

States and real estate private equity firms questioned for compliance with human rights

GENEVA (26 March 2019) – UN human rights experts have condemned the “egregious” business practices of giant private equity and investment firms which are scooping up low income and affordable homes around the world, upgrading them, and substantially raising rents, forcing tenants out of their own homes.

Leilani Farha, the UN Special Rapporteur on the right to adequate housing, and Surya Deva, Chairperson of the Working Group on business and human rights, have written to one of the world’s largest investors in residential real estate, the Blackstone Group L.P., expressing serious concerns that its actions are inconsistent with international human rights law with respect to the right to housing and its responsibility to respect human rights under the UN Guiding Principles on Business and Human Rights.

“Almost overnight multinational private equity and asset management firms like Blackstone have become the biggest landlords in the world, purchasing thousands and thousands of units in North America, Europe, Asia and Latin America,” the experts said. “They have changed the global housing landscape. Pouring unprecedented amounts of capital into housing, they have converted homes into financial instruments and investments.

“Their business model, of which Blackstone is a frontrunner, is becoming the industry standard. Properties that are deemed ‘undervalued’, which generally means affordable to those living there, are being purchased en masse, renovated, and then offered at a higher rental rate, pricing tenants out of their own homes and communities. Landlords have become faceless corporations wreaking havoc with tenants’ right to security and contributing to the global housing crisis.”

The experts said they had heard countless stories of tenants’ whose buildings had been bought by private equity firms and whose rents had skyrocketed almost immediately afterward, sometimes by 30 or even 50 percent, making it impossible for them to remain.

“Real estate equity firms have an independent responsibility to respect human rights, which means that they need to conduct human rights due diligence in order to identify, prevent, mitigate and account for how they address adverse impacts on the right to housing,” the experts said.

The Special Rapporteur and the Working Group have also sent letters to the Czech Republic, Denmark, Ireland, Spain, Sweden and the United States of America, noting that each had facilitated the financialisation of housing in their own countries through preferential tax laws and weak tenant protections among other measures.

“We remind States of their human rights obligations to regulate investment in residential real estate so that it supports the right to adequate housing and in no way undermines it. This cannot be left to the private sector to undertake on a voluntary basis,” the experts said.

“What makes this practice particularly egregious is that it is being done without any monitoring, or accountability mechanisms in place. Governments seem not to have made the connection that this new form of finance is taking place in an area that is governed by international human rights law, which imposes obligations on them. We remind all States, that while gold is a commodity, housing is not, it’s a human right.

“We want to alert States and private equity and asset management firms that the financialisation of housing in its current form runs afoul of international human rights norms and cannot continue. At this time we have identified six States, but there are many more where these same issues are of serious concern, including in the global South. We are ready to engage in a dialogue with all relevant States and financial investors as to how this problem can be addressed,” the experts said.

ENDS

Ms Leilani Farha is the [UN 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.

The Special Rapporteur will host a **press conference on 26 March 2019 in Copenhagen**

Please arrive at 10:30 AM to pass security, press conference begins at 11:00 AM

Location: Room PRO-D - at the Proviant building, Danish Parliament Christiansborg, Copenhagen

For access, please register with: Julieta Perucca, juli.perucca@unhousingrapp.org

International and local press are invited to attend.

The Special Rapporteur on the right to housing is currently in Copenhagen attending the World Premiere of the documentary film [PUSH](#) in which her work is featured. [PUSH](#) is about how global finance is fuelling the housing crisis and making cities unaffordable to live in.

The UN Working Group on human rights and transnational corporations and other business enterprises (know as the **Working Group on Business and Human Rights**) was established by the UN Human Rights Council in June 2011 to promote worldwide dissemination and implementation of the Guiding Principles on Business and Human Rights. The Working Group is composed of five independent experts, of balanced geographical **representation**. **Its current members are: Mr. Surya Deva (Chairperson), Ms. Elzbieta Karska (Vice-Chairperson), Mr. Githu Muigai, Mr. Dante Pesce, and Ms. Anita Ramasastry.**

The Working Group and Special Rapporteurs are part of what is known as the [Special Procedures](#) of the Human Rights Council. [Special Procedures](#), the largest body of independent experts in the UN Human Rights system, is the general name of the Council’s independent fact-finding and monitoring mechanisms that address either specific country situations or thematic issues in all parts of the world. [Special Procedures’](#) experts work on a voluntary basis; they are not UN staff and do not receive a salary for their work. They are independent from any government or organization and serve in their

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