prices for Mataró). The difference is calculated and justified based on the financial support for the renovation works and the services provided. The incentive scheme was financed through the UIA programme grant.

[Fair financing for housing affordability winner 2022 | Yes We Rent! - YouTube](#)

In addition to the incentive scheme the city of Mataró has undertaken the following steps to mobilise and support owners to reuse their empty flats:

1. Direct contact and information campaign
2. Individual consultation and on-site visit
3. Agreement on renovation works and rent contract
4. Renovation of empty flat and handover

Activity 1: Direct contact and information campaign



To inform owners and citizens about the incentive scheme and the 'Yes, we rent!' project the city organised an [information campaign](#). In

addition, Mataró's inhabitants were asked to report vacant flats and inform owners about the programme and the incentives.

The information campaign started with a kick-off press conference with the mayor and local and regional press/TV. Smaller neighbourhood information events, in particular in the neighbourhoods with many vacant flats, followed. At popular events the city informed about the 'Yes, we rent!' project, too. At any time, interested owners could sign up for an individual appointment to learn more about the project and the possibility of renting their flat to the 'Yes, we rent!' housing scheme. Also, the [website](#) of 'Yes, we rent!' informed about the project.

But because of the COVID-19 restrictions the city council had to stop the local information events at a very early stage of the project. To reinforce the information campaign, they used social media to spread the "news" and provide answers on frequently asked questions. Also, in local and Catalan media (newspapers, local radio, TV) they explained the 'Yes, we rent!' housing scheme and called upon owners to let their flat to the 'Yes, we rent!' housing scheme.

In addition, on two inner city bus routes information posters about the project were put up and property management companies informed about the scheme. They were committed a financial reward for each owner they could activate to join the 'Yes, we rent!' housing scheme.

As a result, almost 200 owners contacted the city hall and received further information and explanations.

Another 600 owners were contacted directly in writing and by phone when during the project it was detected that their flats were empty. For this purpose, the municipality had set up a search programme. Based on visual inspections overlaying with the analysis of water consumption data of the flats they identified potential vacant flats. The city council contacted these owners by official letter and/or phone, informing them that keeping their flats vacant can be fined. At the same time, they informed the owners about supporting programmes, in particular "Yes, we rent!" to reactivate their empty flats to avoid the fine.

When I first heard about the project 'Yes, we rent!', I thought that it would be a good opportunity to renew my old and empty flat!

*Antonio Martínez,
owner of a formerly empty flat*

Activity 2: Individual consultation and on-site visit



When an interested owner contacted the city council to express his/her interest in the 'Yes, we rent!' housing scheme, the chief architect of the project with his team

arranged an on-site visit. During the visit in person, they presented the 'Yes, we rent housing!' scheme and assessed together the renovation needs of the flat. At a later stage of the project, when the cooperative was set up, a member of the cooperative also took part to present the cooperative and to build up contact with the owner.

To determine the required renovation and energy efficiency work, which can be subsidised up to 20.000 € per flat, the city council developed a form, in which the standards for the rehabilitation works and the energy efficiency are described. The standards are based on the buildings and housing laws and directives that exist at state, regional and municipal level.

Based on the on-site visit and the standards for the rehabilitation works, the city council sent a proposal to the owners about the compulsory and recommended renovation works, the estimated subsidy and other benefits the owner might receive as well as the duration of the assignment of the flat to the 'Yes, we rent!' housing scheme incl. the maximum monthly rent.

Activity 3: Agreement on renovation works and rent contract



If the owner agreed to the proposal, only minor adjustments could be made to it, the chief architect of the 'Yes, we rent!' project

solicited bids for the implementation of the renovation works. At the beginning of the project, the municipality had formed a pool of suitable companies through a tendering process. They were asked to submit a bid for the renovation of the flat in question. In addition, a joint visit to the flat was offered, during which the agreed renovation work was explained.

Based on the offer to be commissioned, the municipality updated the renovation proposal with regard to the actual costs and the resulting rental amount to be contractually agreed. If the costs exceeded the possible subsidy, the owner was informed that he had to finance these costs. This led in some cases to owners refraining from renovating the flat. If the owner agreed to the adapted proposal, a contract was concluded between the municipality and the owner, regulating the temporal transfer of the flat to the 'Yes, we rent!'-housing scheme, the agreement of the renovation works to be carried out, the amount of subsidy, the maximum monthly rent for the flat and the duration of the contract. The duration of the contract depends on the amount of subsidy the owner receives and lasts at least 5 years.

Activity 4: Renovation of vacant flat and handover



When the municipality and the owner had signed the contract, the owner handed over the keys of the flat to the municipality. The municipality organized and managed the renovation of the flat with the firm from the pool of companies that had submitted the best bid. In addition to the price, the quality of the work from previous renovation projects had been a criterion in the selection process.

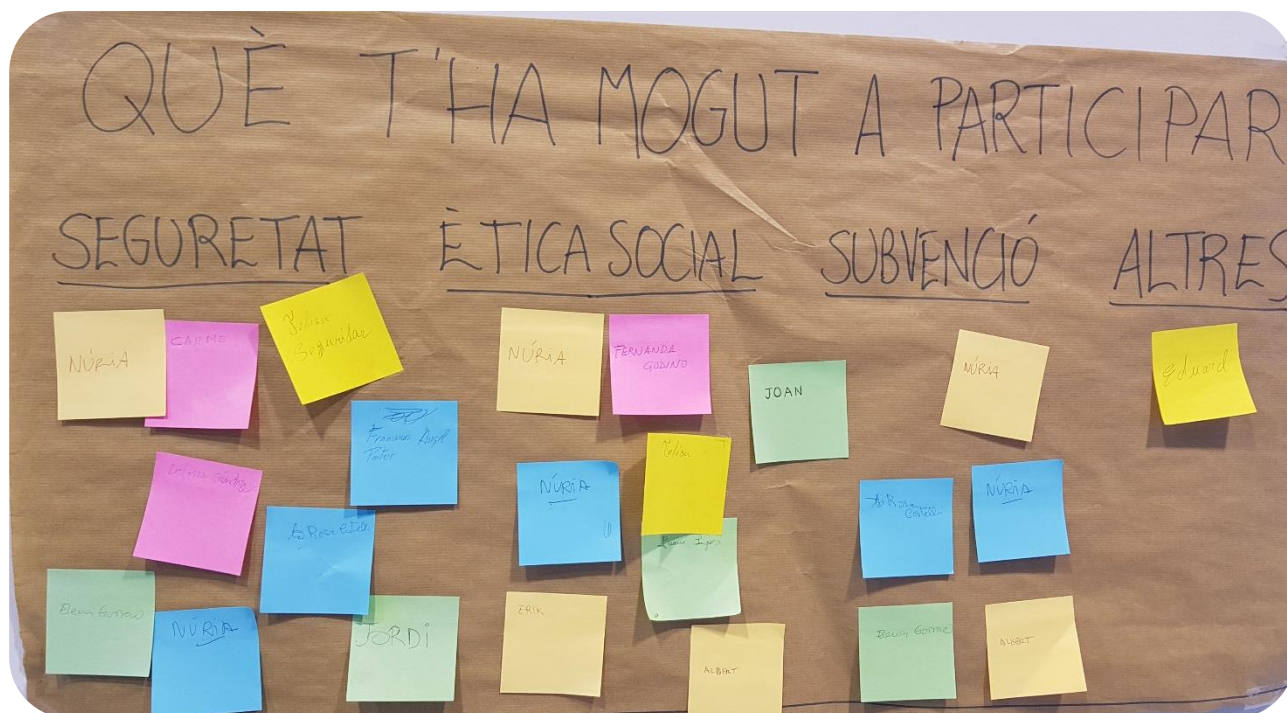
When the renovation works were completed and accepted by the chief architect of the 'Yes, we rent!' project, he officially handed over the flat to the owner in a joint inspection. From that moment on the flat was placed under the responsibility of the tenants housing cooperative, which matches the flats with a tenant of the housing cooperative.

The project is great because with the subsidy I have been able to renovate the flat. Moreover, they manage the whole process of allocating the tenant and secure the payment.

*Antonio Martínez,
owner of a formerly empty flat*



3 Lessons learnt



137 owners responded to the information campaign and made an appointment with the city council. From these 62 owners let their flat to the 'Yes, we rent!' housing scheme. This was a lower turn out than estimated at the beginning of the project. What have been the reasons?

Reasons of owners not taking part in the 'Yes, we rent!' housing scheme

There are couple of reasons for the relatively low turnout of private empty flats entering the 'Yes, we rent' housing scheme. Main reasons from the city council's perspective are

- the requested rent below the average market price as owners might want to earn more by renting it at a higher rent;
- community of heirs, which cannot agree what to do with the flat or a not “prepared” to rent the flat of their parents;
- the amount of investment required for the renovation of the flats. It sometimes surpasses the financial capacity of both the project and the owners, even with the financial support;

- problems of owners to receive the necessary permits for the rehabilitation works;
- many owners are not used to rent out their flat and are afraid that tenants will not pay the rent as well as leave the flat in a bad condition.

Also, it turned out that institutional owners e.g. banks and larger investors hold a larger share of vacant flats. They are not interested in renting the flats, rather the other way round: they want to have the flats vacant in order to be able to sell them better at a favourable time.

Reasons of owners taking part in the 'Yes, we rent!' housing scheme

Owners that participated in the 'Yes, we rent!' housing scheme stressed following reasons:

- the financial and technical support for the renovation of the flat. Often, without this support, they would not have been able to renovate their flats because of lack of personal and financial capacities or the unwillingness to indebt themselves at their age;

- the rental guarantee and having the cooperative in responsibility for the tenant as many owners are afraid that tenants will not pay the rent as well as leave the flat in a bad condition;
- the threat of the tax fine if the flat remains vacant.

One group that reacted particularly positively to the 'Yes, we rent!' housing scheme were older people as they appreciate the technical support and the service for the management of the flat and the contracting services.

Best methods to reach the owners

Reaching the owners at the beginning of the process and encouraging them to contact the city was a major challenge. Helpful approaches were:

- Articles about the project in local magazines, broadcasts on regional and national radio/TV stations. It helped particularly to reach owners who do not live in Mataró and thus do not come across the local information activities.
- Contacting directly owners of potentially vacant flats by official letter and phone, informing them about the financial fine when leaving their flat vacant and the option to avoid the fine by letting it to the 'Yes, we rent!' housing scheme.
- Word of mouth: This can be supported by good examples, animating owners to recommend 'Yes, we rent!', and constantly informing people – as multipliers – about the project and distributing flyers at well-frequented places such as market places.

Communication is the key! It needs time, continuity and must be professionally prepared and implemented. In particular, it must promote word-of-mouth.

*Oriol Pujol,
chief architect of 'Yes, we rent!'*

Importance of personal and professional interaction with the owners

The personal contact and professional support at the beginning and during the rehabilitation process has been a key to the high satisfaction of the owners that have jointed the 'Yes, we rent!' housing scheme so far. It helped to build up trust. Also important was to explain the 'Yes, we rent!' housing scheme and its background in a language that the owner could well understand.

The chief architect of the 'Yes, we rent!' project, Oriol Pujol, stressed the importance of responding quickly to requests from owners: for instance, when the owners asked for a first meeting, he responded and made an appointment within three days. This demonstrated the seriousness and professionalism in the team and provided confidence with the owner. Also, the personal meeting at the apartment – and not in the town hall – to explain the project in person was important to provide confidence with the owner in the 'Yes, we rent!' housing scheme.

Legal and technical capacity of the persons in charge

Setting up the 'Yes, we rent!' housing and incentive scheme requires legal validity. Thus, a lesson learnt is to equip such projects with robust legal and technical support (e.g. external lawyer) that can be drawn upon rapidly and on demand as different doubts and questions arise during the design of legal schemes and documents by the different parties (e.g. for the setup of the rental guarantee fund: (legal) mechanism for guaranteeing payment to the owner and the (legal) relationship between the involved parties (owner - city council – cooperative – tenant).

4 Outlook and recommendations

The new tenants cooperative '[BlocCooperatiu](#)' is supposed to continue the work of mobilising private empty flats for the affordable rental housing market in Mataró and to manage them. However, the previous funds of the UIA programme will no longer be available.

The current viability plan states that the necessary conditions for the long-term viability of the cooperative are not yet in place to be able to continue the 'Yes, we rent!' housing scheme in its full scope (e.g. incentive scheme for landlords) on a financially independent basis. E.g. the current level of rents is too low and the cooperative would need to acquire in the next five years annually at least 18 vacant flats to be able to pay for a stable staff of 1,5 persons for managing the cooperative.

Thus, it is an ongoing task to attract more apartments for the 'Yes, we rent!' housing scheme. One approach could be to not only focus on vacant flats in Mataró, but also to extend the offer to flats for which a change of tenant is upcoming or for which the flat is to be rented for the first time.

Since an important incentive so far for owners has been the financial support, but funding from the UIA programme is no longer available, new incentives need to be considered.

If in the future the 'Yes, we rent!' housing scheme also includes flats that are not vacant, it can be assumed that the renovation costs for these flats will be lower. In this case, it might be possible for the cooperative to finance these costs. In return, the rental income would be available to the cooperative until the renovation costs, including a service fee, are paid. This way, the owners would not have to go into debt or take out loans. In order for the cooperative to be able to pre-finance these

costs, either the municipality could provide an interest-free loan or act as a guarantor with banks. The municipality could also take out insurance for loss of rent for the cooperative, which would cost comparatively little to the municipality.

Another incentive could be that flats can also be rented up to the average market rent, but then to more fair conditions e.g. a rental deposit of one instead of three months.

Furthermore, the cooperative should consider incentives that will bind the owners to the cooperative in the long term to have sufficient continuous access to flats to be rented below the average market rent to its members. Key to this is that the cooperative keeps its "promises" especially with regard to regular rent payments and responsible tenants who handle the flat with care and do not cause problems with other tenants. For many owners it is important to burden themselves as little as possible with the flat and the tenants. For this the cooperative needs to develop a good reputation on the rental market.

Satisfied owners could also serve as "ambassadors" and potential reference person for other interested owners. Owners might be better able to convince other owners. For generally interested owners also an information meeting together with the "ambassadors" could be organised during which they could present their experience and answer questions from interested owners.

Non-monetary benefits can also contribute to bonding with the cooperative, e.g. identification with the goals and values of the cooperative, or landlords could be involved in social and

community activities and services of the cooperative.

In general, it is seen as necessary that the cooperation between the cooperative and the municipality continues at least until the moment when the cooperative can financially continue the 'Yes, we rent!' housing scheme. But even beyond that, cooperation can be beneficial for both sides in order to ensure affordable rental housing in Mataró.

The continued cooperation could be an opportunity for both sides. The cooperative could help putting the municipal housing policy on a broader base, inject citizen social capital and collective efforts and bypass some bureaucratic constraints the city council has to face. On the other side, the municipality could bring the cooperative housing to a new level by acting as legal guarantors, facilitating access to finance and buildings and providing technical support.

With regards to the cooperative, long-term it should be considered whether the cooperative can be put in a position to buy flats or whether the municipality buys up flats that are rented through the cooperative. Such and other forms of cooperation between the municipality and the cooperative needs to be investigated to continue with the mobilisation of private empty flats for the affordable rental housing market in Mataró.