

EDITORIAL

For a better private renting system: learning from ignored geographies

I dare say we are all interested, at least tangentially, in the readjustment of the private renting sector (PRS) in the current context of housing financialisation or assetisation (the two not to be confused).

It has been established that the PRS has become a structural mechanism generator of inequalities of wealth, health and wellbeing. Dominant discourses refer to economic, moral and emotive structures of tenant exploitation which led the economic action of the global, institutional or the traditional, local landlords. To tame down exploitation, government have (re)-regulated the action of landlords, either minimally (e.g. safety and minimal standards) or more substantially (e.g. rent regulation). But the PRS remains a 'landlord-market' where landlords have discretion to discriminate economically or against a certain social background as they base their decisions to rent by, and are allowed to ask for proofs of employment/salary, credit and renting histories, and the like.

However, these arguments are commonly made in relation to the geographies of the developed world, which by population quota is only a Minority World. For myself, I was curious to see the state of the matter in the Majority World, to which in my view the post-communist states belong.

My empirical focus was Romania, where I collected 114 online qualitative questionnaires and 40 visual-elicitation interviews with tenants and landlords. Theoretically, I was not prepared for what my findings depict: a tenant-market!

In what follows I reflect on the "social vibe" of the tenant/landlord relationship in a tenant-market, depict a few outcomes of current practices and briefly conclude how such a market has been constructed over the last 30 years. We know that policy transfers are complex matters, but can the West learn anything from Romania, or Romania from the West? To this, my answer will be tentatively yes.

Can you imagine a PRS in which tenants are NOT required to provide proofs of their employment status, salary, bank statements, credit checks, migration-status, recommendations from prior landlords, guarantors, etc.? Such practices are socially unacceptable in Romania – all one needs to rent is an ID card (or passport). Tenants are obviously and vocally against such practices, justifying their futility by labour-markets being changeable, salaries non-reflective of true income, and one's right to GDPR-privacy. But most landlords also find such practices truly unacceptable:

I would not like to ask my tenants for proofs of employment or salary as I would not like to be asked myself either, it is much too intrusive, it is wrong, it's their life, it is too private. No tenant would accept such demands, anyway, they would just go for the next property (single mother aged 36, large city, 3 properties)

On the one hand, the quote above indicates that such checks are morally 'wrong' but on the other, it also hints at the fact that tenants have market power: if required to present such proofs, "they would just go for the next property". Obviously, a lack of tenant checks makes outright economic discrimination in accessing the PRS less likely – and this might be a lesson for the West to learn or at least an option for debate.

Lack of any formal tenants' checks means that the "social vibe" of the first tenant/landlord encounter becomes the guiding intuition on which a decision to rent is made, by both landlords and tenants:

Initial trust comes during the first viewing based exclusively on flair, being able to tell if the person is sincere or is trying to fool you with lot of talk, seeing if what they say corresponds to the profile emanating through their body language, how they check the appliances (single male aged 62, city, 1-property).

Intuition, vibe, instinct and the like are not to be derided: the sociology of risk and relational theories of risks now accept that expert risk assessments are often flawed and too abstract to be relevant in everyday life. But would such 'classifying' practices lead to 'soft' discrimina-

tion by socially or randomly stigmatized categories, such as ethnicity, age, gender? This appears not to be the case. As tenants tend to 'visit' tens of properties online and a few in-person before making their offer while landlords tend to accept the first willing tenant, it appears that the competition for tenants is stronger than the competition for properties. This is particularly and unintuitively true in larger cities, as my data show.

Evictions and rent increases/levels are matters of hot activism and regulatory debates. No or minimal regulation exist in Romania, hence landlords can do more or less what they please. Yet, I found that eviction is rare and bar one case, universally led by 'legitimate reasons' of landlords' selling the property or moving in. Across a cumulative number of 200 tenancies experienced by my 73 tenant-respondents, and 179 concluded by my 38 landlord-respondents, 17 and 8 cases of eviction were mentioned (i.e. 8.5% and 4.4% respectively). Long-term or open-ended contract are appreciated by landlords, commonly triggering rent discounts.

Rent increases are rarely asked during tenancies or asked after many years of fixed rent (in two cases, the rent was increased after 4 years). In terms of rent levels, two out of three surveyed respondents paid very affordable rents but the remaining third paid more than 30% of their income, some out of choice and others for lack of choice. Indeed, the PRS shows the highest (43%) housing cost overburden, much higher than in other tenures – and this is a matter for serious worry.

My final comment addresses the subject of housing quality and sense of home. I illustrate this with a set of photos (Figure 1). Despite landlords facing higher risks in absence of tenants' check, they strive to offer good housing quality, including for being more competitive in the market as they stated during interviews. Only 12% of tenants thought their rented property was of poor quality and 74% felt fully at home.

Overall, mutual trust was high: 64% of tenants trusted their landlord and 54% of landlords trusted their tenant. This is remarkable given that Romania is a low-trust country, the most trusted institution being the church (by 64% of the Romanian population).



Conclusions

The PRS seems to me and to my participants to work fairly well in Romania. The fact that a tenant-market seems to occur because supply exceeds demand would please economists and free-market ideologists. Caution is however needed in that the Romanian tenant-market needed 30 years to develop through slow but continuous addition to the housing stock; a huge population decline, particularly through emigration; and increased economic affluence. Even though, rent levels overburden many tenants.

What lessons can the West learn from Romania? If they want to stop discrimination by landlord discretion, a bold measure of making tenants' checks illegal would be a step in the right direction. What lesson can Romania learn from the West? As the sector remains expensive for many, the Romanian government should introduce renting assistance to support those financially overburdened but also those who did not even dare to access it, having remained in parental homes in places lacking economic opportunities. Additionally, social housing is much needed but sadly I believe there is no ideological appetite for it in society or policy-circles.

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