

Towards a regulation of social rental agencies: A brief comparison of Luxembourg and Flanders (Belgium)

Marta Santos Silva¹
Pascal de Decker²

Abstract:

For several reasons, among which are the financial crisis and demographic changes, several European countries have to fight back the disequilibrium between housing offer and demand through the so-called Social Rental Agencies (SRAs). These publicly funded institutions enable lower-income households to access vacant private rental dwellings at a lower cost, and they are spread all over Europe. By relieving the burden on the State of increasing the social rental stock and by helping fight social exclusion, SRAs play an important public role and are seen as an attractive solution for the problem of housing scarcity. The present contribution consists of thought-provoking dialogue of the implications of the regulations of SRAs in Luxembourg and the Flanders.

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¹ National reporter for Luxembourg in the EU-financed TENLAW Project (www.tenlaw.uni-bremen.de/), reporter for the intra-team comparison of the German, Austrian, Swiss and Luxembourg legal systems and Chief Collaborator for the inter-team, consortium-wide legal comparison. Contact: marta.silva@zerp.uni-bremen.de

² Faculty of Architecture, Catholic University of Leuven. Contact: pascal.de.decker@skynet.be. We would like to thank Dr Peter Orji for the helpful comments.

I. The present-day housing situation in Luxembourg and Flanders in a nutshell

1. Brief remarks on the housing situation in Luxembourg

According to the most recent available official data³, there were 130,091 residential buildings and 208,565 private households in the Grand Duchy of Luxembourg. Owner-occupied dwellings are the prevailing kind of tenure, with almost 70% out of the full housing stock.⁴ Such percentage is due to an array of factors. Among them are the association of homeownership to social prestige and security in retirement years, and the dynamic homeownership oriented policy of the Ministry of Housing since its creation in 1989.⁵

As for social housing, it is blatantly unrepresentative, with 2% of the housing stock. It is provided by public promoters, housing associations and the two social rental agencies existing so far in the Grand-Duchy, namely, the *Agence Immobilière Sociale* (AIS)⁶ and the *Agence Immobilière Kordall* (AIS Kordall)⁷. Recently, there was a proposal to merge all social rental providers in Luxembourg, but the Housing Ministry later abandoned it.

Social housing is ruled by general tenancy law (law on housing aids)⁸ as far as rents and rental expenses are concerned. The remaining aspects of the rental agreement are regulated by the law applicable to private rental tenancies.⁹ An amendment to the *Loi du bail* was approved on the 1st of September 2015¹⁰, according to which the AISs will be exempted from such regulation. We will come back to this point later on in this contribution.

Due to the population growth, a higher average lifespan and the rising number of single-family households, the demand of housing considerably surpasses the offer.¹¹ The imbalance between supply and demand is particularly significant as far as rental housing is concerned. This segment of the housing stock relates particularly to small private landlords (*petits bailleurs*), i.e., landlords who rent one or two dwellings, which they inherited from or purchased with their savings. The demands (particularly financial demands) that maintenance and renovation impose on private landlords, usually lead to landlords trying to pass on the costs of maintenance and renovations to the tenants through rent. This happens generally all over Europe.¹² When landlords do not do the necessary maintenance and renovation works, tenants still often pay a relatively high rent

³ Population Census, www.statistiques.public.lu/fr/publications/series/rp2011/2012/index.html (last retrieved 30 August 2015).

⁴ Lord & Geber 2009, p. 89.

⁵ Santos Silva 2014, p. 11.

⁶ www.ais.lu (last retrieved 30 August 2015).

⁷ www.ml.public.lu/pictures/fichiers/Kordall.pdf (last retrieved 30 August 2015).

⁸ Act of 25 February 1979 concerning housing aid (*Loi du 25 février 1979 concernant l'aide au logement*), www.ml.public.lu/pictures/fichiers/Loi_modifiee_du_25-02-1979_texte_coordonne_01-04-20151.pdf (last retrieved 30 August 2015).

⁹ Art. 1(3) of the amended Act on private rental tenancies (*Loi du 21 septembre 2006 sur le bail à usage d'habitation et modifiant certaines dispositions du code civil*), www.ml.public.lu/pictures/fichiers/Loi_modifiee_21-09-2006_texte_coordonne_janv2014.pdf (last retrieved 30 August 2015).

¹⁰ Act of 5 August 2015 amending the amended Act on private rental tenancies, *Mémorial* A no. 169 of 1 September 2015.

¹¹ Santos Silva 2014, p. 53.

¹² For details see section 'Repairs' of the national reports of Denmark, Estonia, Germany, Greece, Hungary, Portugal and others, of the TENLAW project, available under <http://www.tenlaw.uni-bremen.de/reports.html> (last retrieved 30 August 2015).

(for EU standards) for a dwelling which falls short of an acceptable price-quality ratio. In case of bad isolation, energy costs are higher too.

The main victims of the lack of appropriate rental supply are usually average and lower class households. They often fall into a 'grey area'. That is because, on the one hand, they cannot rely on social housing either because they are not entitled to it or because they are on lengthy waiting lists; and, on the other hand, they cannot afford to rent an adequate dwelling in the private rental market. Moreover, the rate of vacant dwellings is relatively high as compared to other central European countries.

The Government of the Grand Duchy of Luxembourg has shown particular concerns in this specific segment of the population. It promotes the involvement of the private sector in the construction of housing and the creation of social rental agencies as well.

2. Brief remarks on the housing situation in Belgium, Flanders in particular

Flanders is the Dutch-speaking part of Belgium with its own Parliament and Government and thus full housing responsibilities. More than half of the households living in Belgium are housed there.¹³ Homeownership prevails just like in Luxembourg. Homeownership accounts for about 70% of the overall tenure following a longstanding policy to promote homeownership. The share of social rental housing, *i.e.*, the 'obvious' housing sector for vulnerable people, is marginal and is progressively residual. It does not surpass 5 to 6% of the full housing stock. It has lengthy waiting lists, which at present are approximately 100,000 applicants for each of the 145,000 social dwellings available.¹⁴

As for the private rental market, it is fairly unregulated and polarised into an upmarket and a no-choice, spatially segregated market. Following what is the general trend in Europe, private renting is dominantly an 'urban' matter in Flanders, as private rental dwellings are dominantly located in the larger urban areas.¹⁵

II. The role and impact of social rental agencies

1. General overview of social rental agencies in Central Europe

SRAs is a growing phenomenon in Europe. Like the *Agence Immobilière à Vocation Sociale*, AIVS (Rental Agency with Social Aims) in France, the Rental Accommodation Scheme in Ireland, the Rental mediation (*Provivienda, ProHABITAGE*) in Spain and the experimental social agency for rental housing Lo.C.A.Re in Italy.¹⁶

SRAs has a number of advantages. From the point of view of the individuals, the greatest advantage of social rental agencies is that they increase accessibility to stable and affordable housing for a growing number of households who cannot enter public housing – either because they are not entitled or because waiting lists and times are too long – and cannot afford a qualitative dwelling in the private sector. From the point of view of the State, SRAs are a quicker and cheaper housing alternative, which can utilize the previously existing housing stock without the need for investing in new ones. It also has advantages which for both individuals and the State in that social rental agencies can play a role in the renovation and maintenance of the housing stock. They permit the mobilization of

¹³ Haffner & Bounjouh, p. 4, fn. 4.

¹⁴ Winters et al. 2015; De Decker et al. 2015.

¹⁵ For details see Haffner & Bounjouh 2014, section "2.6. Urban aspects of the housing situation".

¹⁶ For details on the European perspectives, see FEANTSA, 2002.

vacant dwellings to housing needs, thereby contributing to a reduction or stabilization of the prices of real estates and rents.

2. SRAs in the housing systems of Luxembourg and Flanders

SRAs are a recent occurrence in Luxembourg. They emerged in 2009 to face the imbalance between supply and demand in the private rental market.

As was previously said, there are currently two social rental agencies at the Grand-Duchy. The AIS thus exclusively relies on Luxembourg funds (namely from the *Fondation pour l'Accès au Logement*, FAL (*Foundation for the Access to Housing*), which is a public institution, and the Family and Integration Ministry of the Grand Duchy of Luxembourg) and its main goal is to provide qualitative and affordable dwellings to those in need. A recent regional pilot-project¹⁷ led by the *Syndical intercommunal des communes du Kordall* (SIKOR), a group of municipalities in the south of the Grand-Duchy of Luxembourg¹⁸, which is particularly aimed at recovering the vacant dwellings in the country and making them available to households.

In Belgium, the SRA model is older and was presented as an alternative by the Umbrella Organisation of Homeless Organisation (VDVO) in 1985.

SRAs are rooted in services dealing with the homeless but are, today, more and more organized by local social services and by local governments. Since the AIS were recognized as an experiment in 1993, numerous legal actions were taken in order to raise the number of dwellings.

In Flanders, the social rental agency system is a relatively settled one, and as such could serve as a case study for European agencies.¹⁹ Under the Flemish legislation there are two types of SRAs: private SRAs and SRAs legally recognized by local authorities, social housing companies, Non-governmental Organisations (NGOs) or similar entities. The latter falls under the social rental legislation. Local authorities may also organize SRAs themselves, to which the social rental legislation will not apply. That is the case of Ghent, which currently has three SRAs.

There is a system of subsidization and it is a relatively complex one. Private-based social rental agencies are granted recognition by the State and they receive subsidies for payment of their staff and for the functioning of the agency. As for public-based social rental agencies, they do not receive subsidies, they receive only recognition by the State. Such recognition brings with it, however, a number of financial advantages like grants and aids for landlords and rent allowances for tenants. As example of such financial advantages is the case of the support that social rental agencies receive from being members of a social rental agencies' network. The goals of social rental agencies in Flanders include: to enlarge the number of available dwellings for vulnerable people; to improve the quality of the accommodation at the bottom-end of the housing market; to charge a socially correct rent. The legislation in force provides that only one SRA can operate in a municipality or area up to a specific number of inhabitants.²⁰

¹⁷ The project will last, initially, for the period of two years. The results of the project will dictate whether or not it will be continued. See www.ml.public.lu/pictures/fichiers/Kordall.pdf (last retrieved 30 August 2015). p. 2

¹⁸ Differdange, Käerjeng, Pétange and Sanem.

¹⁹ See FEANTSA 2013.

²⁰ When the legislation was enacted, this could have created a problem in the bigger city of Ghent, where two SRAs were active. In the meantime one of the NGOs serving as SRA stopped its activity, so the problem seems to be temporarily solved.

III. Legal aspects concerning social rental agencies

1. Entitlement

In the Grand Duchy of Luxembourg, there is a specific procedure that must be followed by prospective tenants for the allocation of a dwelling, and this is defined by internal regulation of the AIS itself. This means, contrarily to the remaining social dwellings, the procedure is not regulated specifically by an act²¹ but, instead, by an internal regulation.

In order to be granted a dwelling under such scheme, prospective tenants must fulfil five cumulative criteria. They

- a) Must have a housing problem;
- b) Must have an income which does not surpass a certain threshold;
- c) Cannot be owners of real estate neither in Luxembourg nor abroad;
- d) Must have a valid authorization permit;
- e) Must have a valid health insurance.

But the fulfilment of these criteria does not entitle the prospective tenants to apply directly to a dwelling before the AIS. Actually, they must always do it through a social service agent who serves as an intermediary in that relationship.²²

As for the AIS Kordall, there are criteria for selection and exclusion of both owners of dwellings and tenants. For the owners of the dwellings, the rent without utilities (*loyer sans charges*) cannot surpass 10 €/m² and the dwelling must fulfill habitability criteria as provided for in the law.²³ As for the tenants, they:

- a) Must have a financial condition which guarantees regular payment of rent and utilities;
- b) Cannot be owners of real estate neither in Luxembourg nor abroad, nor be tenants in social housing;
- c) Must have the right to social aid in the sense of art. 4 *Loi du 18 décembre organisant l'aide sociale*;
- d) Must be resident in one of the four municipalities composing the SIKOR.²⁴

As for Flanders, in order to be granted a dwelling, in the same fashion as in Luxembourg, candidates must have an income under a certain threshold and cannot be owners of real estate in Flanders, nor abroad.²⁵ Theoretically, applicants must have a valid authorization permit, but in practice some social rental agencies rent do not yet accept asylum seekers. Differing from Luxembourg, applicants can do their applications directly to the social rental agency. Applicants who fulfil every condition are enrolled in a waiting list. Allocation of dwellings is regulated through a point system, which evaluates different features of the context of the applicant. Homeless people have the highest score in this system of points, which means that they can, upon request from the social services of the respective municipality, be given priority over other non-homeless applicants on the waiting list.

²¹ Decision of the Flemish Government of 12 October 2007 on the regulation of the social rental system as an execution of title VII of the Flemish Housing Code (known as Social Rental Decision (*Het besluit van de Vlaamse Regering van 12 oktober 2007 tot reglementering van het sociale huurstelsel ter uitvoering van titel VII van de Vlaamse Wooncode* (B.S., 7 December 2007) (*verder nieuw sociaal huurbedluit*).

²² See www.ais.lu (last retrieved 30 August 2015).

²³ See www.ml.public.lu/pictures/fichiers/Kordall.pdf, p. 3 (last retrieved 30 August 2015).

²⁴ See www.ml.public.lu/pictures/fichiers/Kordall.pdf, p. 3-4 (last retrieved 30 August 2015).

²⁵ Decision of the Flemish Government of 12 October 2007 (see fn. 21 above).

As for the position of landlord, neither in Luxembourg nor in Flanders are there any special requirements. Homeowners are invited to contact directly the social rental agency in both Flanders and Luxembourg. Landlords are particularly encouraged in both countries to enrol within an agreement with the social rental agencies. Social rental agencies offer appealing conditions. In Luxembourg, social rental agencies guarantee the maintenance and renovation of the dwelling (even before the dwelling is rented), they serve as a guarantor in case the tenant is in arrears and guarantee payment in case of vacancy.

2. Object of the agreements

Dwellings that are rented by social rental agencies they have several different origins.

In Luxembourg, the dwellings which are rented by the AIS are vacant dwellings in the private rental market. Most of the times, their owners are not engaged in the search for a tenant, either because the dwelling needs maintenance works, or due to their unwillingness to be involved in an often lengthy process for the search of a tenant.

In Flanders, most of the dwellings that the social rental agencies rent are ordinary private rental dwellings. In some exceptional cases, the social rental agencies rent out rental dwellings from local authorities, social housing companies NGOs or similar entities. In other cases, the dwellings which are rented out are owned by the social rental agency, which acquired them through donation.

Both in Luxembourg and in Flanders, the dwellings which are made available to tenants are adapted to the composition and characteristics of the tenant household. However, the tenant does not have the right to choose or even influence the choice of the dwelling. Such choice is made only by the AIS, although in the case of Flanders the applicant can chose the neighborhood.

3. Applicable set of rules

The rules which are applicable to the contracts drafted by these agencies in Flanders are private rental legislation. Until mid-2014 federal Belgian law applied, but the responsibilities were then transferred to the regions (Flanders, Brussels and Walonia), even though the law as such has not been changed.

As for Luxembourg, the law on private tenancies still applies. However, an amendment to the legislation has been made which excludes social rental agencies from the scope of this law. This amendment was published on 1 September 2015²⁶ and will be in force from the 1st November 2015. So far, no conflicts resulting from the entering of the agreements by the AIS have been recorded. This amendment seems to result from a certain lack of clarity as to which rules apply to the contracts with the AIS. The Government is currently working on regulation of the activity of the so-called '*organismes de gestion locative sociale*' (institutions of social rental management). From the moment that the amendment to the law on private tenancies comes in force, the law on private rental agencies will stop applying to social rental agencies in Luxembourg. The new regulation on social rental agencies shall not come in force before 2016. This means that from November 2015 until the new regulation comes in force, social rental agencies will be a no-man's territory. As for the contracts with these agencies, only the contract rules and the principles of the AIS (as available in the AIS website) will apply.

²⁶ *Mémorial A* no. 169, 1 September 2015.

4. Rental agreement

4.1 Parties to the contract

In Flanders, there are two rental agreements. The tenancy agreement in itself is a legal agreement between the landlord and the AIS. The other agreement is a sub-tenancy agreement and is between the AIS and the subtenant the *de facto* tenant.

In Luxembourg there are at least two agreements as well. The AIS (FAL), the person(s) who will live in the dwelling and the social service organisation which intermediates in the contact between the first and the second enter into a so-called '*contract de mise à disposition et d'utilisation d'un logement*' (contract of availability and use of a dwelling). The contract has some apparent similarities with that which in the German legal system corresponds to the contract with protection to third parties (*Vertrag mit Schutzwirkung für Dritte*),²⁷ in particular because the person who will live in the dwelling is not named 'tenant' but '*bénéficiaire*' (beneficiary) and the amount which is paid as against the right of use of the dwelling is not called 'rent' but '*indemnité d'occupation*' (occupation fee). This seems to be a particular original feature of the AIS in Luxembourg. The features of this contract make clear that the availability of the dwelling consists of a social provision.

The other contract, the rental agreement as such, is between the AIS and the landlords. In the case of the AIS Kordall, such contract is in existence, because the dwellings which are used for the purpose of housing households in need are from the municipalities who form the AIS itself. The fact that the contract is between the AIS and the landlord without the involvement of the beneficiary may give rise to situations where the beneficiary can be indirectly harmed and which can compromise his or her right of living in the dwelling. That would be so if the landlord withdraws the dwelling from the possession of the beneficiary (*e.g.*, by locking the tenant out of the dwelling) or threatens to do so. In such cases, the tenant, third party to such contract, does not have statutory rights protecting him against 'forced' eviction and cannot act directly against the landlord.

	Luxembourg (AIS)	Luxembourg (AIS Kordall)	Flanders
Owner of dwelling/SRA	Tenancy agreement	Contract of placement of use of dwelling	Tenancy agreement
Owner of dwelling/occupier	No agreement	No agreement	No agreement
AIS/occupier	No agreement	Tenancy agreement	Sub-tenancy agreement
AIS/social service	Contract of placement of use of dwelling	No intervention of social service	No intervention of social service needed

Table 1 – Agreements where social rental agencies are involved

4.2. Content of the agreements

4.2.1 General features

a) Length

²⁷ von Bar, 1998, p. 3.

The provisions in Luxembourg and Flanders are very different in respect of the length of a tenancy.

It seems safe to say that it is the Luxembourg position which departs from European average length of such agreements. Indeed, in Luxembourg, the contracts with the AIS as a principle always have the same length, irrespective of the situation of the tenants. The length is three years, and it cannot usually be extended.²⁸ This means, on the one hand, that even when the tenant dramatically improves his financial situation during the rental agreement, and is even in condition of renting out in the private rental market, he or she will still be entitled to stay until the end of the rental agreement. On the other hand, where the tenant is unable to improve his situation during the length of the contract, he or she will still have to leave the dwelling at the end of the three years. A further natural consequence is that there is no preemption right of the tenant, *i.e.*, the tenant does not have the first buy option to purchase the dwelling from the landlord²⁹ where he or she lived as tenant in case the dwelling becomes available for sale. Another possible consequence is that at the end of the period of three years, if the tenant could not improve his or her situation, the tenant and respective family could become homeless.

As for the AIS Kordall, the minimum length of the rental agreement is two years. This length can be extended and renegotiated.³⁰ However, the AIS Kordall is a pilot-project only, limited to the period of two years, which means that in case the project is not effective, the tenants can, in practical terms, be evicted.

In Flanders, the rental agreements fall under the private rental regulation. Rental agreements between the landlord and the SRA, and the rental agreement between the SRA and the sub-tenant –they are to last for nine years, which is justified by the recognition of importance to the security of tenure.³¹ A first-option to purchase the dwelling does not exist.

b) Termination

In Flanders, the situations which lead to eviction are the same in private rental law, *i.e.*, rent arrears, vandalism, nuisance, but it is up to the judge to decide in each particular case whether the tenant should or should not be evicted.

In Luxembourg, the AIS has a right to immediate termination without notice if the beneficiary fails to pay the occupation fee for two months or makes significant detriment to the dwelling. As for the AIS Kordall, no special rules on termination are known, which means that these aspects are regulated for in the contract only. It is however generally provided for that the non-payment of rents does not automatically lead to termination: the social services must hear the tenants on their grounds of non-performance. Moreover, six months before the end of the agreement, the tenants are contacted to do an assessment of their social and financial situation and to encourage them to search for another dwelling in case the agreement is not extended. It is thus apparent that the regulations of the AIS Kordall are more protective of the tenant. Despite they do not impose mandatory social measures on the tenant, they still offer a degree of social protection. Also, during the length of the contract, the beneficiary can be relocated if the needs of the AIS so impose.

²⁸ www.ais.lu.

²⁹ Purchasing the dwelling from the social rental agency would be a sale of alien goods both in Luxembourg and Flanders.

³⁰ See www.ml.public.lu/pictures/fichiers/Kordall.pdf, p. 3 (last retrieved 30 August 2015).

³¹ This is not the case for other private rental contracts.

4.2.2 Rights and duties of the parties

The rights and duties of the parties are similar in both Luxembourg and the Flanders.

In Luxembourg, and as far as the rental agreement contract between the AIS and the landlord is concerned, the landlord has the duty of making the dwelling available to the AIS and to accept a rent in return that is lower than the normal private market rent for dwellings with the same characteristics. In return for the availability of the dwelling, the AIS commits itself to provide all necessary maintenance works and to guarantee payment even when the dwelling is not occupied.

Within the agreement between the beneficiary, the AIS and the social services, the obligations that derive to the beneficiary are:

a) to contact regularly the services which entered the contract and which accompany them during the length of the contract (*service sociale d'accompagnement tiers*)³² and

b) to realize that the availability of the dwelling consists of social measure only, provided through intermediation of the AIS and committing to improve his or her social and financial status in order that, at the end of the contract, he or she will be able to access housing without the assistance of the AIS. The beneficiary must declare that he or she is aware that he does not have a right to the use of the dwelling. The contract as such highlights that the rules of the *loi 2006* do no longer apply and that this social measure may thus be amended or suppressed. Besides these obligations, the beneficiary must provide a security (*lettre de garantie*) either as a lump-sum payment or in installment payment. This is the present state of affairs, which might change when a new regulation comes in force.

In Flanders, in the partnership between the SRA and the landlord, the landlord offers a below market rent, quality standards, a rental contract for the period of nine years and a no-say as far as the profile of the subtenant is concerned. The SRA, in exchange, guarantees monthly payment of rent, provides rental mediation, handyman's services, legal occupation standard and professional counselling. As for the partnership between the SRA and the respective sub-tenants, the tenant agrees to provide participation in rental counselling, maintenance of the house and good behaviour, prompt payment and open communication. In exchange, the SRA agree to provide for 'high-quality' housing, affordable rent, rental subsidy, 9 years rental agreement and rental counselling.³³ In both Luxembourg (AIS) and Flanders the social and professional counselling (respectively) pass through the philosophy that the client must become independent as soon as possible.

5. Some critical remarks

In both Flanders and Luxembourg, SRAs are subject to a regime which is in many instances less protective of the tenant than the regime applicable to private rental agreements.

The most original features of the model of social rental agencies in Luxembourg also correspond to the aspects which give rise to more concerns as far as the protection of the tenant is concerned. This is particularly so for the AIS.

A first aspect is the lack of tenure security. Firstly, it arises from the short length of the contract (non-renewable as far as the AIS is concerned). Secondly, it arises from the

³² The terms of this engagement are regulated by a contract celebrated between the AIS and the social service, in agreement with the beneficiary.

³³ See De Decker (2002; 2009).

fact that, in the case of the AIS, the right to occupation of the dwelling is a social measure which can be suppressed at any time.

A second aspect is the freedom of contract of the tenant/occupier of the dwelling. The occupiers are not entitled to choose the dwelling where they are to live, as in Flanders, nor negotiate the length of the agreement, in the case of the AIS. Pets, transformations to the dwelling, installation of antennas and visitors are forbidden.

In Flanders, subtenants renting from local authorities, social housing companies NGOs or similar entities are legally entitled to the same rights that private rental tenants have, but that is not the case of tenants renting from private persons. In the latter case, the fact that the SRAs and the tenants celebrate a sub-tenancy agreement has not been officially recognized. Therefore, the tenant is not legally entitled to benefit from the more protective provisions from the law applicable to private rental agreements.

Despite these legal aspects where the regime applicable to the SRAs can still be object of significant improvement towards the reinforcement of the rights of the tenant, SRAs are a proven social innovation that successfully mobilises vacant dwellings to meet situations of housing exclusion and homelessness. There is thus a great interest in developing this model and increasing the number of active social rental agencies.

A few challenges seem, however, to be ahead. Firstly, the pool of available dwellings must be increased. For that purpose, prospective landlords must be contacted and informed of the advantages of renting to SRAs, and the disadvantages of keeping their dwellings vacant like the payment of punitive fees, etc. Other options should be considered and regulated. The pool of dwellings should be diversified too, namely, in order to meet the needs of handicapped occupiers. Former factories and other flat areas could be used for that purpose.

Secondly, SRAs should count on more funding. So far, in Luxembourg and Flanders social rental agencies³⁴ are financed by the State/region only. But these subsidies – at least in Flanders - are not enough to grow the SRA sector to a substantial market share. So, if governments want SRAs to play a substantial role, they have to invest in them.

Thirdly, the working capacity of social services must be reinforced too, particularly in the cases where applications to dwellings made available by the SRAs involve and imply their support.³⁵ Fourthly – and this goes hand in hand with the third factor – the risk that SRAs become welfare institutions should be avoided. SRAs are rooted in small-scale welfare services in which welfare work methods dominate. In the future, SRAs may either continue their welfare work and risk undermining their built-up legitimacy, or they might become real housing agents and risk phasing out welfare work altogether³⁶

Last but not the least, there should be a clear regulation of the contracts, including a description of the parties, their rights and obligations, the periods of notice and the conditions of termination and eviction. Such provisions should be at least as protective as the rules applicable to private rental agreements, which is a matter of equality before the law.

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³⁴ In Flanders, occasionally, not a structural base and in small numbers, provinces and local authorities, have subsidies.

³⁵ See also Owen 2013.

³⁶ De Decker 2009, pp. 228-229.

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