



WHY EHC INCENTIVES FOR EMPTY HOMEOWNERS

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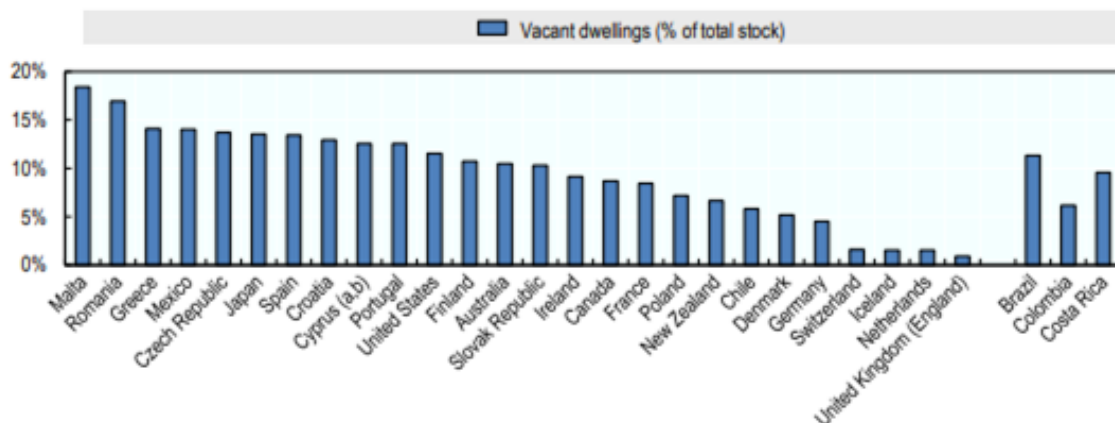
Did you know there are more than 100,000,000 empty homes in the world?

Sounds crazy, doesn't it?

Empty Homes Collaborative has written a paper, sharing all of the data that we have been able to obtain and synthesize from countries around the globe. If you are interested in deepening your knowledge around this vastly untapped resource, I encourage you read more about the project at the following *link*: <https://ehcollaborative.org/wp-content/uploads/2024/06/20240527-Paper-EHC.pdf>

If you do not have the time at this moment, the following chart alone, gives a startling visual of what these numbers, by country, really look like.

Figure HM1.1.2.a: Vacant dwellings in selected countries
Percentage of vacant dwellings out of the total dwelling stock, 2018 or latest year available¹



As a lawyer in the real estate sector, I have had the opportunity to bear witness to both sides of what it takes to create any housing agreement. And experience has shown me that, in the ongoing story between homeowners and tenants, the dominant narrative tends to lean towards a

tale between a villain and a hero. The tenants, the wayward traveller in search of new beginnings. The homeowners, breathing fire upon them as they protect their treasured tower. And as far as social constructs go, this is how much of the world views the dynamic relationship between the person looking for a door and the person holding the keys.

There is an alternative to this story though.

And it's a story in which everyone is the hero. Everyone wins. Everyone slays the dragon that is standing in the way of prosperity and security.

Though often overlooked in the scope of housing issues, homeowners are also in a vulnerable position when offering their space to new tenants. There is often a financial, emotional, and sentimental investment that is holding the bricks of their homes together, and this too, deserves to be cared for. As the legal system has embedded themselves into our global village, the needs of the homeowner—the side most vulnerable to negative outcomes in these arrangements—has been neglected. As a result, and without deliberate intention on anyone's behalf, the impact has been millions and millions of owners with vacant homes, while millions and millions of people are in need of homes.

With the legal system often falling on the side of the tenant, homeowners are faced with a laundry list of possible disadvantages that they need to pre-emptively be considered before having a willingness to open their doors. Sometimes, that list becomes so overwhelming that the risk can feel too great in the face of endless uncertainties.

But what we have learned is that caring for the refugee *is* the best way to care for the homeowner. If parents do not have job, if loans are needed in order to survive, if support is required to mediate discrimination, if a family has no means of transportation...these often-unbearable long-term stressors create the main catalyst of discontent for the homeowners. A sense of safety is

key for everyone. A family thriving within the home also means an owner thriving while offering their home. And it is this holistic approach that we embrace at EHC in order to not only acknowledge the different needs being faced in the housing situation but honouring how those needs honour all parties involved.

This is where care for the homeowners has the potential to become the game changer for the use of empty homes. By addressing the needs of *both* parties, each individual becomes a co-creator in the establishment of trust and security through a collaborative approach that includes the following:

- Understanding and articulating the values of both parties.
- Establishing the needs, constraints, and compatibility of both parties.
- Allowing the two parties to agree upon their own conflict management system, in the event that it is required.
- Creating a contract using language that both parties can understand and engage with.

Furthermore, EHC acknowledges that taxes have always been an emotionally charged issue when discussing home ownership and often a huge deterrent to the use of empty homes. Having vacant property can be very expensive over time, especially when considering maintenance of the home and potential variables that differ from country to country, such as necessary heating or central air conditioning. All of these considerations have to be held alongside the potential risk of irresponsible renters and damage to the property that may outweigh the cost of keeping the home empty altogether. Neither option best serves the homeowner or the individual in need of a home. With this awareness, the Arte Ale Foundation offers unique tax incentives to homeowners for the temporary use of their vacant property. In exchange for a one-year term of use, the homeowner is able to receive tax savings averaging 3,500 Euros and the peace of mind that comes with knowing

that their home is being lived in by responsible and respectful tenants. Financially, this amounts to 2,500 of savings that wouldn't otherwise be had if the home remained empty, which means that an EHC homeowner will receive approximately 500 per month, net of tax. In the coming months, we will be collaborating with international experts to present a new paper which further synthesizes the impact of tax incentives for empty homes.



The result of this type of collaboration is that the homeowner is no longer in a position of needing to come to the conversation, holding up their armour, in hopes of protecting their livelihood. Rather, the homeowner is a vital part of the conversation, which understands that, they too, are giving a piece of themselves to the process.

The collaborative approach doesn't beat the dragon at its own game. Rather, it removes the dragon altogether. Allowing everyone to be on the same team, achieving their own goals, and getting everyone towards their own finish line.



Drawing made by an EHC refugee.