Mandate of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

REFERENCE:
AL OTH 33/2020

27 April 2020

Dear Mr Ahlsén,

I am writing to you, in our capacity as the United Nations Special Rapporteur on the right to adequate housing and the Working Group on the issue of human rights and transnational corporations and other business enterprises, pursuant to Human Rights Council resolutions 34/9 and 35/7.

I am independent human rights experts appointed and mandated by the United Nations Human Rights Council to report and advise on human rights issues from a thematic or country-specific perspective. I am part of the special procedures system of the United Nations, which has 56 thematic and country mandates on a broad range of human rights issues. I am sending this letter under the communications procedure of the Special Procedures of the United Nations Human Rights Council to seek clarification on information I have received. Special Procedures mechanisms can intervene directly with Governments and other stakeholders (including companies) on allegations of abuses of human rights that come within their mandates by means of letters, which include urgent appeals, allegation letters, and other communications. The intervention may relate to a human rights violation that has already occurred, is ongoing, or which has a high risk of occurring. The process involves sending a letter to the concerned actors identifying the facts of the allegation, applicable international human rights norms and standards, the concerns and questions of the mandate-holder(s), and a request for follow-up action. Communications may deal with individual cases, general patterns and trends of human rights violations, cases affecting a particular group or community, or the content of draft or existing legislation, policy or practice considered not to be fully compatible with international human rights standards.

In this connection, I would like to bring to your attention information I have received concerning the impact of **Akelius' business model on the right to housing of tenants in Akelius' apartment blocks in Canada, Germany and the United Kingdom.**

According to the information received:

Akelius and its subsidiaries have been operating in the residential real estate market since 1994, and, as of 2019, Akelius has over 44,000 rental apartments, valued at nearly €12bn, under its management. The large number of apartments owned by Akelius means that the company is an important housing provider in many cities and in this regard is serving a public function in those areas.

Akelius's business strategy is centred on the utilisation of the rental income from its apartments to generate profits, with these being channelled to three Bahamian-registered foundations with charitable purposes. With its significant portfolio of residential properties under management, its profit-making purposes, and its global reach, Akelius is a major supplier of housing and a well-recognised contributor to what has come to commonly be known as the 'financialization of housing'. The financialization of housing refers to the shift that has taken place whereupon peoples' homes are now being utilised as a traded commodity by global investors in order to create profit. This is having a profoundly negative impact on the human right to adequate housing worldwide, including, *inter alia*, driving a lack of affordability, decreasing availability, negatively impacting habitability and increasing homelessness. These impacts are often perpetuated and exacerbated by the drive by institutional housing investors to increase and maximise their profits, including by raising rents, which has been shown to significantly detriment enjoyment of the human right to adequate housing.

Akelius's business practices include purchasing apartments in metropolitan areas, usually with rent-capping regulations or guidelines in place, and utilising loop-holes within those regulations that allow rents to be raised beyond the prescribed maximum limits where substantial modernization has taken place. The apartments owned by Akelius are typically located in rent-controlled areas of major cities such as Berlin and Toronto. As of 2018, 96 per cent of Akelius's rental units were located in areas which had some form of rent control in place.[1]

Akelius also owns a smaller number of apartments in non-rent controlled areas or areas with only non-mandatory rent guidelines, such as London and Montréal. Where no rent-controls are present, or where only non-mandatory guidelines are provided to suggest what level of rent increase might be appropriate in a given situation, landlords are generally not restricted from raising rents as they wish, although in certain situations these increases may be challenged in court. In rent-controlled areas, landlords are typically restricted from raising rents beyond a particular pre-determined level each year in order to protect tenants from arbitrary increases in their housing costs which decrease housing affordability both for the tenants themselves and for other local residents, as surrounding rental prices typically increase to match highest local rates. Rent controls are therefore a vital protective instruments for tenants and help to promote affordability, particularly in areas where housing is typically very expensive.

In non-rent-controlled areas where Akelius has apartments, modernizations are similarly used to maximise the rents that can be charged to tenants for living in a particular property. These practices have been shown to have significantly negative effects on the habitability and security of tenure of existing tenants' homes, whilst the rent increases generated as a result are decreasing affordability

[1] Akelius Residential Property AB, 'annual report 2018' 14, available at: https://mb.cision.com/Main/3302/2798336/1033090.pdf

for both existing and future tenants, with the sole purpose of increasing profits for Akelius.

Information obtained suggests that Akelius is utilising renovations and modernizations of apartments and apartment blocks as a method of raising rents both in non-rent controlled and rent-controlled apartments. In non-rent-controlled apartments, modernizations are typically undertaken in order to increase the level of rent that can be charged to new tenants, whilst in rent-controlled apartments they are utilised in order to take advantage of loopholes which allow housing providers to raise rents above the caps that have been defined by the regulations where certain conditions are met, including for example that substantial renovations have been undertaken on the property.[2]

In this regard Akelius is known to modernize existing tenants' apartments and buildings and use that as a vehicle to raise rents (regardless of whether those units actually require upgrades). On other occasions Akelius will wait for tenants to move out of their homes – of their own volition or as a result of the atmosphere created on site by Akelius - and will then modernize the apartment and let the apartment at a considerably increased amount. Lastly, reports indicate that Akelius also undertakes 'renovictions', whereby tenants are handed notices to quit their properties so as to free these units to be renovated and re-rented for inflated rates. Each of these scenarios has been shown to have deeply concerning implications from a human rights perspective and are having a significantly negative impact on tenants' enjoyment of their right to adequate housing.

Renovating and raising rents for existing tenants

Whilst, within its documentation, Akelius claims that it only upgrades vacant units and that "no tenant should be forced to accept a higher standard and thereby a high rent against their will",[3] evidence suggests that this claim is inconsistent

[2] In Toronto, for example, rent increase guidelines are published yearly by the provincial government which sets the maximum amount landlords are allowed to increase their tenants' rents. For 2020, the maximum increase allowed is 2.2 per cent, however new rents can be set at the market rate and landlords can equally apply to the Landlord and Tenant Board for special dispensation to increase rents by up to 9 per cent above the rent-cap over three years where they undertake renovation work. In Berlin, rents are currently restricted to comparative local rents plus 10 per cent, although as of early 2020, rents for the majority of apartments will be frozen for five years with a cap on monthly rents at €9.80 per square meter. Additionally, landlords will be prohibited from charging new tenants more than the previous tenant paid and from 2022, landlords will only be able to increase the rent in line with inflation. Whilst the new legislation is regarded as comprehensive in its ability to close loopholes, it still excludes apartments in blocks built after 2014, and until it comes into force landlords may increase their rents at much higher levels than the current rent-cap allows where they can demonstrate substantial modernization has taken place.

[3] Akelius Residential Property AB, 'annual report 2014' 8, available at: https://mb.cision.com/Main/3302/9784677/386850.pdf; see also, Akelius Residential Property AB, 'annual report 2015' 10, available at: https://mb.cision.com/Main/3302/9942969/492558.pdf; Akelius Residential Property AB, 'annual report 2016' 10, available at: https://mb.cision.com/Main/3302/2241379/658875.pdf; Akelius Residential Property AB, 'annual report 2017' 55, available at: https://mb.cision.com/Main/3302/2484026/813082.pdf; Akelius Residential Property AB, 'annual report 2018' 9, available at: https://mb.cision.com/Main/3302/2798336/1033090.pdf

with Akelius's practices. In a number of examples, Akelius has apparently unilaterally decided to renovate either public areas in apartment blocks, or individual apartments, and subsequently sought to impose higher rents on existing tenants as a result. These tenants also indicated that this work was undertaken despite the fact that in their opinion very little substantial work was required prior to Akelius taking ownership. Operating in this manner is in direct contradiction to Akelius's stated philosophy and is inconsistent with human rights in so far as it decreases affordability for tenants, seemingly without necessary cause, and without adequate opportunities being provided to them to participate in a consultative manner regarding their housing.

In Toronto, residents in the Parkdale area have long been complaining about the lack of affordability generated by Akelius's business model. Many have noted that, upon purchasing an apartment building, Akelius undertakes substantial renovations to communal areas and then applies to the Landlord and Tenant Board to increase the rents of its tenants above the rent guidelines. This has led to some tenants being served with back-to-back rent increases, sometimes up to 5 times greater than the provincial guidelines would normally allow. In 2014, it was noted that 10 per cent of all of the applications made to the Toronto Landlord and Tenant Board for above guideline rent increases were made by Akelius, with such applications being made for more than a third of its properties in Toronto. This is purported to be a far higher percentage than any other landlord and arguably demonstrates that renovations and above-guideline rent increases are a significant element of Akelius's profitability model, regardless of the necessity of such renovations and despite the negative impact that such measures have on tenants.[4]

In 2008, a Berlin apartment building called Hansa-Ufer 5, containing 66 small apartments and which was owned by the Berlin government and operated as a retirement home for the elderly, was sold to Akelius. In 2014, Akelius contacted tenants notifying them that it planned to commence construction work on the block in order to substantially modernize it. This involved renovating communal areas and outside spaces and moving a common room which is vital to the lives of the residents to a smaller laundry room. Announcing its renovation plans, Akelius informed tenants that it planned to increase their rents by 40 to 65 per cent once the works were completed. Tenants were mostly living on pensions and the proposed increases in their rents would have left them with no or very little money to live on after meeting their housing costs.

Following persistent activism on the part of the residents, Akelius eventually offered to substantially decrease the rent hike, however the residents eventually rejected this offer on the basis that it would allow Akelius to undertake the renovations and because it had not been put into legally binding terms. Whilst the persistence of the residents and public outcry eventually led Akelius to postpone the proposed renovations, evidence suggests, however, that renovations have

[4] Benn Spurr, 'New rent monster' (31st July 2014) Now Toronto, online at: https://nowtoronto.com/news/new-rent-monster/

since commenced at Hansa-Ufer 5, including the modernization of individual apartments within the complex. One modernized apartment within the Hansa-Ufer 5 block has recently been advertised online for a base rent of €17.16 per square meter - around €7.40 per square meter more than the maximum that will be allowed under the proposed rent control legislation. Whilst apparently reflective of the market rate as it currently is, it has been noted that this has increased from €9 per square meter in only a few years, with it being suggested that the number of luxury apartments that have been introduced to the area is the cause of this dramatic rise.[5]

In another Berlin apartment complex, located on Anton Saefkow Straße in Prenzlauer Berg and containing around 200 individual apartments, Akelius commenced construction work in 2018 with a view to expanding the top floor of one of the blocks on the site. Tenants have been strongly complaining about the impact of Akelius's construction work, which has removing the roof of the building. As part of the plans, Akelius is installing balconies on existing tenants' apartments, with the stated aim of ensuring that existing apartments match those being added on the top floor. Tenants have been informed that over four years this will eventually cost them between €25 and €100 extra per month in rent, despite many not wanting balconies installed or consenting to their installation.[6] Akelius has suggested that the addition of the balconies will be of benefit to both current and future tenants, and that they should therefore be accepted. Additionally, it has noted that the increases in rents that result from the addition of balconies is below the level that would be legally permissible under Berlin's rent control regulations, due to the fact that they will be introduced gradually over four years.[7]

This response fails to acknowledge that tenants have had these renovations forced on them in contradiction to Akelius's stated principles, and resultantly are having their housing costs increased without their consent, with a detrimental impact on their housing affordability. Some concessions have apparently been made to allow tenants who would suffer hardship from having to pay the additional rent for the balcony. However, it is unclear how Akelius determines hardship. Reports indicate that Akelius places the burden on the tenant to prove they will suffer hardship in order to avoid additional rent. Equally, it is highly exclusionary and discriminatory as those who cannot afford the additional rent increase still have a balcony installed on their apartment but are not allowed to use it. Low income tenants have expressed concern that they may lose their accommodation, either at

[5] See, http://needleberlin.com/move-5/

[6] Julia Schmitz, 'When craftsmen break through the ceiling' (24th January 2020) Prenzlauer Berg Nachrichten, online at: https://www.prenzlauerberg-nachrichten.de/2020/01/24/wenn-handwerker-durch-die-decke-brechen/#scroll_to_steady_paywall

[7] Thomas Schubert, 'Dispute over expensive balconies: Prenzlauer Berger against renovation' (23rd January 2020) Berliner Morgenpost, online at: https://www.morgenpost.de/bezirke/pankow/article228226921/Streit-um-teure-Balkone-Prenzlauer-Berger-gegen-Umbau.html

the end of their current contract or before, so as to replace them with tenants who can afford the extra balcony charge.

Renovations on empty apartments and living conditions for existing tenants

A central tenant of Akelius's business model rests with renovating empty apartments and then subsequently re-leasing them to new tenants at substantially higher rents, which are either above rent control levels or at higher rates than were previously paid. Such a business model means that in order to maintain and increase profits, obtaining empty apartments that can subsequently be renovated is crucial. This has led to a number of complaints being levied against Akelius by tenants living in unrenovated apartments that suggest the company is seeking to indirectly force them to leave their homes so that repossession can take place.

Tenants of Akelius feel that the company is not simply waiting for them to leave at the end of their contracts, but rather is attempting to push them out of their homes without having to pursue the legal formalities of eviction. In this regard, tenants have informed us that having purchased a new apartment block, Akelius typically commences significant renovation works in empty apartments or communal spaces, or will begin large construction projects in the vicinity of the block. These activities generate high levels of noise, dirt and disruption which tenants describe as making their living conditions insufferable. At the same time, these tenants report that building superintendents are replaced by call centres, necessary repairs to their unrenovated apartments are not undertaken, and basic services, such as garbage removal, are halted, thus further degrading their living conditions. At some point, many tenants in unrenovated apartments decide they cannot bear to live in the block any longer and therefore move out, leaving their apartment free for renovation and ultimately rent escalation.

These realities being faced by tenants are deeply problematic with regards to the enjoyment of the right to adequate housing. The degradation of peoples' housing conditions directly impacts the habitability of their homes, which is a key component of adequate housing in international human rights law. Reducing habitability can have a serious detrimental impact on the well-being of tenants, with implications for other human rights such as the right to health. Furthermore, where, as a result of the actions of a landlord, housing conditions become so poor that people feel they must leave their homes for their own safety and well-being, this is reasonably understood as constructive eviction and is equally contrary to international human rights norms.

Tenants in Akelius properties in London have been subjected to such degraded housing conditions due to persistent renovation works that they have come to feel unsafe in their homes. In one Akelius-owned apartment block tenants have complained that periods of modernization on both communal areas and individual vacated apartments, taking place up to six days per week and lasting for over a year, left them living in a construction site where they were unable to peacefully

enjoy their homes. These works had been commenced without any prior notice being provided, even despite some tenants having renewed their leases shortly prior to the works being started.

Tenants have reported constant and unbearable levels of noise being generated during working hours, which particularly affected those in apartments connected to ones being modernised, considerable amounts of dust being thrown up which exacerbated pre-existing medical conditions, the smell of fumes, chemicals and sewage being present, a complete loss of central heating caused by plumbing works, which caused them to have to rely on inefficient space heaters, and a regular occurrence of leaks caused by the renovations, which led to damage to some tenants' flats.

Tenants have further informed us that contractors hired by Akelius turned off water connections to their flats on a number of occasions, including on very hot days, leaving them with no drinking water, and had also on occasion left work for the day without switching the connections back on. The conditions that tenants have been subjected to during the renovation works have had a considerable impact on their wellbeing, with tenants noting that they suffered significantly more spells of ill-health whilst the renovations were ongoing. The severity of the impact on the habitability of their homes caused by Akelius's renovation works has led tenants to feel as if they can no longer continue living there and need to find alternative accommodation.

It has come to our attention that tenants in unrenovated apartments are provided little to no information about renovation activities and little effort is made to control noise levels and maintain an acceptable standard of living conditions causing significant distress to the tenants. While those living in higher rent apartments are afforded better communication and construction days are limited in order to control noise levels. For those living in unrenovated apartments who are being subjected to these distressful living conditions, only after long periods of persistent complaining does Akelius offer any alternatives. Usually the offer is to move to a higher rent, modernized Akelius apartment. [8] Some tenants have perceived this to be another tactic designed to take possession of their unrenovated apartments, describing feeling under duress to accept this offer since their complaints regarding their housing conditions were ignored.

In another similar situation Akelius commenced renovation work on 12 vacated units in a 42-unit apartment block it had purchased in Montréal, Canada. The work, which started in 2018, was intended to modernize the apartments concerned so they could subsequently be leased out for higher rents. Following the start of the works, tenants put forward numerous complaints regarding the conditions that the renovations were subjecting them to. This included Akelius turning off the building's plumbing system so that it could be repaired due to complaints of

[8] Akelius offers incentives to relocate, including periods of discounted rent, two weeks free rent and Akelius covering the costs of the move.

leaks, leaving tenants throughout the building with no heating to enable them to stay warm. Whilst Akelius has claimed to have provided all tenants with electric heaters from the day in which the heating was turned off, tenants have refuted this with one reporting they had only been provided with a heater nine days after the loss of the central heating, following numerous calls and the sending of a legal letter. Even with these heaters, tenants reported that the power usage from them meant that should they operate any large electronics their apartment's fuse would blow, leading them to lose power. Residents have stated that they believe the conditions created by the renovation works were being used by Akelius as a method of forcing them from their homes so as to allow their units to be renovated and re-let at higher rates.

Use of evictions to clear apartments for renovation and re-rental

In addition to utilising indirect means to force tenants out of their homes, Akelius has, as well, sought to utilise more formal methods of removing tenants, including by serving eviction notices, freeing their apartment for renovation and re-rental at higher rates, a practice commonly referred to as 'renoviction'. The practice of 'renoviction' is in stark contrast to the protections afforded to tenants under the right to housing, particularly where this is undertaken with the aim of increasing profits. Where tenants are formally removed from their homes through 'renovictions', or have evictions threatened upon them in order to facilitate their leaving their homes, this necessarily has implications for their security of tenure, and can also impact on other aspects of the human right to housing, including affordability.

One tenant in London was notified that Akelius intended to issue a section 21 no fault eviction notice on the pretense that the flat in question was crucial to the renovation works that were being undertaken in the building. Akelius noted that, having taken possession of the flat, it intended to renovate it as well. Akelius served the eviction notice on the tenant and, afraid they would be made homeless, the tenant negotiated with the company to move into an alternative apartment in the same building for a period of discounted rent and the promise that they could move back to their original flat once the works were complete. Once the renovations were complete the tenant moved back to their original, now renovated, flat but was required to sign an extensive new contract and pay a higher rent than they had previously paid when living there, with Akelius informing them that this would again increase in 12 months' time. Whilst in this instance no actual eviction took place, it is evident that the threat of eviction was utilised, at least in part, to clear the tenant's apartment in order to allow for renovations to take place.

While I do not wish to prejudge the accuracy of the information made available to me, I wish to express my concern about the impact of Akelius's business practices and profitability model on the enjoyment of the human right to adequate housing. As a major supplier of housing, Akelius has a key role in the delivery of the human right to housing.

However, in order to increase its profits, Akelius is undermining the affordability of housing for many existing tenants by imposing on them increased rents, often going beyond the levels set by rent control measures, for works done on their housing which they often did not want, request or consent to. Equally, Akelius is detrimentally impacting on the habitability of people's homes by undertaking unnecessary renovations on apartment blocks and individual apartments which cause considerable disruption, threaten people's health, and lead to feelings of anxiety, stress and housing insecurity. Furthermore, Akelius is impacting on peoples' security of tenure by serving on them eviction notices in order to remove them from their properties so that these can be renovated. All of these actions and outcomes are in direct contradiction to the human right to housing.

Whilst housing providers are not precluded from undertaking renovations on properties, where these are done without good cause and/or with the sole purpose of increasing rents and profit to the detriment of the housing conditions of existing tenants, this is contrary to the protections under international human rights law.

The threat of eviction creates fear, anxiety and housing insecurity, inconsistent with requirements of the right to housing. Evictions which result in homelessness are a violation of the right to housing under international human rights law. Furthermore, access to affordable housing – with affordability defined by level of household income, not what the market can bear – is a cornerstone obligation of the right to adequate housing under international human rights law. International human rights law also imposes a positive obligation to ensure access to affordable housing for the most vulnerable populations. Furthermore, housing policies that may be neutral on their face, must not have a discriminatory effect. The Special Rapporteur has written extensively on these issues and would be happy to furnish you with relevant materials.

Business entities also have direct human rights responsibilities to respect and facilitate human rights, including the right to housing. This means Akelius should refrain from taking any actions that will cause harm to tenants as well as taking positive steps to ensure the realization of the right to housing.

It is recognised that Akelius's profits are eventually utilised in order to fund foundations with charitable purposes, which provide assistance to various projects. Whilst recognising the positive outcomes this will inevitably have brought to a number of important causes, it is wholly insufficient to breach human rights in order to generate profits, even if these will eventually benefit charitable causes. It is a fundamental tenant of international human rights law that all human rights are interrelated, interdependent, inalienable and indivisible. Accordingly, breaching the right to housing in order to further other rights through charitable giving is not an acceptable framework under which to operate, and therefore the fact that charitable purposes may be benefited in this regard does not mitigate the apparent breaches of the human right to housing that have been generated from Akelius's business practices.

As a housing provider, it is vital that Akelius gives due regard to the content and operation of human rights law as it relates to housing provision, in order to ensure that all

people living within its properties are able to enjoy housing which meets human rights standards. It has, however, unfortunately come to our attention that Akelius is failing to comply with international human rights standards when it comes to the provision of housing and is therefore subjecting tenants to outcomes which breach their human rights.

Akelius is but one of a number of large private businesses operating in the housing sectors of various countries. However, because Akelius has a substantial portfolio of residential apartments in a number of cities, and is regarded as a leader in the residential real estate sector, we believe that your engagement in this discussion could help to change the global narrative. It would also assist identifying suitable business strategies and policies to reduce adverse human rights impacts of real estate investments.

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is my responsibility, under the mandate provided to me by the Human Rights Council, to seek to clarify all cases brought to my attention, I would be grateful for your observations on the following matters:

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

2. Please provide information about the human rights due diligence policies and processes put in place by Akelius to identify, prevent, mitigate and remedy adverse human rights impacts of your activities, in line with the UN Guiding Principles on Business and Human Rights.

3. Please describe how Akelius is collaborating with the Governments of Canada, Germany and the United Kingdom to redress any adverse human rights impact of its operations.

4. Please provide information on steps taken by Akelius to establish grievance mechanisms to address adverse human rights impacts caused by its operations.

This communication and any response received from your company will be made public via the communications reporting website within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, I urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

I intend to publicly express my concerns about the human rights impact of Akelius' business practices in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. I also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that I have been in contact with your company to clarify the issues in question.

Please note that a letter with a similar content has been sent to the Governments of Canada, Germany and the United Kingdom.

Please accept, Mr. Ahlsén, the assurances of my highest consideration.

Leilani Farha
Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Annex
Reference to international human rights law

In connection with above alleged facts and concerns, I wish to draw your attention to the relevant international norms and standards that are applicable to the issues brought forth by the situation described above.

Article 11 of the International Covenant on Economic, Social and Cultural Rights, protects everyone's right to adequate housing. According to General Comment No. 4 of the Committee on Economic, Social and Cultural Rights, in order for housing to be considered "adequate" it must meet several criteria, known as the 'normative content' of the right. These criteria are: legal security of tenure, meaning that people should "possess a degree of security of tenure which guarantees legal protection against forced eviction, harassment and other threats" (para. 8(a)); availability of services, materials, facilities and infrastructure, meaning that people should have "sustainable access to natural and common resources, safe drinking water, energy for cooking, heating and lighting, sanitation and washing facilities, means of food storage, refuse disposal, site drainage and emergency services" (para. 8(b)); affordability, meaning that "personal or household financial costs associated with housing should be at such a level that the attainment and satisfaction of other basic needs are not threatened or compromised" and "tenants should be protected by appropriate means against unreasonable rent levels or rent increases" (para. 8(c)); habitability, in so far as housing must be capable of providing inhabitants with "adequate space and protecting them from cold, damp, heat, rain, wind or other threats to health, structural hazards, and disease vectors" whilst guaranteeing their personal safety (para. 8(d)); accessibility, meaning that :adequate housing must be accessible to those entitled to it" with disadvantaged groups given full and sustainable access as well (para. 8(e)); location, meaning that housing must allow "access to employment options, health-care services, schools, childcare centres and other social facilities (para. 8(f)); and cultural adequacy, which means that "the way housing is constructed, the building materials used and the policies supporting these must appropriately enable the expression of cultural identity and diversity of housing." (para. 8(g)). The information provided has evidenced that operations of Akelius are significantly contrary to many of these vital criteria of housing adequacy, thus impacting on the enjoyment of the human right to adequate housing of tenants.

I further draw your attention to General Comment No. 7 on forced evictions and General Comment No. 24 on State obligations for business activities. Business entities also have direct human rights responsibilities to respect and fulfil human rights, including the right to housing. This means that Akelius should refrain from taking any actions that will cause harm to tenants as well as taking positive steps to ensure the realization of the right to housing. Business entities also have direct human rights responsibilities to respect and facilitate human rights, including the right to housing.

I would also like to draw your attention to the United Nations Guiding Principles on Business and Human Rights, which were unanimously endorsed by the Human Rights Council in its resolution (A/HRC/RES/17/31), after years of consultations involving

governments, civil society and the business community. The Guiding Principles have been established as the global authoritative statement of norms for all States and companies to prevent, mitigate and address the negative business-related impacts on human rights. The responsibility to respect human rights is a global standard of conduct applicable to all companies, wherever they operate. It exists regardless of the ability and / or willingness of States to meet their own human rights obligations and does not reduce those obligations. It is an additional responsibility to comply with national laws and regulations for the protection of human rights. " In fulfilling their responsibility to respect human rights, the Guiding Principles note that business entities should act in such a way as to: "(a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; [and] (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts." (Guiding Principle 13). This requires businesses to have in place: "(a) A policy commitment to meet their responsibility to respect human rights; (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute." (Guiding Principles 15)

As a requirement of undertaking human rights due diligence in the course of their business operations, the UN Guiding Principles require business enterprises to engage in meaningful consultation with affected groups and other relevant stakeholders (Principle 17) and to conduct human rights impact assessments (Principle 19).

I further wish to draw your attention to the Basic Principles and Guidelines on Development-based Evictions and Displacement (A/HRC/4/18, Annex), which provides that where development of housing areas takes place, and prior to eviction notices being issued, "[a]ll potentially affected groups and persons, including women, indigenous peoples and persons with disabilities, as well as others working on behalf of the affected, have the right to relevant information, full consultation and participation throughout the entire process, and to propose alternatives that authorities should duly consider." (para. 38) Equally, the Basic Principles hold that where evictions must take place as a result of development, the Government, or other parties responsible for that eviction, must provide "just compensation and sufficient alternative accommodation, or restitution when feasible…." (para. 52). Furthermore, they note that evictions should never render anyone homeless, or leave them exposed to other violations of their human rights. When evictions do take place due to development, States should utilise the maximum of their available resources to ensure that other adequate housing is made available to those evicted. This "should be situated as close as possible to the original place of residence and source of livelihood of those evicted." (para. 43) The Basic Principles and Guidelines also underline that transnational corporations and other business enterprises must respect the human right to adequate housing, including the prohibition on forced evictions, within their respective spheres of activity and influence (para. 73)

I further call your attention the recent report of the Special Rapporteur on the right to adequate housing on the financialization of housing and the right to adequate housing (A/HRC/34/51) which contains several recommendations to address increased unaffordability and displacements or residents caused by investments into residential real estate.