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SOCIAL RENTAL AGENCIES THROUGH THE EYES OF THE LANDLORD

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Abstract

Social rental agencies (SRAs) are non-profit organisations who operate on the Belgian housing market. They rent dwellings on the private rental market, which they sublet to poor households, often former homeless. The first SRAs were set up by labour migrants and engaged middle class persons at the end of the 1970s to deal with the discrimination of migrants. The housing crisis of the 1980s encouraged a further expansion. At that time it was welfare services working with the homeless that took the initiative in order to avoid the return of former homeless persons to the services again and again because they could not find regular housing. In the Flemish region, SRAs sublet approximately 4,400 dwellings today.

SRAs are recognised by the all regional government and are funded for working costs. Despite the formula – once described as a splendid idea – seems to function well, the SRA sector remains small. In our paper we will deal with the origins of the SRAs, their (limited) growth and in particular with the results of research among the private landlords working with SRAs (De Decker, Vlerick & Le Roy, 2009).

Key-words: private renting, social rental agencies, homelessness, social services, Flanders

INTRODUCTION

Social rental agencies¹ (further SRA), which in all Belgium regions² are recognised and subsidized, are non-profit housing institutions dealing with the housing problems of poor and vulnerable people. They are rooted in the services dealing with homelessness. The idea behind a social rental agency is, in the words of Silkens (2006), then coordinator of the Flemish umbrella organisation of SRAs, as splendid as simple. A SRA contacts a private landlord and offers to rent his/her house. As

¹ 'Social rental agency' is the translation of 'sociale verhuurkantoren' (see already De Decker, 1998; 2002). Recently it is also translated as 'social renting office' (see Silkens, 2008).

² Belgium is a federal state. According to the constitution housing and welfare matters are responsibilities of the regions Flanders, Wallonia and the Brussels Capital Regions. This article deals with Flanders.

such the landlord gets a sound 'official' tenant, which ensures the payment of the rent and the housing quality. Additionally the practicalities of letting are transferred from the landlord, without any risk, to a SRA. SRAs choose the tenant, deal with the paper work (e.g. the description of the place, the registration of the contract), the collection of the rent, the fire insurance, the organisation of repairs and maintenance. SRAs negotiate the rent, but for a 'lower' rent the landlord's revenue is guaranteed.

A SRA rents dwellings to sublet them, thereby focussing on households and people who are vulnerable on the housing market. Singles and families with a low income are prioritised. The SRA helps the subtenant since tenant's support is at the heart of the SRA mission. If necessary, SRAs create a link to other welfare organisations for accompaniment (e.g. in case of addiction or for fixing paperwork).

Originally the SRAs were founded by welfare agencies in order to 'socialize' the quasi unregulated private rental market (De Decker, 2001), but this 'ideological' strand diminished into a more pragmatic position. As a consequence, next to private non-governmental services, public welfare services (OCMW) also started to organise SRAs. At the end of 2007, 50 recognised and/or subsidized SRAs rented out 4,368 dwellings. Although the number SRAs rose permanently since their start, way back in the 1970³, not all municipalities have been served. At the end of 2006 in only 67.5% of the Flemish municipalities SRAs have dwellings on the market (Vlaams Overlegbewonersbelangen, 2007; 2008)

SRAs operate on the private rental market. Nevertheless, the interest of landlords, considering working with a SRA, was never researched. As a consequence little was and is known on the relationship between SRAs and private landlords. Already in 1988 Neirinckx argued for a research on the basic questions: "*What are the considerations of landlords to work with SRAs?*"

It would still take nearly 20 years before the Flemish housing minister ordered a research in order to get an idea of the profile of the landlords working with SRAs, the way landlords and SRAs got acquainted⁴ and the experience of landlords who worked with SRAs. So, do the SRAs prove themselves? In a first part of this article we deal with the rise and aims of SRAs; in a second part we deal with (the results of) the research among landlords who currently work with SRA (De Decker et al, 2009). In a final part the future of SRAs will be debated.

1. ON THE RISE OF THE SRA MODEL

1.1. Current legislation

According to the current Flemish governmental decision on the recognition and subsidizing of SRAs (Governmental decision of 16 March 2004), the task of a SRA are (Silkens, 2006):

- renting or taking in long lease, within a certain area, dwellings from private landlords in order to sublet them to households and singles in housing need for a reasonable rent and taking into account their housing security⁵
- offering participation to the subtenants and counselling them concerning tenancy rights;

³ At that time the concept 'SRA' was not used, but the then introduced models use the same working principles (Baeck, 2005).

⁴ In 2007, the Flemish government launched a campaign to promote SRAs. The research had no intention to evaluate it since it followed to shortly after its launching.

- working together with local housing and welfare agencies and particularly taking initiative to set up networks;
- open for all candidates, regardless their sex, nationality, ethnicity nor their ideological, philosophical or religious strand.

From this follows that SRAs differ from classic social housing companies, e.g. because they do not own houses⁵. SRAs have to behave as tenants on the private rental market and negotiate a lower rent to compensate for guaranteeing the payment of the rent, the continuity of the tenancy and the quality of the dwelling. This negotiated rent is the rent the subtenant has to pay; this implies that an average SRA rent is higher than an average social rent. The affordability gap can occasionally be narrowed using a rent allowance.

SRAs are regulated by the regional governments. Nevertheless they also function within the framework of the private rental legislation, which is the responsibility of the federal government. So it is the federal frame that determines private market rents (a matter of free negotiations between landlords and tenants), the length of a legal lease (9 years, but short term contracts are possible⁶) and the condition of contract termination. This leaves the Flemish government with only a limited ‘policy space’. So basically the regional governments pay the wages of the SRA staff and some working credits, foster additional task (participation of subtenants; negotiating the rents) and oblige the SRAs to use 9 year contracts for subleases.

1.2. Development of SRA model

The SRA model developed to an officially recognised housing institution in three phases (table 1). A first phase ends in 1993. It is the phase of the development of ‘the splendid idea’ (Vlaams Overlegbewonersbelangen, 1998). The second phase runs from 1994 tot 1997, starting with an agreement between the Flemish government, the umbrella organisation Vlaams Overlegbewonersbelangen (Flemish Consultation Organ of the Inhabitants – further: VOB) and nine SRAs to subsidize them as an experiment⁷. As a consequence the VOB is obliged to work out a unitary model for SRAs. This shall result in an official recognition and decision to subsidize ‘rental institutions’⁸ in 1997, after the first Flemish comprehensive housing law is voted in Parliament. The third phase (1997-2008) is the growth phase with the foundation of more SRAs as well as an increase of sublet dwellings. A new regulation on the allocation of social rental dwellings in general – applicable for social housing companies as well as social rental agencies – will determine the near future.

⁵ Although this is not excluded (e.g. ownership through donation).

⁶ Short term contracts (max 3 years) make up approximately half of the leases registered through tenant’s associations (Vlaams Overlegbewonersbelangen, 2008b).

⁷ Since there is no legal frame (law or decree in Flanders), no official recognition was possible.

⁸ Nor in the original Law nor in the changes since then, the word ‘social rental agency’ is used. The euphemism word ‘rental institution’ implies using a general word to catch all –even virtual- organisations who want to deal with problems on the private rental market. This vague word-use illustrates that the institutionalisation of SRAs and the VOB is not yet fully acquired. At the same time it gives those who oppose interventions in the private rental sector the argument that they are not really recognised (since not mentioned in the law), while simultaneous agreeing with the subsidising of the SRAs when voting the budget.

Table 1. Main data in the development of the SRA model in Flanders, Belgium

23 January 1985: the umbrella organisation of homeless reception services (VDVO) launches the SRA-idea on a conference (VDVO, 1986)
1994-1997: agreement with the Flemish government on the recognition of 9 SRAs and their umbrella organisation as an experiment
15 July 1997: 'rental services' are recognised as a housing institution in the Flemish Housing Law, creating the necessary legal framework
21 October 1997: decision of the Flemish government on the recognition and subsidizing of the SRAs
6 February 2004: the decision of 21/10/97 is changed to enable SRAs to rent and sublet more dwellings
12 October 2007: the creation of a new context with the approval of a new regulation on the allocation of social rental dwellings (and in the meantime it already changed twice)

Breeding ground

Notredame (1994) relates the foundation of grassroots housing initiatives, among which SRAs, with a housing crisis, evolution within welfare work and housing activism (see already De Decker, 1998; 2002). First there is the housing crisis. It is fed by different elements: the economic crisis of the 1970s and 1980s, the restructuring of the households, the non-functioning of a state under devolution and the dependency of the Belgian housing model on historical choices. The grassroots organisations were the ones searching for possible solutions to deal with the crisis, not the government(s).

The economic crisis goes together with a fundamental restructuring of the labour market including a rising (income) insecurity and fiercely increasing interest rates. The consequence is a spectacular drop of new private housing construction, which is dramatic since the Belgian model is built precisely on the efforts of private households. Belgium (and later its regions) has had, if compared with its neighbouring countries, an extraordinary housing policy, stimulating home-ownership for the working population, limiting the construction of social rental dwellings and an showing an unwillingness to regulate the private rental market. As a consequence, in order to build enough dwellings of good quality, 'the model' (Mougenot, 1988) has to fall back on the individual households. So, when the economy went into crisis, private construction activity dropped. The government, confronted with huge state debts, was not able to compensate this drop with the construction of social housing. On the contrary, the construction of social rental dwellings also dropped spectacularly and the government reacted basically by deregulation the private rental market in order to stimulate investments. (Once) again free negotiations of the contract became the adagio of the legislation so that rents and terms of lease became the sole responsibilities of landlords and tenants. The expected investments were not realised – on the contrary, the historical shrinking of the private rental sector continued. Parallel with this housing crisis, a raising demand for social housing/rental solutions also emerged as a consequence of the growing number of households through the second demographic transition (divorce, more people living alone) and ongoing external migration. Additionally proportionally more people than before became home-owners, not through the acquisition or construction of a newly build house, but through the purchase and renovation of an existing one. This implied that the filtering up mechanism – the theory underpinning Belgian housing policies (Goossens, 1983) - was turned upside down, as such squeezing the whole market, which consequently led to a fierce competition, especially at the bottom end of the housing market where low income and vulnerable households competed for often substandard housing (Pannecoucke et al, 2003).

By the end of the 1980s, the construction of newly build, privately owned houses revived, but without reaching the same level. The construction of social

rental dwellings also increased, but far too little to deal with the needs⁹. As a consequence the private rental sector became less and less affordable for vulnerable households (Heylen et al, 2007; De Decker, et al, 2008).

It is within this context of only few private new dwelling construction and rising private rents, that the SRA model was developed out of housing activism and welfare work. The practice of renting and subletting aiming at offering affordable housing was not entirely new. Inspired by British examples tenant's associations and tenant's unions originated already during the 1970s, mostly founded by (heavily discriminated) labour migrants (looking for a house) together with local (social) services (Van den Eynde, 2003; Baeck, 2005). The first SRAs 'avant la lettre' were founded in 1978 in Brussels, Antwerp and Ghent. All focussed on the purchase or renting of dwellings to sublet them to Turkish and Moroccan people. The financing was precarious, and stayed precarious until 1993.

The SRAs were also fostered by neighbourhood activism. This social work method was founded by parochial work in poor urban neighbourhoods and would play an important role in the social urban renewal policies of the 1980s. Participation and the right to housing were among their core values and initial projects included housing experiments for disabled persons, integrated housing and work projects (renovation) and tenant's participation (De Decker, 2002). Features of these would be integrated in the working methods of SRAs.

A final grassroots source was welfare work. Especially the homeless services saw opportunities in the SRA-construction, offering a housing solutions for their clients (VDVO, 1986; 1987; Notredame, 1994; De Decker, 2002). The original model was a co-operation between the different welfare organisations that – at the time they were hit by the de-institutionalising microbe themselves - experienced housing problems for their own clients. The use of the SRAs offered their (former) clients affordable and – even more important - stable housing. With the SRAs the welfare organisations tried to find a more structural way to address the problems of their clients, as decent housing is more able to avoid that clients keep coming back to the services. So, originally SRAs aimed at housing the (former) clients of the member organisations.

Towards institutionalisation

In 1985, seven SRAs were at work, but it was difficult to survive only on membership contributions and the collection of money here and there. In the 1990s they got some oxygen via a wide, but never structural, subsidies scheme that was aimed at combatting poverty. However, it allowed them to make the model uniform (Vanhove, 1997) around four principles: the right to housing; the (weak) position of the (vulnerable) tenants, the complementarities of the different housing institutions and the participation of the tenants.

From this moment on the SRAs were not restricting their work solely to their member organisations, they became offices open for applications. Simultaneously with this important change, the SRAs positioned themselves not in competition with social rental housing associations, but rather complementary to them (De Decker, 1995). Classic social housing is experienced in constructing and maintaining dwellings, while SRAs have the capacity to work on the private rental market with the necessary flexibility of working with short term contracts and difficult clients.

⁹ Today, in Flanders 6% of the housing stock is social rental housing. This concerns approximately 140,000 dwellings. This is an estimated need for approximately 180,000 social rental dwellings (Winters & De Decker, 2009).

Above that SRAs indicate that it is not their goal to take over the responsibilities of the welfare services.

SRAs can be considered as ‘institutionalised’ since 1997, when the Flemish parliament created, within her first housing law, the legal frame. The same year the Flemish government executed part of the law drawing up the recognition prescriptions and criteria for subsidising (see 1.1.).

2. THE VIEW OF THE LANDLORD

2.1. Research design

In this second part we deal with a survey among private landlords, either persons or companies, that rented at least one dwelling to an SRA in the period August 2007-December 2007 (De Decker et al, 2009b). The written questionnaire (28 pages, 81 questions) was constructed out of other questionnaires, an analysis of the year reports of the umbrella organisation of the SRAs (VOB) and a small preliminary investigation.

All known landlords working with SRAs, 1.615 different ones, received a postal questionnaire. 724 useful questionnaires were returned. A response of 45% is satisfactory. The research, which took place during the last quarter of 2007, was accompanied by a steering group with members of the Housing Minister’s Cabinet, the Flemish Housing Administration and representatives of the SRA sector.

2.2. Preliminary investigation

Since this research was the first of its kind and had to start from scratch, a small preliminary investigation was organised, using semi-structured in depth interviews with representatives of two organisations of landlords (Algemeen Eigenaarssyndicaat, AES; Algemeen Eigenaarsverbond, AEV), employees of Flanders’ largest SRA (De Poort, Kortrijk, managing approximately 400 dwellings), and two landlords working with a Ghent SRA. The aim was to obtain a first insight in the advantages and problems observed by the different protagonist. The information was used to design the questionnaire, but, already at this point, it also revealed some hidden information.

Major findings to take along were:

- *with respect to getting in touch*: it are the SRAs that look for dwellings (e.g. based on advertisements in the newspapers and specialised real estate publicity channels) and it is through mouth to mouth publicity that landlords strike up an acquaintance. In the Kortrijk case, publicity on the local television was also an important source of information. The Kortrijk SRA notes that in her specific case local rent allowance and the own renovation efforts function as a trigger. The landlord’s associations underline that to most landlords SRAs are unknown;
- landlords work with SRAs to *transfer the burdens of landlordship* to SRAs since these keep an eye on the tenant and organise repairs. The landlord’s associations stress that they agree with the quality norm of the Flemish government, but also points to the fact the older owners are not able to face the practical execution of renovation. At the same time they point to the fact

that SRAs are not able to do large maintenance themselves since they are not acquainted with the construction side of housing;

- landlord's associations point to the fact that some work with SRAs because they *live to far away* from their property;
- landlord's associations point to the fact that some landlords *do not want to work with SRAs* because (1) SRAs limit the possibilities of terminating the contract; (2) the bond with the dwelling is cut off and (3) SRAs can only pay low rents. With respect to the latter, the landlord's associations argue for the expansion of the rent allowance scheme¹⁰ and for tax reductions;
- concerning *subletting* opinions differ. Some landlords show concerns on the profile of the subtenant (and want to avoid getting anti-social behaviour in their houses¹¹), others are not. The Kortrijk SRA experiences a decrease of this kind of concern, since landlords get more and more acquainted and are more and more satisfied with getting rid of the practicalities of private renting.

Another interesting and so far hidden practice was that some landlords use a "*double rental strategy*": if they own more than one rental house they let via SRAs as well as via other channels. This is linked to the position of the dwelling on the market: dwellings of a lesser quality, dwellings in a bad location and/or more general difficult-to-let properties are passed on to SRAs; better quality dwellings in good locations are let out directly or via real estate brokers because these dwellings get higher rents and usually cause less trouble.

2.3. The profile of the landlords

Conform with the information of the landlord's associations based on their membership list and also echoing earlier findings (Heylen et al, 2007), we find that landlords working with SRAs are *small owners*: on average they own 3,2 dwellings (2,2 for all landlords). 60% of the respondents let out only one dwelling. Noticeable is that among landlords who let out more than two dwellings, only 16% do this exclusively with SRAs (thereby underpinning the double rental strategy). A second major finding is, that landlords working with SRAs are rather old: 36,5% is over 65 years and 20% is even over 75 years (compared to 10% of all landlords).

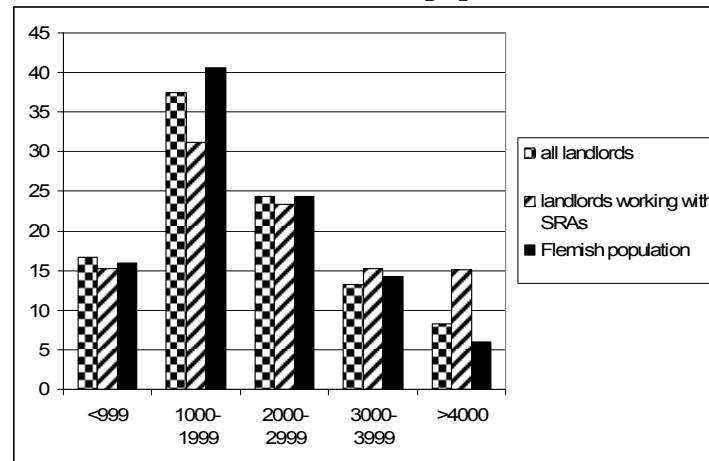
Concerning *professional status*, a distinction between landlords only working with SRAs and those using a double strategy seemed appropriate. The share of self-employed is considerable higher among the latter, although in both categories wage-earners form the largest groups. Nevertheless this supports to some extent the popular thesis that – because of their separate pension system and as a consequence a lower pension -, self-employed save for old age through acquiring (and letting out) property. Concerning *income distribution* we observe that generally the SRA landlords are less well off than all landlords, but this can partly be explained by their age since pensioning goes together with an income decrease.

¹⁰ This is not really a rent allowance in the real terms of the concept. In reality it is a grant to move from a bad quality dwelling to a better one in the private rental market. Under certain conditions low income households can get a grant for a limited period of time. In 2006 2,166 new allowances were allocated adding to a total number of 8,699 (VRIND, 2008).

¹¹ It is undeniable true that a large share of SRA tenants had a history of institutionalisation (prison, psychiatry, rehab).

A majority of the landlords say they deliberately purchased the dwelling(s), either to move to it later in life or for (one of the) children to move to. Meanwhile they let it out.

Figure 1. Income distribution of (SRA) landlords and the Flemish population, 2007



Source: Flemish Housing Survey 2005; Flemish SRA landlords' survey, 2007

2.4. Getting acquainted

Since the Flemish government officially recognised the SRA model as a useful method, gradually more money was reserved in order to underpin the expansion of the sector as well as the professionalization of the individual SRAs. And because the 2004-2005 government made the expansion of the sector a spearhead, regulations were adapted and a publicity campaign was launched

Our research learns that there is no clear-cut access road to SRAs. The answers are widely dispersed and largely underpin the findings of the preliminary research. Awareness of the existence of SRAs mostly comes via friends, acquaintances and organisations who know a SRA and/or already work with them (together 41% of the responses). Approximately 20% of the landlords was addressed by a SRA. The local social service is the most important one among the possible referring organisations: 31% of all landlords contacted a SRA via this channel¹². Only 7% of the landlords got acquainted with a SRA via the municipal housing administration¹³. 6% of the landlords referred to the media (e.g. local television) as the source of information and 6.8% refers to publicity campaigns. The landlord's associations, the internet and real estate broker are marginal referrals.

2.5. Motivations to work with SRAs

SRA historically call on two major added values: (1) paying the rent¹⁴ on time and even in periods of vacancy and (2) guaranteeing the upkeep of the dwelling. Next to that (some) SRAs take initiatives to increase the housing quality. We look at the motivations to work with SRAs by using a motivation topic list. An overwhelming majority of the respondents states that it is precisely because of the guaranteed and

¹² Note that local public social services organise SRAs themselves. They might explain this high share.

¹³ A recent survey shows that – although the Flemish housing law appointed them as the director of the execution of her housing policy – municipal housing policies are dramatically weak (Tratsaert, 2008).

¹⁴ Although there is no Court registration, it is seen as the main complaint together with the refusal of landlords to do the necessary repairs.

timely payment of the rent (97%) they wanted to work with the SRAs. A second important factor (96%) is the guarantee that the quality of the dwelling stays maintained or/and even enhanced. Additionally does 80% of the respondents prefer working with SRAs as it is ‘easy’: they are excused from looking for tenants and they are not confronted with the inconveniences of private renting.

Other motives get a lower ranking. Nevertheless, still 70% of the landlords work with SRAs because of their expertise. And if the distance between the place of residence of the landlord and the location of the rental house is large, working with a SRA becomes more interesting for 47% of the landlords.

From all this, it is undeniable that ‘security’ in all its features (payment of the rent, succession of the tenants and housing quality) together with the ease of renting via the SRAs are the most important reasons for using the SRA model.

Respondents did not really go to a SRA because of social reasons (e.g. offering an affordable dwelling), nor because of negative experiences with private renting. Concerning the latter, only a few of the landlords who did pure private renting in the past, were, contradictory to the opinion of the landlord’s associations, confronted with problems. And if they experienced problems, these were restricted to one case. The most occurring problem was the non-payment of the rent (table 2).

Table 2. Experienced renting problems mentioned by landlords for dwellings not rented out via SRAs (%)

	Rarely/never	Now and then	(very) often
Nuisance	68	24	7
Negligence	54	29	15
Not paying the rent	52	27	21
Damaging the dwelling	51	28	9
Not paying the rent in time	43	29	27

Source: Flemish SRA landlords’ survey 2007

2.6. The evaluation of the collaboration

Concerning the satisfaction of working with SRAs, we focussed on the following trumps: (1) they guarantee the payment of the rent, (2) they watch over the housing quality, (3) they renovate the house if necessary, and (4) they monitor the tenants.

The research shows that without exception *the rent* is paid on time, which is widely appreciated by the landlords. Concerning the monitoring of the *housing quality*, no clear conclusions can be drawn since to little SRA landlords already experienced a termination of a lease. However, it was revealed is that the landlords have no objection against quality norms. Above that, when asked, landlords are prepared to adapt the house to the norms. What probably is in play here is that out of necessity SRAs organised the renovation process themselves in 72% of the cases. By working this way, they get the landlords of the hook. Consequently, very little landlords have the intention to stop working with SRAs notwithstanding the existence of quality rules. This positive (changing?) attitude challenges the bad reputation of private landlords with respect to housing quality, being that of slum landlordism and a mismatch between rent and quality. This can be linked to the fact that both the federal rental legislation and the Flemish housing law introduced minimum quality standards. Above that SRAs, being recognised and subsidized housing institution, are obliged to work only with minimum standard housing¹⁵.

¹⁵ Different from the past, is that the risk of being caught for letting out bad housing has risen, and with that the risk of punishment. Although one should not exaggerate the risk of being caught. Concerning the federal law, the enforcement of a basic housing quality is still matter of a negotiation between landlord and tenant (and by

One of the findings of the primary research was that by letting out to an SRA the landlords lose control over the selection of the tenants. This statement is not supported. We found that, although they hardly control the evolution of the tenancy themselves, the landlords do trust the SRAs. Nevertheless, 15% of the respondents state that the follow up of the tenancy can be better. Fact is, as table 3 shows, that landlords who work with SRAs are less fastidious than landlords in general.

Table 3. “I would look for an other tenant...” – all landlords versus SRA landlords (%)

	All landlords	SRA landlords
...if the candidate is not an autochthonous person	26	9
...if the candidate is a single with children	10	5
...if the candidate depends on a rent allowance	40	18

Sources: Flemish Housing Survey 2005; Flemish SRA landlords’ survey 2007

The survey also shows that the landlords are very satisfied with the different features of the rendering of services by the SRAs. This includes the capabilities of doing the job, the accessibility of the office, the quality of the reception and the ease for making appointments.

More than two thirds of the respondents state that letting out to an SRA has only advantages; one on three sees as well advantages as disadvantages and no more than 3% of the current landlords working with SRAs see only disadvantages.

The guaranteed payment of the rent is the most important advantage (57,2%). Other advantages follow at distance (table 4): less work and worries (19,6%), less responsibility with respect to repair (14,6%), certainty with respect to the continuity of the letting (11,9%). And if we sum up the different responses dealing with security (income, tenancy, and security in general) they add up to nearly 80%, what makes of security the main trump of the SRA model.

Table 4. Advantages of working with a SRA, answers to an open question

	N – first answer (1)	N – second answer (2)	N – third answer (3)	N – total (4)	% of (4)
Income security	232	63	3	298	57.2
Less work and worries	88	14		102	19.6
Guarding the dwelling quality	25	41	8	74	14.2
Continuity of renting out/no vacancy	46	16	5	67	12.9
Avoiding problems with tenants	31	29	2	62	11.9
Guaranteeing control	24	23	6	53	10.2
Security in general	31	4	1	36	6.9
Reliability/professionalism	20	5	4	29	5.6
Is kind of social renting	9	10	4	23	4.4
Follow up legal features	5	2	1	8	1.5
Possibility of renovation	7			7	1.3
Good for both parties	3			3	0.6

Source: Flemish SRA survey 2007

extension the court), since the federal government does not organise quality control here. At the Flemish level inspection work has started, but its impact is still very small. So concerning housing quality control – following scandalous housing of Asylum seekers exposed in the media – the law and the penalties (today even including imprisonment) became more severe, but the enforcement remains weak.

If landlords see disadvantages in working with SRAs (table 5), it concerns the rent, which is then seen as too low (36,8% of the complaints). Others follow at distance: lack of control, supervision and participation in general (7,8%) and on the tenant in particular (15,2%). Although, all together only a limited number of landlords refer to the rents; although the fact that they are down seems to be the Achilles heel of the system. It is also the element landlords referred to when asking for feature initiatives which could ameliorate the SA model. The main proposals/suggestions concern (rent) income: landlords prefer and suggest other types of financial support, like e.g. a decrease of real estate taxes or renovation grants, in stead of increasing the rent. Fact is that, as table 6 shows, approximately half of the respondents say that the obtained rent is lower than the rent they wanted (51.5%). And in even 70% of the cases, the rent is lower than the market rent for a comparable dwelling.

Table 5. Disadvantages of working with a SRA, answers to an open question

	N – first answer (1)	N – second answer (2)	N – total (3)	% of (3)
Low(er) rental income	156	4	160	36.8
None	106		106	24.8
No/little participation, control over subtenant	61	5	66	
No/little participation, control in general	31	3		
Restriction on rental agreement	20	3		
Bad service	21	2		
Type of subtenant	15	2		
Obligated renovation	2	2		
Problems with neighbours	2	1		
No warrant	3			
Necessity to collaborate	3			
Too costly	2			
Too many troubles in general	2			

Source: Flemish SRA survey 2007

Table 6. Appreciation of the SRA rents by the landlords

Is the obtained rent lower, equal or higher than the wanted rent?		
	N	%
Lower	304	51.5
Equal	276	46.8
Higher	10	1.7
N	590	100
Is the obtained rent lower, equal or higher than the rent you could get when renting out via another channel than a SRA?		
	N	%
Lower	407	70.5
Equal	125	21.7
Higher	45	7.8
N	577	100

Source: Flemish SRA survey 2007

2.7. Future working with SRAs

9 out of 10 (88%) landlords indicate they will work with SRAs in the future. The most important reasons are: less work and worries (25.9%), good experience (21%) and income security (19.5%). When we aggregate the motives, than security (in general; of income; no vacancy), good experiences and less worries are the most important. One in six respondents even intends to let out more dwellings to SRAs.

We have to stress that 94% of the landlords who ‘inherited’ a lease with a SRA – e.g. after a purchase -, are (very) satisfied. This is an important finding since these landlords were not intentionally SRA-minded.

Out of that, one can conclude that the disadvantages of SRA-letting, often referred to by the landlord’s associations, have no ground. The loss of control over the dwelling does not overrule the advantages. That these advantages are linked to conditions like minimum housing quality or restrictions on the term of contract termination are found to be normal. These appreciations are possibly linked with the fact that the dwellings are situated at the bottom end of the housing market: for these kinds of dwellings the disadvantages do not overrule the advantages of rent security and handing out the management. So it is no surprise that we found – although this was no research goal – indications of a double rental strategy: the dwelling let out to SRAs are older, have lesser quality and lower rent than the dwellings let out outright or via real estate brokers. And some respondents clearly indicate that these are the reasons why they work with SRAs.

3. ON THE FUTURE OF SRAS

Social rental agencies grew out of grassroots and welfare organisations dealing with homeless persons, aiming at housing vulnerable people, especially (former) homeless persons who experienced difficult access to the regular housing market in general and social rental in particular. After a period of precarious working conditions SRAs got institutionalised by the different governments and are now seen as an indispensable housing agent.

The results are clear. As Silkens (2008) shows, of all new tenants taken on each year, three out of four survive with some form of income support and 50% of them even live on absolute minimum benefits. One out of ten new tenants had no home before or stayed in a shelter. More than 50% of the new tenants are single, and 25% are lone parents with children. In the cities numerous are foreigners, with large shares of Asylum seekers (Baeke, 2005) Fact is that the conditions on the private rental market today hardly differ from 30 years ago. Ownership is not an option for vulnerable people (De Decker et al, 2008), the social housing waiting lists are ever long private renting is becoming increasingly un-payable (Heylen et al, 2007; De Decker et al, 2009). Above that, local authorities hesitate to build new social rental housing (De Decker & Pannecoucke, 2004) and a substantial rental allowance is not (yet) in sight¹⁶. So vulnerable and/or poor people are left out in the cold, again underpinning the need to enlarge the SRA sector.

Fact is that the inquiry among landlords adds to the existing support for the SRAs model. Or in the words of B. Van Damme, the chairwoman of VOB on a conference presenting the report¹⁷: “*The SRA model strikes*”. During the same conference, the director of the major landlord’s association agrees with the statement that the SRA model is a positive story, also adding that as a consequence the antagonism between landlords and tenants are fading.

¹⁶ In preparation for the regional June elections 2009, a working group with representatives of the real estate sector, tenant’s associations, midfield organisations working with the poor, the Flemish housing administrations and experts – brought together by the Housing Administration - advises in a joint paper to introduce a sound rent allowance scheme (Woonbeleid, 2009).

¹⁷ Held in Brussels on the 19 February 2009.

At the dawn of the regional elections of 7 June 2009, it is surprising how ‘popular’ the SRA model is among political parties¹⁸ and lobbyists¹⁹ – all pleading for an expansion of the model. Now the legitimating of the SRA model is growing - what is partly evidence based -, the question arises if a strong growth of SRAs – which today stand for a share less than 1% of a shrinking private rental market - is possible in the (near) future. Presumably not, what is linked to (at least) the following issues:

- SRAs are working on the private rental market. The fundamental structural problem here is the split of responsibilities between the governments. It is the Federal Belgian government who is responsible for the private rental sector, which includes the regulation of rent setting, contract terms and quality criteria. Contrary to that, the regional governments are responsible for both the determination of conditions of regulating and subsidizing the SRAs and the eligibility criteria of the tenants for SRAs. Since the federal private renting law adheres to the free determination of private rents and a rather easy termination of contracts, regional governments have to be prudent when intervening in order to avoid perverse effects (e.g. rising rents or an increase of short term contracts). This walking on a thin line implies that regional governments are not keen to speed up their efforts. As a consequence numerous voices rise to reshuffle the housing responsibilities including a transfer of the private rental legislation to the regions.
- A second point of conflict concerns the rent levels. Our research shows that the yield is the Achilles heel of the model. For landlords, working with SRAs implies limited rental income. Without doubt this prevents (some) landlords to enter the system (or to stay in it). The demand for a reasonable rent conflicts with the necessity of SRAs to rent them at an affordable price since after all, the (very) poor are the end users. In order to solve this structural problem pleas have been made for tax exemptions and/or an enforcement of the now very modest rent allowance scheme. But none of them is within sight (which is linked to problems described before this one);
- When analysing the rhetoric, one can conclude that there is a broad societal support for SRAs. But due to the mentioned reasons, there seems to be some prudence to go full speed ahead. Or is it more likely that the split of responsibilities is a good excuse to limit the efforts? It is an historical given that with regard to regulating private renting, the Belgian governments have a bad reputation (see e.g. De Decker, 2001). Another important fact is that, even more than before, all Belgian governments first and foremost advocate the promotion of homeownership (De Decker et al, 2009a).
- A critical success factor for SRAs is the role local governments, which are according to the Flemish housing law the director of the housing policy, play. The largest Flemish SRA is, as said, deeply imbedded in a local social service and housing network and links his success to both that and to the existence of a local rent allowance. Given the fact that this is the only municipality (on 308) who has such a policy, an overwhelming majority of the SRAs are largely left on their own; this hampers e.g. the renting of dwellings and the acquaintance with landlords.

¹⁸ At least the Christian Democrats (CD&V), the Socialists (sp.a), the Greens (Groen!) and the democratic Flemish nationalist (NVA) are in favour of the expansion of the SRA model.

¹⁹ At least in the memoranda of the following organisations, advisory boards and networks, we find pleads for an expansion of the SRA model: Christian Workers Movement (ACW), Flemish Housing Council (Vlaamse Woonraad), organisation of municipalities (VVSG), Knowledge Centre of the Cities (Kenniscentrum Grote Steden) and the organisation of the poor (Flemish Network of Organisations working with the poor; Steunpunt tot bestrijding van armoede, bestaansonzekerheid en sociale uitsluiting).

- A final feature concerns the mission the SRAs dedicate themselves to. An average SRA is small and the sector as a whole has a minor market share, with as a consequence long and growing waiting lists. Today there are 3.3 candidates for every available house (Silkens, 2008), implying that SRAs themselves are now confronted with the problems their founding fathers originally wanted to solve. SRAs are rooted in small-scale welfare services wherein welfare work methods dominate. Originally they were not housing agents, they became it out of necessity. Their success, in combination with the failure of the general housing policies, unable to offer enough affordable housing places, the SRAs are facing a difficult choice. Either they stay small, keeping welfare work their core-business, but consequently risking undermining their built up legitimacy. Or they can become real housing agents with the consequence of phasing out welfare work all together. This debate has not yet started.

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