


Mechanisms to Housing Rights implementation in Barcelona



An approach to the current financialization of Housing in Spain that seeks to define the relation between low-income tenants and landlord to implement Housing Rights in Barcelona.

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Balancing act between private landlords and low-income tenants.

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ABSTRACT

In recent years, Barcelona has been a pioneer in the implementation of PRO-Housing Right policies. Unfortunately, these measures can be considered too radical and not necessarily efficient in a long-term scenario. Private landlords are at the center of this challenge, being that they are the stakeholder that might potentially be the solution and negotiate a balance between the two sides of the coin. On the one hand, a housing rental real estate market is shown that depends on the owners and investors, so its stability is dictated by the interest and the attractiveness it has. Cases such as Real Estate Investment Trusts are the financial mechanism that allows indirect investment to come to the city and higher tax collection that is reflected in the infrastructure of the city. On the other, big private landlords such as opportunistic private equity funds are responsible for managing the properties and, therefore, responsible for the conditions of the tenants. Which, in recent years, have been affected the adequacy of the house. In this way, the question that will guide this research arises, what are the challenges between real estate management models and securing housing rights for low-income tenants in Barcelona? Articles, policy documents, and annual reports will be investigated to explore the investment practices of different companies (to be defined). To establish a complete view of the local investment practices of the SOCIMIs studied. The research will be divided in three sections following the logic of the research questions.

Key words – Private Landlords, Financialization, Housing Rights, Real Estate Management.

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PERSONAL MOTIVATION:

I could not help but realize that today's world requires professionals capable of overseeing and leading an entire project from its conception to the completed venture. This especially became evident as I gained empirical experience as advisor to the director of the FFIE, Colombia's governmental institution for the development of infrastructure for education programs in the public sector. My experience in the structuration of the first PPPs (Public-Private Partnerships) for education in Colombia was the opportunity to realize that the understanding of the context goes beyond the technical, and even of architecture. Generating policies that serve as tools for the execution of the projects is also an important part of our profession. Managing the built environment also means understanding political wills and being able to analyze a case from different perspectives. As such, public policy becomes one of the most important aspects as it can open doors, or on the contrary, close them. The willingness that administrators demonstrate is one of the main indicators in analyzing and proposing a solution to a given project.

Throughout my master's, I continue to maintain this line of thought and a new question has also arisen; are the political will and the regulations that are implemented the only means to change the development of the built environment? This doubt leads me to think that the market, and especially the private sector, use regulations as limits that should not be crossed but do not necessarily show initiatives to optimize those limits.

Having had the opportunity to study at TUDelft, allowed me to study the conditions of a developed country, such as the Netherlands, which has historically been seen as a positive example around the world. That is why when studying the effects of Financialization of Housing. I was surprised to find the kind of challenges they face. I have come to see in the literature studied so far that the approaches to this type of problem, such as the financialization of housing and the effects in the adequacy of housing, always seek regulatory solutions: implementation of laws or development plans by the local and national governments, but a solution is never sought through private initiatives. The opportunity to speak with REITs and with municipalities showed me that responsibility is only being placed on the legal tools that are available. The debate is always governed by the type of limitations or freedoms that the country offers. One of the biggest examples worldwide at the moment is Barcelona. A city with a strong influence from the international market, either due to its port or the tourism it attracts, has been one of the focuses of the financialization of Housing and whose municipality has taken strong measures to regulate this phenomenon. In this case, there is the political will, there is the implementation of new laws and plans, but there is not necessarily a drastic change in the solution of said problem.

With my thesis, I seek to fill an existing gap in the literature where an approach is made from the business models of REITs to the challenges of the financialization of housing and the implementation of tenant rights.

1. INTRODUCTION

The arrival of organizations such as Private Equity funds (massive Private Landlords) has boosted the amount of investment in cities and has had a positive impact on their public and private infrastructure in various circumstances. In the same way, this system has radically changed the dynamics of the housing stock (García-Lamarca, 2020). This change has a strong effect on the end users, the low-income tenants. Private equity firms, hedge funds, real estate investment trusts (REITs), and publicly listed real estate firms have all entered the rental housing market in Spain and elsewhere. This type of financial vehicles presents themselves as a long-term investment strategy to generate consistent cash flows for their shareholders (Lizieri 2009). This position is no different from the traditional idea of ownership and the portfolio approach. They want to build a "rentier structure" to maximize cash flows, rental income, and capital gains by selling individual housing units (Moreno 2014; Rutland 2010). Second, they aim to increase the portfolio's net value by focusing on core investment strategies, direct impact on gentrification effects through modernizations and refurbishments, "gaming" rental regulations, and collaborating with local governments to coordinate neighborhood development (Bernt et al. 2017; Beswick et al. 2016). These investment mechanisms have begun to have a strong influence on the rental and supply conditions of housing in cities. Therefore, the Low-income population is at the center of this situation, effects such as normalization of eviction, unaffordability of housing and, in more radical cases, homelessness (Aalbers, 2016). It is important to note that, although financialization is a worldwide phenomenon, its origin varies depending on the country, its housing policy, or its history. For that reason, it is important to underline that the analysis should vary by country and should not be generalized.

In the context of Spain, where the housing production regime is strongly reliant on private developers and corporate landlords, financialization of non-financial firms may imply a shift away from maximization of supply and toward maximization of return on investment. (Aalbers et al, 2017). The following sections will present the Barcelona historical and political context that opened the housing market to this type of business and how it has evolved to the current situation. Nowadays, financial actors have grown more engaged in the housing market of big cities, private households that have changed their minds about buying additional units for pure investment purposes (Wilberg et al., 2018; Fields and Uffer, 2014). When treating a home as an asset or a share, interest in housing rights of tenant can be affected and only its appreciation in the market is sought.

This thesis will focus on the Barcelona case. This city is shown as one of the largest centers of financialization in Spain but additionally shows a strong initiative from both activists and governments to take action against these problems. In this way, cities such as Barcelona have experienced growing discontent on the part of the population. This type of movement requires greater regulation of income and guarantees of compliance with Housing Rights. As a result, governments frequently face a conflict between the investment they desire to preserve, and the well-being and rights demanded by citizens. In recent years, Barcelona has been a pioneer in the implementation of PRO-Housing Right policies. Unfortunately, these measures can be considered too radical and not necessarily efficient in a long-term scenario. The relationship between private landlords and tenants has become the center of the real estate market challenges. The Private rental market has become the center of political debate and media attention on Spanish housing in recent years. Traditionally, the housing system has been based on the housing production strategy for private households, which has annulled the social rental housing system. As a result, the Private Landlords might potentially be the solution and negotiate a balance between the two sides of the coin. On the one hand, landlords such as Real Estate Investment trusts (REITs) allows indirect investment to come to the city and higher tax collection that is reflected in the infrastructure of the city. On the other, they are responsible for managing the properties and, therefore, responsible for the conditions and adequacy of housing for Low Income tenants. Which, in recent years, have been affected the adequacy of the house. Against this scenario, the Housing Right (UNHabitat, 2018) are presented, a series of elements that allow the evaluation of housing conditions and can be used as a basis in the generation of solutions to this challenge. In this way, the question that will guide this research arises, what are the challenges between real estate management models and securing housing rights for low-income tenants in Barcelona?

In this way, the balancing act between 'housing as an asset' and 'housing as a right' is presented.

In order to answer this question, it is relevant to understand what the Housing Rights elements are and at what scale of the Housing system can these be implemented regarding low-income population. According to Kenna (2010), housing systems, perform on three levels: macro (international, national, and regional context), meso (housing systems and institutional contexts), and micro (individual, interactions, and micro-political struggles). For the case of this research, the relationship between meso and micro-level will be analyzed. This analysis is established by comparing the current situation of the Housing system in Barcelona and the seven principles of Housing Rights presented by UNHabitat (2018): 1) security of tenure, 2) availability of services, materials, facilities, and infrastructure, 3) affordability, 4) habitability, 5) accessibility, 6) location, and 7) cultural adequacy. Considering the conditions presented, special emphasis will be placed on the principles related to the conditions of the tenures, their accessibility and location, their affordability, and the effects on the low-income tenants related to the Private Landlords.

1.1 PROBLEM STATEMENT:

The housing production regime in Barcelona is strongly reliant on private market and corporate landlords, financialization of non-financial firms may imply a shift away from maximization of supply and toward maximization of return on investment. (Aalbers et al, 2017). Currently, financial actors, such as listed companies, have grown more engaged in the housing market of big cities, as have social housing providers and even private households that have changed their minds about buying additional units for pure investment purposes (Wilberg et al., 2018; Fields and Uffer, 2014). This type of behavior increases the tension of private rental housing. One of the most relevant behaviors is the commodification of housing, which consists of the transformation of the Housing concept from a social security factor to a commodity or asset. When treating a home as an asset or a share, interest in housing rights of tenant can be affected and only its appreciation in the market is sought. In this way, cities such as Barcelona have experienced growing discontent on the part of the population. This type of movement requires greater regulation of income and guarantees of compliance with Housing Rights. In the case of Barcelona, Law 11 of 2020 and the right to housing plan (2016-2025). Although the intention of these regulations is focused on improving tenant conditions, there are risks to the market that must be considered. The strong rent control measures in the Catalonia and Barcelona region do not consider that the Housing system depends entirely on private rent. The local government is not accompanying this type of measure with an expansion of the Social-housing stock and potentially there may be a decrease in the availability of housing due to the loss of interest on the part of the landlords. As a result, governments frequently face a conflict between the investment they desire to preserve, and the well-being and rights demanded by low-income tenants. Private landlords (PL) are at the center of this challenge and their relationship with the low-income tenants, being that they are the stakeholder that might potentially be the solution and negotiate a balance between the two sides of the coin.

This Thesis adopted a mixed case study design. Articles, policy documents, and annual reports were investigated to explore the investment practices of different companies in Barcelona, to establish a complete view of the local private rent market practices of private landlords. After having clear data of the current conditions of the market and the societal risks that result from financialization, questionnaires were done with tenant associations, housing activists This procurement allowed a proper analysis of the challenges and the identification of possible mismatches between mechanisms implemented by PL in Barcelona and the application of housing rights.

1.2 RESEARCH OBJECTIVES AND RESEARCH QUESTION

1.2.1 RESEARCH OBJECTIVES

The main goal of this research is providing insight into the Low-income tenants and Private landlords relationship in securing the Housing Rights and its value for low-income tenants and private landlords

who are in search for improve the social conditions in the urban areas of Barcelona. To fulfil this goal, a few objectives are stated. The first objective is generating a deeper understanding of Financialization of Housing in the Spanish housing system in relation to the Housing Rights. To do so, it is required to know which the effects of Private Landlords mechanisms are and how the social, economic, and institutional context wherein they take place do influence them. The second objective is provided valuable data and findings regarding mechanisms for private landlords who want to incorporate Housing Rights in their strategies. These lessons should deal with the way of housing systems and markets are treated, the role of private landlords and their influence on Housing rights.

1.2.2 RESEARCH QUESTION:

The possibility of understanding how to improve the Private Rent Sector to contribute to the housing right in Barcelona raises the research question that will drive this thesis. This shows the main question that will guide this thesis:

What are the challenges between real estate management models and securing housing rights for low-income tenants in Barcelona?

In order to define this question, the thesis divides into three parts, which present four themes that allow solving the question posed: the Spanish Housing system, the landlord composition, and the tenants notion of the housing rent sector, all of this analysis through empirical research in Barcelona. All these will be analysed from two main topics: the real estate management models and Housing Rights. Next, the sub-questions that will guide each of the parts will be presented.

1. What are housing rights and how can they be secured (or accessed)?
2. What are the challenges between real estate rented market and securing housing rights?
3. What real estate management models are commonly practiced by private landlords?
4. Is there a balancing act between private landlords and low-income tenants or the balancing act between 'housing as an asset' and 'housing as a right'?

1.2.3 RELEVANCE:

Societal:

This research provides lessons for landlords who want to steer to more conscious business models regarding the implementation the Housing Rights of their tenants. The current behaviour of the housing system and the financialization effects are affecting the social, economic, and cultural context of cities. The need for more socially sustainable approaches is necessary to find a balance in the built environment. Hence, it is relevant to investigate the way financialization of housing is affecting the citizenship of the population, in this specific case, the seeks to identify responsibilities of Private landlords in this phenomenon and how to contribute to their business models from a housing right strategy. The results of this study could be beneficial for the current and future tenants of areas where have invested. As well, as it aims to contribute positively to the housing system, with a focus on social interaction and generating understanding of Housing rights among them.

Scientific:

From a scientific point of view, this research seeks to fill the gap, in a quantitative way, that exists between the financialization and the Housing Rights. The existing literature presents concepts of Financialization

of Housing at a macro-economic level stabilising effects in an international or national levels. At the same time Housing Rights are presented in a general way and the usual approach regards, principally, the creation a policies and laws. As a result, this thesis considers the relevance of studying the actors (private landlords and communities) involve and stablish the responsibilities and relation to these two main topics.

2. THEORETICAL FRAMEWORK

This chapter provides an overview of current theoretical knowledge regarding the balancing act between 'housing as a right' and 'housing as an asset' in a context of financialization of housing. To this end, section 2.1 will address the Housing Rights as concept, its elements and how can they be secured (or accessed). The academic results regarding how Financialization of housing emerges in the market, its causes and effects in the housing systems will be examined in section 2.2. Followed by a discussion of the Rental housing market and the private landlords-tenant relationship in section 2.3. management models are commonly practiced by private landlords' section 2.3. Finally, the discussed literature will function as the theoretical foundation for the introduction of the preview's concepts in the Spanish context in section 2.4.

2.1 Main challenges of Financialization of housing

Financialization has become a new keyword to describe and analyse contemporary developments in economies and societies. It has also become a key concept in understanding recent trends in housing markets and policies. The financialization literature offers rich empirical accounts on how the increase in institutional money has transformed a wide variety of goods, firms, and economic activities into financial assets (Aalbers, 2008; Engelen, Fernandez & Hendrikse, 2014; O'Neill, 2013; Weber, 2010). The financialization literature describes how this mobile capital puts pressure on commodities, debt, public services and economic activities to transform into investable, tradable, financial products. Regarding real estate, these investigations show how opaque, local, no standardized goods, highly depending on both local legislation and developments, have been transformed into liquid, globally traded financial assets (van Loon & Aalbers, 2017). Financialization captures a profound transformation of contemporary capitalism that is apparent to the naked eye; at some point even, mainstream economics will be forced to recognize that something is afoot. Above all, it treats financialization as a period shift in the development of capitalism, which occurred in the 1970s and represents a change in the balance between the sphere of production and the sphere of finance, to the advantage of the latter. (Lapavistas & Mendieta-Muñoz, 2016). One challenge of financialization of housing is the reasoning that financialization is different in each country because it is not happening in the same way. According to Kohl (2020), financialization is the common factor behind the rising prices and the availability of mortgages which does not reflect in a proportionate rise in investment in the construction of new dwellings. The financialization of housing is becoming increasingly divisive. Despite massive investments in the housing sector, there is a growing and global shortage of affordable housing. Profit-driven financial actors respond to global capital rather than local housing needs, and thus invest in high-end luxury housing rather than affordable housing for low- and middle-income households. The origin of this phenomenon varies according to the housing production system, and its effects vary in each country. The causes and effects of financialization within the built environment will be explored below.

2.1.1 Causes of Financialization

The financialization of housing mechanism can vary based on how houses are produced in each respective country. Albers (2017) presents three different mechanisms to produce housing (public state, private developers, and private households) and how this can be affected by financialization. In the specific case of private households' scheme, the Spanish case can be an example (figure 1). After the 2006 crisis, the Spanish real estate market was seriously affected. If one considers that prior to the crisis, the housing system was based mainly on private households. Since the system did not have rent regulations, the strong change after the crisis left tenants powerless. This phenomenon is directed related to nonfinancial organizations that shift away from maximizing supply towards maximizing return on investment. This behaviour heavily affects the economy of countries that rely significantly on private developers and corporate renters (Aalbers et al.,2017).

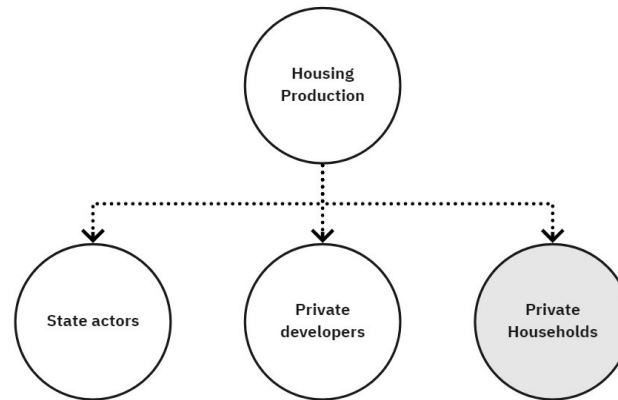


Figure 1: Housing production (Own Image)

This increase in construction in addition to the collusion with banks leads to simultaneous construction and mortgage booms, but the more inelastic the housing supply is (in terms of prices), the larger and deeper house-price bubbles develop (Glaeser and Nathanson, 2014). On the urban level, continuously high prices can increase the risk of urban inequity (Gyourko et al, 2013). As a result, the potential misallocation of capital reduces productivity compared to the manufacturing and services industries. Crowding out effects are potentially more worrying if the use of mortgage credit is not channelled into new construction and used to inflate a bubble (Kohl, 2020).

One financial vehicle that facilitates the constitution of the financialization of housing is the Real Estate investment trust (REIT). The introduction of these business models was a solution after the financial crisis to the lack of investment in the local market. The need for banks to refinance after the crisis by selling their homes led to a massive foreclosure of housing. REITs were presented as the solution to this type of need since they had the liquidity to assume this type of investment. Additionally, the regime that governs them benefits them with low taxes and low rent regulations, which increases the return. These funds have changed the conception of housing, making it go from an idea of security (social Good) and stability of the population to an asset or commodity. This event is known as the commodification of housing (Debrunner & Gerber, 2021). Additionally, the approach given by REITs bases the value capturing on the speculation of the value on the real estate market. This change is due to different behaviors of the firms that increase the effects of financing. Which will be presented below.

2.1.2 Effects of Financialization

Financialization has had two major effects on the housing market. First, the mortgage market transformed housing into a global financial market tradeable debt. This occurred because of mortgage securitization, which is the packaging of mortgage debt into tradable financial products that are then sold to third-party investors. Even though mortgages make housing accessible to families who might not otherwise be able to purchase a home, these lax mortgage policies increased the power of various financial actors while also increasing the debt taken on by individual households. The 2008 global financial crisis demonstrated the potential negative consequences of this process. The securitization process significantly contributed to a global housing and finance bubble. Spain is an example of of this effect, with 500.000 foreclosures resulting in over 300.000 evictions between 2008 and 2013. The second major effect of housing financialization is the growing importance of residential real estate as an asset for investment and wealth accumulation. The large number of residential properties that were subject to foreclosure in the aftermath of the financial crisis provided an opportunity for investors to purchase them at a low cost.

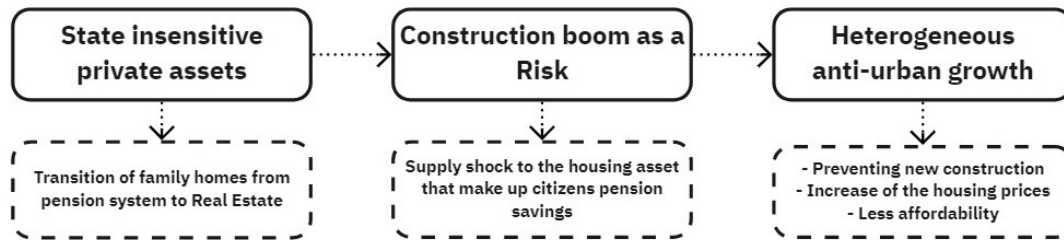


Figure 2: Financialization cycle in Spain (own image)

This financialization process, where the housing production depends on Private households with commodity dwellings, usually occurs in three stages (figure 2). The initial phase occurs when the public sector massively encourages the acquisition of housing. As a result, the population begins to replace the public and private pension systems and becomes dependent on the Real Estate portfolio as the main income in its future. In a second phase, the population's debt level increases and high demand tends to have a strong effect on construction, leading to a construction boom. In this way, the private housing stock replaces the pension funds and governments give priority in their policies to households over tenants. The third phase occurs years later when the demand for housing is reduced, and the market begins to be governed by speculation regarding the value of housing. At this point, private households have already consolidated within the market and seek to maintain the increase in the value of existing properties. In this way, heterogeneous Anti-Urban growth groups arise, which prevent or limit the construction of new buildings, which increases the price of housing and makes the market un-affordable for low-income populations (Aalbers et al., 2017).

More recently, a shift of this phenomenon has been identified from financialization 1.0 to 2.0 (Aalbers 2016; Bernt et al. 2017; Beswick et al. 2016; Fields and Uffer 2016; Soederberg 2017; Wijburg and Aalbers 2017a) arguing that real estate is increasingly managed as an object of investment (Coakley 1994; Lizieri and Pain 2014; Van (Krippner 2011). In this second version, REITs appear to be pursuing a long-term investment strategy in order to generate consistent cash flows for their shareholders (Lizieri 2009). With the implementation of a "rentier structure", funds can maximize cash flows, rental income, and capital gains by selling individual housing units (Moreno 2014; Rutland 2010). Also, they seek to increase the portfolio's net value by focusing on investment strategies, stimulating gentrification effects through modernizations and refurbishments, "gaming" rental regulations, and collaborating with local governments to coordinate neighbourhood development (Bernt et al. 2017; Beswick et al. 2016).

In this way, there are a series of negative effects within the housing market:

- Homelessness
- Unaffordability
- Gentrification
- Massive eviction
- Vacancy of housing levels
- Reduction in the residential development

Low-income tenants usually do not have the financial means to allow landlords to upgrade their rents in line with house prices. The result is an 'impoverishment' of the supply of affordable private rental accommodation for a more selective. In the section above is shown how financialization has had an impact not only on the dynamics of ownership, but also on the dynamics of rental housing. Institutional investors may be more interested in the value of the underlying land or portfolios of rental properties as security for other financial transactions than in rental yield and tenants (Adnan, Lamin, Razali, Jalil, & Z., 2021). Financialization has resulted in increased investment in private rental housing by global institutional investors and equity traders in urban areas. Their investment strategies, on the other hand, have a negative impact on housing security, housing quality, and housing affordability. The 'upgrading' strategy involves speculation on a rising market, taking advantage of opportunities to extract higher rents through renovation and modernization – resulting in the displacement of lower-income renters.

The following section will explain the debate on financialization and the implementation of Housing Rights and the role of REITs and why their behavior within the market is so relevant to these.

2.2 HOUSING RIGHTS AND THE HOUSING RENTAL MARKET

2.2.1 Definition of Housing Rights

The Housing Rights are presented as a series of conditions that seek to guarantee the adequacy of the inhabitants' housing. An important part of understanding Housing rights is the acceptance of their complexity and their dependence on the society that applies them. Singer (2000) shows how its application is directly related to the social, cultural, and economic conditions of a certain country. To this is added an additional factor, the ontological position with which the legal application of these is studied. Marshall (1998) distinguished between civil and social rights, arguing that civil rights include, among other things, the legal right to own property. As a result, this type of rights can only be enforced in a court of law. On the other hand, social rights embraced a wide variety of rights, ranging from the right to a basic level of economic safety to the right to fully participate in the social heritage and live a dignified life in accordance with societal standards (Marshall, 1998, p. 94). As a result, the debate of rights is based in part on some normative judgment that certain rights exist, regardless of whether they are deemed to be "natural," "social," or "moral." According to Attoh (2011), despite extensive work on various facets of urban rights, little emphasis has been paid to the approach of regulations.

Given the complexity and multiple approaches that can be made regarding Housing Rights, this thesis takes the definition given by UNHabitat. This organization managed to define exactly these rights and an objective and quantitative method for their evaluation. Acily and Madhuraj (2020) present a more accurate definition of Housing Rights and how its implementation can be measured through the Housing Right Index. The Housing Rights Index was created to support in developing and mentoring activities, and it is intended for use by policymakers and urban practitioners to assess the realization of the right to adequate housing in their city. In this way, it is possible to evaluate the conditions of a house or an urban area. For this thesis, this study is relevant since it allows defining quantitatively the conditions of the income sector in Barcelona.

It is at this moment that the main definition for this thesis is taken as the one given by UNHabitat (2018), the Housing rights are related to adequate housing and are defined by seven elements. These are significant dimensions because they directly link housing adequacy to fundamental issues and challenges of Housing Rights. For the purpose of this thesis these elements are taken but they are complemented with additional literature in order to give a better understanding of them. The seven elements for an adequate housing are:

1. Security of tenure:

A degree of tenure security which guarantees legal protection against forced evictions, harassment, and other threats. Landlords in the private rental sector (PRS) are typically institutions or private individuals, housing is allocated on a market basis, and there are usually no subsidies. Nonetheless, private renting has a legal structure that governs landlords' and tenants' duties and responsibilities. The length of tenancies, rent levels, and renters' security are all common areas of regulation. There is a framework of national law in countries with strong regulation that seeks to define responsibilities and protect the tenant because it is assumed that there is a power imbalance between the two parties. Regulation of private renting is more than just rent regulation: it is also regulatory oversight of other aspects of the tenant-landlord relationship, such as security of tenure (Haffner et al. 2018, Whitehead et al. 2012) or other nonprice regulation, such as letting agency regulation, landlord registration, and tenancy deposit schemes (Kettunen & Ruonavaara, 2021).

In relation to the debate proposed by this thesis, this security of tenure becomes relevant since it is shown as a factor of stability of low-income tenants within a dynamic rental market.

2. Availability of Services, Materials, Facilities, and Infrastructure:

Safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.

3. Affordability:

Cost threatens or compromises the occupants. Affordability of Housing refers to three main elements:

- 1) The price of housing (H) and non-housing goods(N)
 - a. H = Hedonic index quantifying and weighting the multiple aspects of the housing bundle
 - b. N = Market basket of appropriately weighted commodities and services
- 2) The household's finance resources available to pay these goods
- 3) Normative standards specifying minimally acceptable quantities of housing and non-housing goods that a households should consume

These three elements are the basis that defines whether the rent of an apartment is affordable for a population group. Under these principles, a home can be considered affordable for a specific population if the sum of the housing costs and the non-housing goods does not exceed its income. In figure (x) this limit is shown as the FEG axis (Galster & Lee, 2021)

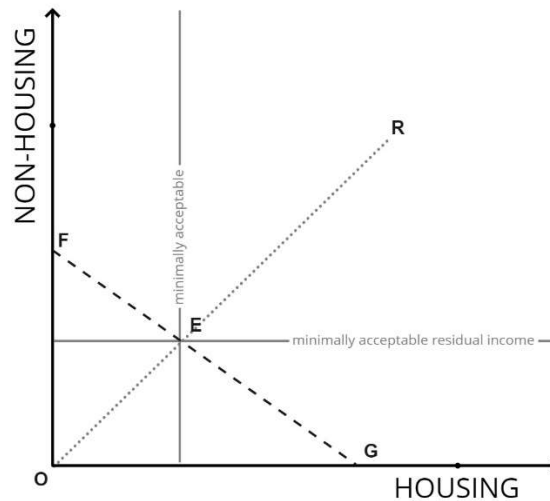


Figure 3: Graphic Portrayal of Alternative Ways of Specifying Housing Affordability (Galster & Lee, 2021)

This understanding of affordable housing allows defining the parameters of the user that is being studied. The Price of housing and non-housing goods varies according to the purchasing power of the study subject. In this case, the parameters defined by the government can be taken from the case study for low-income tenants.

4. Habitability:

physical safety or provide adequate space, as well as protection, against the cold, damp, heat, rain, wind, other threats to health and structural hazards. Access to urban infrastructure and equipment services improves the habitability of housing and its surroundings. Housing habitability is critical for ensuring long-term global development. Habitability and quality of life are requirements defined by the psychosocial characteristics of families and are viewed as habits, behaviours, and ways of being over time. The quality of life in their homes is a relevant variable for tenants. This variable considers their needs and provides satisfaction (Mercader-Moyano, Morat-Pérez, & Muñoz-González, 2021).

5. Accessibility:

The consideration of specific needs of disadvantaged and marginalized groups. When housing is governed by the market, housing accessibility is determined by a household's financial ability. Neuteboom and Brounen (2011) defined housing accessibility as a two-sided concept: demand side, in terms of household financial means and quantity of demand; and supply side that refers to housing price distribution and quantity of supply. Low levels of housing accessibility could have spatial consequences, especially in the contexts of attractive, compact, and "sustainable" cities (Cavicchia, 2021).

6. Location:

This element considers factors like employment opportunities, health-care services, schools, childcare centres and other social facilities, or if it is located in polluted or dangerous areas. Alonso's (1964) housing location theory was based on differentiated bid-rent curves for specific land-use types within the city. They maximize the utility of quick access to the city center within the constraints of the available budget. He assumed that centrally located land is more expensive than peripheral land, that businesses can pay more for land than households, that rich people require less quick access to the city center, and that the poor are concerned with high utility from accessibility. His urban-land-use segregation model is critical for job-housing balancing, assuming that people will live close to work if they can afford it (Kopczewska, Kopyt, & Cwiakowski, 2021).

7. Cultural Adequacy:

The level of freedom of expression of cultural identity, diversity, and way of life. These types of conditions increase the level of satisfaction and development of community members in the long term. The possibility of generating social and cultural integration increases the appropriation of the neighborhood. Dev and Das (2020) also proved how temporary housing units can be co-designed with local communities to accommodate local lifestyles and socio-cultural environments. Cases such as that of European cities with high levels of population migration from other continents should monitor the levels of cultural adequacy (Sukhwani, Napitupulu, Jingnan, Yamaji, & Shaw, 2021).

The Housing Rights Index can be viewed as a qualitative tool designed to assist housing practitioners in determining the status of housing adequacy. The index allows the concept of "right to adequate housing" to be translated into quantifiable and measurable metrics, allowing for a more detailed and comprehensive view of housing status. Method proposed by UNHabitat is explain more in detail in Appendix 1.

For this thesis, an approach to housing rights such as the ones presented by UNHabitat in the elements allows defining parameters to evaluate the conditions of the tenants of an organization and thus establish the type of effects that these may have due to financialization.

2.2.2 Securing housing Rights

Bearing in mind that housing rights are involved in a context of the rental housing market, it is important to establish that there are two sectors that can define their implementation, as can be understood in figure 4. On the one hand, there is the public sector, which through of policies and regulations can define the general conditions of the housing system of a country or city. On the other hand, we have the private initiative that is reflected in ESG strategies. In this section, these two concepts will be presented and how they are linked to the process of securing housing rights.

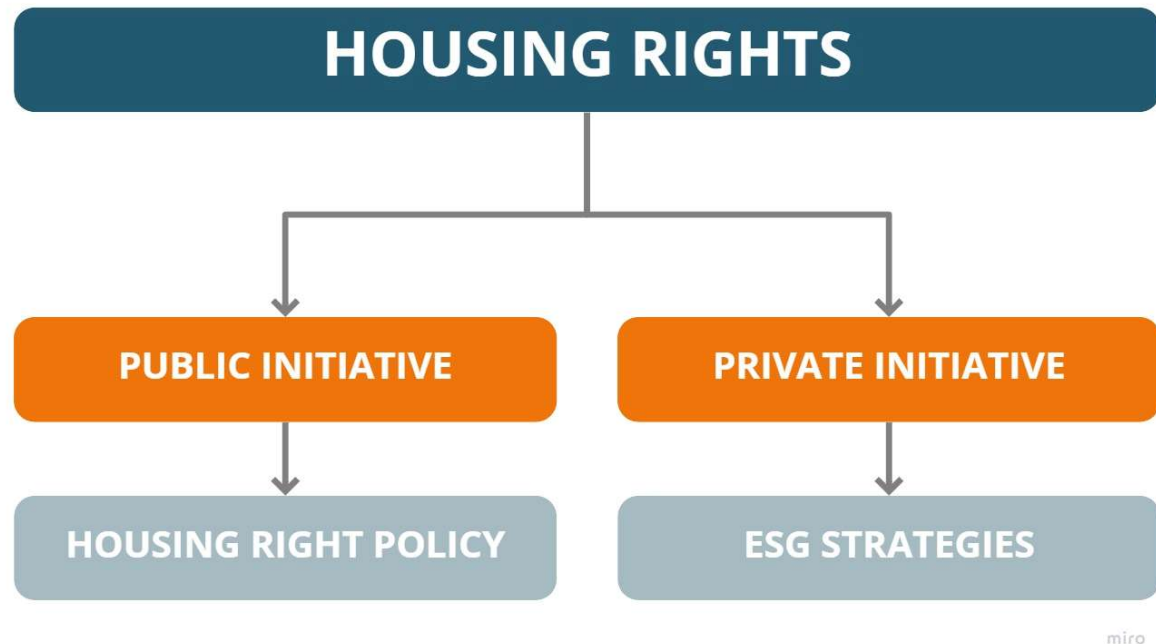


Figure 4: Housing right initiatives (own image)

Housing Rights policies

Within all this debate between the financialization of housing and the implementation of tenant rights, it is necessary to highlight the role of the public sector. With the information presented so far, it is possible to conclude that for lower-income PRS households, house price inflation and housing market dynamics related to financialization may have reduced the supply of affordable rental housing, which consequently compromised housing costs. Faced with these market dynamics and how vulnerable the inhabitants can be governments have started to create policies to protect them. Governments have begun to implement policies that seek to improve the conditions of the inhabitants, especially to generate a balance between the landlords and the tenants. One of the most traditional policies used by governments is rent control, but the approach to this usually varies by country. Some countries wanted to get rid of rent control as soon as possible (e.g. Finland), sometimes taking it up again later temporarily or in milder versions (e.g. Ireland), in other countries (e.g. Sweden) regulation of rents became more persistent feature of the housing system. Housing differs from other market commodities in the sense that it is a necessity, and it requires most households to spend a considerable amount of their income (Arnott 2015). According to Doling (1997) the state has six options to intervene in the housing market: non-action, exhortation, regulation, taxation, subsidy, and provision. Both housing market and housing policy are based on tenures (Haffner et al. 2018).

As mentioned previously, rent regulation can be described as balancing between the interests of tenants and the interests of landlords. The landlord-tenant relationship is inherently unequal as the landlord has the discretionary power to withhold access to a good that is central to a tenant's wellbeing (housing) (Zimmer 2017), and therefore rent regulation might be introduced to protect the tenant from this power asymmetry. But if the regulation is too strong, landlords may exit the market in the long run (Haffner et al. 2008). According to Jenkins (2009), the general view among economists is that rent regulation has many negative and market-distorting side effects such as misallocation, rental housing shortage and under maintenance (see also Arnott 1995 & 2003).

Though it is quite true to say that the European housing systems have largely moved towards deregulation and neo liberalization, and that a close majority of countries have a free market in PRM, the policy of

rent regulation has by no means disappeared from the scene. Sixteen of our 33 countries practiced second- or third generation rent control, sometimes limited to parts of the housing stock. Regulation of private renting is, of course, more than just regulation of rents: it is also regulation of other aspects of the relationship between tenant and landlord, such as security of tenure (Haffner et al. 2018, Whitehead et al. 2012) or other nonprice regulation, e.g. letting agency regulation, registration of landlords, tenancy deposit schemes. (Kettunen & Ruonavaara, 2021).

2.3.1 Housing Rights private initiatives: ESG initiatives

ESG performance is generally positively related to the financial return of equities, bonds, and real estate from the investor perspective. They show a positive or neutral effect between one or all the ESG-factors and the financial return. Within the benchmark issue of Housing Rights, this type of strategy demonstrates the level of will that a company has, in this case a big private landlord, to implement socially, environmentally, and globally sustainable measures. Findings in the different studies are consistent across approaches, ESG pillars, asset categories and regions. This section elaborates on the association between ESG and the financial performance in the field of real estate along the different ESG pillars. (Bastiaan Pott, 2021)

Environmental pillar

Literature shows that the environmental pillar is commonly linked to certifications and positively related to the financial performance of real estate. The environmental pillar is relatively easy to measure because the real estate sector has different environmental certifications such as LEED, Energy Star or BREEAM. The environmental pillar is also positively associated with the financial returns of real estate portfolios of institutional investors and corporate private landlords. Eichholtz et al. (2013) explain that the greenness of landlords is positively related to the return on assets, return on equity and the ratio of funds from operation to total revenue. They also document a non-significant relationship between the greenness of property portfolios and abnormal stock returns, suggesting that stock prices already reflect the higher cash flows deriving from investments in more efficient properties. The long-term weakening often refers to the alpha performance or learning effect (Pereira et al., 2019).

Social pillar

There is a positive association between the social pillar and the financial performance of real estate, although empirical evidence is relatively scarce. Brounen et al. (2021) refer to corporate social responsibility (CSR). Based on the article of Bauer et al. (2010), they explain that for real estate investments, there is a positive relationship between CSR ratings (KLD9) and Tobin's Q. Although positive CSR scores did not affect the owner returns, they documented that Tobin's Q spread was mainly due to the negative effects for low scoring. Brounen et al. (2021) also provide documentation that CSR ratings are higher for companies with fewer agency problems, affecting the governance pillar.

However, "softer", less tangible topics, such as diet and water, movement, social wellbeing, and psychological wellbeing, are much less consistently addressed, sometimes even despite strong scientific evidence. For instance, the health and economic benefits of drinking clean water and eating health food have long been demonstrated (Popkin, D'Anci & Rosenberg, 2010). All these elements related to the implementation of the elements of the Housing Rights.

Incorporating themes such as psychological and social well-being is more difficult because there is less direct evidence of health and economic benefits. Much research has been conducted in social science to measure facility management user satisfaction, but proven causal relationships are scarce. (Grum, 2017). The systems that do include social and psychological wellbeing emphasize "biophilic" design, which has been shown to have significant health benefits such as improved cognition, stress reduction, and lower mortality rates. This typically entails incorporating plants and natural lighting into buildings (which is

frequently a byproduct of energy reduction and thus not strictly a "social" intervention). However, it appears likely that there is a return on investment in designing facilities that make users feel good, as this may lead to increased use of these facilities.

Global pillar

There is empirical evidence for a positive relationship between the governance pillar and the financial performance of real estate organizations. Israelsen (2004) analyzed the performance effects of two competing governance structures, the self-administered that is outperforming the advisor structure REITs. Brzeszczyński and McIntosh (2014) used the study of Israelsen (2014) and extended it by using the Corporate Governance Quotient Index (CGQ), which is a metric developed by Institutional Shareholder Services (ISS) that rates publicly traded companies in terms of the quality of their corporate governance. They found a significant and positive relationship of governance performance on the performance of an organization.

ESG strategies are shown as one of the main awareness mechanisms by corporations. In these it is possible to understand the level of commitment when implementing internal policies that are aligned with a certain social and/or environmental objective. The type of approach that is given to this type of strategy reveals the type of commitment that is had with a certain social, environmental or global objective, in this case the housing rights.

2.3 RENTAL HOUSING MARKET

It is important to highlight that the implementation of Housing rights can come from two sectors: public and private. In the following sections, it will be explained how both public sector initiatives, through policies, and private sector initiatives, through the principles of corporate responsibility (ESG), have an impact on the implementation of Housing rights for the low-income population. income tenants.

2.3.2 Private landlords and Real Estate Market: Capital Market and Property Market

An essential part in understanding Private Landlords and their relationship with Financialization and Housing rights is their role in the Real Estate market. There are different models with different levels of complexity to describe the Real Estate Market. In this case, a simple equilibrium model of a real estate market that includes a vacancy rate will be used. The reason for the selection of this approach is that equilibrium model incorporates the vacancy rate, which is necessary to understand the approach of REITs to the market. Considering the relevance of tenants and their housing rights, it is important to give an approach to the market that includes the vacancy rate and dependence of it on the demand side. DiPasquale (1992) established that the Real Estate Market has two distinctions: space and asset. In the first case, Real Estate acts as a space, this is known as the property market. The needs of the tenant and the type of quality of the available building determine the rent. The second case considers purchase, sale, and exchange between investors. As a result, the buildings are treated as assets. This framework demonstrates the existing connections between the two markets, which occur in two ways. The first is that the income determined by the Property Market is central to determining the demand for the asset. The second refers to the dependence on the construction sector since this determines the supply of both markets (DiPasquale & Wheaton, 1992). If the supply of construction increases, the value of the assets decreases, and likewise that of the rent. These can be seen more clearly in the Four-quadrant model. (Figure 5).

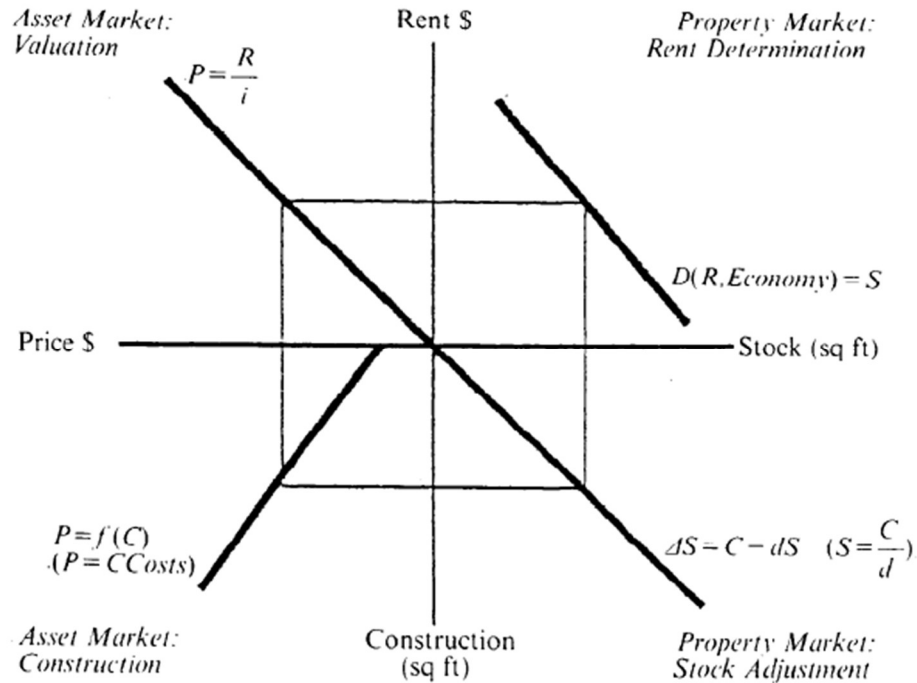


Figure 5: Four quadrant model (DiPasquale, 1992)

At this point, it is important to return to what was previously presented related to the effects of the financialization of housing, specifically in cases where the production of housing is due to the Private household. In this case, the result is a heterogeneous anti-urban growth effect, where the development of new projects is limited, and house prices increase speculatively. In this scenario, the market equilibrium is directly dependent on the relationship between Asset management as valuation and the property market as rent determination. This condition is the one present in Barcelona, the case study context for this thesis. The figure of the Private Landlords in this market occurs in a bidirectional way. On the one hand, it presents an interest in investing in assets. Through the purchase, sale, and exchange of real estate, they acquire a return of capital against the variation in the value of the properties. On the other hand, the income generated from property management provides a Cash Flow. Figure 6 shows the interaction of private landlords in the market.

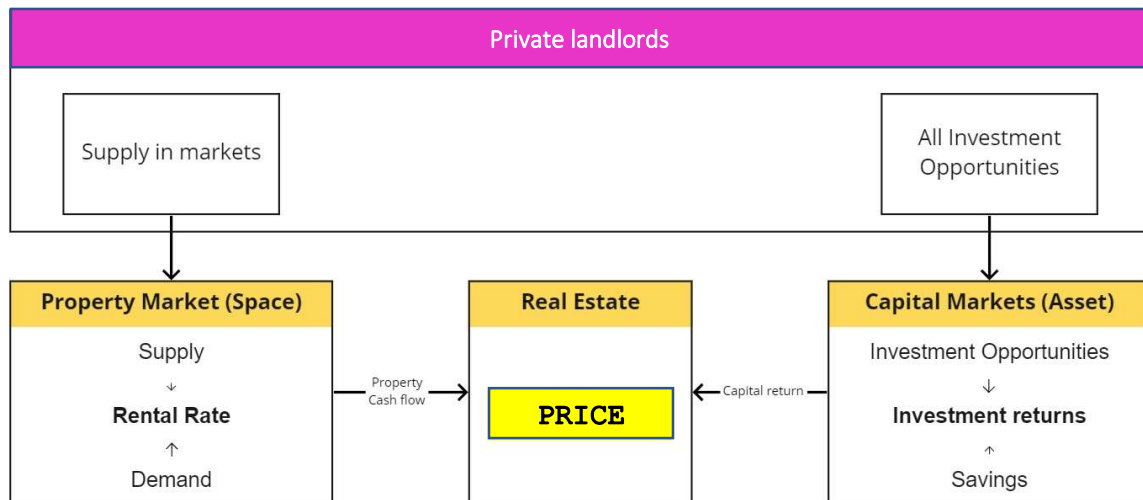


Figure 6: Private Landlords interaction with the Market (own image)

As can be seen in figure 6, in both types of market, Private Landlords depend on the value given to Real Estate and, depending on the context, this type of value may depend on the behavior and strategy of these companies. This type of relationship is more complex and, in the following sections, will explain how this dependency can occur. For this, it is necessary to consider the real estate management models used by Landlords, their way of operating, and the context in which they exist. Additionally, although there is a dependency on the value of the real estate, it is necessary to recognize that the scope of action gives them decisive power over the condition of the properties, their prices, and the type of the desired customer. The behavior of investors, landlords, and property managers can potentiate or minimize the urban and social problems caused by financialization. However, some academics argue that because markets do not always process information efficiently, market prices may deviate from fundamental value. Miller (1977) demonstrates how the market price of a risky security can be overvalued because of a combination of costly short selling and heterogeneous investor beliefs (Chen, Downs, & Patterson, 2012). Given the evidence that invest in housing indirectly, through investing vehicles like REITs, (Cronqvist et al., 2001) suggests a relation between diversification and institutional ownership, we include institutional ownership in our analysis. Indeed, one potential reason for the conflicting results in the literature may be related to cross-sectional heterogeneity among the Private landlords themselves, including the extent to which a firm is transparent. Higher than average levels of institutional investor interest in a particular firm is one possible indicator of firm transparency. Boone and White (2015) examine the effects of institutional ownership on firms' information environments and find that higher institutional ownership is associated with greater management disclosure, analyst following, and liquidity, which results in lower information asymmetry. Property type focus is another potential indicator of transparency. In a study of pricing, Chen, Downs, and Patterson (2012) partition firms based on property type focus as a proxy for transparency and as a determinant of heterogeneous beliefs regarding valuation. They state that their main contribution is in the innovation of drawing a distinction between landlords that are transparent and those that are not. Consequently, not only do we include controls for institutional ownership and property type focus, but we incorporate partitions of the data and look at the ownership and property type groupings separately. (Feng, Pattananchai, McKay Price, & Sirmans, 2019). In the specific case of this thesis, Private Landlords have the role of supplier and tenants of the Demand. Although the power of supply is great, the values depend directly on income and more specifically on demand. Next, the relevance of tenants within the market and a framework on how they should be studied will be presented.

By taking the model of DiPasquale and Wheaton (1992) it is possible to establish that in real estate use or space, demand comes from the occupier of space. This Occupier is shown in two ways: household demand and rent demand. In the first, the demand for space depends on the income and the cost of

occupying the space relative to the cost of consuming other commodities. The second is the demand for rent determined by the property market for space. In this, the supply of space is given from the asset market. In this way, the property market must define a rent level in which the demand for space equals the supply of space. To achieve this, different variants related to the economic conditions of the population must be considered.

An example is comparative statics given by DiPasquale (1992), where the effects that a change in demand may have been presented. This shows how an increase in employment, production, or the number of dwellings can increase the demand for space. It is precisely for this reason that a demographic analysis must be considered. The ability of real estate prices to represent urban competitiveness concerns includes analysis at a single point in time and over time. As a result, an increase in tenants causes an increase in demand for housing, which raises rental prices and real estate values. However, population flows into and out of the city have the opposite effect, resulting in a contraction of demand. The quantitative relationship between population growth and property prices is rarely studied in the literature, despite being widely acknowledged qualitatively. (Bencardino & Nesticó, 2017)

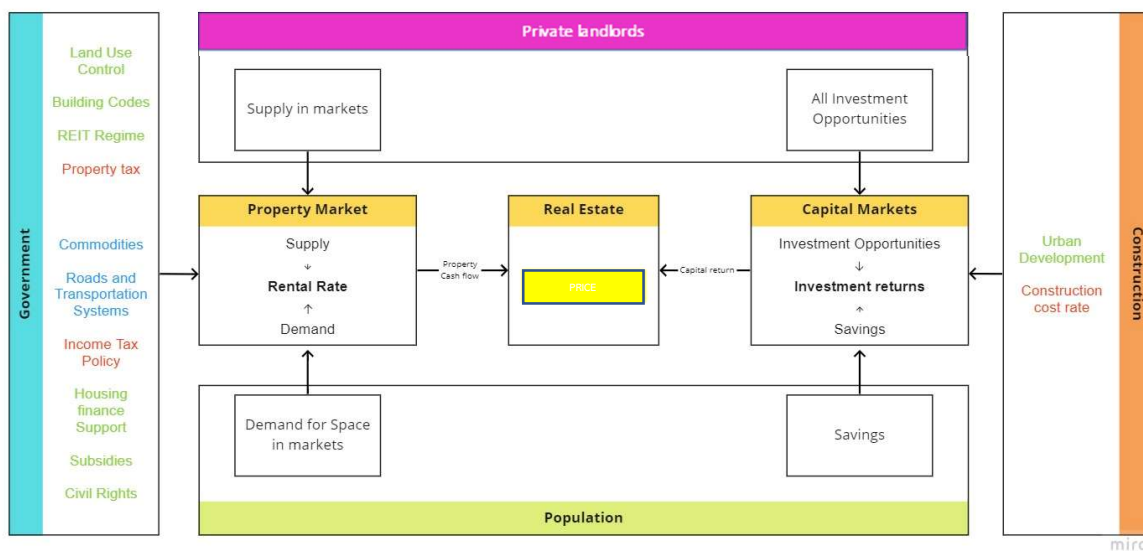


Figure 7: Extended Real Estate Market (own Image)

Figure 7 shows the previously explained Private rental market as a sample, but within the debate between financialization and housing rights, it is necessary to clarify that this market is more complex. As explained in previous sections, the financialization of housing involves different actors but this discussion focuses on private landlords. This investment vehicle has the power of influence within the valuation but also depends on the demand given by the population, the real costs of construction, and the conditions given by the public sector in the form of policy or regulation.

Describing Private Rental Sector (PRS)

Since the objective of this thesis is understand the relation of Private Landlords and the housing rights for low-income tenants that are being affected by the growth of financialization of housing, it is important to approach, within a market as vast as Real Estate, to the Private rental sector. Dewilde's research (2017) shows an analysis of the market in a social way, where the previously expressed relationship can be understood. Declining affordability was already recognizable in the years prior the GFC, and it has been connected to trends growing demands for PRS-housing, such as house price inflation, a transition in support from the public for lower-income households, and changes in society restricting households' access to mortgages and increasing the attractiveness of much more flexible housing arrangements.

A variety of interconnected dimensions, such as ownership, owner objectives, financing and governance, influence definitions of 'private renting' and characteristics of private renters (Crook and Kemp, 2014). Changes in the PRS are affected by international trends and shifts (Crook and Kemp, 2014; Kemp, 2015). The potential impact of financialization of housing and (urban) real estate on the PRS and its inhabitants in a variety of contexts and through a variety of mechanisms and dynamics is gaining popularity between researchers. Various mechanisms and how they may affect housing costs and thus affordability for low-income private renters. As global processes are refracted when passing through institutional prisms, these mechanisms clearly occur to varying degrees and with varying effects across contexts.

The first type of mechanisms puts emphasis on the financialization of housing via mortgage market liberalization associated with house price inflation, which may have resulted in housing market dynamics affecting the cost of housing at the lower end, not only for low-income owners but also for renters, particularly between 1995 and 2007. It could be argued that increased demand for owner-occupation, combined with inelastic supply of new housing and rising unaffordability of existing stock, resulted in the 'filtering up' of properties from the PRS into the ownership segment. The housing stock that was once affordable to lower-income groups is now being converted into more expensive housing. As a result, lower-income tenants typically lack the financial resources to allow landlords to raise rents in line with house prices. As a result, the supply of affordable private rental housing for a more selective group of lower-income households is impoverished, as the best properties flow into the ownership segment.

Despite the decline in buy-to-let mortgages, the acquisition of buy-to-let housing remained a popular investment strategy among equity-rich and older households in the post-GFC context, owing to a lack of investment alternatives. The inventory of low-income renters has shrunk. Quality improvements are an important explanatory factor, as are gentrification and urban renewal processes, which tend to remove lower-income housing from the dwelling stock while adding stock for middle- and high-income households.

Global institutional investors and equity traders have increased their investment in private rental housing because of financialization. Their investment strategies, on the other hand, have a negative impact on housing security, housing quality, and housing affordability. The 'upgrading' strategy entails speculating on a rising market and taking advantage of opportunities to extract higher rents through renovation and modernization, resulting in the displacement of lower-income renters (Dewilde, 2018).

In this way, it is possible to continue with the debate regarding the contribution that Private Landlords make to the financialization of housing process and how these can affect the housing rights of low-income tenants.

2.4 LANDLORDS REAL ESTATE MANAGEMENT MODELS

The private rental housing market has always been an important provider of accommodation for low-income households. Since then, rising real incomes and developments in mortgage finance (among other things) have enabled many better-off households to live in the owner-occupied sector. The emergence and growth of social rented housing in the 20th century provided low-income tenants and, in some countries, middle-income—households with a new and often more highly regarded alternative to the private rental market (Harloe, 1995).

Although the type of private landlords may vary according to their investment strategy and investment capacity. It is important to understand that the forms of return depend on the same within the private

rental market regardless of the size of the portfolio you have. Figure 8 shows the graph of the different YIELD components that can be obtained from a property (CBRE, 2020).

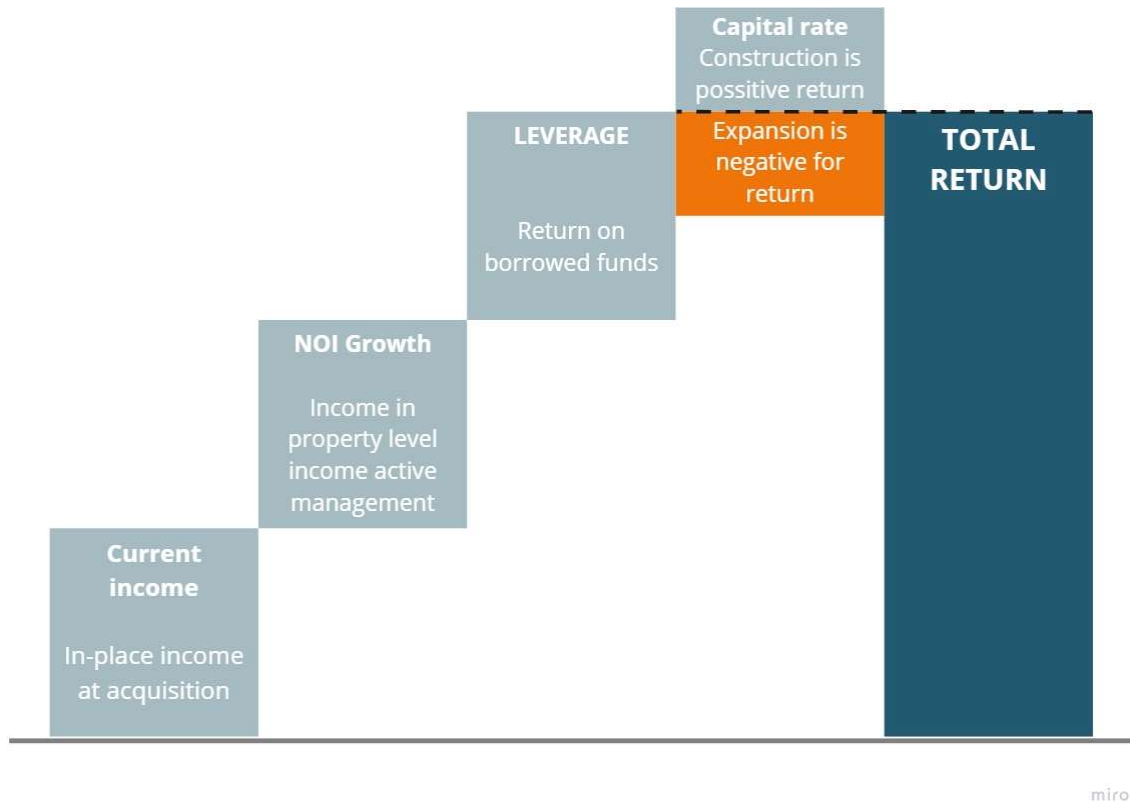


Figure 8: Landlord property return structure (CBRE, 2020)

- Current income refers to cash flows that are anticipated in the immediate to short-term. In real estate it is related to the income generated by a rented property.
- Net Operating Income (NOI) growth determines the revenue and profitability of invested real estate property after subtracting necessary operating expenses.
- Leverage in real estate is an investing strategy in which investors borrow money to buy property, with the goal of increasing returns.
- Capitalization rate is used to evaluating a real estate investment.

$$\text{Cap rate} = \frac{\text{Net operating income}}{\text{Market value}}$$

At this point it is important to clarify that within the vastness of Private Rented Real Estate there are several types of private landlords, ranging from small owners who have a small number of homes and the income they generate helps them live on investment such as the Real Estate Investment Trusts that have much larger portfolios and their approach to housing is different from the traditional one. In the same way, since the conception of Private Landlords is shown as an investor since his possession of the house is not associated with the function of inhabiting it but with the idea of exploiting it economically. It is at this point where it becomes relevant to understand the types of landlords that exist. Sanderson & Özogul (2021), present four types of investors: CORE, CORE +, VALUE ADD and

OPPORTUNISTIC. Figure 9 shows how the characterization of these investors depends directly on the relationship between the expectation of risk and return that they have of their portfolios.

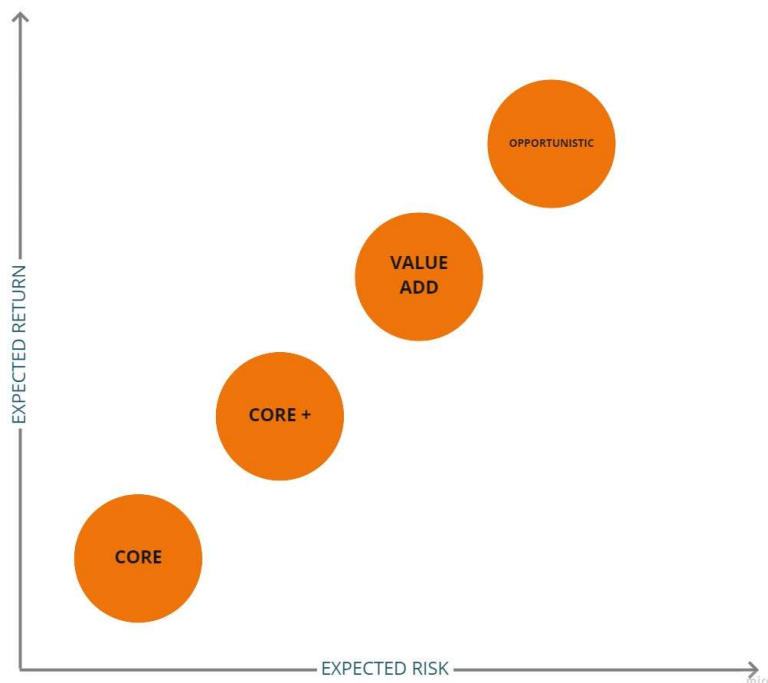


Figure 9: Private landlords typology (own image base on Sanderson & Özogul (2021))

The first thing that should be clarified in the typology is that every owner who introduces or acquires housing in the Private rental market is considered an investor, since the social security character of his property is given to a tenant. As a consequence, it can be grouped into one of the four typologies presented above. The characteristics of each of these are presented below, according to the theories presented by Sanderson & Özogul (2021):

1. **CORE:** This type of investor is the most common and makes up the majority of the market. They are small owners with limited purchasing power. For this reason, their types of real estate investments seek greater security, but their YIELD is also low. This type of private landlords seeks greater stability, which is why they are usually interested in long-term contracts and their possession of the properties is greater than 10 years. In this way there is a low interest in return IRR.
2. **CORE +:** This type of private landlords has characteristics similar to those of the CORE although their purchasing power is a little higher. They are usually shown as small partnerships or family offices. In these cases, greater investment is already beginning to be seen in projects under development and larger portfolios where a greater risk can be assumed but the yield is greater. The biggest difference between this type of portfolio and that of the CORE is that it requires the formalization of portfolio management mechanisms.
3. **VALUE ADD:** This is shown as one of the most interesting typologies of the four. This type of private landlord already has a more corporate profile like private equity funds and Real Estate Investment Trusts (REITs). This group is already more limited, although its portfolio is larger. The type of investment is more strategic and with a high-risk level, although they usually have a directly proportional yield return. They are the type of funds that invest in urban development or urban re-development projects.

4. **OPPORTUNISTIC:** Finally, the opportunistic investor who manages specific segments is presented. This type of investor appears more internationally and usually takes center stage in scenarios of crisis or large urban expansion. An international case is Blackstone. These types of landlords have a short ownership of the properties, and their main return is given in the capital rate and the valuation.

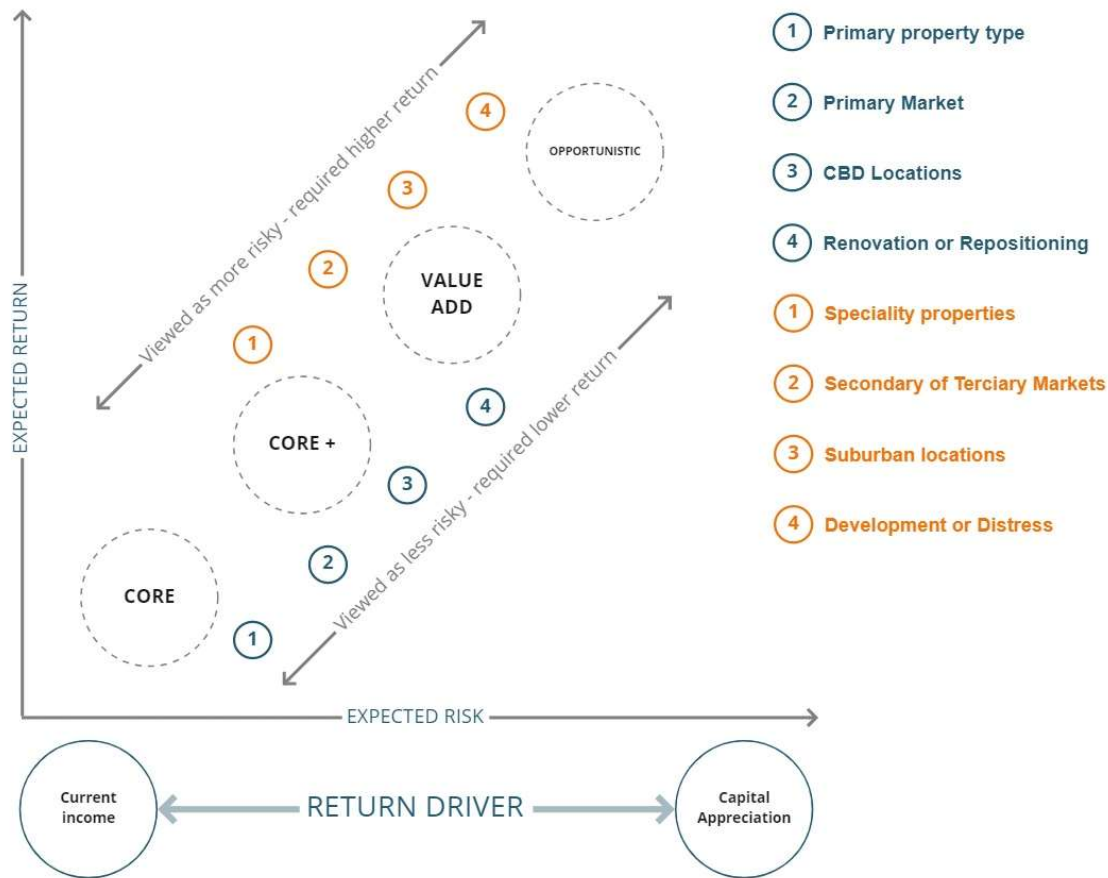


Figure 10: Risk vs Return approach (CBRE, 2020)

Continuing with the analysis presented by CBRE (2020) against the typology of private landlords, figure 10 shows the type of relationship in the behaviour of the groups compared to the relationship between the type of projects in which they usually invest in the real estate market and its link with risk and return. In this way it is possible to identify the type of relationship between the different types of private landlords and the portfolio offer.

As a point to highlight, it is important to mention that one of the biggest players in this model is the VALUE ADD. Due to its strong involvement in the urban development of the city and therefore its possible implementation of Housing rights in its portfolio in a more complete way. For this reason, private equity funds and REITs will be presented in more detail in the next section.

2.4.1 Private Equity funds and REITS: the big Private Landlord

Private Equity funds and REITS are an investment vehicle that provides a convenient way to buy and own real estate while having it managed by an industry expert. They provide a cash flow, fixed savings,

and a long-term investment with moderate risk. For short and long-term growth prospects, investors anticipate total return combinations of dividend and capital appreciation. REITs are a hybrid investment that combines the liquidity of the stock market with stable income streams derived from high-quality tenants and long-term leases (Adnan, Lamin, Razali, Jalil, & Z., 2021). The entry of this type of business model has a relevant impact on the real estate market. REITs act as investment funds with high purchasing power, and the concentration of properties gives them decisive power within the trends. REITs are in charge of investment management, asset management, and property management, which includes REIT fund management, portfolio management, asset management, and property management (Newell 2012).

2.4.2 Landlords Business Model

REITs follow straightforward business model: buying, selling, and leasing space and collection of rent on the properties, then distributes the income to shareholders as dividends. Real estate management involves decision making and implementation in investment activities of portfolios such as acquisition, use and disposal of assets. The general concept of management and strategy has been used in the management of real estate asset investment as well as in the management of REITs. The main objective is to formulate a strategy for effective and efficient management to deliver maximum returns on investments and future growth to the investors or unit holders. The four key areas of REIT operations that could contribute to long-term management success are:

- Effectiveness in operation (improve quality, efficiency, cost reduction and risk management)
- Allocation of capital
- Transaction through diversion, acquisitions, and disposals
- Financing the business via debt management

Newell (2012) described the duties and responsibilities of an REIT manager to include: REIT fund management, portfolio management, asset management and property management. It is important to note that there are three REIT models which are equity, mortgage and hybrid.

Equity REITs:

These companies own or manage income-producing properties such as offices, retail, and housing and lease the space to tenants. After deducting operating expenses, equity REITs distribute the majority of their income to shareholders as dividends each year. Equity REITs generate income from property sales as well. These are the most common type of REITs (Nareit, 2021).

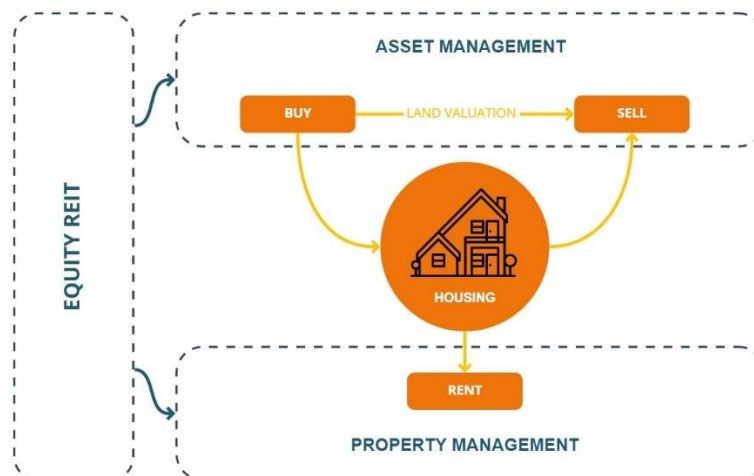


Figure 11: Equity REIT business model

This type of business model influence on affordability, the rental conditions of the same, and the accessibility of tenants to certain urban areas. Topics that are referred in the effects of financialization and the principles of Housing Rights previously.

Mortgage REITs:

M-REITs hold mortgages on their balance sheets and fund these assets with a mixture of debt - equity. Their goal is to benefit from net interest margin, or the difference between interest income on mortgage assets and funding costs. Common and preferred equity, repurchase agreements, structured financing, convertible and long-term debt, and other credit facilities are all used by M-REITs to fund their operations (Nareit, 2021).

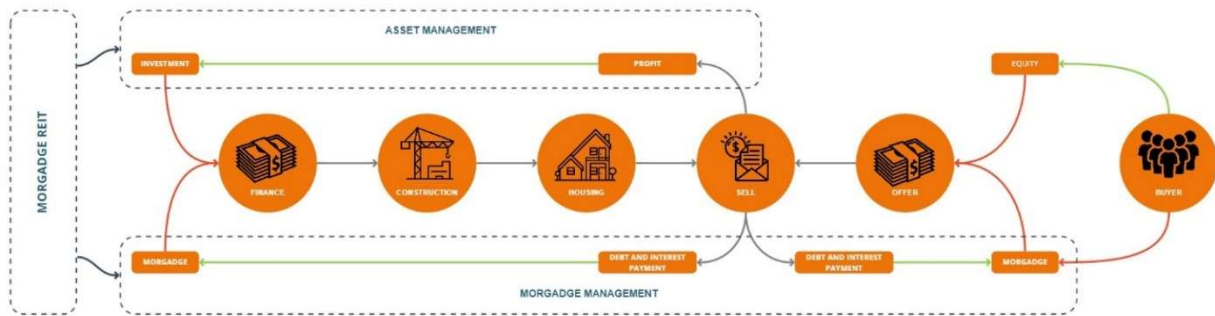


Figure 12: Mortgage REIT business model

Hybrid REITs:

This type of fund establishes a mixed strategy between Equity and Mortgage REITs. In figure 9 you can understand how this business model works.

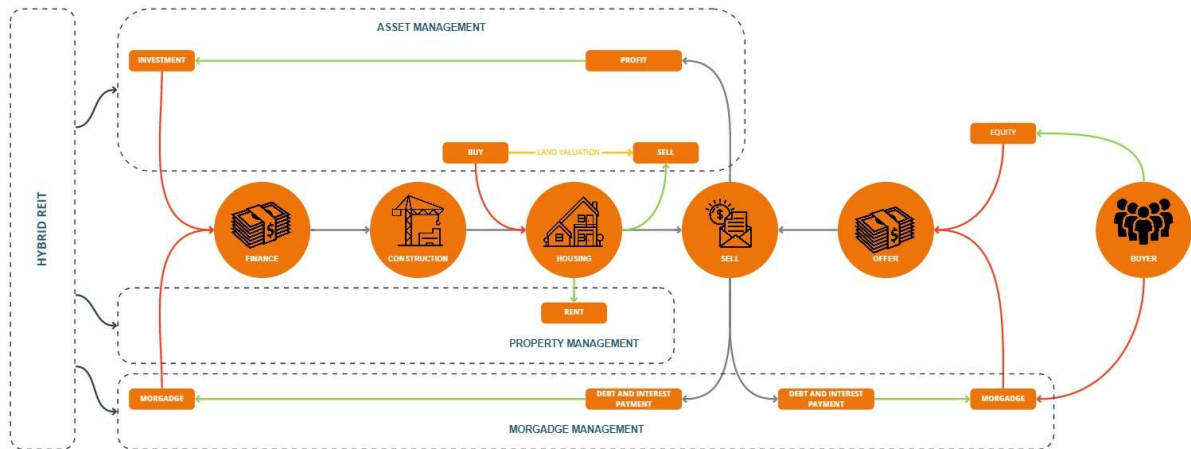


Figure 13: Hybrid REIT business model

Having reviewed the various concepts and aspects of strategy and asset management, the strategy for REIT management should refer to the lifecycle of the real estate asset, encompassing the various factors within each cycle, comprising acquisition or development, operation or management of assets, maintenance, asset enhancement and, finally, disposal. The asset management can be divided into three levels: portfolio management, asset management and property management. The identified strategies include factors that influence the chosen strategies in the management of REITs.

The growth of REITs can be divided into two types: internal or organic growth, and external or dynamic growth, which are also referred to as the lifecycle of the real estate. As part of the REIT manager's objective to deliver maximum return in terms of dividend and capital growth, the adopted strategy also takes into consideration the investment strategy in its acquisition, diversification factors, capital structure management factors, capital structure management, recycling, and joint ventures. (Adnan, Lamin, Razali, Jalil, & Z., 2021)

2.4.3 Landlords behavior: Between Financialization and Housing Rights

This type of guideline becomes relevant within the discussion given above regarding the financialization of housing. Depending on the managerial approach that REITs give to the portfolio, it is possible to increase the effects of the financialization or benefit tenants' housing rights. A relationship between the different guidelines followed by REITs, the financialization of housing effects, and the seven principles of Housing rights will be presented. In this way, it is possible to identify the points of greatest relevance to the objectives of this thesis.

1. Lower management fees: This type of conditions can generate greater interest in investors, but also generates greater dependence on the return given by investments and properties.

2. Proxy for direct RE in the long term: Proxy is shown as real estate agents that make indirect investment possible by funds and investors. These are very important within the financialization of housing process since they largely define the long-term property management strategy.

3. Track record of proven performance: The relevance of transparency is not only important for investors but also for tenants who live in properties acquired by REITs in this way it is possible to establish the type of influence within the immediate real estate market.

4. Tax transparency: A point to highlight within the advocates of reits is that these investment vehicles are accompanied by some tax releases. This is because in many cases governments see in this type of mechanism a strong encouragement of international investment in the local market. In the same way, these types of advantages must be rewarded in benefits to the communities. Tax transparency can largely show that kind of payoff.

5. Low entry cost: in previous sections it was established that a large part of the effects of the financialization of housing was increased by means of foreclosure in properties after the financial crisis. Additionally, REITs generate great interest due to their easy accessibility. The stability of the real estate market and its constant increase in value is generally recognized, but the traditional methods of access to it require investments that not all the population has. That is why in many cases we speak of unaffordability. REITs, through their indirect investment method, give people greater accessibility to the market.

6. Restrictions on RE development activities: As already explained, when there is a concentration of ownership by the household and the public sector does not provide social housing, the development of cities begins to be limited. Anti-urbanism movements are increasing and speculation on the value of dwellings is greater. This also affects the levels of affordability and accessibility of the home.

These types of advantages generate a lot of attraction in the population since it gives them the possibility of investing with a return on investments that are adapted to the capacity of each investor. In addition, efficient and effective management will optimize profit and lower risk by strategizing asset management portfolios in REIT investments.

According to Rozman et al. (2016), REITs are securitized real estate stocks, similar to listed property companies, which have their own legislative framework and tax transparency. In addition, each country adopted a different legislative framework which makes its asset management strategies different and unique. (Rozman, Razali, Azmi, & Ali, 2016)

2.4.4 Private Landlords and Dynamic Capability

In the changing behavior of private landlords in markets where measures that favor Housing Rights are introduced, it is important to establish how flexible their mechanisms are. This section explains a framework to define how flexible a private landlord is to the incorporation of Housing Rights. David J. Teece (2018) presents us with a clear framework in which the Business models are analyzed according to their Dynamic capability. Dynamic capabilities, which are endorsed by organizational routines and managerial skills, are the company's ability to integrate, build, and reconfigure internal competencies in response to changes in the business environment (Teece et al., 1997; Teece, 2007). The framework becomes relevant if the relationship evidenced between housing providers and the current conditions of Low-income tenants. The approach that a company gives to its assets and its portfolio can strongly influence the adequacy conditions of the inhabitants. Dynamic capabilities are easier to comprehend when viewed in the context of an organization's overall portfolio of capabilities, which can be thought of as operating on two levels: operational and high level (managerial) (Winter 2003).

Dynamic capabilities include the sensing, seizing, and transforming needed to design and implement a business model. They can enable an enterprise to upgrade its ordinary capabilities and direct these, and the capabilities of partners, toward high-payoff endeavours. This requires developing and coordinating, or “orchestrating,” the company’s resources to address and even shape changes in the marketplace, or the business environment more generally.

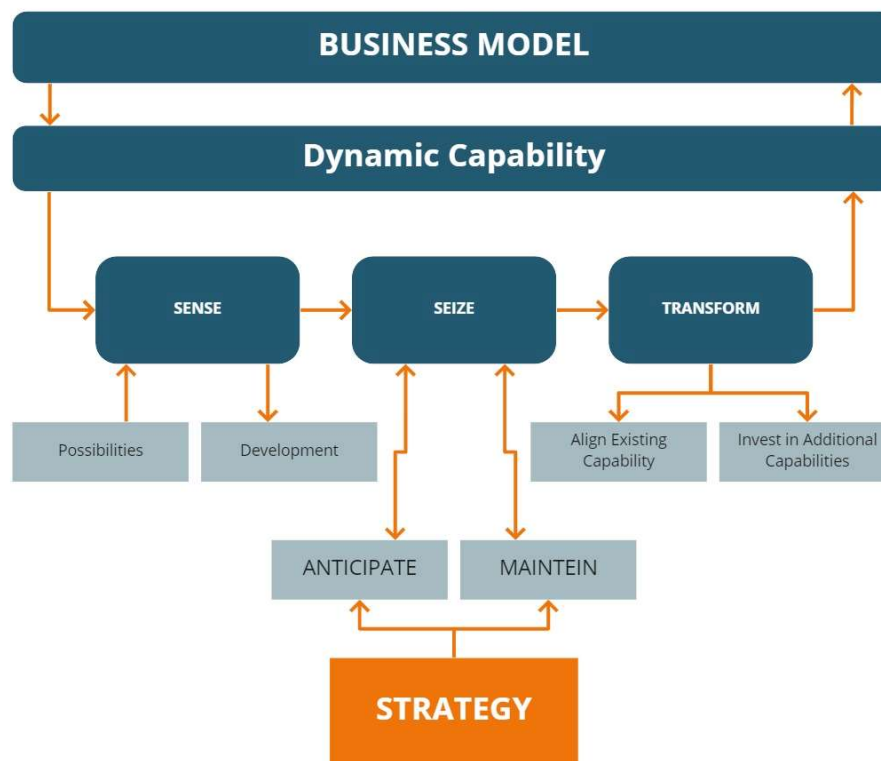


Figure 14: Dynamic capability model

To define the type of Dynamic capability that a company has in the face of a change (such as the implementation of Housing Rights principles in REITs), three main steps must be fulfilled, which will be explained below.

SENSE:

The speed and degree to which a company's resources, including its business model, are aligned with customer needs and aspirations is determined by the strength of its dynamic capabilities. To accomplish this, organizations must be able to detect opportunities and be self-aware of their ability to develop solutions to the changes that the market can generate on a continuous basis. Referring to the debate raised by this thesis between financialization and housing adequacy, private landlords can see the implementation of the principles of housing rights as an opportunity.



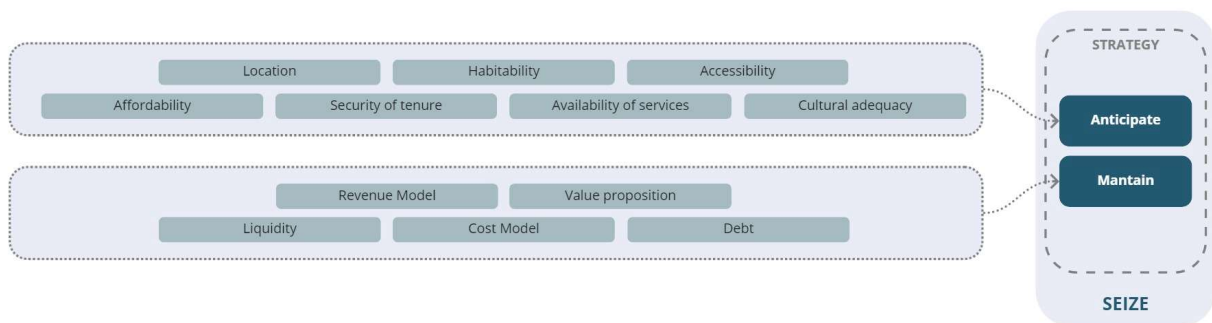
Figure 15: Housing rights principles

For this, it is necessary to consider your ability to develop new strategies. For this, the principles presented will be grouped into four topics that will serve as a bridge for the analysis of landlords, their business models, and their organizational strategies. The result will establish the company's solution development capacity.

SEIZE:

"Strategy has been the primary building block of competitiveness over the past three decades," write Casadesus-Masanell and Ricart (2011), "but in the future, the quest for sustainable advantage may well begin with the business model." Unique capabilities are the primary building block of firm-level competitiveness because they enable business model design, which is inextricably linked to strategy. The design of a business model is dictated by corporate strategy.

A business model frames strategy by maintaining some actions and facilitating new ones. A business model influences the feasibility of a strategy by determining costs and profitability. In the event of a conflict between strategy and business model, it is up to senior management to decide which should be changed.



TRANSFORM:

As a result, the interdependence between the business model and the strategy is reflected in the dynamic capabilities framework, a multidisciplinary organization model with dynamic capabilities at its core.

Dynamic capabilities and strategy work together to develop and refine a defensible business model that guides organizational transformation. Ideally, this results in a level of profit sufficient to allow the enterprise to maintain and improve its capabilities and resources.

3 RESEARCH METHODOLOGY

This chapter presents the research strategies and method that will be used in order to identify the challenges between real estate management models and securing housing rights for low-income tenants. The research objectives and conceptual models will be discussed, followed by the sub-questions and the research strategy. Subsequently, the research method and the research planning are discussed. The chapter closes with an elaboration on the validity and the generalizability of the research, and the dissemination.

3.3 Research Objectives

To be able to provide insights to the conception and value in real estate management models and securing housing rights for low-income and find a balancing act between landlords and tenants, first is necessary to provide insight regarding current conditions of the context, tenants and their notion of the rent conditions, business model and the operational structure responsibility. The research presents an initial phase of implementation that analyzes the existing mismatches of real estate management models with the Housing Rights. Subsequently, the strategy structuring stage defines the notion of tenants of the housing rental market, in this way, when comparing the results with the data collected from the context, it is possible to establish the challenges between real estate rented market and securing housing rights which aspects of the private landlords must anticipate the change towards Housing rights implementation. Finally, the research objective presents the findings regarding the challenges in securing housing rights and mechanisms that are presented as recommendations for private landlords to implement. In order to achieve this, the mechanisms must be aligned and/or added to implement the rights of low-income tenants.

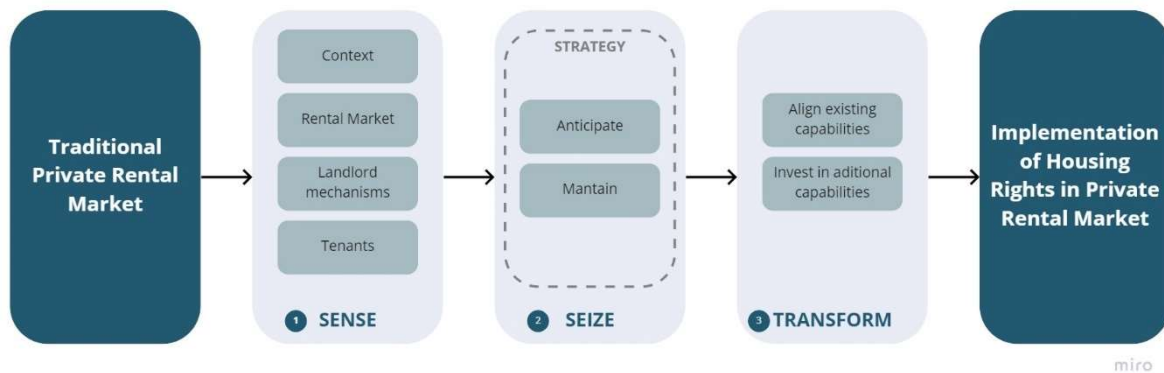


Figure 16: Research objective scheme

In point one, it is necessary to understand the types of inputs that will carry out the initial analysis of the conditions in which the private lanlords research begins. That is why a breakdown of the information that is expected to be gathered is shown in figure 17 below:

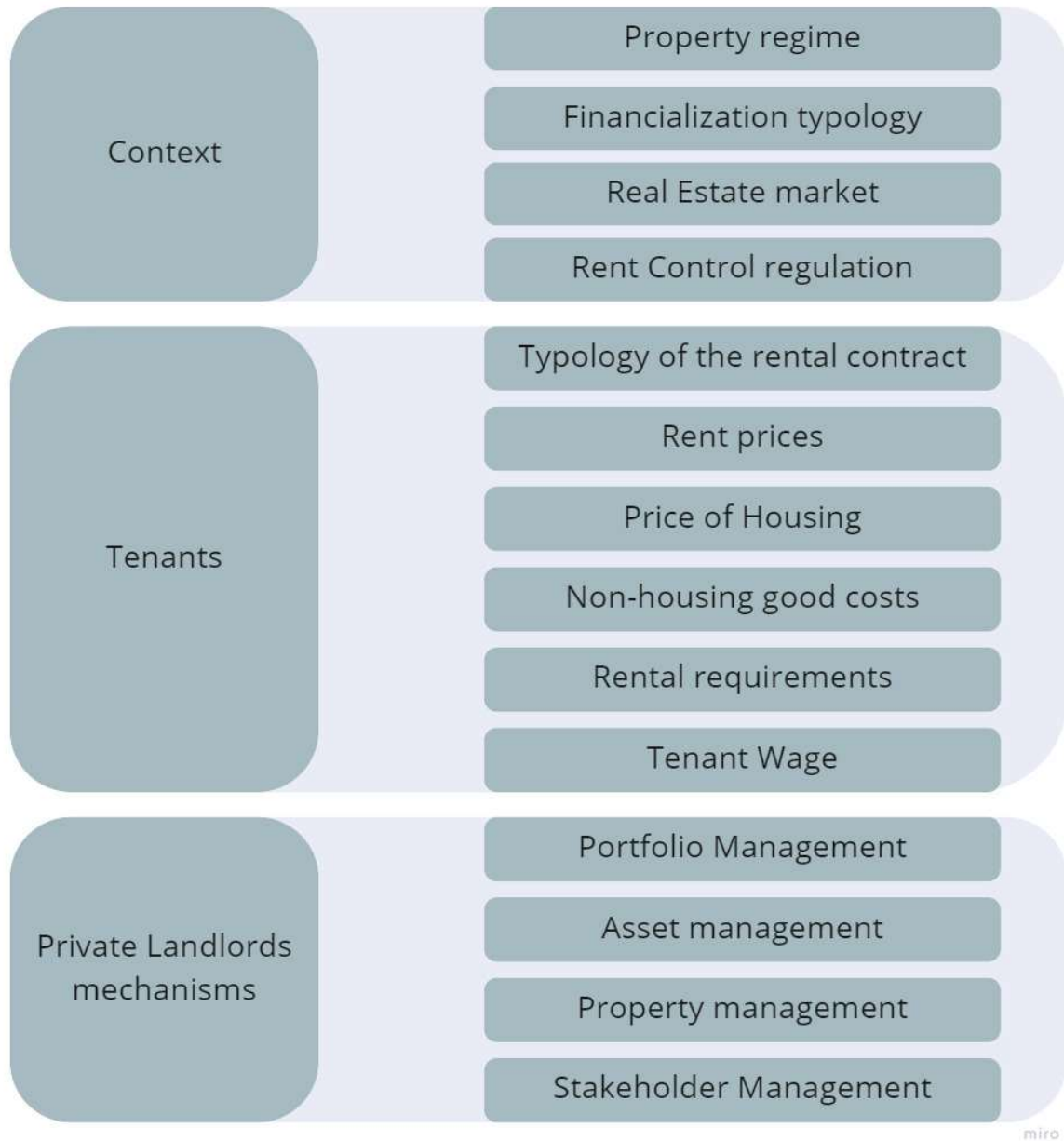


Figure 17: Inputs to the research objective (own illustration)

3.4 Research sub-questions

The research question, as stated in the introduction, was addressed step by step by responding the sub-questions defined below. Some sub-questions have been developed for each component of the main question. What are the challenges between real estate management models and securing housing rights for low-income tenants in Barcelona? The purpose, outcome, and method of data collection will be briefly discussed for each question.

What are housing rights and how can they be secured (or accessed)?

Purpose: As can be understood in the literature review, a definition of Housing Rights and the two sectors responsible for ensuring compliance (private and public) are provided. Depending on the type of commitment that the present market may or may not give due compliance with these rights. The objective of this sub-question is to clarify the existing methodologies in the analysis of compliance with housing rights and to define them.

Data collection: This question was answered by collecting data of the market and studying literature.

What are the challenges between real estate rented market and securing housing rights?

Purpose: As can be understood in the literature review, Private Landlords have a strong link with the financialization of housing and other challenges between real estate rental market and securing housing rights. The type of behavior that they have within the market can increase or limit the negative effects of this economic phenomenon on the inhabitants of a city. That is why the purpose of this question is to establish this link.

Data collection: This question was answered by collecting data of the market and studying literature.

What real estate management models are commonly practiced by private landlords?

Purpose: The first function of this question is to recognize the relevance of the adequacy of housing of low-income tenants. As previously established in the literature review, the commodification of housing reduced the conception of a house from a social security point to an asset. Recognizing the importance of tenant Housing Rights principles marks a return to the community's vision of safety. This question will give insight into the factors that people take into account when choosing a location, prices, and conditions that houses of landlord's portfolio have. Additionally, it establishes the type of responsibilities that Private Landlords have in complying with the housing rights of their tenants.

Data collection: This question can be answered by surveys to tenants and studying literature. Through the results presented in the questionnaires to the tenants and when confronting them with the information collected through the literature studied, the public reports of the municipality. An objective answer to the question can be presented.

Is there a balancing act between landlords and tenants or the balancing act between 'housing as an asset' and 'housing as a right'?

Purpose: It sought to identify the possible existing challenges within the relationship between landlords and low-income tenants that currently affect securing Housing Rights in the private landlords' mechanisms. This question will help establish challenges and solutions in the adoption of housing rights in the business model and operational structure of rights.

Data collection: To present the answer to this question, the Key Performance Indicators KPI are presented. A list of indices and factors related to the data compiled in the literature review, the presentation of the Barcelona context that is based on the secondary data collection, academic paper, official data from the government and that follows the same structure logic of the questionnaires carried out. In this way, the matches, and mismatches between the notion of the population and reality are identified. These results show the weaknesses and strengths of the Housing Rental System in Barcelona, and more specifically, show the conditions of the private landlords business models and operational structures that affect the implementation of Housing Rights.

3.5 Research strategy & design

A research strategy is a general approach to conducting quantitative or qualitative social research (Bryman, 2012, p.35). This is a mixed study between qualitative study because it is primarily concerned with the needs, behaviour, and perceptions of tenants in relation to their Housing Rights and quantitative because its main objective is to present a viable strategy for private landlords in securing Housing Rights, KPI and quantitative data will be used. An inductive approach to the relationship between theory and research is emphasized in qualitative research, so emphasis is placed on the generation of theories (Bryman, 2012, p.36). This is consistent with the previously discussed gap in literature, because by conducting case studies, theories can be added to the existing literature.

A research design establishes a framework for data collection and analysis. The selection of a research design reflects decisions about the importance of specific aspects of the research process (Bryman, 2012, p.46).

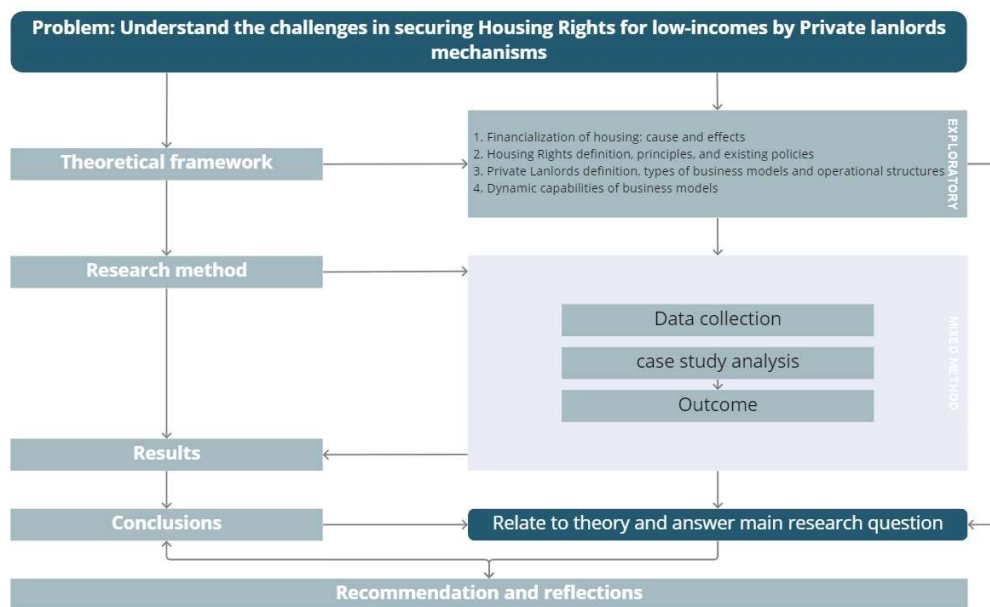


Figure 18: Research design (own illustration)

Although, at the beginning of the investigation, a data collection system was proposed in which the insights provided by low-income tenants were given greater relevance. The first, the questionnaire was carried out on tenants, members of the tenant union of Catalonia, were redefined as primary data collection. The second, through the secondary data collection, the annual reports of the companies were analysed. Although, it is believed that the interviews could have contributed with feedback from the interviewee.

The challenge encountered in the lack of response from the interview profiles not only affected the data re-election strategy but also the data analysis process. Initially, the interviews were given a high relevance in the understanding of the case study during the Empirical research and as one of the factors of analysis of the results of the surveys. To solve this deficiency, the context analysis methodology was reconsidered. Based on what was found in the annual reports. Faced with the analysis of the results, the secondary data collection together with the theory presented in the literature review. They provided sufficient background to propose the Key Performance Indicators and the evaluation criteria used to objectively analyse the results of the surveys and thus generate the Findings.

Faced with the analysis of the papers and the academic literature, a qualitative methodology was implemented in which it was sought to define the existing rental housing market in Barcelona through the historical context and the current situation, the relationship between the different stakeholders (Tenants, private landlords and public sector) and the trends seen in the market).

The questionnaire is presented as the primary data collection, this had as its main reference the Housing Right Index prepared by UNHabitat (2020), although it was adapted since the original version is shown as a general housing analysis framework. In this case, the questions covered by the thesis questionnaire were adapted to the context of Barcelona and the language was simplified for easy understanding of the respondents.

Regarding the data analysis strategy, it was presented in two phases. The first was to define the KPIs. For this, the sub-elements of the Housing rights were crossed with the items of the conceptual model related to the context, business model, operational structure, and tenants. In this way, the main indicators to be evaluated were identified.

The second phase of analysis resulted in the findings presented in Seize's section. This phase consisted of evaluating the results of the surveys and the data collected from the secondary data collection. In this way, the relationship between the results of the KPIs and the tenants' notion of Housing Rights was analyzed. This with the objective if the failure in the application of said rights is justified or is limited to a lack of clarity regarding them. Additionally, this methodology allows identifying the possible Bias that the respondents had at the time of conducting the survey.

Finally, the transformation strategy seeks to ground the findings related to Housing rights and analyze them from a point of view closer to the business model and operational structure of REITs. Resulting in a series of behaviors or strategies to implement with the aim of guaranteeing Housing Rights by these companies.

3.6 Data collection

A research method is a technique for gathering information (Bryman, 2012, p.26). A literature review, surveys, and semi-structured interviews will be used in this study.

Literature review is (and will further be) conducted to gain information about important subjects, such as financialization of housing causes and negative effects, Housing rights principles for low-income population and implementation methods, and the private landlords as central subjects in this debate, to form a basis of knowledge about these subjects. Reviewing literature assists in determining what is already known about subjects, what concepts and theories have been applied to the subjects, what research methods have been applied to the subjects, what controversies exist about the subjects and how they are studied, what evidence clashes exist, and who the key contributors to research on the subjects are (Bryman, 2012, p.8).

Questionnaires were used to gain insight in the housing adequacy of the private landlords' residential properties. Following the framework presents by UNHabitat (2020), the surveys will be able to define current conditions, preferences, and needs of tenants. The surveys will be conducted as self-completion questionnaires amongst as much users as possible of the selected cases.

3.7 Empirical research

3.5.1 Case study selection:

The background information presented the three causes of financialization, each related to the production housing system of the country. In this way, it is feasible to say that this phenomenon varies depending on whether the country's housing production is through state actors, private developers, or private households. Additionally, it was shown that the implementation of housing rights in politics is closely related to the type of government will. This type of behavior becomes relevant since the type of local rent control policies can have strong effects on the portfolios of private landlords, focusing in big

investors that have major influence in the market and tenants. These are conditions that define the context of the research subjects and therefore are highly relevant. In the case of this thesis, it is important to find a context in which the effects of the financialization of housing are being presented, as explained in the literature review, and a willingness to implement housing rights on the part of the government and the population is evident.

With a focus on the Spanish case, this thesis examines the post-crisis management of distressed real estate assets. It is important to note that in recent years Spain, more specifically Barcelona, has stood out for its high levels of financialization of housing after the global financial crisis in 2008. It has also shown itself as a city with a high level of government will in the implementation of housing rights through various policies such as rent control. I employ a mixed methods approach to my case study, which seeks to deepen understandings about the incipient social and spatial impacts of residential REITs in the Spanish context, specifically the principles of housing rights. The emerging role of Spanish residential private Equity funds (big private landlords – investors) in Barcelona indicates a deepening urban socio-spatial inequality and dispossession. This condition is related directly from the privatization of state-rescued assets and the accumulation of rock-bottom priced properties of massive foreclosed and evicted homeowners. The case exemplifies how legislative changes have facilitated new financial accumulation strategies (Knuth & Potts, 2016) and new forms of financialised rentiership (Moreno, 2014), with significant implications for urban social life (Wissoker et al., 2014).

Taking this condition as the context of the company under study, its origin in the Catalan market, its approach to housing through its business model and the type of behavior it has within the rental market through its operational structure are presented. For the selection of the company, the rental market in the city, the REITs that participate in it and the type of portfolio they provide will be presented initially. At this point the interviews with consultants and Real Estate managers take on relevance since it is these that can validate the choice of companies to study.

3.5.2 Empirical research execution:

As part of the data collection process, it is important to establish and describe the sources and the strategy used. This strategy, as mentioned above, comes from 3 sources: information from existing reports from REITs, government and market analysts, surveys of union member tenants and interviews with academics related to the context. Next, the development of the case and each of these three points will be explained:

Papers: The first step within the case studies is the analysis of existing documents about the REIT selected to be the case study. This analysis provides information about the business model of the company, the urban areas of their portfolio the number and type of tenant, the operational structure and their asset and property management strategies. Accordingly, this analysis will provide input for the questionnaires and interviews.

Questionnaires:

On the tenant's side, questionnaires will be conducted to gain insight in their housing adequacy level. In the appendix an example of the type of questionnaire that will be conducted is given. The example was made by UNHabitat (2021) This questionnaire serves as a starting point for the survey developed by this research. Besides, an interview with the Municipality of Barcelona will be conducted about their vision on the implementation of rent control policies to ensure housing rights to inhabitants in Barcelona.

Security of Tenure:

Security of Tenure is shown as the first element of the Housing rights and one of the most linked to the tenants. Figure 21 shows the different sub-elements that compose them and how they served in the definition of the questions used in the questionnaire. In this way it is possible to understand, not only if

the tenants in Barcelona have security of possession, but also a clear map of the notion of the tenants against the complexity of each of the elements that make up the Housing rights.

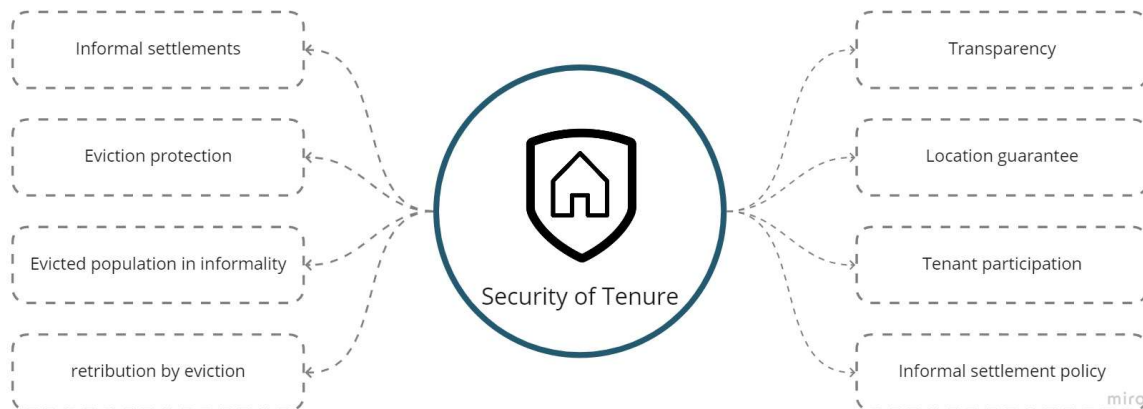


Figure 19: Security of Tenure elements (own image)

The sub-elements related to the Security of tenure are displayed with a social focus. These will be presented below, and it will be explained how each one is reflected in the proposed questions.

- **Informal Settlement:** according to UNHabitat (2015), this type of housing are residential areas in which 1) residents have no security of tenure over the land or dwellings in which they live, 2) the urban areas typically lack basic services and city infrastructure, and 3) the housing may not comply with current planning and building regulations (UNHabitat, 2015).
- **Informal settlement policies:** As a complement to informality, which shows one of the city's great challenges in urban, economic and social terms, it is important to identify the type of political will to solve them. For this reason, this sub-element seeks to evaluate the type of laws and measures that are taken to address this condition.
- **Eviction protection:** Evictions in the modern era are frequently the result of the intertwining of local and global dynamics, such as the propagation of "new logics of expulsion" of a growing number of people from common social and economic orders (Brickell et al. 2017).
- **Evicted population in informality:** As briefly introduced in the previous two points. The informality of the city can be the result of different conditions or for different reasons. It is for this reason that it is important to establish the level of correlation between housing informality and the population that has been evicted in the past or currently.
- **Retribution by eviction:** An important part of developing a security of possession implementation mechanism is understanding the type of protection or conditions that protect the tenant both legally and contractually. As already mentioned, the type of protection that exists is taken into account, but, in addition, information is sought on the type of guarantees or restitution mechanisms in cases where the eviction cannot be avoided.
- **Transparency:** Although the term "transparency" may be general, in this case the aim is to focus on access to information. It is important to highlight the relevance of the information related to the property where the tenant is living. This sub-element seeks to assess the level of transparency of the City Council's information system. Define if it is possible to know who owns the rented property.
- **Location guarantee:** The World Charter for the Right to the City established that "The Right to the City is defined as the equitable usufruct of cities within the principles of sustainability, democracy, equity, and social justice." (World Charter for the Right to the City, 2005).

- **Tenants' participation:** In this sub-element, the existing citizen participation mechanisms in Barcelona are evaluated. An important part of the implementation of the Housing Rights is that the tenants have a space of expression where they can demonstrate the conditions of the buildings and their disagreements.

In this way, the same survey mechanism presented by the Housing Right Index (2021) is maintained, but with the new focus given by the sub-elements presented above.

Table 1: Security of tenure questionnaire (own table)

Informal settlements and slums in Barcelona
Protection against forced eviction, harassment and other arbitrary interference to privacy and household rights by laws and policies
Co-relation between eviction and homelessness and is there a provision of affordable housing from the government
Mutually agreed adequate compensation, resettlement or provision for restitution is made when eviction
Public accessibility to a land registration system
Tenants have the right to choose their residence, determine their locality of residence and exercise their freedom of movement
Participation in housing-related decision-making
Policies and laws are in place to ensure security of land or dwelling occupied by informal settlers

Affordability:

Housing affordability is among the essential factors that capture the living standards of a nation's most vulnerable groups. It is reasonable to suggest that affordability is linked to the proportion of household income have a high housing cost, and the fewer resources the household has for other necessary spendings (Luque, Ikromov, & Noseworthy, 2019). Figure 22 presents the 8 sub-elements that guided the elaboration of the questionnaire.



Figure 20: Affordability sub-elements (own image)

The sub-elements related to the Affordability are displayed with a social, egal and economical focus. These will be presented below, and it will be explained how each one is reflected in the proposed questions.

- **Political awareness:** As a first step in the search for a change, whatever it may be, in political terms it is necessary to have a political will. Political will is one of the political issues that can

influence decision-making. Political will is an intention proven by people in positions of power, such as heads of state or regional leaders, to act to overcome the problems and policies they face (Hammergren, 1998). One of the first indications to demonstrate this political will is the inclusion of specific terminologies in the laws. In this case, the inclusion of the term affordability within the laws and policies of the city is analyzed.

- **Rent control regulation:** As in all markets, the government exercises a regulatory and control function within it. It is for this reason that in most cases the conditions of the end-users is determined by the behavior of the owners within this market. This leads to establishing that such behaviors depend on how permissive or restrictive the government is with its laws and policies.
- **Housing cost:** The housing cost is the sum of the costs related to housing. In the case of rental housing, it refers to the costs of rent, services and additional amounts that may be assumed by the tenant. The definition of affordable housing depends directly on this cost.
- **Non-housing cost:** As already explained in the literature review, non-housing costs are more related to additional assets. Items such as food, transport, health and leisure are some of the expenses that make up the non-housing costs.
- **Control rent increase:** One of the most relevant issues regarding the permanence of a tenant in the dwelling is the variation in rental price throughout the time of occupation. Modern rent-control work by strictly limiting within-tenancy rent increases, reducing evictions, and renewing leases, so that rents for long-term tenants can fall far below market (Asquith, 2019).
- **Eviction regulation:** Eviction from housing represents one of the great challenges in the implementation of protection programs for tenants. These types of actions must be implemented as a final and definitive mechanism in the face of a problem between the owner and the tenant. In several cases, this type of measure has become systematic and a common option. At this point regulations and eviction protection programs come in (Adshead & Nain Gill, 2014).
- **Rent subsidy:** The existence of rent subsidy mechanisms in a city provides social stability for its inhabitants. Rent subsidies are continuing monthly rental assistance programs. Initial assistance to tenants, such as grants or loans for security and utility deposits, is not included in the definition.
- **Social housing:** En el contexto urbano actual, la vivienda social se muestra como un garante de igualdad y accesibilidad de los beneficios dados por el desarrollo de la ciudad. Los sistemas de vivienda social dispuestos en la ciudad no solo se muestran como opción viable para el trabajadores de bajos recursos sino también como una fuente de confianza en las empresas frente a la calidad de vida de sus empleados (Hurtado Isaza & C., 2012).

Table (x) presents the questions used in the survey as a result of the analysis of these Affordability sub-elements.

Table 2: Affordability questionnaire (own table)

A clear definition of 'affordable housing' exists in Barcelona
the Affordable definition is adopted by policies and implemented in laws and regulations
The financial costs associated with rental housing in Barcelona are commensurate with the income level of the tenants
Housing costs (rent, services, and taxes) don't compromise basic needs (food, education, transport, clothing and health)
Tenants in my city are legally protected from unreasonable increase of rent
Rent increases are not use as eviction tool, rental control regulations
Existence of housing subsidies or policies enable access to affordable housing by those households with low incomes

Barcelona offers social housing programs such as lines of credit for low-income tenants

Availability of services:



Figure 21: Availability of services sub-elements (own image)

- **Service subsidy:** The subsidies for the services provided by the city are shown in a similar way to the explanation of the rent subsidy. This type of aid represents a relief in the spending of the low-income population.
- **Water quality:** The conference statement issued at the close of the meeting explicitly recognized the right to access to water for basic needs (Nations, 1977): ...all peoples, whatever their stage of development and their social and economic conditions, have the right to have access to drinking water in quantities and of a quality equal to their basic needs.
- **Health condition:** Sanitation within the home and toilet spaces are an essential part to define if you can require a safe and healthy space (Heller & Unites Nations, 2017). As a result, the decision is made to include the evaluation of this point in the survey.
- **Price of services:** Although this point is also related to affordability aspects, it is important to consider that access to public services also depends on the tenant's ability to pay. If services exceed their spending capacity, families begin to default on their payments.
- **Waste management:** This sub-element evaluates the existence of garbage collection mechanisms, both internal to the building and at the urban level. These points are also considered as services and as essential points for the health of the population.
- **Facilities availability:** The availability of public recreation spaces such as parks and cultural infrastructure increase the quality of life of the inhabitants. The provision of this type of space is part of the network of services and activities that a city can provide, which is why evaluating its accessibility is very important.
- **Risk mitigation:** A city's hazard mitigation system is the first line of defense against a natural disaster. Therefore, it should be part of the evaluation. These conditions mark the level of resilience of buildings.
- **Internet and connectivity:** Internet access is a human right on the grounds that the Internet is required for the realization of human rights and the promotion of democracy (Reglitz, 2020).

Table 3: Availability of services questionnaire (own table)

Subsidies or pricing mechanisms to ensure affordable access to basic services

Access to safe and affordable drinking water

Sanitation and washing facilities are available in dwellings
Accessibility to energy to cook, heating and lighting with affordable price
Solid waste produced at household level is adequately managed, regularly collected and disposed
Social and green infrastructures like garden, public parks and common areas are made available to tenants
Sustainable drainage systems and flood defenses are also in place
Telephone and broadband internet services are increasingly being included in the apartments

Habitability:

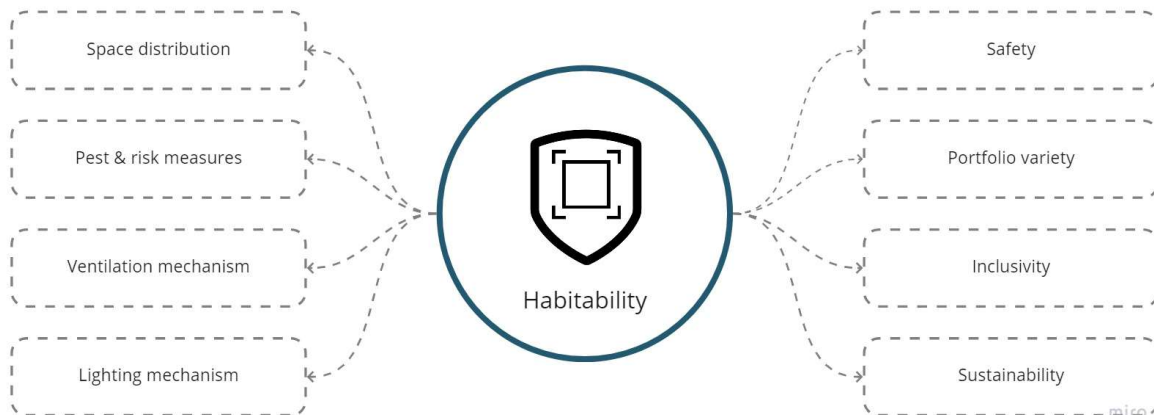


Figure 22: Habitability sub-elements (own image)

- **Space distribution:** A fundamental part of the habitability of a home is that the spatial distribution. A decent home must provide enough space for each member of the family that lives in it. In that sense, it must present an adequate proportion of both private and social spaces. That is why the variety of apartments available in the portfolio and their occupancy capacity must be evaluated.
- **Pest risk measures:** It seeks to evaluate the existence of possible pests inside the homes that could put the health of the tenant at risk and what are the repair and replacement policies of the owners.
- **Ventilation mechanism:** At this point, the existence of ventilation mechanisms in the apartments is evaluated. It is also evaluated if the ventilation is natural or mechanical.
- **Lighting mechanism:** At this point, the existence of illumination mechanisms in the apartments is evaluated. It is also evaluated if the illuminations is natural or mechanical.
- **Safety:** The city is the place where thousands of people live and socialize in different ways with other people from the same city. In this context, public spaces fulfill the role of places for social interaction. Borja, (2000), considers that to know a city and its people, as well as the quality of an urban area, it is necessary to observe, first, its public spaces. One of the main problems in the planning of cities is related to mobility, which is why people constantly think about how to solve problems such as traffic and security, however, dealing only with these issues leads to more problems (Rodriguez, 2014).
- **Portfolio variety:** It is critical to provide housing options to all family typologies. The type of zoning regulation limits the ability of families to relocate to an area by providing incentives to developers who minimize traffic, preserve open space, and provide senior housing (King & Hirt, 2008).
- **Inclusivity:** The level of accessibility to housing for people with special needs is evaluated.

- **Sustainability:** Taking into account the challenges presented by climate change, it is important to establish the adaptability of a fund's housing stock or the strategies that seek to be implemented. As explained above, in cases like Barcelona, the construction of new projects is limited, so the center of attention must focus on the retrofitting of existing buildings.

Table 4: Habitability questionnaire (own table)

My place of residence provides me with sufficient space, thermal and sound insulation, and protection from other threats
My home is protected against pests or other risks that may affect my health
My home has a natural or mechanical ventilation system that guarantees good air quality
My home has a natural or artificial illumination that allows normal indoor activities
Barcelona is adopting policies for the environment and improving the safety of environment
On average, housing in Barcelona provides a sufficient area standard for the average family
Barcelona's housing is shown to be inclusive and easily accessible to people with special needs.
Barcelona has a climate risk mitigation mechanism

Accessibility:

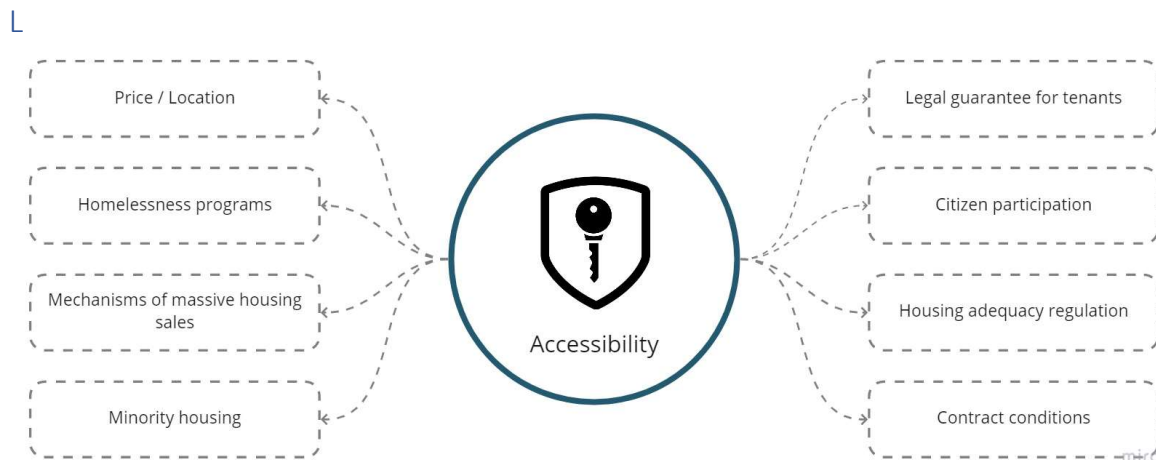


Figure 23: Accessibility sub-elements (own image)

- **Price / Location:** The location of housing for minority households is a critical determinant for ensuring social cohesion between different races and the personal success of minorities (King & Hirt, 2008). Although this is a determining issue in the social and economic development of the population, it is also important to consider the limitations imposed by the real estate market. Cities, naturally, have spaces with greater pressure and greater demand, which increases the value of leases and limits access to some of the areas. This point seeks to evaluate this correlation.
- **Homelessness programs:** An integral part of facing the challenges of a housing system is the policy and programs for assigning housing to homeless people. Evidence of government programs for this sector of the population is essential if one seeks to understand the level of accessibility to housing in a city.

- **Mechanisms of massive housing acquisition:** As a result of the introduction of REITs in the markets, it is important to understand the housing acquisition processes that exist in the city and even more so when dealing with massive processes. In this way, it is evaluated if there are control or regulatory mechanisms and if they are public knowledge.
- **Minority housing:** Before market-led approaches transformed housing into an asset that increasingly disadvantaged poor and marginalised households, changing policies evidenced responsibilities to the acknowledgement of a universal right to housing for citizens (Lukes, de Noronha, & Finney, 2019).
- **Legal guarantee for tenants:** Evictions due to foreclosures tended to focus in vulnerable communities, and that as a result, funds tended to acquire the majority of available housing in these places (Gutierrez & Doménech, 2018). At this point, the aim is to evaluate the level of guarantees that tenants have against a possible eviction.
- **Citizen participation:** Citizen participation allows a better positive response in the levels of satisfaction of the community (Percy, 1984). Enabling tenant participation in decision making is a step that can increase the level of ownership and improve relations between the owner and their tenants. Tenant participation is a real and effective tool for revitalizing open spaces in high-rise housing complexes. Tenants' participation in joint activities in open spaces and in their improvement contributes to the development of the tenant's sense of pride and responsibility for the housing environment (Protic, 2018). As a result of their participation, tenants are motivated to engage in activities that will help to prevent further devastation of open spaces.
- **Housing adequacy regulation:** The existence of laws that protect the living conditions of tenants is sought. Regulations that ensure standards that homes must meet in order to be considered adequate. Likewise, it is sought that these laws exercise control over the accessibility of these homes in financial terms. Regardless of the rental price, there must be a quality standard. That is why an essential part of the accessibility sub-element is the evaluation of the criteria of the housing and rent laws.
- **Contract conditions:** A competence should be considered to oversee the rules of the lease agreement, which allows citizens to inform institutions about non-compliance with the rental rules (Housing Institution, 2021). A contract defines the conditions and obligations of each of the parties that sign it and these, due to their legal nature, exercise great power over both sides. This part seeks to establish the notion of tenants when evaluating the type of rental contract they have.

Table 5: Accessibility questionnaire (own table)

In Barcelona, housing laws and policies are in place to enable low-income groups to access affordable rent housing that meet their needs.
There are judicial and non-judicial mechanisms to ensure access to adequate rent housing by low-income groups,
The policies adopted and implemented in Barcelona enables the access to land by landless, discriminated, and impoverished segments of the society.
Policies and strategies are in place in Barcelona to facilitate a sustained transition from institutions to community-based living arrangements for minorities, migrants or low-incomes groups
In Barcelona, the processes of massive housing acquisition are consulted with the local communities
There are policies and measures adopted in Barcelona to ensure popular participation in decision-making processes related to housing, land-use plans and urban development

Relevant social and economic laws in Barcelona ensure that adequate housing is accessible to the poor

My rental contract respects the regulatory conditions of Barcelona.

Location:



Figure 24: Location sub-elements (own image)

- **Urban infrastructure:** Biehl (1986, p. 87) considered that: “The difference between infrastructure and other potentiality factors, such as the location of the region or its natural resource endowment, is that the service bundles inherent in infrastructure have been ‘artificially’ created through investment, whereas location and natural resources are ‘naturally’ given.”
- **Public transport efficiency:** Measuring public transportation efficiency is critical because it allows us to assess and compare individual operators' success and potential.
- **Urban connectivity:** As mentioned, the efficiency of public transport allows disassociating the proximity of the user to his destination. Depending on their capacity for mobility and access to various means of transportation available in the city, it can be established whether or not an inhabitant has good connectivity.
- **Environmental pollution:** Exposure to poor quality air can already be considered one of the most serious threats against public health on the entire planet, and that is, according to the WHO (2016), air pollution would cause about 3 million deaths annually. It is for this reason that the layout of the home and its proximity to areas that emit pollution, such as industry or garbage collection area, can affect the tenant.
- **Safety:** One important criterion that can encourage people to walk as a mode of transportation is route safety (Dravitzki et al., 2003). Several factors influence pedestrian safety. Individuals (pedestrians and drivers), traffic, and environmental conditions may all play a role in these factors (Lee and Abdel-Aty, 2005).
- **Infrastructure distribution:** Uneven distribution of urban infrastructure can be likened to governance issues in urban planning and policy, as well as complex interplay between multiple socioeconomic factors (Dobbs et al., 2014). The proximity to a facility can increase the quality of life of an inhabitant but, due to the nature of the market, it can also make life more expensive. Assessing these types of conditions allows us to understand the challenges faced by a comprehensive implementation of Housing Rights.
- **Job opportunities:** The job location sub model's aim is to optimize the amount of labor-force accessibility, which is determined by residential location, an indicator of environmental circumstances in the employment location, and a beneficial or harmful rent associated with the

employment zone (Boyce & Mattsson, 1999). Given the location of the households, this model can also be expressed as a network equilibrium problem with user-optimal route selection. In this way it is possible to determine that the proximity or distance of a person to their work can affect their job opportunities and their performance.

- **Recreational infrastructure:** It consists of spaces and infrastructure dedicated to the cultural and sports recreation of the community

Table 6: Location questionnaire (own table)

The location of my home gives me easy access to the health system, education, child-care centers, and other social facilities
The economic and time expenditure on my work activities does not generate additional pressure on the tenant's budget.
The inhabitants of my city live in well-connected locations and affordable means of transport
The houses are not located in or near polluted areas that could affect the health of the tenants
The streets of my city are always walkable. There is a feeling of security in my city.
Tenants have key facilities (public transport, parking spaces, playgrounds, public spaces and grocery markets) within walking distance.
Residents in Barcelona can access quality employment opportunities from their locality.
In Barcelona, tenants have easy access to cultural and sport facilities close to their homes

Cultural adequacy:

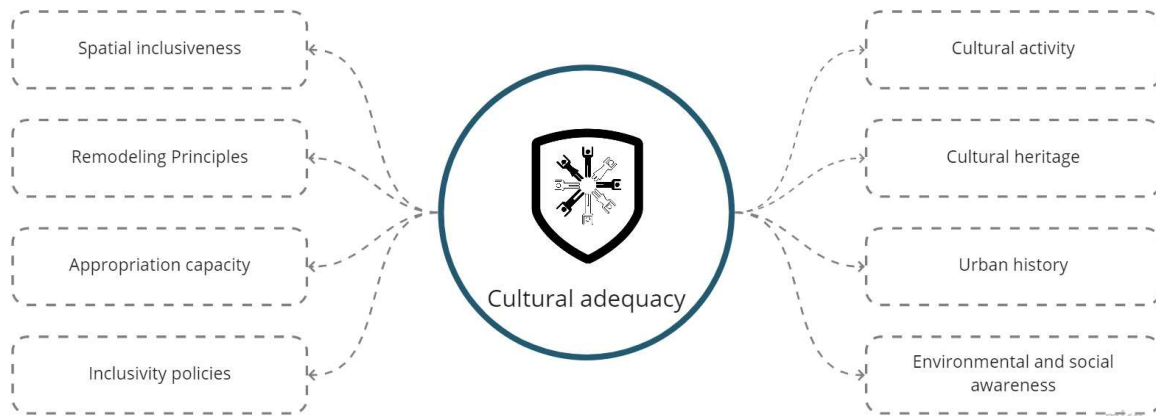


Figure 25: cultural adequacy sub-elements (own image)

- **Spatial inclusiveness:** To investigate the impact of spatial inclusiveness on income inequality between skilled and unskilled workers, we first create an income inequality measure at the city level using census data. The difference in average incomes of educated and uneducated workers directly measures income inequality between skilled and unskilled workers. Spatial inclusiveness has a direct impact on access to benefits, and skilled workers are more concerned with access to public services, so skilled workers are more likely to locate in more inclusive cities (Quin & Zhao, 2019).

- **Remodeling principles:** Examine renovation and modernization of houses in the development of tourism destinations, as well as public sector policies and plans for the conservation and preservation of these resources. Given that heritage resources have become an important tourism product, the conservation and preservation of architectural heritage necessitates a case-specific planning system with the goal of tourism and national pride. At the same time, it is important to show how this interest can affect the city's intangible heritage that depends directly on the dynamics of the local community.
- **Appropriation capacity:** The contractual and special conditions that allow or not the appropriation of the space is examined.
- **Inclusivity policies:** It seeks to assess the level of inclusion in the public and private sectors. Emphasis is placed on the type of quality of the property and how inclusive it is for people with special needs and minorities.
- **Cultural activities:** It makes references to the level of openness and accessibility of the city's cultural activities
- **Cultural heritage:** The level of belonging of the population is evaluated, considering aspect of tradition and stay in the area where they reside. Additionally, their notion of belonging.
- **Urban history**
- **Environmental and social awareness:**

Table 7: Cultural adequacy questionnaire (own table)

The spatial offer of rental apartments is designed and configured according to the preferences and needs of the community
In Barcelona, activities geared towards modernization of the existing housing stock ensure that the cultural attributes, dimensions, habits and norms of the population are not sacrificed in the process.
The lease contracts and the spaces of the apartments allow the appropriation and cultural expression of the tenants
Ethnic or gender minority groups are included in decision-making for residential policies or strategies
The inhabitants have access and participation in cultural activities or festivities celebrated in the city
The communities of Barcelona have the opportunity to contribute to the preservation and conservation of their cultural heritage
The urban and real estate development of the city over the years has not compromised the lifestyle of the communities that inhabit it
The community is consolidated and is proactive in adopting practices that seek to provide a sustainable and friendly environment with its members

3.8 Validity & generalization

Some biases may occur during data collection, influencing the validity and generalizability of the research results.

Throughout a literature review the reader may analyze references differently than the writer. Documents may as well be written from a single point of view, which will influence the reader.

In semi-structured interviews, there is a risk that the interviewer will influence the interviewee's responses (Bryman, 2012, p.233). For this matter, it is crucial to ask all interviewees the same questions.

In self-completion surveys, the interviewer effect is eliminated (Bryman, 2012, p.233). However, there is no way to assist respondents who are having difficulty answering a question on a self-completion questionnaire. As a result, it is critical that the questions be clear and unambiguous (Bryman, 2012, p.234). Furthermore, the survey cannot be too lengthy because there is a risk of missing data or low response rates (Bryman, 2012, p.234).

Bryman (2012, p.47) establishes that validity is related to the integrity of the conclusions drawn from the research. There is a distinction between internal and external validity. Internal validity is concerned with whether or not a finding that includes a causal relationship between two or more variables is sound (Bryman, 2012, p.712). External validity is concerned with whether a study's findings can be generalized beyond the specific research context under which it was carried (Bryman, 2012, p.711).

Regarding internal validity, this research aims to find the relationship between the REIT's behaviour in the housing market and the need for housing right from low-income tenants. Furthermore, relationships between REITs, financialization and housing rights are studied. This relationship may not be valid for the case.

Concerning external validity, the results of the research cannot be generalized. Only one company will be subject for the case study and this is not representative for all the REIT business models in the market.

3.9 Dissemination

The deliverable of the research is an overview of the relevance of housing rights in the housing rental market of Barcelona and the proposal of a balancing act between landlords and low-income tenants in the city. Based on this overview, several of the existing challenges between real estate management models and securing housing rights for low income tenants in Barcelona are identified.

4 EMPIRICAL RESEARCH

As a case study, this thesis has taken the rental conditions of the city of Barcelona. Barcelona is the second-largest city in Spain with a controversial context. Its built environment is one of the biggest financial and commercial centers of the Iberian Peninsula but, in turn, a market stressed in the residential sector and not very suitable for low-income populations that they live in it.

The case of Barcelona is highly relevant in issues related to Housing rights, it is one of the cities that leads world trends in the implementation of income regulation policies. These types of measures have made great progress in this area, but, as this thesis will show in the following sections, they have not been entirely effective and in some cases have had effects contrary to those expected. The proposals to implement housing rights by the public sector has been unleashed a media, legal and economic war between the mayor's office, the REITs, and the citizenry. It is for these reasons that the proposal presented in this thesis is shown as a less taxing alternative and seeks to alleviate the existing tension in the residential rental market by concentrating on the infinite possibilities that the private sector has.

Below, it is shown how the residential market in Barcelona is in an advanced process of financialization of housing, the type of historical conditions that have led to this point and the market conditions that are currently present in the market. It also seeks to present the subject that is most affected by this process, the low-income communities. Within this population analysis, data given by the information system of the municipality and the conditions of the members that make up the "Sindicat de Llobregarts" (the tenant's Union in Barcelona) will be considered. Together with this organization, questionnaires were developed that sought to understand the existing deficiencies within the residential rental market concerning Housing Rights. In this way it is easier to understand why the Barcelona City Council considers that the market is stressed and the type of policies that have been implemented so far.

From this moment on, and as previously stated, the focus of the case study will focus on the link between the conditions of the stressed market and the Real Estates Investment Trusts. For this, the distribution of the properties of the main SOCIMIs within Barcelona is shown and this is compared with income distribution in the city. For this, the business model and its operational structure will be evaluated based on a series of KPIs linked to the 7 elements that make up the Housing Rights. These KPIs evaluate the investment methods of REITs, their asset capture strategy, tenant rental contract models (conditions and responsibilities), property management strategies (property renovation methods, relationship with tenants) and Last but not least, the impact that the portfolio has in a certain area of the city.

4.1 Spanish Context

Financialization of housing varies according to the type of housing production system that each country has. In the case of Spain, the housing production system has historically focused on private households. In 1950, with the taking of power of the Dictator Francisco Franco, the housing system had strong measures. The government implemented policies encouraging homeownership, and the number of renters decanted drastically. Between 1950 and 1970, private ownership increased more than 20%, and, in cases, like Catalonia, this condition went from 25.7% to 53.3% (Tatjer, 2008). Later, with the return of democracy, Rental dwellings were dealt their terminal blow. Thanks to the elimination of front control and tenant protection clauses in the all-new rental lease contract as directed by 1985, the Spanish market lost more interest in the rental options. This year becomes relevant because of the Boyer Decree. An act that liberalized the rental market by removing rent control and shortening rental contract duration (Pareja Eastaway & San Martin Varo, 2002). As a result, the decree encouraged homeownership and reduced the interest in rental schemes. This condition continued for some years and led the market to a housing boom between 1997 and 2007. Housing then became a refuge asset, and investors invested a significant number of resources due to the high capital available and the importance of the location of the properties. There was an increase in the demand for luxury homes located in the downtown areas of the principal cities. Prices increased rapidly, to the point that exceeded the value of offices located in a similar location. The idea of those investors that the prices of those residential homes could never go down in those privileged areas opened the possibility of obtaining significant capital gains in the future, that is, a rational investment.

The fall in housing prices, as we have seen, in 2007 and onwards, the number of borrowers who could not repay the credit that had been agreed with the bank increased, so that most of the entities decided to reduce the granting of loans. The supply of housing is not adjusted in the short term, which allows the indebtedness that occurs because of financial entities granting around 60% for housing and construction sector credit, to families that deferred their credits and loans over time, being aware that their debt was relatively cheap, caused the price of houses to rise.

The following graph shows the price of housing according to its appraised value in €/m². In the graph presented we can see how approximately from 2002 to 2005 Spain enjoyed a great development of its economy due in part to the development of the real estate market, although it is true that growth extends until, at least, the year 1998.

Table 8: Historical GDP in Spain (own graphic)

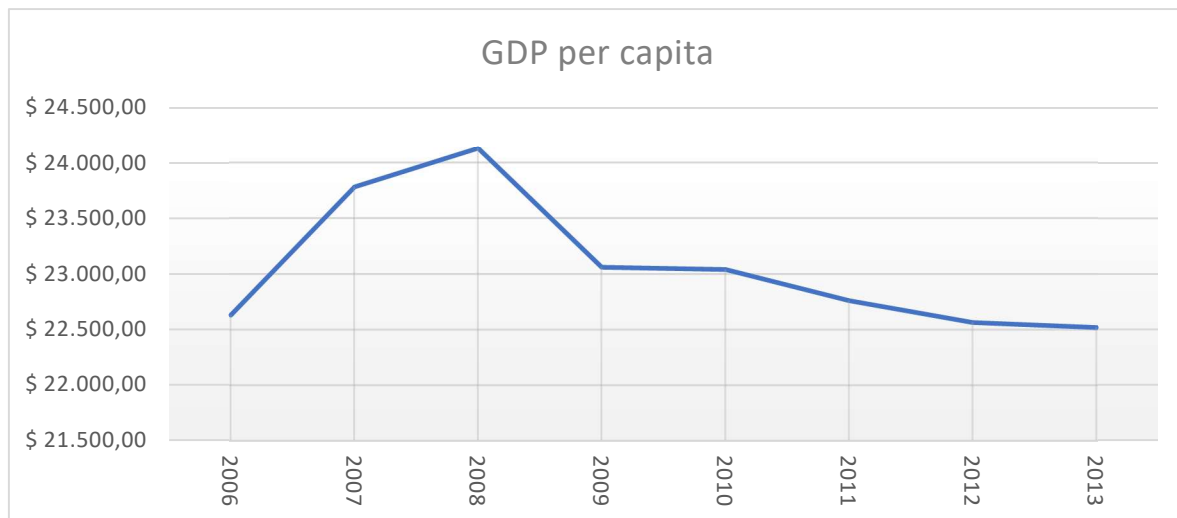


Figure 26: Historical Spanish GDP during GFC (EU, 2018)

It is at this point where the government, as an economic recovery strategy, seeks to attract foreign capital. One of the solutions presented by the government was the introduction of investment vehicles focused on the real estate sector, the REITs. This capital brought in by the Real Estate Investment trusts helped the financial recovery of Spanish banks that, after the GFC, were unfinanced due to high levels of delinquency.

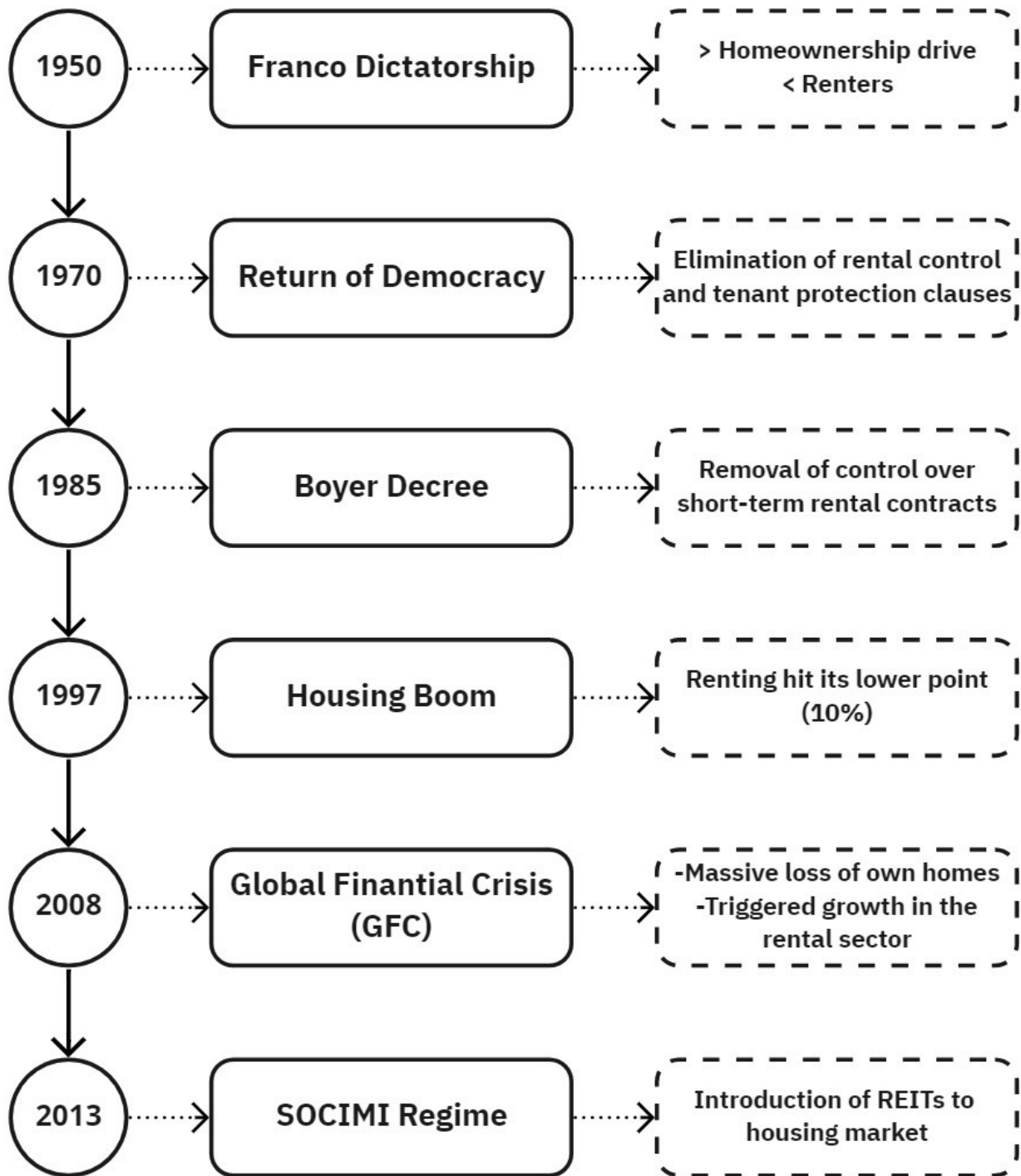


Figure 27: Historical context of Spanish housing (Own image)

4.2 PRIVATE EQUITY FUNDS IN BARCELONA

The SOCIMI regime ("Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario") was created in October 2009 and is the Spanish version of a financial vehicle, as a solution to respond to the deficit of investment after the financial crisis in 2008. The SOCIMIs are listed corporations whose primary activity is a direct and indirect investment in leasable urban real estate. This policy, followed by the changes made to the REIT Act in 2013, aimed to ease many of the restrictions and make the regime more appealing in general, transforming the SOCIMIs into the most tax-efficient structure in Spain for investing in urban real estate for lease (PwC,2015).

After this partial modification, which, among other things, softened the minimum amount of social capital necessary for its creation, the possibility of creating the vehicle with a single asset, granted a more favorable package of tax measures – basically in corporate tax and bonuses. taxes on other taxes linked to the acquisition of assets -, the obligation to list on a national or European organized market, as well as lower disclosure requirements and changes in the distribution of dividends derived not only from the benefit of rental income but also from capital gains from asset sales and from obtaining dividends from direct participation in the capital of other similar vehicles, the degree of attractiveness of these vehicles multiplied, penetrating among investors, owners and savers, giving rise to the birth, tenuous at first , from our first SOCIMIs back in 2013 and 2014.

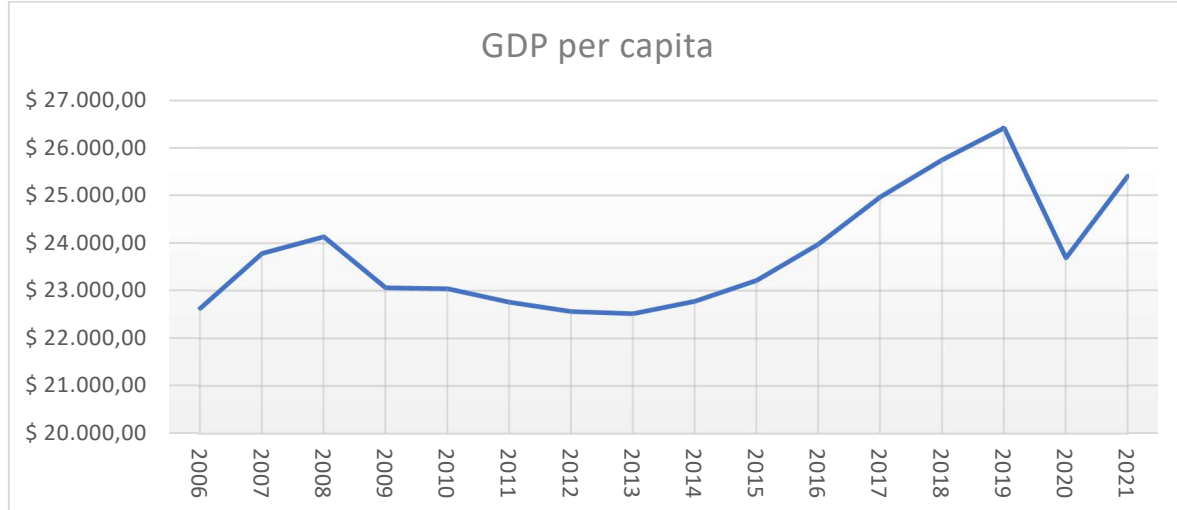


Figure 28: GDP per capita in Spain after SOCIMI (BME & JLL, 2021)

Since then, year after year, the SOCIMI market has been encouraging not only in number of listed vehicles but also in terms of real estate value, marking a maximum market capitalization at the beginning of 2020. At the date of preparation of this report, The Spanish market has 81 active SOCIMI vehicles, four listed on the Stock Exchange and the rest on BME Growth, whose SOCIMI segment has been growing progressively since its creation. The market capitalization at the end of the 2019 financial year reached 21,268 million euros, with the 2016-2019 period being the most fertile in terms of the creation and debut on the stock market of this class of vehicles (BME & JLL, 2021).

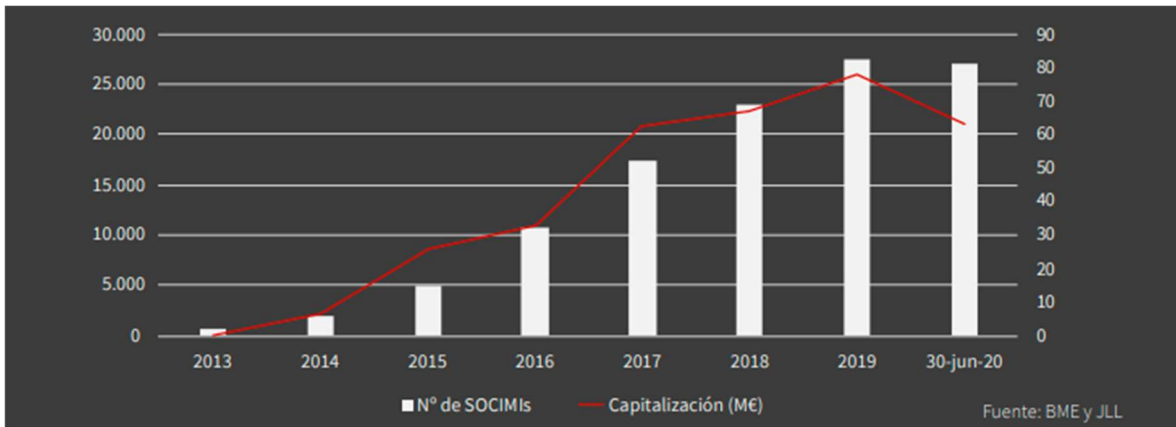


Figure 29: SOCIMIs admitted and capitalization (BME & JLL, 2021)

In the same report presented by the company JLL, the development of the evolution of the SOCIMIs market and the focus on the different segments is shown. At this point it is important to note, as shown in Graph (x), that the sector with the highest growth in recent years is residential.

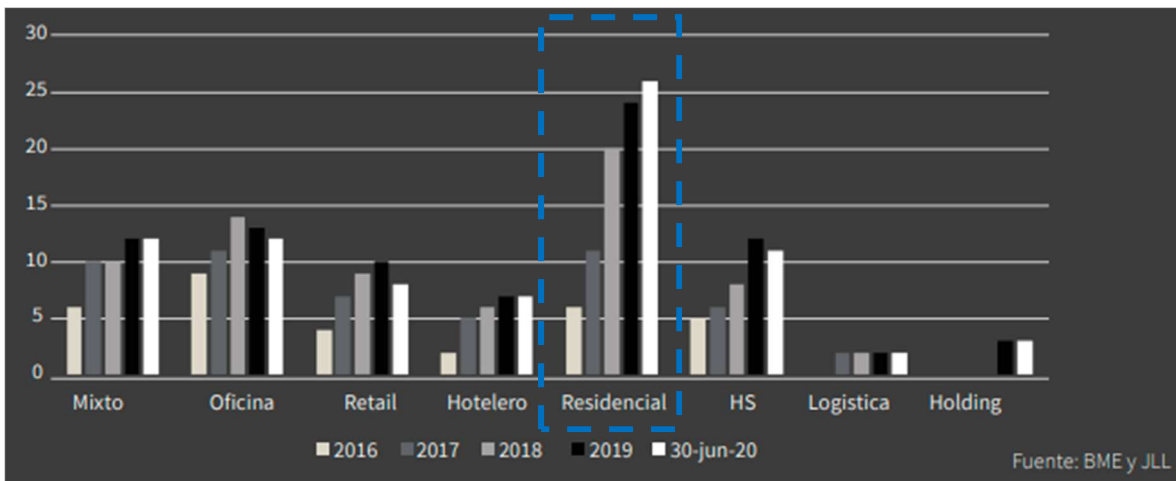


Figure 30: Evolution of the SOCIMI's market (BME & JLL, 2021)

The Spanish market currently reaches a market value at the end of June 2020 of 21,268 million euros, where fifteen funds represent 80% of the market, and only three focus their portfolios on housing. Currently, 25 SOCIMIs dedicate their portfolio to rental housing. Among which companies such as Albirana stand out, a company belonging to Blackstone, with a capital of 324 million euros and a portfolio that in Barcelona alone has more than 7,000 rental homes.

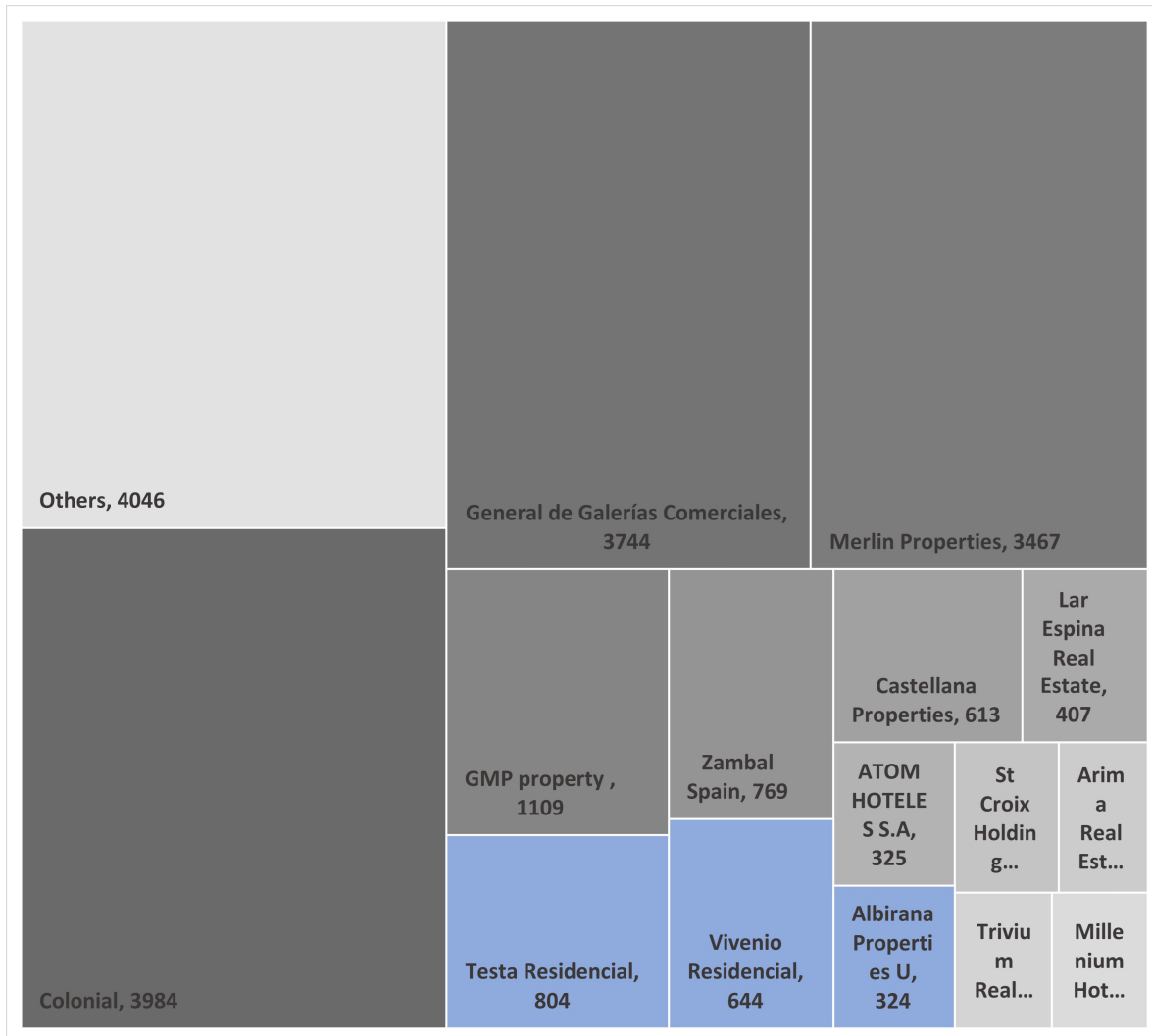


Figure 31: SOCIMI Capitalization in Barcelona (own image)

So far, the reason why Private Equity funds were introduced to the Spanish real estate and financial market has been shown, but it is important to consider the context in which this type of investment vehicle was introduced. As already explained, the Spanish housing system has historically been characterized by the dominance of private households. This makes it a highly speculative market where rent has never been regulated. The absence of rent control may be understandable when the vast majority of residents are homeowners, but this situation changed dramatically after the GFC. Since entering the real estate market, funds have grown exponentially, largely thanks to the massive foreclosure processes of banks. Today, three main companies have been consolidated in the residential market: Testa Residencial with 804 million euros, Vivenio Residencial with 644 million, and Albirana properties with 324 million.

4.3 Private Landlords real estate management models are commonly practiced in Barcelona

Private Equity funds legislation in Barcelona is relatively new and subject to frequent changes in order to make this type of investment more appealing to institutional or individual investors. The goal is to

collaborate in the development of a professional rental market, which is required to ensure that these homes improve their competitiveness over property. (Inurrieta Berruete, 2007).

In response to the small amounts invested in real estate investment funds, real estate investment trusts have grown rapidly in recent years. These firms are preferred for international flows of real estate investment funds, as well as general financial flows, for capital allocation in search of high returns. The result is a tool used by Family Offices and large corporations with significant real estate portfolios to channel their real estate assets and improve taxation (Waldron, 2018).

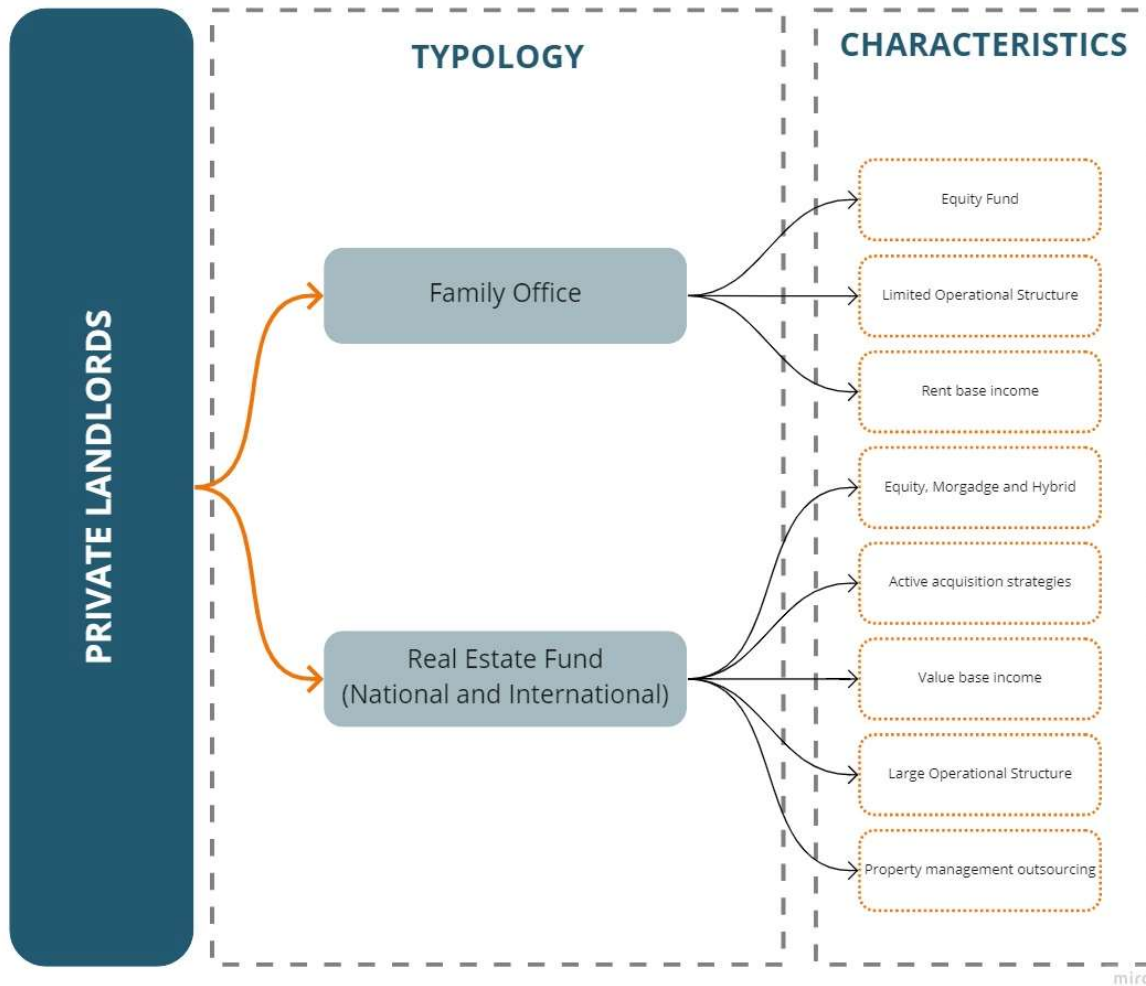


Figure 32: Private Landlords typology in Barcelona (own image based on Waldron, 2018)

The business model is not very different from that of international REITs or that of other countries, in terms of their way of attracting investment. Although mostly SOCIMIs are shown as special regimes with tax advantages. As for its business model, the story varies depending on its majority shareholders. As already mentioned, SOCIMIS can be owned by specific local families or large international funds. The former has a more CORE business model within the market since its acquisition strategies are not aggressive and focus on optimizing the income from the assets they already have. For these reasons they are characterized by having a limited operational structure. A different case is that of SOCIMIs whose owners are international funds. In these cases, funds are shown a greater purchasing power, and their business models are more complex, so their strategy is associated to Value Add and, in some cases, opportunistic typology. As a result, its operational structure is broader. Although, as evidenced in [Section](#)

4.2, it tends to be specialized according to the use of the property. Asset management strategies are usually defined internally and go hand in hand with banking organizations that seek to reintroduce to the market the properties that they have accumulated after the GFC (SAREB case).



Figure 33: Landlords commonly practiced in Barcelona (Own scheme)

4.4 Financialization in Barcelona

One of the mechanisms to promote the financialization of housing in Barcelona was securitization. At that time, the mortgage financing market became equal to or more important than the actual housing production, increasing the scope and predominance of fictitious capital within the capital accumulation (Aalbers, 2008; Fine, 2013). The “mortgaged life” (Colau and Alemany, 2012) was essential to increase the number of mortgage loans, and essential to ensure the success of the securitization.

Financial institutions granted 9.4 million mortgages between 1997 and 2007 while the housing price soared by up to 200%, ignoring that, during the boom, the average wage was declining. The loan market was based on variable interest. Considering the rapid increase in interest with the crisis, the borrowers suffered an increase in their debts.

Despite this severe debt situation, mortgage-affected borrowers found themselves at a time when the most logical choice was to own a home. Mortgages were freely available and encouraged in different aspects, rent rose in price and unstable, and official protection housing (in an insignificant amount and on top of that only property) was not a real option to access a home. More than 2/3 of borrowers received 100% financing, and there are even cases of some who took out a mortgage loan for 110-130% of the market price of the house, where the average price was €221,500. (Gutierrez & Doménech, 2018)

In that situation, the material reality of the most stable and secure choice was to mortgage, a choice that made strong economic sense. According to the real estate agents and the savings banks explained to many of the informants, housing was a safe investment because, if there was a time when they could not pay for it, they were always in time to sell it for more money, or at least for the same price. shopping.

If the mortgage payment could be paid, there was not much objection in the current situation. But the repercussions of being entangled in the mortgage relationship manifested themselves when the housing bubble burst in 2008. Unemployment grew rapidly, reaching 26% in 2013, and almost double for the foreign population of countries outside the European Union. When the conditions that facilitated the “virtuous circle” of rising house prices and the creation of fictitious capital stopped, the supposed “wealth effect” of being a homeowner quickly turned into the “poverty effect” (Murray Mas, 2015, p.92). Between 2010 and 2013 as the state embarked on a major bailout and restructuring of the financial system paid for with public money, nearly all the whistleblowers found themselves out of a job or on very low pay and began having trouble paying their mortgages. This is when the proletarianization in the sphere of capital circulation begins to be visible.

4.4.1 Process and effects of the financialization of Housing in Barcelona

Due to mortgage arrears, Spain's extended homeownership boom resulted in a massive wave of foreclosures and evictions. Despite varying estimates, well over 500,000 homes have been foreclosed on (GracaLamarca and Kaika, 2016). Barcelona is shown as one of the cases most affected after the crisis and has established itself as one of the epicenters of massive investment by REITs due to its tourist attraction. When REITs purchased the nationalized Catalunya Bank's real estate platform Anticipa in 2014, it catapulted into Catalonia and Barcelona. They later purchased 112,000 securitized residential mortgages from Catalunya Bank in a sale managed by the state-run FROB, costing 3.6 billion euros for assets valued at 6.4 billion euros, with the FROB topping up the sale with 572 million euros of public funds (Garca Montalvo, 2015). In recent years, funds have bought thousands of assets from the SAREB and banks that benefited directly from the financial system bailout, and it now owns at least 100,000 real estate assets through dozens of companies (Zuloaga, 2017).

To be clearer, SAREB is a Society created by the banking institutions that, after the crisis, unified their critical housing portfolios to renovate them and sell them in masse to foreign investors. Over the years, this institution has been unfreezing its assets and reintroducing it to the market. The challenge is that the mechanisms for reintroduction to the market are not accessible to individuals. Through massive foreclosure processes, the acquisition of large numbers of homes by private equity funds is managed. As a result, there is a market with a strong tension where there is an imbalance of power in the relationship between the owner and the tenant.

As previously mentioned, Barcelona has established itself as a world-class tourist center which, looking at it from a real estate point of view, reduces the interest of owners in long-term leases. The figures are shocking. In 2011, there were 3,500 homes in the Spanish tourist market: in 2019 at least 413,033 homes had already been diverted to that same market (the real figure is estimated to be much higher). In the case of Catalonia, the situation is especially serious: it was the Generalitat that allowed, through the tourist licenses of Artur Mas and Xavier Mena in 2011, that thousands of homes were converted into hotels. By paying just over €200 to the administration, any landlord could go from charging €700 for rent to €3,500. In Barcelona, for example, there are 9,600 homes with tourist licenses that are rented at gold prices. The Association of Tourist Flats of Barcelona (Apartur) has stated that 41% of tourist flats are going to be put on the market as "seasonal rentals": that is, with contracts of variable duration.

4.4.2 Housing rights policies in Barcelona

In recent years, Barcelona has been a pioneer in the implementation of PRO-Housing Right policies. His most recent project was the implementation of Law 11 of 2020. Said law regulates and contains income at the regional level. Through this policy, the municipality seeks to benefit the citizens who live in high tension areas. This control is limited to housing, so it does not affect other types of uses. As a result, the initiative seeks to reduce the tension of the existing market in the municipalities of Catalonia. The law establishes two price limits to define the value of rent. The first price presented by law is the reference price. This price refers to the one agreed in the previous contracts and to the coexistence unit. This point is interesting since the rental price ceases to depend solely on the historical price of the apartment and starts to consider the income of tenants. The second is the value of income updated by the competitiveness index. The competitiveness index (IGC) is the result of the harmonized CPI of the European Union minus the loss of competitiveness of Spain as a country since 1999. Additionally, it is important to highlight the right to housing plan (2016-2025) that seeks to maintain the social function of housing in the city. The plan sets out a strategy to tackle the seven challenges mentioned previously using 59 specific initiatives.

4.5 Low-Income tenant in Barcelona

One of the direct effects of the crisis has been its impact on unemployment, driving a severe increase in it. The studies on the unequal incidence of unemployment emphasize the fact that the groups most penalized by the crisis have been young people and immigrants (Marí-Klose and Martínez Pérez, 2015). The evolution of the unemployment rate shows an increase in the worst stages of the crisis, and this affects all municipal typologies, regardless of the degree of compactness or dispersion.

4.5.1 Societal structure

Renting has gradually become the option chosen in Spain by tenant without the availability of resources to access the purchase. The contradiction in which the rental market has incurred is that despite being the market accessed by sectors of the population with fewer resources, it implies a higher monthly expense than a property with pending payments. This is the consequence of a liberalized rental market, with a lack of protection for tenants and with little supply, and of an imperfect capital market that limits access to credit and, therefore, to the property of the lowest incomes.

The tenant profile corresponds to a person with an indefinite contract (69%), aged between 25 and 44 years old (68%), and with single marital status (52%) (Tecnocasa, 2017). The plaintiffs of rental housing are mostly Spanish (INE, 2022), representing 62.49% of households that are in this tenure regime (figure 34). The number of Spaniards who have access to a dwelling in Income has increased since 2013 when Spaniards represented only 56.24% of the market. The majority of tenants are young, 70% of tenants are between 26 and 35 years (Servihabitat, 2017).

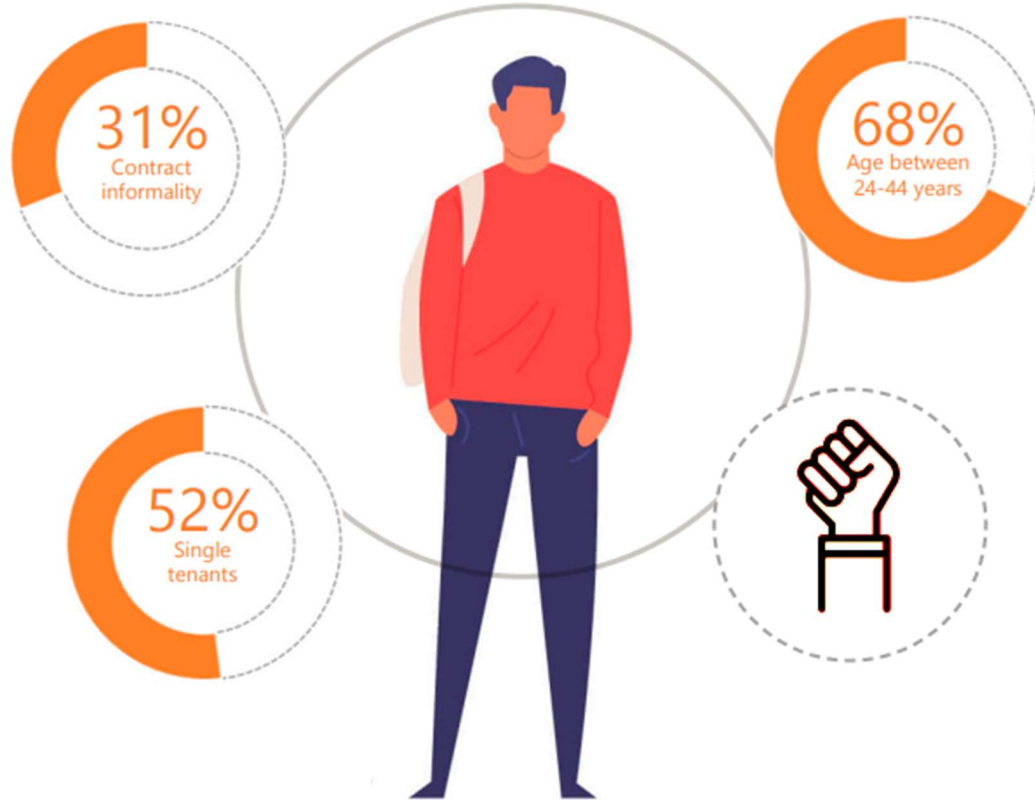


Figure 34: Low-income tenant profile in Barcelona (own image)

The number of homes for rent corresponds mostly to single-person homes or couples without sons. In Catalonia, 25.49% of rentals correspond to single-person households, and 20.84% to a childless couple. The displaced population sees their right to live and to the city diminished (Lefebvre, 1969). The power relations that derive from neoliberal practices such as speculative activities, especially of banks and public entities (Navarro, 2011; Maestro, 2013) has an impact not only on the price of housing and residential dynamics but also on the commercial fabric and neighbourhood relations; in this context, the social movements that confront urban power are articulated (Mansilla, 2018). These scenarios have encouraged a significant increase in social movements that develop strategies of criticism and rejection of deficits, denounce the limits of the model of representative democracy, and postulate what is described as "real democracy" claiming for and against certain practices for resist and transform institutional arrangements (Schneiberg and Lounsbury, 2008).

4.5.2 Income

The map below shows the population distribution of Barcelona according to income. In this, a strong zoning of the populations with fewer resources in the peripheral zones to the north of the city can be identified. This occurs mainly for the original populations of the city.

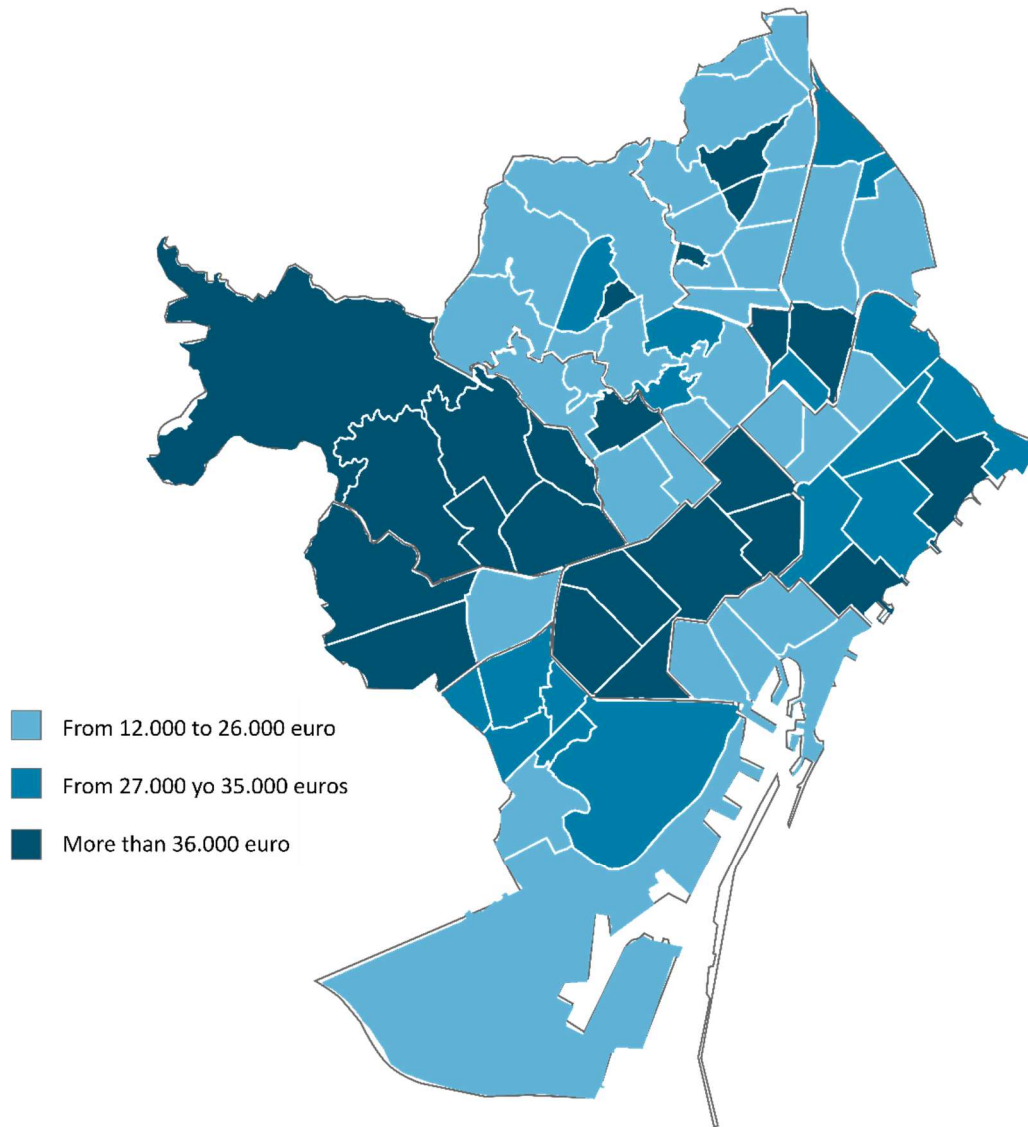


Figure 35: Income map of Barcelona (Generalidad de Catalunya, 2022)

4.5.3 Allocation

According to Rolnik (2018), the current housing crisis in Barcelona is a global problem. Barcelona is undergoing a process of deterritorialization where homes and territory are transformed into financial assets through the securitization process. He distinguished a first wave of dispossession (foreclosures) and a second wave that now affects tenants living in the center of the city.

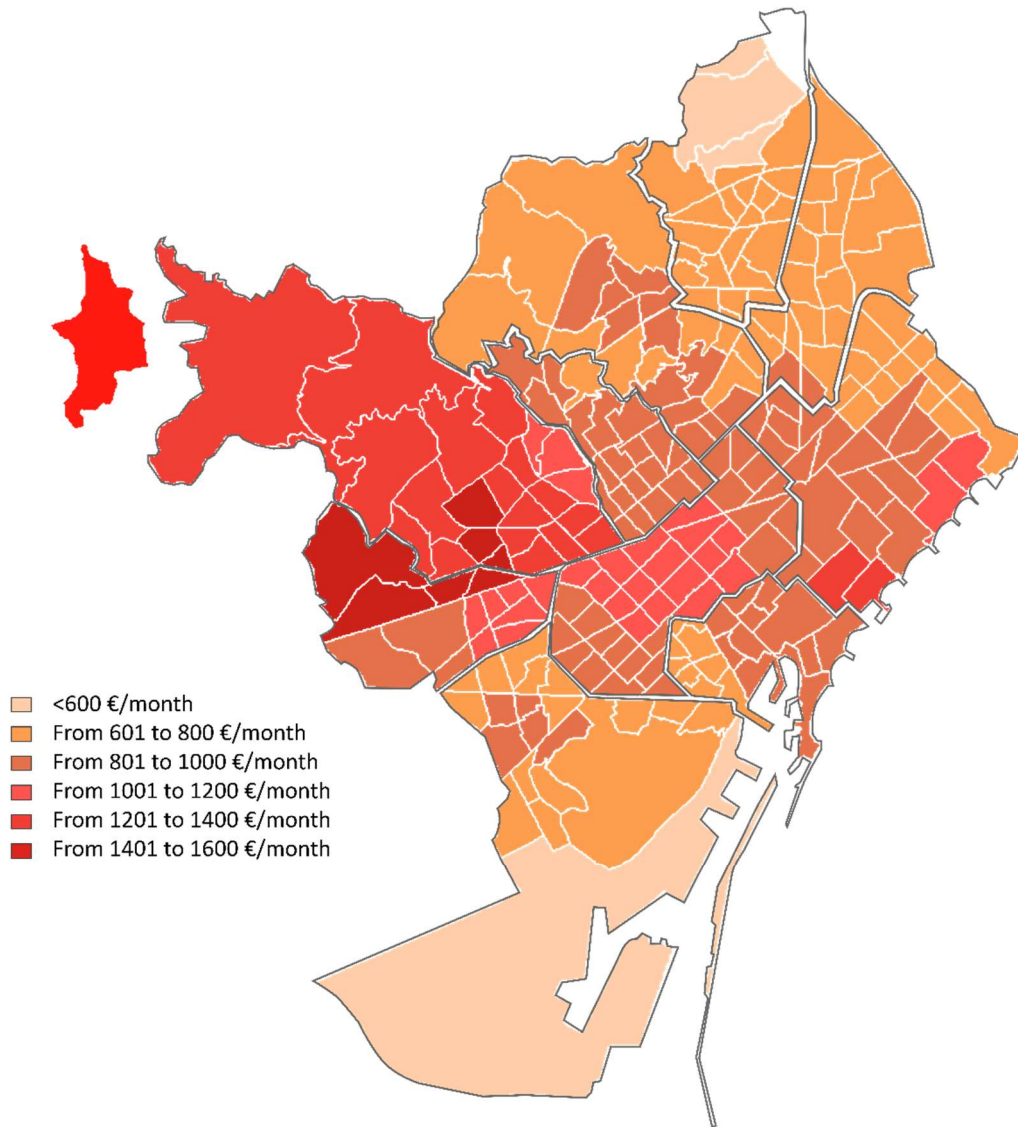


Figure 36: Rent price map of Barcelona (Generalidad de Catalunya, 2022)

The year-on-year variation in rental prices has been very pronounced throughout the country, increasing by 18.35% in 2018-22. In Barcelona province they have increased by 33.73%, while in Barcelona capital only 14.86%. In Madrid province they have grown by 24.84% and in Madrid the growth is lower, 20.15%. These data necessarily lead us to conclude the decentralization of demand in the capital, propitiating an increase in demand in neighboring neighborhoods, which explains the increase in their prices. The increase in prices is even more noticeable when compared to the year-on-year variation of the CPI, which has been around 2% in the last two years, 2017 and 2018 (Turjel Garcia, 2019)

4.5.4 Conditions of Rent

Regarding the profile of rental homes, in 2017, 56.21% were in buildings with 10 or more homes. 64.21% of rental homes are relatively new, having been built since 1971. The vast majority of homes do not

exceed 90 m²: 19.85% are between 46 and 60 m², on 24, 28% measure between 61 and 75 m², and 25.62% are between 76 and 90 m². The most demanded homes are two-bedroom homes.

Rental housing concerning the total park is mostly private rental (13.8%) while the number of social rental housing is around 2.5%. Compared to Europe, wherein the Netherlands social rental represents 30%, in Austria 24% and Denmark 20.9% of all dwellings, it is difficult to understand the lack of promotion of this social rental scheme, which continues to be at the same value as in 1990. Rental housing is usually free since the rental of officially protected housing is very limited until the years of protection are completed.

The turnover of homes in the Spanish rental market, that is, how long it takes to rent an average home, shows the imbalance between supply and demand. In 2012 it took 39 days to rent a home, while in 2017 it took an average of 26 days for homes to be rented. Homes that are in market conditions and price are rented much more quickly, only 1.71 days on average from the time they are put up for rent. In the Community of Madrid and Catalonia, the most active markets, this number is further reduced, renting homes in 1.50 and 1.47 days, respectively.

It is for this reason that it becomes relevant to present two additional conditions that add more tension to the rental housing market. The first is the existing supply and demand relationship in the city. This relationship is shown as an inelastic market in price due to spatial limitations and the disproportionate dependence of the tenant on the owners. The second factor is the strong influence of tourism in this city.

Demand-Supply in the rent market of Barcelona

Despite the difficulty in calculating the number of homes on offer in Spain, 802,26732 homes for rent were advertised (Idealista, 2017), of which 136,589 correspond to Barcelona. If we compare this number with the total housing stock mentioned above, 2,635,092 in Barcelona, we can see the low proportion of rental housing, 5.18% in Barcelona. This reduced supply of housing in the rental market is anticipated as one of the reasons why the price has skyrocketed in recent years.

The Housing Rental Market Index (IMAV) (Safe Rental, 2018) relates the tenants who are actively looking for housing with the housing offered. Barcelona has an IMAV of 1.42. When the IMAV exceeds the value 1, it implies that there is a greater number of people looking for a rental than there is a housing offer. We are therefore in two markets with greater demand than supply, which indicates that prices will tend to rise. Values greater than 2 indicate that we are facing a real estate bubble.

The demand-supply of rental housing shows a fairly inelastic behavior. Cultural changes in the family (Century 21, 2019), as well as other circumstances, are leading to an increase in the demand for rental housing, and despite a given supply in the number of rental homes, the prices of these continue with an upward trend over time. Only in certain moments of crisis, such as the one suffered after the real estate bubble and the subsequent financial crisis, have they slowed down this dynamic. Although once the most critical stage of the crisis has been overcome, the market becomes more dynamic and prices go up again, marking the upward trend.

Demand-Supply in the rent market of Barcelona

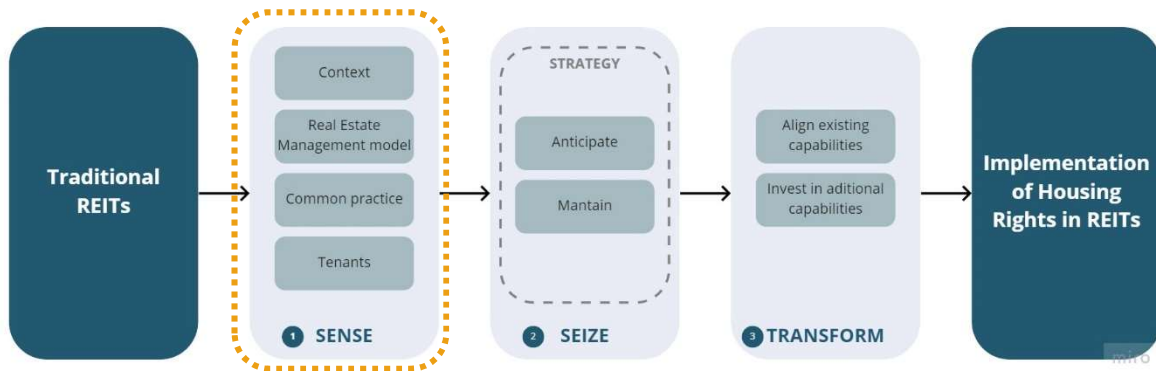
In the case of Barcelona, this gentrification dynamic is reinforced by the emergence of “Airbnbification”, which adds pressure by means of a new concept of rental housing that is mostly temporary and aimed at tourists. This boom in the rental of temporary housing in coastal tourist areas and in emblematic cities such as Barcelona is fuelled by young people with a digital profile and who are accustomed to low-cost travel and to seeking accommodation opportunities outside the usual hotel channels. At the same time, the inhabitants of the neighborhoods take advantage of the opportunities to put their home or simply a room on the market for temporary rental. This form of renting to tourists has the objective of gaining income to complement the high rents or mortgage payments, or simply to increase the profitability of one's home.

The resident population has organized itself into social movements to demand that the local administration regulate and control the legalization of tourist rental housing while also curbing the aggressive policies of real estate speculation. The pressure and demand for tourist accommodation have

raised rental prices and put a strain on the economic power of residents, although local reactions suffer a division of opinion. On the one hand, tourists generate benefits and boost the economy of the city, while on the other they cause serious problems by increasing the price of housing for residents

5. SENSE: Design Questionnaire

As explained in previous sections, the objective of this thesis is to propose a strategy applicable by Private Landlords in Barcelona to incorporate housing rights into their business models and operational structure. The analysis methodology of the case study is based on three phases: sense, seize, and transform. This section seeks to delve into the initial phase, Sense. An analysis of each of the seven elements that make up the Housing rights will be carried out, how these are related to the current conditions of the tenants, the stakeholders responsible for these conditions and the behaviors of these stakeholders can influence compliance with these elements.



An essential part of the data collection was the questionnaires, which made it possible to define the conditions that the tenants are currently experiencing in Barcelona. The help of the Barcelona tenants' union was essential for this process. This activist organization has a membership network of more than 3,000 people. Its main objective is the protection of the rights of tenants in the city. The union is a space where people can present problems related to renting their homes, and members seek group solutions. The main achievement of the Union is the creation of Law 11 of 2021; as explained above, this law implements the regularization of rent control.

5.1 Objectives:

As explained in the research methodology, the questionnaire developed by UNHabitat (2019) seeks to establish the compliance with housing rights in a city. For this purpose, the questions follow the seven elements of housing rights: Affordability, Habitability, Security of tenure, Availability of Services, Accessibility, Location, and Cultural Adequacy. In the case of this thesis, the questionnaire was adapted by readjusting the questions and focusing them on issues related to the housing rent market. To make the proposal of the questions, questions related to the rights to own housing were omitted. This is due to the fact that the original version proposed by UNHabitat shows a broad understanding of the housing system. Additionally, the original version proposes a national scale, which is very broad for this research if we are talking about the case study of a city. In [Annex 1](#), the reader can see the form used by this thesis. One point to highlight is that, although this form is of great help for the development of research, the field of action of the original version is broad; encompassing all housing in a city. The questions used in this research were modified from the original version to focus the survey on the rental market. In this way, conditions that influence the tenants were considered, and points related to the rights of the owners were omitted.

The questionnaire was carried out among tenants' members of the "Sindicat de llogaters de catalunya" (the union of tenants of Catalonia). This organization is a collective of activists in Barcelona that seeks to promote initiatives that defend the right to housing and affordable, stable, safe, and decent rent. Through organization and mobilization, they seek to respond to the growing demands regarding rental through advisory services related to rights and duties and contractual rental conditions (temporary period, deposits, works, habitability conditions, maintenance, clauses, etc). They also promote advocacy on more

general issues such as the Urban Leasing Law (LAU) or the development of legislative measures to control and limit rental prices. One point to highlight is that the union was the first promoter and author of the rent control law that was implemented in Catalonia in 2020 (law 11 of 2020). The organization has more than 3,000 tenants and they grow more every day.

In most cases, union members come because of conditions or problems they have with their landlords, whether they are large REITs or small landlords. In this way, the union is consolidated as a useful source for research.

As mentioned above, the questionnaire was adapted to work on the analysis of the conditions of tenants in Barcelona. In this way, the metric used and how the questions were raised are presented. Next, the transition from the original questionnaire to the implementation during this thesis will be presented.

The questionnaire carried out for this research maintains the elements presented by UNHabitat but, based on the results of the literature review, it sought to redefine the principles that make up these elements. This to collect more relevant information on the rented home. In this way, the results of the survey can contribute.

5.2 Coding

In the coding process of the survey, the sub-elements that guided the definition of the questions are explained, as evidenced in the previously presented objectives. This part seeks to break down the results obtained and thus identify the perception of the tenants surveyed regarding the aspects that define their Housing Rights. For more detail, the results are shown in [Appendix 2](#).

For the analysis of the data collected, two main sources were used. The primary data is the direct result of the survey, that is, the answers given by the respondents. The secondary data is the comparison of the responses with the literature review and the context background presented in the [Case study](#). In this way, it is possible to objectively evaluate the results and identify if the answers are in accordance with reality, bias is present, it is a subjective result or if there is ignorance.

The results of the surveys are presented below. As explained in the Research method section, the survey seeks to measure the tenants' perception of each of the questions or statements in the survey. To assess this, respondents were presented with a score table from 1 to 5, where 5 is a high level of satisfaction and 1 is total disagreement or absence of what is presented by the question. For each of the elements of Housing Rights, the average of the results of the 32 surveys carried out will be presented. As well as the different patterns within these results will be analyzed.

The explanation of the findings of the survey seeks to compare the results of the questionnaires with the secondary data. In this way it is possible to establish if there is a correspondence between the notion of the tenants and the reality presented by the secondary data.

5.2.1 Security of Tenure

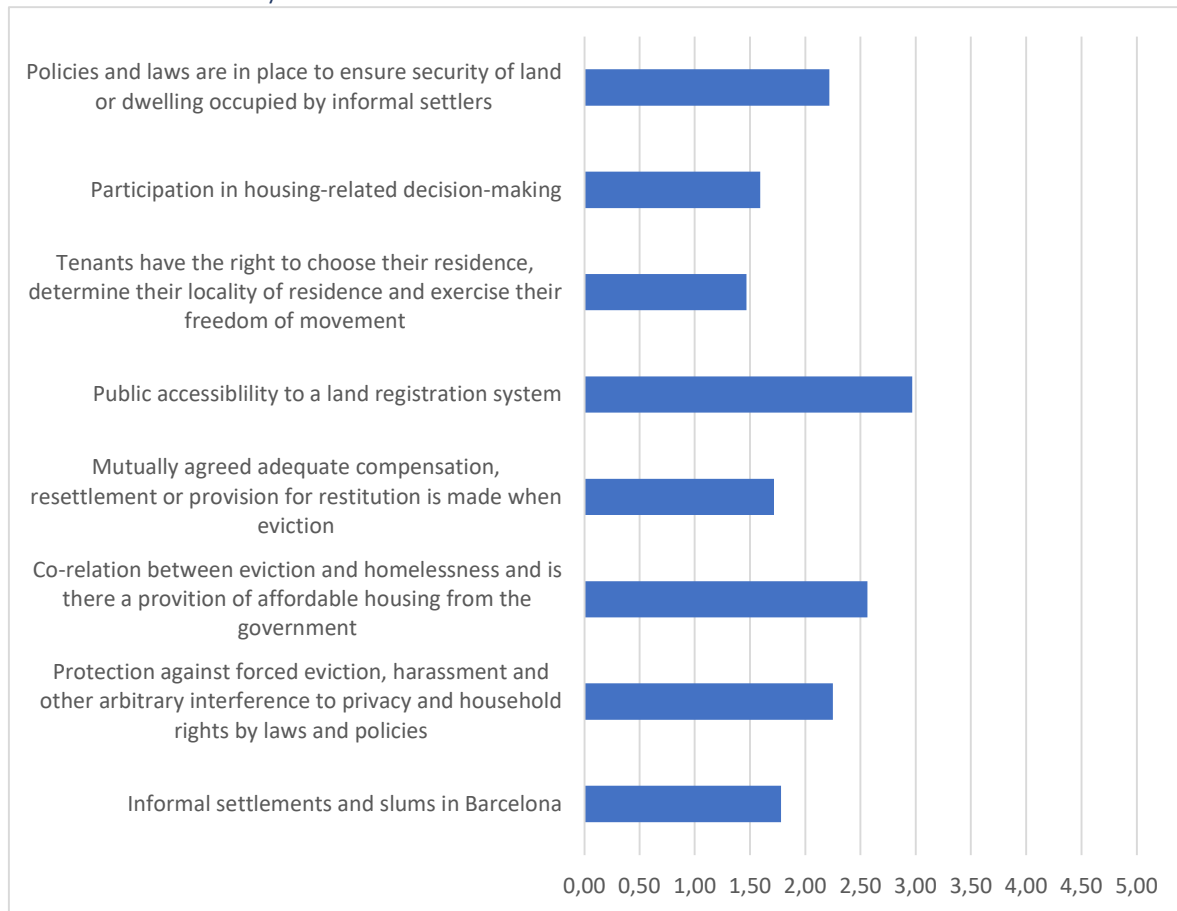


Figure 37: Security of tenure questionnaire results (Own graph)

In view of the results of this survey, it can be established that in levels of Security of Tenure the results were low. If it is taken into account that the threshold of three points was not exceeded in any of the results, the sub-elements evaluated, in the case of Barcelona, are low.

When dealing with issues of housing formality, only 15.6% of those surveyed consider that the policies regarding informal housing in Barcelona are acceptable (3). In terms of the correlation between evictions and the informality of housing and homelessness, a slightly more favorable outlook is found. 42% of respondents consider that protection measures against evictions are acceptable. Although the percentage in this case improves, it is also important to mention that 53% does consider that there is a correlation between the levels of evictions from the city and the informal housing and homelessness population.

The two sub-elements with the best results were those related to the protection of tenants against rent increases. 71% consider that the legal protection mechanisms in place are acceptable and of this group, 25% even consider it outstanding.

Another story is the one that can be seen in the results obtained in citizen participation. The results reveal that in matters of citizen participation and power in decision-making, 86% of people consider that it is insufficient.

5.2.2 Availability of Services, Materials, Facilities, and Infrastructure

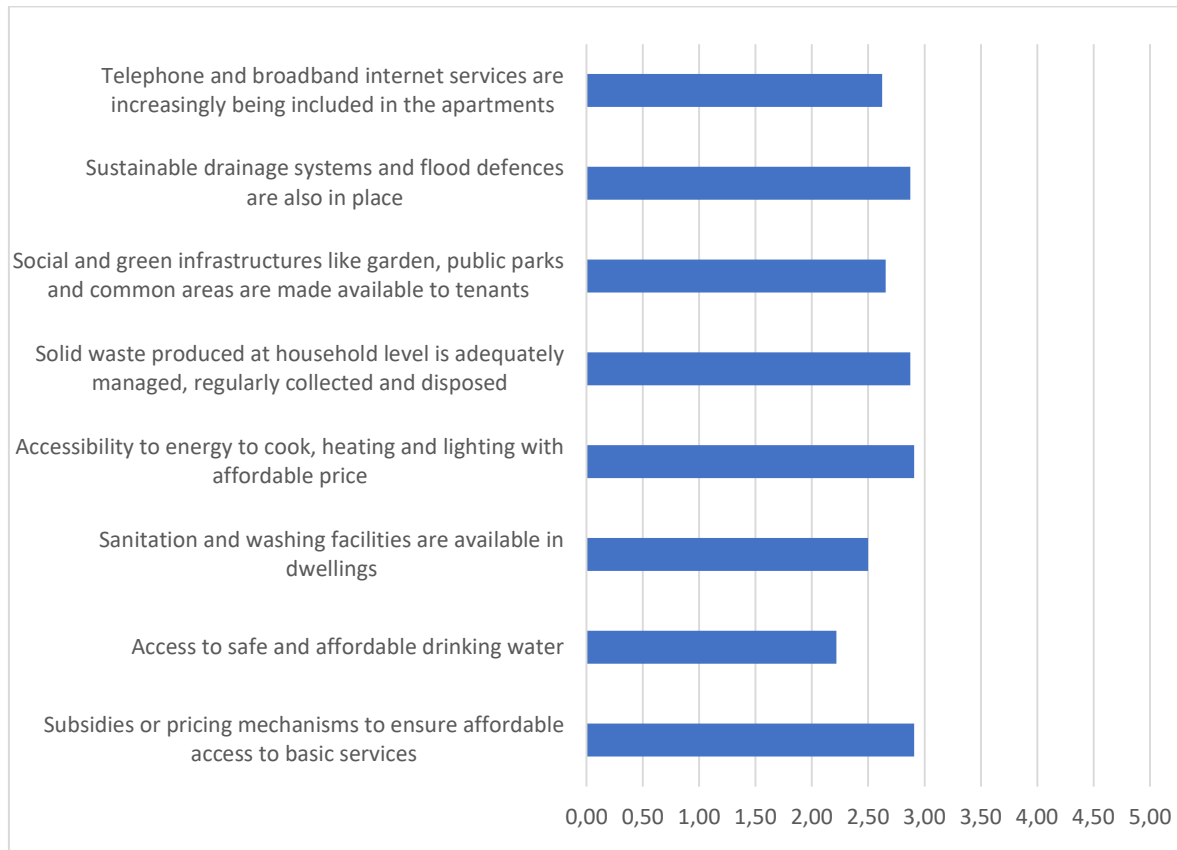


Figure 38: Availability of services questionnaire results (Own graph)

The case of the availability of services shows one of the highest trends of satisfaction within the elements of Housing Rights, although not necessarily positive. If we take into account that it is one of the main cities in Spain, the notion of services by the tenants interviewed remains at basic levels. In relation to issues such as the availability of subsidies and mechanisms that ensure affordable prices of services, 78% of the population sees them as acceptable, although it is important to mention that only 25% rate it as outstanding. The result of accessibility to drinking water is also seen as a worrying trend, since the sample reveals that only 28% consider drinking water affordable. Regarding the mechanisms for treating garbage and sanitary waste inside buildings, the trend is similar, where 50% described it as insufficient. One point to highlight is related to accessibility to green infrastructure, where 66% consider it acceptable and the other 34% as deficient but not non-existent.

5.2.3 Affordability

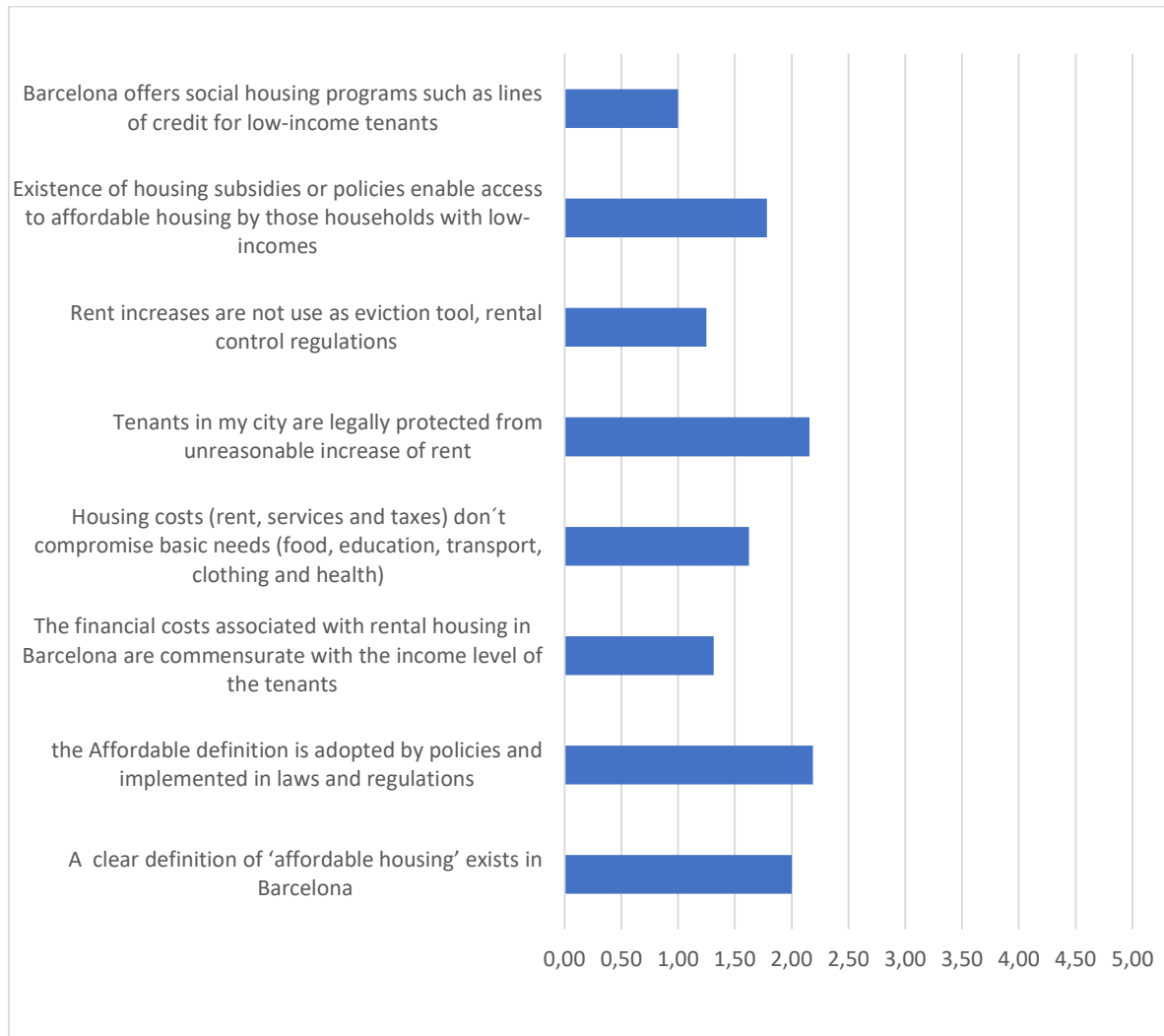


Figure 39: Affordability questionnaire results (Own graph)

The affordability survey is shown as the most critical element and with the highest disapproval. The results are insufficient in all its categories. 63% of those surveyed consider the definition given by affordable housing in existing laws to be insufficient. 70% strongly disagree with the statement that rental costs are commensurate with the tenant's income levels, the remaining 30% rated this point with a 2, which shows a low level of satisfaction.

One of the sub-elements to highlight is the legal mechanism for protecting tenants. This, although it is still insufficient according to the results, having an average of 2.16, has a 40% average level of satisfaction. Considering the correlation of the cost of rent with the costs of non-housing explained in [section 2.2.2](#) and seeing that the mean is 1.63 and that 37% consider themselves totally dissatisfied, it can be assumed that, from According to those surveyed, the level of affordability of housing in Barcelona is insufficient. Regarding issues such as housing subsidies and accessibility policies for affordable housing, it was found that only 25% consider it satisfactory.

5.2.4 Habitability

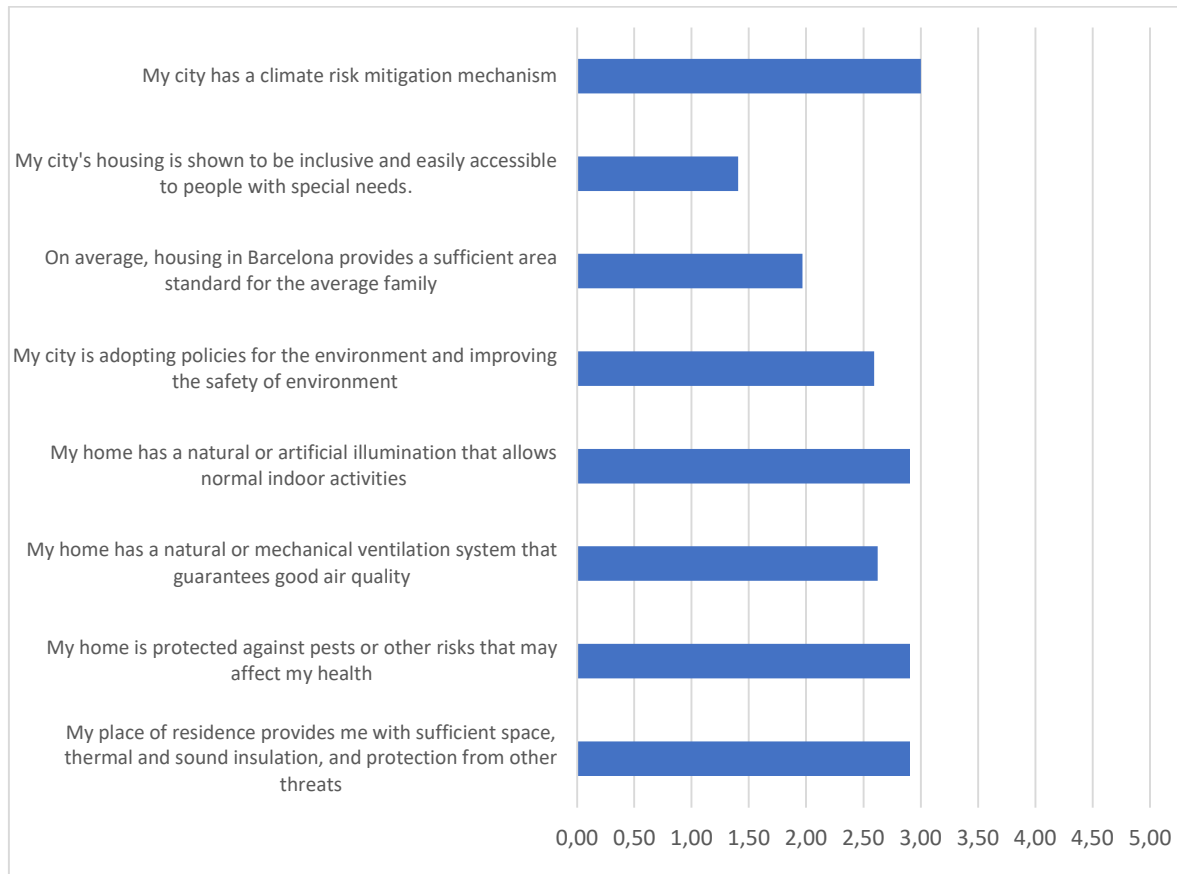


Figure 40: Habitability questionnaire results (Own graph)

In matters of Habitability, the results are favorable for the housing rental system in Barcelona. This point is very relevant since it is shown as the physical and material state of the dwellings, [section 2.2.2](#). Regarding the evaluation of the spaces by the tenants, it is found that the average is close to 3 points, which can be considered satisfactory, with 53% of those surveyed with results between 3 and 4 points. In the same way, the level of satisfaction in pest management and risk mitigation systems is seen. 53% rated these elements as satisfactory. A striking fact is that 100% of those surveyed are satisfied with the risk mitigation measures.

The deficient points within this survey are related to the accessibility of people with special needs, which obtained an average score of 1.41, where 59% consider themselves totally dissatisfied. In terms of the diversity of spatial offers of the housing stock in Barcelona, the results are not favorable. This sub-element had an average score of 1.95 where 66% of those surveyed rated it as insufficient.

5.2.5 Accessibility

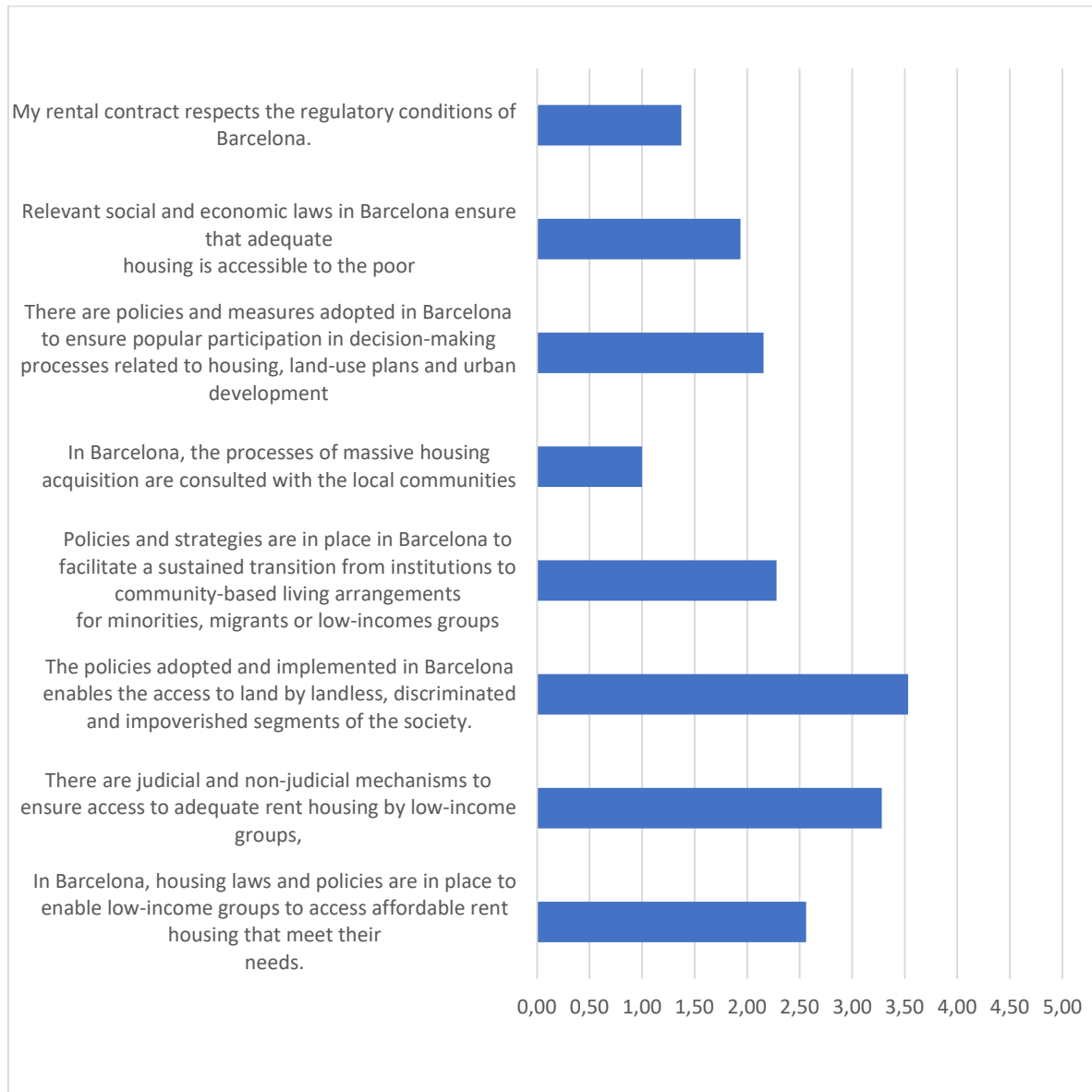


Figure 41: Accessibility questionnaire results (Own graph)

Bearing in mind that the concept of housing accessibility is determined by a household's financial ability, [section 2.2.2](#), it is important to highlight that regarding this element, the respondents evidenced two strong tendencies. The first one is related to regulatory conditions and public will. In this case, there is notable approval from the tenants in that 53% of the sample considers the measures implemented by the institutions to protect low-income tenants to be satisfactory. Similarly, this survey revealed that respondents feel represented by non-governmental organizations that watch over their rights, 88% of respondents rated this point positively.

Another story is the notion of private organizations, where 100% of those surveyed described the statement that "In Barcelona, the processes of massive housing acquisition are consulted with the local communities" as totally disagreeing. In the same way, quite negative results are seen with regard to

contractual conditions and compliance with regulations by them. This point has an average score of 1.38 where 62% of respondents consider themselves totally dissatisfied.

5.2.6 Location

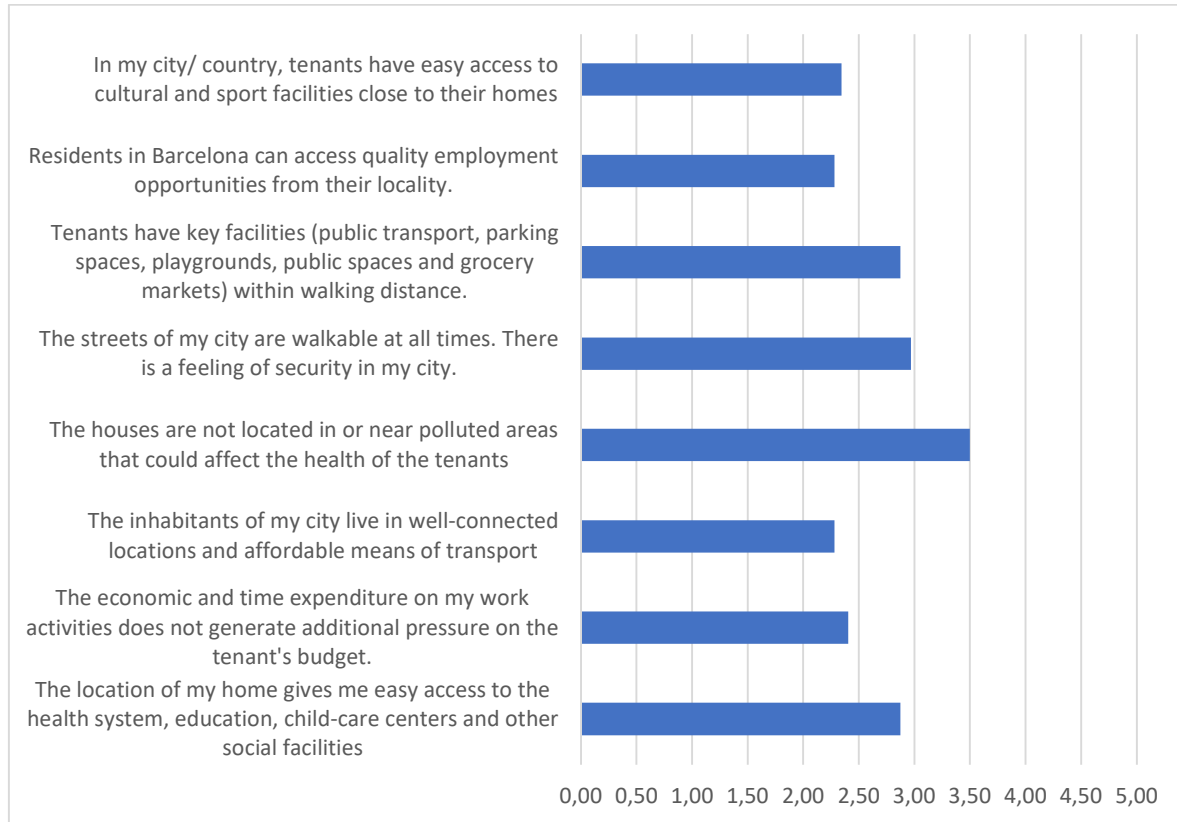


Figure 42: Location questionnaire results (Own graph)

The case of the location shows the second-best result of the entire survey with 53% compliance. Where issues such as the level of contamination is not optimal, but it presents acceptable results with an average score of 3.5. On the other hand, cases such as connectivity and the efficiency of public transport are not very favourable. The notion of this sub-element is 2.4 on average, although it is one of the Spanish cities with the highest transport efficiency. Emphasis must also be placed on the point related to employability and location, as only 31% of those surveyed rated the distribution of the job offer in Barcelona as acceptable. The other 69% of those surveyed consider that not all areas of Barcelona offer job opportunities.

5.2.7 Cultural Adequacy

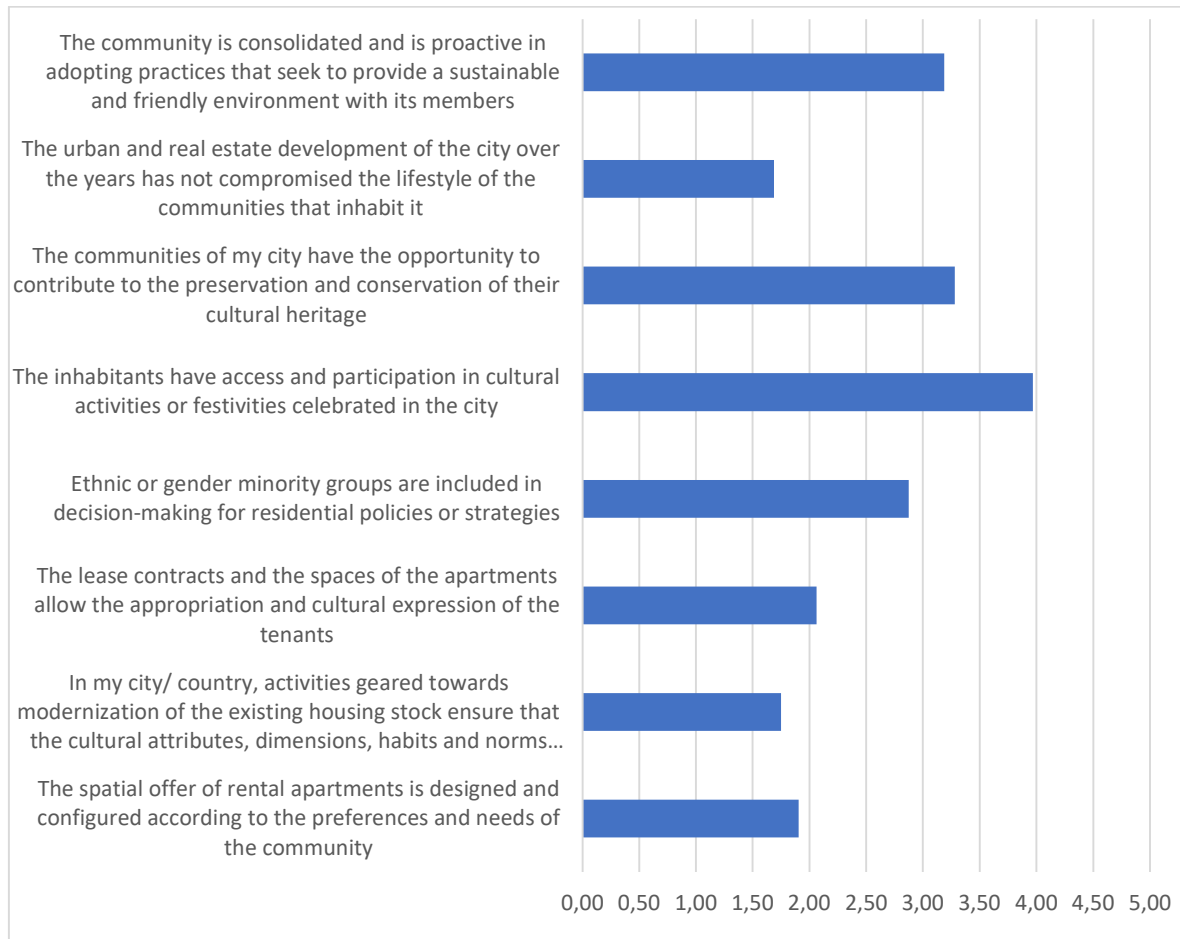


Figure 43: Cultural adequacy questionnaire results (Own graph)

The element of Cultural adequacy is shown as one of the most relevant in social matters, since it recognizes the conditions and values of each member of a community. In this case, the survey results reveal several interesting facts that can be taken into account. Like the accessibility results, two major trends are shown. The first one is related to the community and its social responsibilities. In these aspects the respondents gave favorable results. When evaluating the level of appropriation of the citizens of the culture of Barcelona and its cultural events, the highest result of the entire survey was obtained, 68% of those surveyed qualified it as outstanding.

On the other hand, aspects related to the freedom of appropriation of the space given by the lease contracts show a clear level of dissatisfaction. If the results of questions such as “the lease contracts and the spaces of the apartments allow the appropriation and cultural expression of the tenants” are seen, 78% of the respondents have a low level of satisfaction with this statement. Something similar happens with the acceptance of new urban housing projects in the city, where 87% of those surveyed consider that over the years the type of urban development in Barcelona has compromised their lifestyle.

5.3 Networks

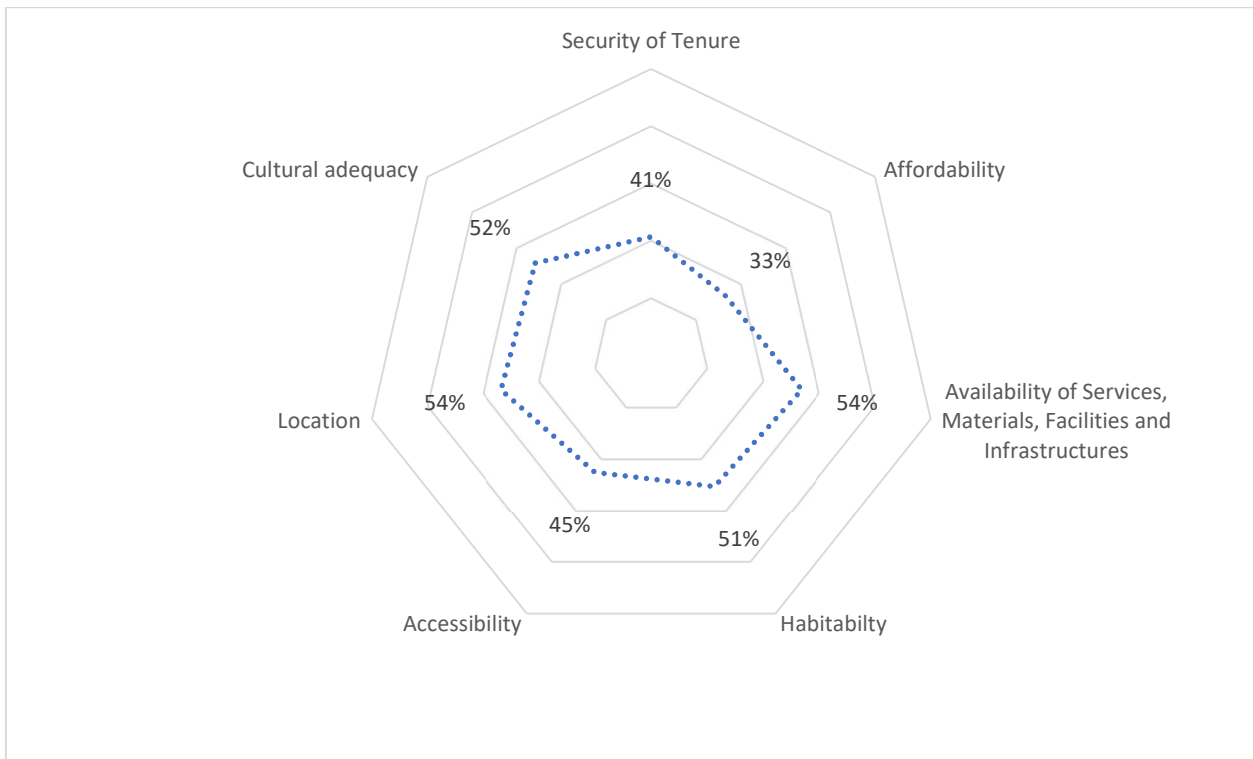
The Union was born as a transversal initiative, but with a clear political and collective conscience. They seek to bring together neighbors who live or seek to live for rent, both in private and public market

housing, to jointly claim our rights and influence all administrative and government areas. It is noteworthy that in 2021, this union was the largest promoter of the rent control law.

Being a non-governmental organization, the tenant union of Catalonia has a support and help system based on case advice. They have also established themselves as a social force for which they have become renowned over time, which, when interceding for one of the members, their voice is widely heard.

As a point against, it is important to highlight that in some of the cases the forced occupation of the dwellings is proposed to the tenants. These cases, as a form of protest, suggest that the tenant, in case of eviction, not leave the property and continue paying rent, even if there is no contract. These controversial cases can contribute to the movement, but at the same time they can affect the tenant legally and economically.

5.4 General result of the Housing Right Index



QUESTIONNAIRE RESULTS	
SECURITY OF TENURE	43%
AFFORDABILITY	33%
AVAILABILITY OF SERVICES, MATERIALS, FACILITIES, AND INFRASTRUCTURES	55%
HABITABILTY	51%
ACCESSIBILITY	46%
LOCATION	53%
CULTURAL ADEQUACY	51%

5.5 Limitations

The first thing is to clarify that in the development of this survey it was possible to survey 32 tenants who are members of the union of tenants of Barcelona and Catalonia. This union has approximately 3,000 associates, so the survey has a confidence level of 90% with a margin of error of 15%.

One of the first limitations found within this questionnaire is the possible existence of bias by the respondents. A large part of the members of the unions are tenants who have or had some type of problem with their landlord. Additionally, the union presents itself as an activist group, which shows a quite marked tendency towards rent regulation. In order to handle this type of limitation, an attempt was made to previously explain the objective of this exercise and the issues of Housing Rights, and its elements were presented in a neutral and objective manner. Additionally, it was sought to pose the questions in a general way to the entire city and not to specific cases, forcing the respondent to question themselves beyond their reality.

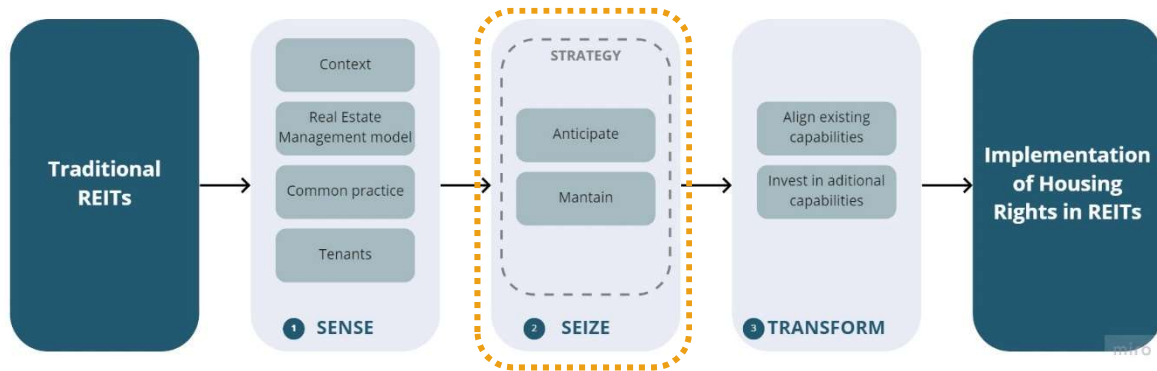
The second limitation of the survey is related to the theoretical ignorance of Housing Rights by the respondents. Although there is a general idea of this concept, there is no understanding of the 7 elements that compose it. To manage this limitation, as part of the survey, and prior to the completion of each of the 7 sections that were presented to them. Before answering the questions, the concept of Housing Rights and its elements in general was introduced among the respondents. This sought to reduce the level of influence or predisposition of the respondent before he said his answers. It is important to clarify that within the explanation of this thesis the presentation of the problem statement was omitted. In this way the answers would not be influenced by external parties.

2 SEIZE: Outcome of Questionnaire

The objective of this section is to analyze, through the proposed KPIs in the appendix 3, the conditions of the Private Landlords Mechanisms in Barcelona and define the type of procedures that must be considered if you want to implement housing rights. For this, the second stage of the proposed framework begins: SEIZE.

For this, the results of the surveys carried out among the members of the tenant union will be taken into account, and the data collected on the state of the housing market in Barcelona and the role of Landlords in it. Each of the seven elements will be presented and evaluated through the KPIs proposed below. The results of these KPIs will allow defining the transformation strategy.

As an essential part of this phase, the conditions that must be anticipated and those that must be maintained will be defined.



6.2 REIT Liability in Tenant’s conditions

In the search for the complete implementation of Housing Rights in the business model and the operating structure of Private Landlords, the type of responsibilities that this type of fund has towards its tenants must be defined.

In the previous [section](#), the notion of having tenants was introduced, and the Housing rights index was defined. This section links the topics addressed in the surveys with the KPIs proposed by this thesis, [Appendix 3](#). In this way, it is possible to define the level of responsibility that landlords have and the status of the dwellings that are part of their portfolio. What will be presented below are the most relevant points of the evaluation results of the proposed KPIs and which are the points of greatest responsibility of REITs in the implementation of Housing Rights.

6.2.1 Security of tenure

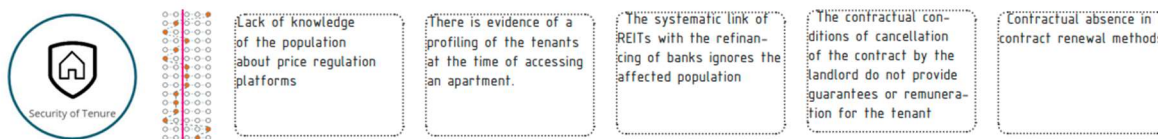


Figure 44: Security of tenure KPI main findings (own image)

The massive wave of evictions associated with foreclosures can indeed be understood considering the significant debt that households assumed to become homeowners. Also, this growing indebtedness is related to the public policies that promoted homeownership and presented it as a good way to invest, with high, relatively risk-free, short-term profitability prospects (Méndez & Plaza, 2016; Vinuesa, 2013). As explained in [section 4.4](#), after the GFC, a large part of the population lost their home due to the sum of the strong increases in interest rates and the strong labor crisis. After this process, the banks, having mortgaged a large sum of properties, sought financing through international funds or REITs. It is at this point where Private Landlords take responsibility within the city's eviction levels. When considering cases

such as that of banks rescuing assets after the crisis generated by the Spanish government and the banks, who have established themselves as large owners in the city. Things like SAREB and other companies poorly known as "Bad Banks" are responsible for recovering the assets affected by the crisis with the help of public resources. This type of organization has become one of the main property developers in Barcelona.

The number of releases made by the courts, both those derived from the application of the Urban Leasing Law (LAU) and those derived from foreclosures, in quarter 4 of 2021 stood at 2,386 in Catalonia, which implies a variation 4.01 percent compared to the same quarter of the previous year, according to the study 'The effects of the economic crisis on judicial bodies' (CGPJ, 2019)

In cases of large owners with more opportunistic profiles such as REITs. They present a nature in their business models where sale of the property is usually completed in the first three years, when by law the tenants have the possibility of extending a contract between 5 and 6 years. As a solution to this, the Spanish government created the right of first refusal and redemption. A right that the tenant has so that, if the owner puts the rented house up for sale, he can acquire it before another buyer, with the same conditions and at the same price (Valero, 2010). This point becomes essential in the security of possession by the tenant if the constant transfer of assets given by REITs is considered. In the Barcelona market, contractual models include clauses in which the tenant waives this right. As in the example given by Idealista (2022, p.11), una de las mayores plataformas inmobiliarias de España se establece que:

"Clause 10.1 The Tenant expressly waives the rights of first refusal and withdrawal that may correspond to him due to said condition."

The advantage of eliminating this type of clause is that the tenant is guaranteed to keep his home and even extend it another 5 years with each change. Additionally, stability is given to the rental conditions, since according to these conditions the rental values that were held with the previous owner are maintained.

Another aspect to consider is the type of contractual conditions related to the early termination of the contract, where only a grace period of at least two months is guaranteed, but no type of compensation is proposed. The same contract cited previously (Idelaista, 2022) establishes that:

"Once the first year of the Contract has elapsed, in case the Owner needs to occupy the Property before the expiration of five years, to use it as a permanent home for himself or his relatives in the first degree of consanguinity or by adoption or for their spouse in the event of a final judgment of separation, divorce or marriage annulment in accordance with article 9.3 of the LAU. The Owner must communicate said need at least two months in advance of the date on which the home is going to be needed and the Tenant will be obliged to deliver the Property within said period if the parties do not reach a different agreement."

As a last contractual point, in accordance with the Spanish housing law (2022), the tenant has the right to unilaterally renew the lease for 5 years and 7 years in the case of large owners. Although this law provides greater security to the tenant, this law is not necessarily always complied with since the renewal process is never stated in the contracts and the tenant must go directly to the legal instruments.

As for the option of Spanish social housing, a very interesting debate arises. The Spanish social housing system is focused on the acquisition of housing as a property but does not propose any type of measure against income.

At this point, it is worth evaluating the conditions of rent appreciation in Barcelona after the implementation of the Rent Control Law (2021). Regarding this point, there are three key points: transparency, the distribution of prices in the city and the pre-conditions imposed by the owners to rent a property.

In terms of transparency, it is important to mention that the Barcelona City Council has a platform that helps tenants calculate the rental price of the apartment in which they are located. Unfortunately, this platform is not well known and is not necessarily considered by private landlords when calculating the value of apartments.

The second point, the distribution of rental prices in the city, is related to what was established by Aaron Gutiérrez (2018) who considers that the risk of eviction concentrations in specific neighborhoods is determined more by the socioeconomic characteristics of those who accumulated mortgages than by the

number of mortgages in a neighborhood. As a result, the neighborhood's socioeconomic vulnerability and precarious employment are the primary determinants of eviction concentration.

After the implementation of rent control and the expansion of the rent protection law, large landlords began to generate more interest in short term contracts. Leases between 3 and 11 months that, although they can be renewed for up to 5 years, do not fall under the rent control law. Additionally, and this is the interesting point of the discovery, a profiling is given through the lease preconditions. The owners are looking for students or expats who come to the city to live for a defined season and are not interested in renewing the contract.

As mentioned in section 4.3.1, Barcelona has focused on the restoration of the existing housing stock and on diversifying the offer through the construction of isolated buildings, the demolition of large housing areas has taken a backseat. As a result, the stock of available homes is limited and in many cases the increase in the number of homes is due to the refurbishment of existing housing which, being apartments over 50 years old, are apartments that were originally intended for families. Numerous. In this readjustment strategy, the apartments usually have spatial distribution problems; where the housing available to citizens is not adapted to the needs of modern families.

Adding to this issue, there is evidence of a lack of dialogue between tenants and owners (REITs), where tenants are limited in the options provided by the owners. This type of behavior can be seen as natural within a conventional market where the owner is a natural person. The story changes, when it comes to a REIT. In many cases, the properties readjusted by the funds come from the so-called “Bad Banks”. Which, being 45% financed by the public sector, have a commitment to increase social and affordable housing in the city. In this way, the creation of social worktables where the participation of the Stakeholders is increased becomes essential.

6.2.2 Affordability

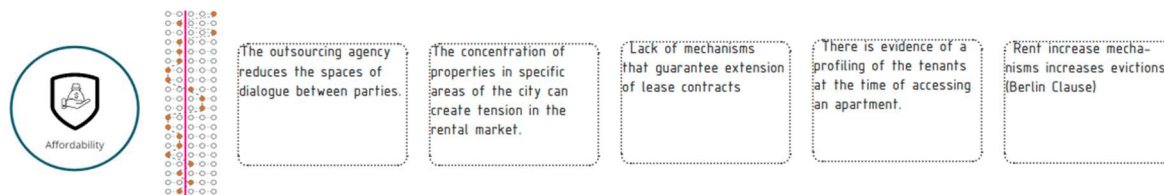


Figure 45: Affordability KPI main findings (own image)

As explained in previous sections ([section 4.5.3](#)), the affordability of housing depends on many factors and not all of them can necessarily be attributed to private landlords. What is undeniable is the decision-making power that these types of institutions have within their own portfolios. The first thing to mention is that, when talking about affordability, we also have to mention the bases established by the free market where the value of an income, like other products or services, is valued according to the levels of supply and demand. The mechanisms used by big and small owners to define the values of an income are not different. Based on a market study of rental values in the area and other variables such as connectivity and location within the city, the analysts define the value. The point that does generate a difference with the rest of the small owners is the power of tension that they have. As explained in [section 4.3.2](#), the reason why the implementation of the rent control law was sought was the existing tension in the housing rental market in Barcelona and in the region of Catalonia. What was identified in the evaluation of the KPIs ([Appendix 3](#)) is the type of influence that landlords have within this market and how they increase tension. This influence is due to the concentration of properties in specific areas of the city. This concentration of ownership allows them to set trends in local and area-specific rental markets. Which, as can be seen, has not been very consistent with the purchasing power of a large percentage of the population.

On September 9, 2020, the Parliament of Catalonia approved the Rent Price Regulation Law that allows freezing and lowering the rent in 61 Catalan municipalities where the market has been considered to be

stressed. This rule is called to regulate the prices of rentals that are in areas declared 'with a tense housing market' and makes this autonomous community the first in all of Spain that limits the cost of housing rentals. The rental price limitation affects 60 municipalities with more than 20,000 inhabitants, although it will not apply to contracts prior to 1995, to officially protected flats or to new construction.

First, it is necessary to understand what is considered an area with a tight housing market. To do so, one of these three conditions must be met:

1. That there are price increases that are clearly higher than the average for Catalonia.
2. That families allocate more than 30% of their income to paying rent.

That the rental price has risen in five years three points more than the Catalan CPI.

With this law, several points were raised parallel to rent control. One of the most important was the extension of rent renewal periods. While in the rest of Spain, the conditions for the unilateral renewal of contracts by the tenant are limited to 3 years in the case of small owners and 5 years in the case of large owners such as REITs, in the case of Catalonia the renewal was extended to 5 years in the case of small owners and 7 years in the case of large owners. This can be taken as a positive initiative, but the law still has several loopholes. The first is the lack of mechanisms that guarantee such extension. As it is a unilateral initiative by the tenants, its implementation depends directly on their knowledge of the legal system, which is not always the case. The second shortcoming is the lack of spaces for dialogue between the parties. In cases where the lease is outsourced to agents, the tenant does not have clear communication with the owner, so expressing their desire to extend the contract is hindered. The third shortcoming is related to the methods in profiling of tenants. When the tenant selection preconditions are more focused on short-term contracts, the accessibility of affordable houses to low-income citizens is reduced. Facts such as the demand for high deposits and variable rents depending on the season of the year affect local demand.

As a last point, is considered the strong correlation between evictions and the increase in rent. Although this increase is regularized by the rent control law, during the investigation a risk that threatens the stability of the tenants was evidenced. The first thing that needs to be clarified is that the rent control law is temporary, that is, its implementation is not indefinite and currently it is only valid for one year. Therefore, as this year expires, tenants are left unprotected against possible increases that exceed inflation or Spain's European competitiveness index. Although it is being spoken from an assumption, there are already indications that show that this can happen. A clear point is the "Berlin clause", this contractual clause seeks to give the owner the freedom to increase the rent at will if the rent control law is lifted.

6.2.3 Availability of Services, Materials, Facilities, and Infrastructures

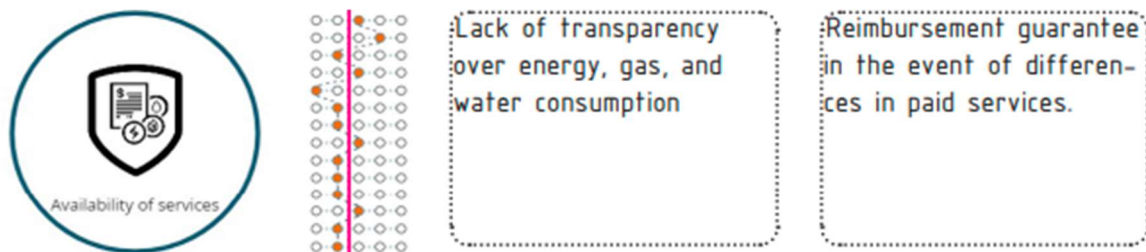


Figure 46: Availability of services KPI main findings (own image)

Although the service systems are of a public nature, it is important to establish that in Spain the service is connected directly to the apartment and depending on the type of lease and the legal status of the person in the city, it can be in the name of the tenant or the owner. In cases where the service is in the name of the tenant, there is greater transparency since the tenant has direct access to the benefits of the service system and to information such as costs and level of consumption. On the other hand, in cases where the services are in the name of the owner, there are inconveniences for the tenant. The first is when a fixed number of services is agreed between the owner and the tenant. In these cases, the tenant

pays a fixed monthly amount regardless of consumption, with the commitment that, if at the end of the year the amount to be paid during the year was greater than what was paid, the tenant assumes the difference. This situation shows a clear inequality of conditions since a refund is never specified if the amount was less. Additionally, in many cases there is not full transparency, and the tenant loses accessibility to several of the benefits or subsidies provided by the government. Within this aspect there are also effects on costs and energy consumption based on the type of equipment in the apartment. Cases such as kitchen furnishing depend directly on the owner and if the energy efficiency of the appliances is not good, the main affected party is the tenant. Continuing with the type of adaptations of the apartment, it is important to mention that the water in Barcelona requires the use of filters for its consumption due to the high levels of calcium as it is a port city and close to the sea.

Other problems that have begun to be evidenced are related to the lack of gardens and urban parks adequate to the increase in population, the inexistence of a management body for the Metropolitan Area and the Metropolitan Region, deficiencies in public transport, absence of plans effective social housing, etc. (Capel, 2005).

6.2.4 Habitability

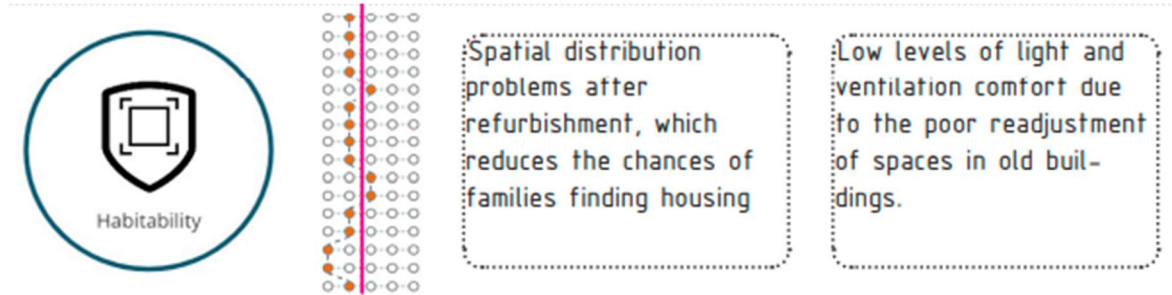


Figure 47: Habitability KPI main findings (own image)

Habitability is consolidated as the most physical and spatial point within rights. This evaluates the spatial characteristics of the dwellings.

The first aspect analyzed by the KPIs is the physical conditions of the properties. The spatial distribution of the houses and how they respond to the needs of the tenants. For this, 4 main characteristics were taken. The first is the spatial division. Both in the development of the surveys and in the theory analyzed in this research, a tendency to question space was found. A constant questioning is revealed about whether the space is adequate or if they have at hand everything necessary to carry out all the basic activities of each of the family members.

Currently the regulations define the functional program and the minimum surfaces of the premises in relation to the number of occupants, but never prefigure what the distribution of the dwelling should be. Therefore, it is extremely important that the designer sees in each specific case, what are the reasonable types of zoning to intelligently configure the available space, based on a hierarchy of values based on functionalism, "spatial comfort", "visual comfort", "circulation" and a certain amount of "ambiguity".

6.2.5 Accessibility

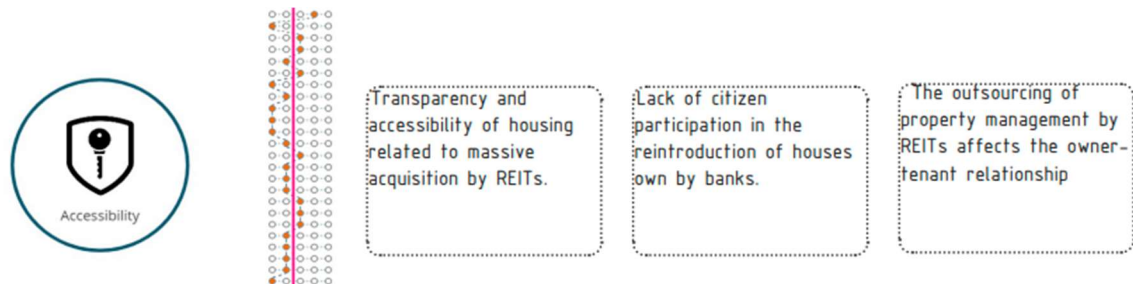


Figure 48: Accessibility KPI main findings (own image)

As explained in section 4.1, the housing production system in Barcelona and throughout Spain has historically focused on encouraging the population to acquire housing. Having a predominant trend of landowners and making rent regulations more flexible. Even the public social housing system in Spain tends to omit being very scarce since the social housing policy does not consider income solutions, as countries like the Netherlands do. This type of initiative has positive aspects, but it is not perfect. It is at this point where activist movements that seek to formalize and regularize the rental market are consolidated. set against rent control and the transition from rent to owner.

The relationship between the unilateral contract renewal law and the reality of the short-term rent market. Consequently, a profiling is presented that reduces the possibilities of long-term income. The type of preconditions required by the owners limits the options and discriminates against low-income tenants with informal jobs, even if they have the resources to assume the value of the rent.

SAREB: Banking companies for the recovery of real estate maintain the possibility of massive acquisition of properties and homes to which only REITs have access. These processes do not have citizen participation and reduce government participation. Although regulations and obligations have been established in the generation of social housing, 75% by law. Companies are free to decide which assets to sell and which to freeze.

In this way, citizen participation, the importance of distributing decision-making power in a more democratic way, is also relevant. The development of cities and the transparency of processes reinforce the trust of the population in corporations. In this case, the challenge does not focus on the limitation of the market since, as explained in section 4.2, the introduction of international investment funds was essential for the recovery of the economy after the crisis. In what if a great challenge is identified is in the transparency and accessibility of housing. As already explained, the banking companies that own the properties and mortgaged homes after the crisis, benefiting from public resources, have the obligation to allocate a percentage of the properties to social housing. If the processes are not carried out transparently, there is a risk that this commitment will not be fulfilled.

In the same way that citizen participation is important as a political control mechanism, it is also evident in section 4.6.1, referring to accessibility, that corporate control and a more active dialogue with tenants also help improve stakeholder relations. During the surveys of union members, it was shown that 71.8% of those surveyed described the relationship with the landlord as non-existent. The mechanisms of real estate agencies used by REITs outsource the relationship with the tenant to the point where it is not known which company owns the home. It is important to mention that governments provide transparency mechanisms where citizens have access to property information, but an effort must be made to bring these two stakeholders closer together. Likewise, it is important to mention that this initiative is beginning to be implemented. Testa, the largest residential SOCIMI, proposes in its ESG 2021 report, the structuring of dialogue tables with its tenants as a mechanism of social sustainability.

6.2.6 Location

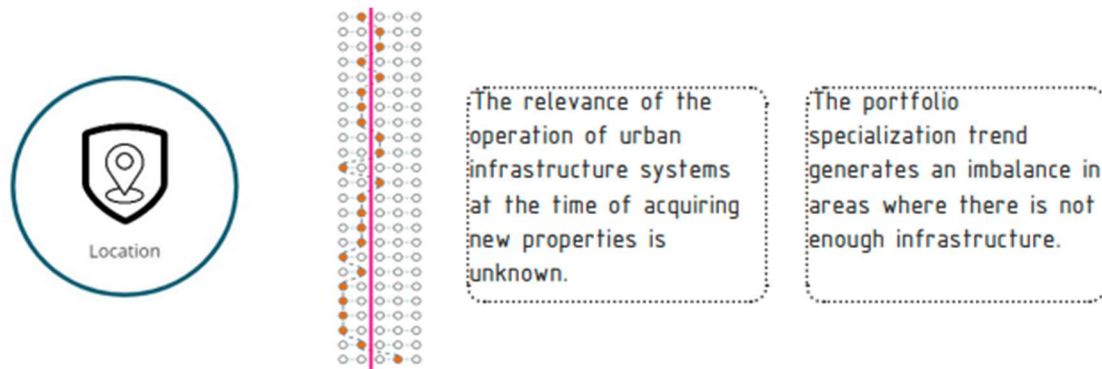


Figure 49: Location KPI main findings (own image)

In the analysis of Location, it is important to state that the location is not something fortuitous or isolated. The location is linked to the urban context and the dynamics that work around it. The development of cities is intrinsically related to the possibilities they must communicate through the different mobility options, both at a local and regional level. Barcelona is an example of this, and due to its historical character of annexations of the adjacent towns to it, different urban plans and urban intervention projects have been developed that show the transformation of the City from the local to the global, that is, taking into account the need for external and internal mobility, the latter being with a different scale, form, function and mode of urban transport. This has created the need to understand the urban territory and its complexity in order to articulate the use of public space with the City's road network and the different forms of urban mobility, so that urban mobility infrastructure can be conceived not only as an element of road transport in the city but as an integrating support of urban functions from and for the citizens, determined by means of cohesion and urban continuity in the public space (Martinez Palacioa, 2015). In this way, Capel (2005), states that problems that have begun to be evidenced are related to the lack of gardens and urban parks adequate to the increase in population, the lack of a management body for the Metropolitan Area and the Metropolitan Region, deficiencies in public transport, absence of effective social housing plans, etc. It is also affirmed that the urban transformations carried out have paid little attention to the existing heritage, not only monumental, but also to the whole of the built historical heritage, often becoming true attacks on the collective memory.

6.2.7 Cultural Adequacy

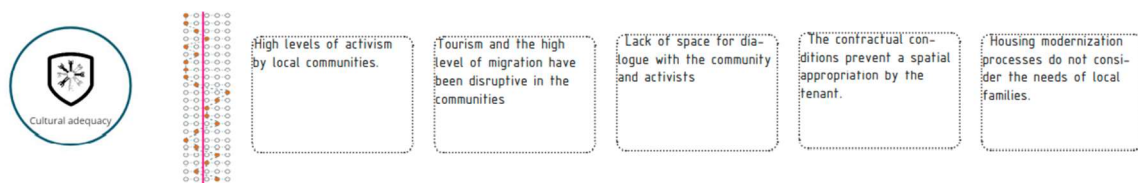


Figure 50: Cultural adequacy KPI main findings (own image)

Cultural adequacy is shown as the most social element of the Housing Rights and can be consolidated as the sense of appropriation of the tenants over the interior spaces of the dwelling and their active participation as a member of the community. As explained in [section 4.5.1](#), Barcelona is a city with a high volume of migrants and transient population. Additionally, the local population has been displaced by effects such as turistification. This fact has strongly marked the social dynamics and has generated a strong fracture in social inclusion. These types of trends have had repercussions in the rental housing system where certain sectors of the population (minorities and low incomes) have been excluded. A clear case is that of the peripheral northern areas of the city. The Raval area in Barcelona's historic center was the only hotspot in the city center where minorities and vulnerable communities were able to remain in a

relative well-connected area of the city. Since the mid-twentieth century, this area has been a hotbed of poverty and social marginalization. Because of the concentration of ethnic minorities, it has also been subjected to social stigma. That is why the level of inclusiveness of the portfolios was evaluated within the KPIs. It is important to mention that in Barcelona the local population has been segregated and displaced by the strong pressure generated by migratory populations, especially tourists.

Because of the rise in rental prices, the percentage of income that the population devotes to housing has reached unsustainable levels for the household economy in many cases. It is estimated that four out of every ten tenants spend more than 40% of their rent on housing. (Observatorio de Vivienda y suelo, 2017). By 2015, this situation had prompted citizen reactions in certain city center neighborhoods, such as Barceloneta, which had been particularly affected by gentrification processes, real estate speculation, rent increases, and an intensification of eviction practices for residents. In response to these types of trends in the rental housing market, local communities in Barcelona have reacted from the beginning by demanding solutions to eviction problems. At this point, groups such as the tenant union "Sindicat de Llogaters" emerged, whose purpose is to represent the interests of vulnerable populations within the rented housing system (Blanco-Romero, Blázquez-Salom, & Cànoves, 2018). It is at this time that it becomes relevant to evaluate current conditions of tenant-landlords relation spaces. It must be identified if there is a willingness for dialogue and mediation on the part of the fund and its property management team; Is the tenant recognized his right to express his disagreements?

Until now, the tenant inclusion process has shown its relevance within a built environment, but it can also be reflected within the dwellings. For the evaluation of this point, the appropriation capacity of the internal space of the house was taken as a basis. For this it is important to mention what are the possibilities of the user to adapt their environment in order to feel as their own a space that is actually leased. At this point several limitations arise and the first is contractual. The rental contract in this context establishes the conditions and limitations of the user regarding the type of interventions that he can make on the space. Although limitations are required to guarantee and protect the property of the owner, they can also be exceeded and affect the living conditions of the tenant. Although the rentals are of a temporary nature, life in a rental housing system must offer stability and privacy to the inhabitant.

In the study of model contracts (Idealista, 2022; Blackstone, 2019), clauses that specifically establish that: "The Tenant may not carry out works, installations, or improvements of any kind..." are common. These types of conditions become relevant in the fulfillment of the rights of the tenants, issues such as the adaptation of the spaces through the colors of the property or installation of furniture affect their quality of life. Along with these measures arise the conditionals that, in this research, are defined as "behavioral". They are clauses that control or limit the free expression of the individual. When a rental agreement establishes specific conditions related to issues such as hours of entry or access, permission to visit or meet, limits on the use of appliances or even the consumption of services, the freedoms and rights of the tenant are violated.

Another point is related to the decision-making level of the tenants over the apartments. This point evaluated the level of relevance that tenants have regarding the modernization of existing housing and how it can maintain its alignment with the needs of the local tenant and redefine itself towards a change in user. As mentioned in [section 2.2](#), a relevant part of the financialization phenomenon is the commodification of housing. Like this one, it goes from being a symbol of social security and becomes an asset outside the community. Again, it is important to mention that in this research the criticism made to the modernization of housing is directed at housing belonging to REITs (SOCIMI) not at small owners. When these modernization processes occur massively in an area and without the participation of the community that inhabits it, they have disruptive and not very positive results in the face of social dynamics.

7. TRANSFORMATION: Real estate management models

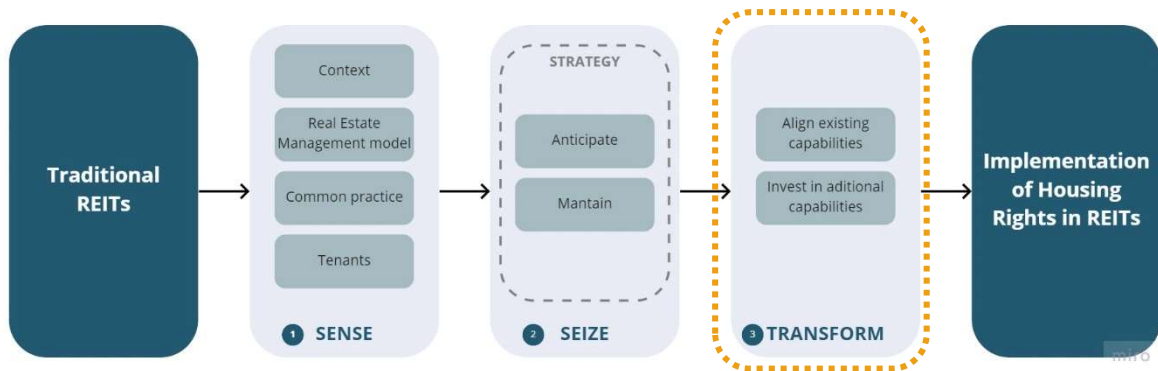


Figure 51: Transformation face (own image)

As explained in section 2.3.6, transformation is the interdependence between the business model and the proposed strategy. It is at this point that we seek to return to what was explained in section 2.3.2, related to the business models and how these may vary according to the points set out in the result of the KPIs proposed in the previous Section, 4.6. one. The first thing is to understand that the implementation of the Housing rights of tenants in Barcelona does not depend. The Raval area in Barcelona's historic center was the only hotspot in the city center where minorities and vulnerable communities were able to remain in a relative well-connected area of the city. Since the mid-twentieth century, this area has been a hotbed of poverty and social marginalization. Because of the concentration of ethnic minorities, it has also been subjected to social stigma (Subirats & Rius-Ulldemolins, 2008) d solely on investment funds. As we can see in the points analyzed, for a comprehensive implementation to take place, changes must be made in the market, in housing policies and in citizen participation mechanisms. What can be rescued from this discussion is the obvious responsibility of landolords and their strong relevance in the search for an implementation of the Housing rights for the low-income tenants of Barcelona.

At this point, main structure and mechanisms used by private landlords are taken up again as the main focus of change in the implementation of Housing Rights. Consolidating in this way the Transformation phase proposed by the framework of this thesis, section 2.3.2 and section 2.3.3. If the characteristics of the business models and their operational structures are taken up and compared with the findings presented in the previous section, it is evident that each of the elements of the Housing rights can affect various aspects of these models. It is for this reason that, in order to generate a correlation between these two issues, four possible reflections seen from Private Lanlords mechanisms are presented:

Table 9: Matrix of KPI findings and Landlords mechanisms (own table)

	<i>Property management</i>	<i>Asset management</i>	<i>Portfolio management</i>	<i>Stakeholder management</i>
<i>Security of tenure</i>	- Tenant profiling through pre-conditions - Contractual absence for renewal methos.	- The systematic link of big PL with the refinancing of banks ignores the affected population		- Lack of knowledge of the population about price regulation platforms - Contractual conditions of eviction do not provide guarantees
<i>Affordability</i>	- Rent increase mechanisms increases evictions	- Concentration of housing properties in specific areas increases the tension of the market - Tenant profiling in housing acquisition		- Outsourcing agency reduces the space of dialogue - Lack of mechanisms to extend the lease contract
<i>Availability of services</i>			- Lack of transparency over public services -Reimbursement guarantee for efficiency in services by tenants	

<i>Habitability</i>			<ul style="list-style-type: none"> -Spatial distribution problems after refurbishment, which reduces the chances of families finding housing. - Low levels of light and ventilation comfort due to the poor readjustment of spaces in old buildings. 	
<i>Accessibility</i>	<ul style="list-style-type: none"> - The outsourcing of property management by REITs affects the owner-tenant relationship 			<ul style="list-style-type: none"> -Transparency and accessibility of housing related to massive acquisition by Private funds. - Lack of citizen participation in the reintroduction of houses own by banks.
<i>Location</i>		<ul style="list-style-type: none"> - The relevance of the operation of urban infrastructure systems at the time of acquiring new properties is unknown. -The portfolio specialization trend generates an imbalance in areas where there is not enough infrastructure. 		
<i>Cultural adequacy</i>	<ul style="list-style-type: none"> -The contractual conditions prevent a spatial appropriation by the tenant. -Housing modernization processes do not consider the needs of local families. - Tourism and the high level of migration have been disruptive in the communities 			<ul style="list-style-type: none"> - High levels of activism by local communities. -Lack of space for dialogue with the community and activists.

Table 9 presents the relationship between the findings given by the outcome of questionnaire and the mechanisms presented by the private landlords. In this way it is possible to establish strategies that seek to mitigate the challenges presented in securing Housing Rights of low-income tenants in Barcelona. The theories recommended for each of the branches of the private landlord’s mechanism are presented below: Property management, Asset management, Portfolio management and stakeholder management. These recommendations are shown as balancing acts between private landlords and low-income tenants who seek to secure Housing rights in the Barcelona rental market.

7.1 Property management

Formalized the underlying philosophy, which helped to integrate responsibility into its operational framework. This included expanding into social and sustainable building design and retrofitting projects. Once within the portfolio, Landlords should ensure that individual property business plans consider corporate responsibility initiatives for implementation. In addition, analysis is conducted on the sustainability aspects of all major capital budgets. The result of private landlords and community creating a partnership, where each contributed equally to stablish objectives and the construction of more social and building elements (Pivo, 2010).

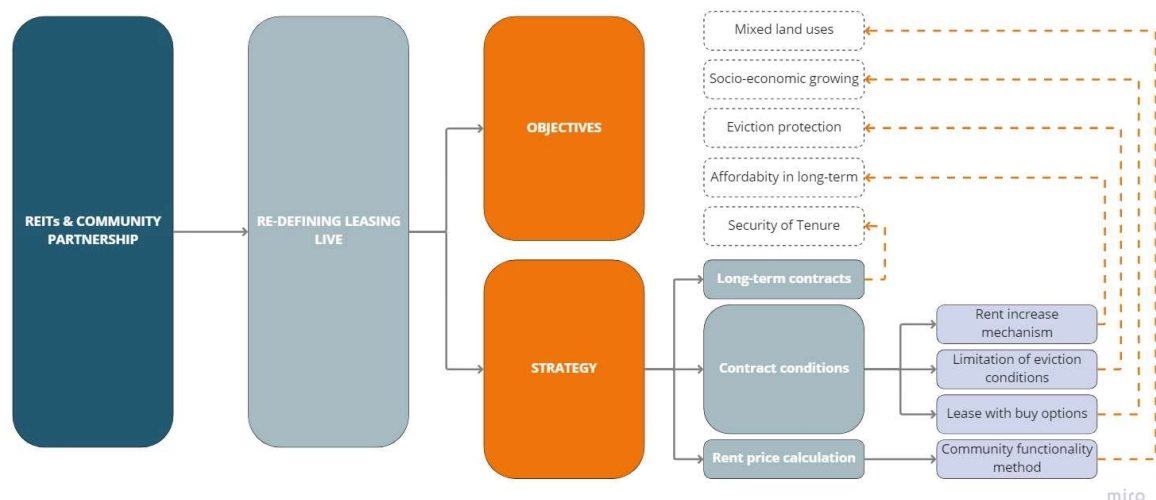
To achieve this type of solution, it is necessary to analyze the internal processes that this type of investor have related to each of the leasing phases. With this we refer to the tenant selection process, the definition of rental prices, the type of service offered, the management of properties and the exit policies of a tenant at the end of their contract.

Following this order, it is important to return to the preconditions required by the property managers. As mentioned in section 4.5.3, one of the great challenges facing market trends in Barcelona is the strong

transition in contract terms, from long-term to short-term. Which leads to a tenant profiling problem. As a solution, different aspects must be taken into account. Recognize the long-term potential of local communities over transient populations such as tourists. As part of the strategy to improve and transform the private landlords mechanisms, it is necessary to redefine the contractual conditions that are currently being used. One of the biggest challenges is in the formalization of income increase mechanisms. This type of situation must be linked to the annual price indexation but not to the change in regulations. In this way, the elimination of clauses like the "Berlin" is proposed, where under the assumption of annulment of the rent control regulation, the tenant can increase the rent. This is not only a fact unrelated to the contract, which is governed by the regulations applicable at the time of signing, but also generates insecurity of tenure for the tenant. Regarding the eviction conditions, these should be limited to non-payment or damage to real estate, but at no time should they be applied for other reasons. In the case of a situation of force majeure, the tenant must have the right to financial replacements.

Maintaining the issue of changing contracts and taking into account the nature of the business model, whether the implementation of rental contracts with the option to buy should be considered (as mentioned in section 4.6.2).

The last point of addition to the contracts is related to the principles of Cultural Adequacy. This shows the importance of giving the tenant the freedom to adapt the house in order to allow him to properly appropriate the space. Also, if it is sought to generate programs between the landlords and the tenants for renovation, modernization and implementation of sustainability principles, it is necessary to give the tenants a level of freedom in decision-making regarding how to define the spaces.



An important part of the function of property management and their business model is the definition of rental costs. Against this point, the one raised by Pivo (2015) is taken up, where community functionality should be taken as a point of reference. In this way, prices are set that do not add pressure to the local market, and the levels of speculation are reduced. Along with this process of defining rental prices, it is important to mention that private landlords can increase their supply of homes that are closer to the principles of affordability. This case requires further study since, due to the nature of the business model, there is not enough information to generate a model capable of reducing income and increasing profits.

7.2 Asset management

If there are fewer entry barriers to buying a home and the price of money is low, the demand increases. Many studies have shown that, in big cities, people value a balanced mix of land uses more than other key indicators of real estate value. one standard deviation increase in diversity increases real estate prices

by 1.00%–4.25% (Koster & Rouwendal, 2012). The evidence illustrates that investment value of real estate with a balanced mix of neighbourhood functions is usually higher than otherwise comparable real estate in mono-functional areas.

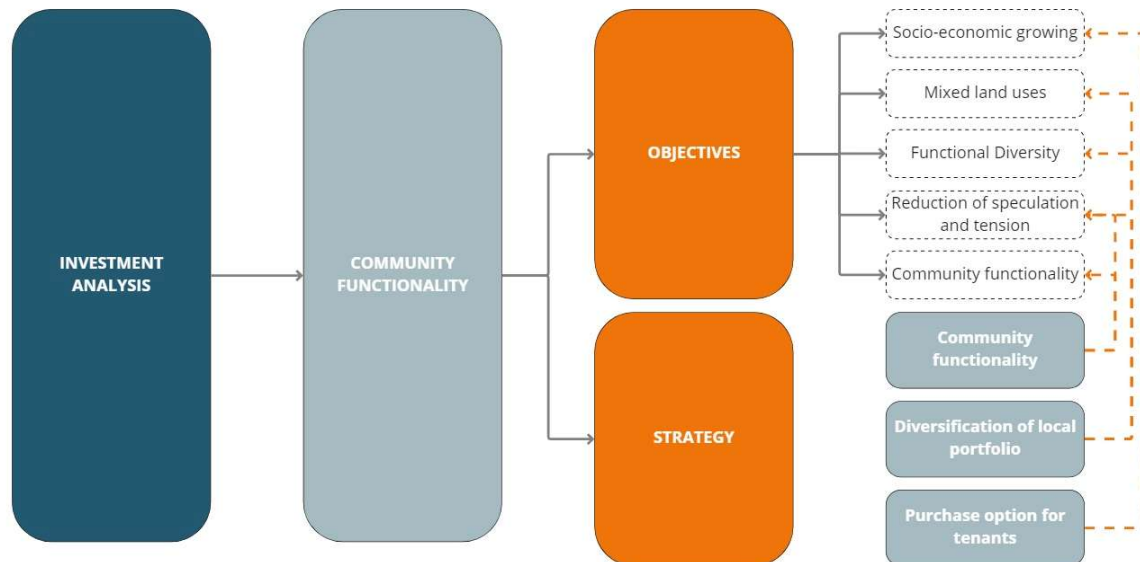
During different time periods, there are different perceived functions in a community, and thus different patterns can be observed in the human mobility data of the community. The human mobility patterns in a community jointly reflect the diverse mixtures of neighbourhood functions. At this point the portfolio of community functionality (Fu, et al., 2015). Estate communities, urban functions, temporal effects, and mobility patterns all have correlations. As a result, is modeled the generative process of check in, taxi, and bus mobility for each estate community in our approach, based on the following intuition.

1. A mixed estate community is represented as a mix of urban functions based on its mixed land uses, forming a portfolio of a fixed set of functions.
2. A mixed community's urban functions change over time. For example, people may visit a location for work on weekday mornings but not for entertainment on nights and weekends.
3. Mobility patterns represent a society's operations. Vast leaving habits in the morning hours and massive returns can indicate a place's residential function. As a result, over time, a community exhibits specific dynamic characteristics that reflect a specific urban function.
4. An estate community has three clusters of mobility patterns over time. It is possible to model the correlating generative processes and uncover the dormant urban function by using mobility patterns and clusters as words and documents, respectively.

Recognizing the community function within the portfolio not only helps to make better decisions within the investments made, but also establishes three major factors. The first is that the social dynamics of the tenants directly affect the value of a property. Depending on how the dynamics of the inhabitants of the areas where a certain property is located, it is possible to establish the potentials or disadvantages of this property. The second factor is that, as Fu et al establishes, it is important to incorporate what is defined as Functional Diversity. The diversity of the portfolio concentrated in a specific area increases the value of the properties and increases their demand. Additionally, it improves the conditions of the community, thus improving its functionality. The third factor is more related to the objectives of this research. As previously mentioned, ([section 4.3.2](#)), the main reason that led Barcelona to implement rent control policies in such a restrictive manner is the tension in the rental housing market. In Barcelona, the private landlords portfolios currently tends to specialize in specific uses. Landlords that invest in housing hardly invest in any other type of use. Therefore, the tension of the housing that is part of this portfolio increases since the fund seeks to optimize its profits. In this case, the diversification of uses is proposed as a solution, but with the condition of carrying it out within the same area. In this way the value of the zone increases, and the accessibility levels of the tenants increase. As an additional factor, implementing this type of investment analysis method quantitatively reduces the level of speculation and generates investment interest in different areas. Within the type of uses proposed to increase the diversity of the localized portfolio, uses such as: health, education, child-care, social and cultural facilities, offices (community co-working) and recreation and sports are presented.

The definition of community functionality and diversification help in acquisition and purchase strategies, but the story changes when it comes to selling the home. For this, in this thesis, the implementation of a lease contract with a purchase option is proposed. The rent with option to buy is a contract between 2 people by which a lease is formalized, which gives the right to use and enjoy a home in exchange for rent, in which, as an accessory benefit, the landlord grants the tenant the possibility of acquiring the dwelling object of the lease in more beneficial conditions than those offered by the market, agreeing for this purpose to certain stipulations (Rambaud & Sánchez, 2015). If there are housing laws against the right to renew the lease where the tenant has the right to renew the lease for 7 years (Law 29, 1994), in the case of owners, raising the possibility of a purchase option after the end of this period is not illogical. The conditions of retrofitting this type of housing after long periods are expensive and the deposit paid by the tenant after 7 years has lost much of its value. Regarding the term of the purchase option, it can be stipulated for its exercise on dates fixed in advance, or in a determined period that must be, for the operation to have financial coherence, less than or equal to the term initially established. for the lease, the right being extinguished in the event of termination of the lease. This process can help ensure security of

tenure and provide long-term membership options. The possibility of providing better loan options to tenants. As part of this initiative, advice is proposed on the creation of a financial profile that manages to improve the conditions of the tenant as a candidate for the purchase of the property. As can be seen in section 4.1.2, one of the reasons for the strong Spanish financial crisis, in addition to the labor crisis, was the debtors' limited ability to maneuver in the face of the sharp increase in interest rates. By creating programs that provide knowledge to tenants interested in having a purchase option, they are given the opportunity to know what type of loan and interest rate is best for them. This not only benefits the tenant, but it also benefits the fund as the lender. If the debtor knows how to manage his debt responsibly, the risk of de-financialization is avoided.



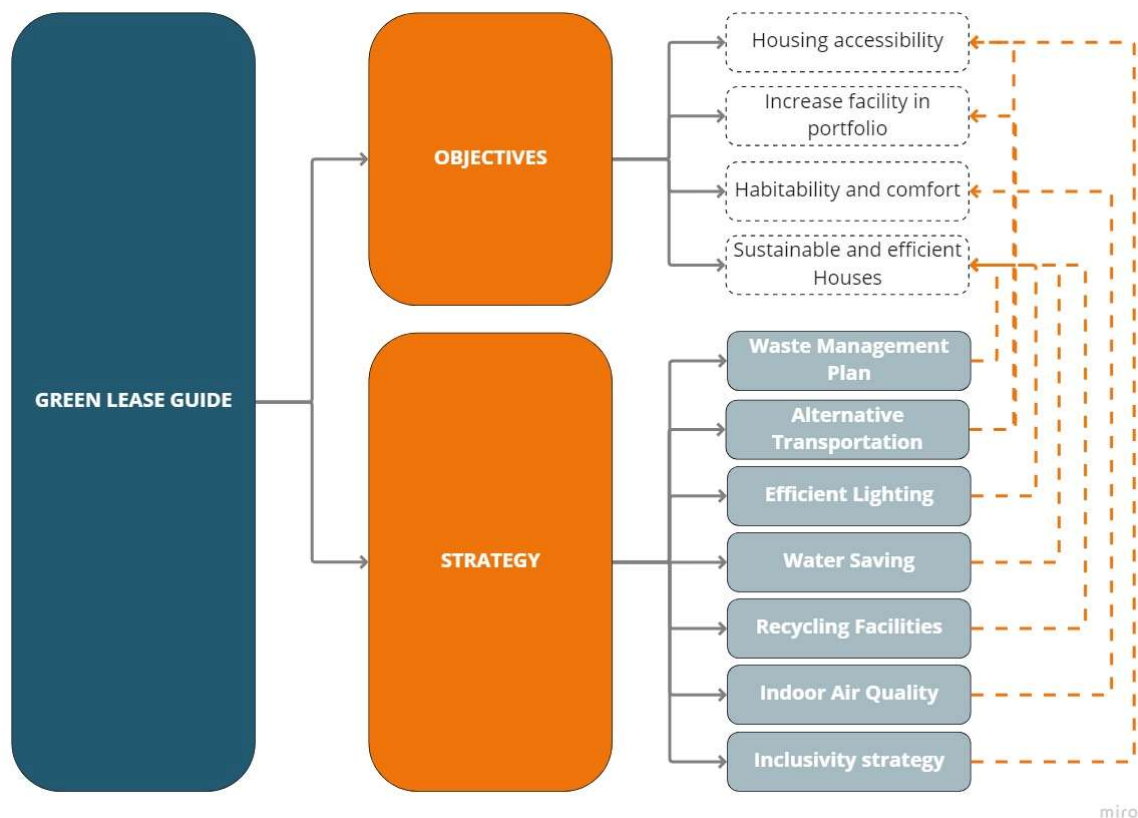
7.3 Portfolio Management:

A clear example of the implementation of sustainable and viable solutions for the parties are the ECOSpace initiatives presented by Investa Property Group in 2004, where a Green Lease Guide is proposed. This gives the opportunity to identify, discuss, generate commitments that will benefit the tenant. It is important to mention that this initiative is proposed for office REITs, but within this these strategies are dynamic that can be adapted to housing. First, the guide establishes frameworks for environmentally friendly and energy efficient tenancy design.

Through alliances with the tenants and different service providers, improvements were implemented in the houses that did not have to be assumed by the tenants. If energy consumption exceeds the guaranteed cap after the upgrade work is completed, the cost of any excess energy consumed is refunded, and green power credits are purchased from a green power provider to deliver the reduction in greenhouse emissions. If a tenancy outperforms the Guarantee, the savings are retained by the tenant. During the initial implementation phase of this initiative Investa meets with every tenant in every building every month. During these meetings, Investa delegates analyse the building's performance, inform tenants regarding new programs, and gather feedback. Investa believes that having a direct relationship with tenants on multiple levels cannot be exaggerated.

Another example that helps define the transformation of spaces and the comfort level of tenants is the strategy adopted by British Columbia Investment Management Corporation in 2007. The company's proposal

- **Waste Management Plan:** The project will redirect as much construction material as possible from the landfill and recycle as much as possible.
- **Alternative Transportation:** Additional bicycle racks and storage facilities were incorporated into the building design to promote alternative modes of transportation.
- **Efficient Lighting:** To control the spread of light rays, more efficient outdoor lighting fixtures were installed. These more energy-efficient lights also help to reduce the amount of heat generated by lighting, reducing the 'heat island effect.'
- **Water Saving:** All restrooms in the construction site are low flow or dual flush.
- **Recycling Facilities:** A recycling facility that is conveniently located encourages employees to divert waste from the landfill and increase recycling efforts.
- **Indoor Air Quality:** Improved indoor air quality can lead to a healthier work environment as well as increased employee productivity and performance. To that end, monitoring devices have been installed to accurately assess indoor air quality performance and provide accurate baseline level data, which will be evaluated on a regular basis.



Compared to business models, the model proposed by the Hybrid REITs becomes relevant in the proposed discussion. This type of fund has a broader margin of action compared to the elements proposed by the Housing Rights. By having a margin of action on property management, asset management and mortgage management, it is shown as the model with the greatest responsibilities within the challenges posed in the SEIZE phase. This does not mean that the Equity REITs or the Mortgage REITs do not present Dynamic capabilities, but they will be limited given the breadth of the topics presented.

In the case of Equity REITs, the business model is more traditional where its scope of action is limited to the purchase, sale and rental of real estate. In this case the elements presented can be implemented but the range of innovation can be limited. In these cases, compared to the operational structure.

7.4 Stakeholder management

In past years, there has been increased interest in devolving power to local citizens and civic organizations as a way of meeting locally defined housing needs and aspirations. To appreciate what is essentially a popular and political reengagement with 'pro-community' place-making (Power 2011: 45), REITs should re-define general and specific trends of 'localism' that intersect with 'community-led' and 'slow' ideologies. Making these connections helps to explain why these umbrella terms imply a consensus of understanding that is contested and differentiated in practice (Jarvis, 2015).

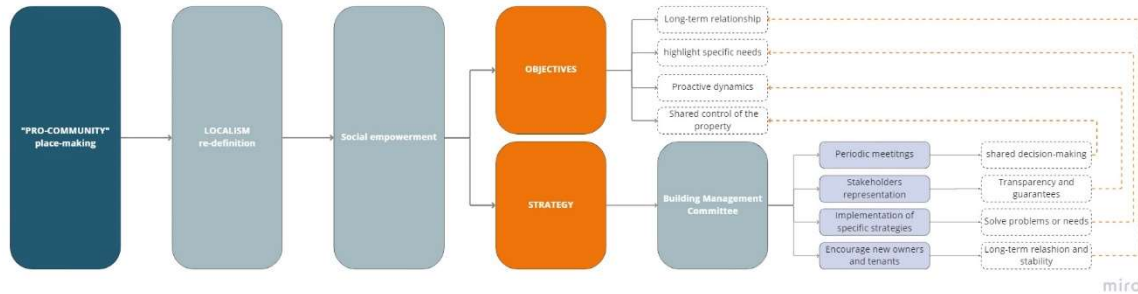
According to Jarvis (2015), "localism" is shown on different urban scales. Currently this concept is mostly guided by social movements focused on obtaining civic power to deal with different local problems and are shown as platforms for specific community problems. An obvious case and close to this thesis in the Barcelona Tenants' Union. Although this function is necessary, it generates tension and an evident conflict between the landlords and the tenant. At this point, the proposal by Jarvis (2015) becomes relevant, where a Community-led Housing (CLH) is conceptualized. Under this principle, initiatives related to co-housing models or community land trusts arise, housing structures that today are tenure. Regarding citizen participation, the concept of "localism" shows that social empowerment is not only related to a fight for specific needs, but also has the potential to positively transform the built environment. This point is important, not only because of the benefits that tenants receive, but also because in the process of improving the context there is a great appreciation of the homes. The creation of spaces for dialogue between the property manager and the community, not only serves to highlight specific needs, but also normalizes the relationship of the parties, reducing the level of conflict and proposing proactive dynamics that benefit both parties.

Moreover, tenants and support staff need either to be kept informed about the opportunities that are available locally or to actively seek such information (Abbot & McConkey, 2006). The inclusion of the inhabitant of the house in various programs can foster a long-term relationship in which both parties can benefit. A case that demonstrates the type of benefits is the one presented by Gary Pivo (2010). In this article, the author redefines the existing power relationship between landlord and tenant. In this way, it is established that investors must cooperate with tenants since they do not have total control of the properties they own. Through the lease contracts, a shared control of the property is generated. In this way, the inhabitant of the dwelling is given the right to occupy that space.

Cooperation is also required because of what is variously known as the misplaced incentive, split-incentive, or principal-agent problem (International Energy Agency, 2007). Cooperation is important for other reasons as well. It may be required if physical improvements are to be made while a property is occupied. It is at this moment that the case of the Memorandum of Undertaking becomes relevant". This mechanism will also be taken as an example in the implementation of space transformations, but as points to highlight in the Private Landlord-tenant relationship, the creation of dialogue spaces between the parties is shown to:

- The Parties will set up a Building Management Committee which will meet regularly, comprised of representatives of the Landlord, the Tenant, any managing agents, and other persons involved from time to time in the operation or management of the Building and the Premises. In this way, a follow-up and shared decision-making is carried out among the stakeholders.
- The Parties will work together to implement other specifically listed measures to solve problems or needs. In this way, the relationship is consolidated by reaching agreements regarding the improvement of the conditions of the property.
- The Parties will have their managing agents implement this agreement. By defining managers who represent both parties, a higher level of transparency is achieved, and it is guaranteed that the agreed objectives are met.

- The Parties Will encourage new owners or tenants to implement these agreements. This measure is one of the most relevant if the nature of the landlord’s mechanism is considered. Although a house can change owners, it can give greater stability to the tenants who live in it. Additionally, a good relationship with the tenant facilitates the legal processes of selling a property.



The greatest advantage of strengthening the relationship between private landlords and tenants is that the processes and responses of the parties are streamlined. As mentioned in [section 4.6](#), Outsourcing processes through agencies increase distance, make processes more expensive and reduce transparency. The parties enter contracts without being clear about the identity of their counterpart, which makes communication difficult in the event of inconveniences or disagreements.

8. CONCLUSIONS AND RECOMANDATIONS

The objective of this thesis is to define How Private Landlords mechanisms can contribute to Housing rights for low-income tenant in Barcelona. Based on the illustration and analysis conducted in previous chapters, we could find the answers to these questions, which will be summarized and discussed in this chapter.

Before sharing the key findings of this research, it is important to review the main topics exposed, the purpose and the methodology. The main goal of this research is providing insight into the Low-income tenants and Private landlords relationship in securing the Housing Rights and its value for low-income tenants and private landlords who are in search for improve the social conditions in the urban areas of Barcelona. To fulfil this goal, a few objectives are stated. The first objective is generating a deeper understanding of Financialization of Housing in the Spanish housing system in relation to the Housing Rights. To do so, it is required to know which the effects of Private Landlords mechanisms are and how the social, economic, and institutional context wherein they take place do influence them. The second objective is provided valuable data and findings regarding mechanisms for private landlords who want to incorporate Housing Rights in their strategies. These lessons should deal with the way of housing systems and markets are treated, the role of private landlords and their influence on Housing rights.

To answer the main question of this thesis, the Housing Rights were delved into, relating them to the case study and the specific conditions of the rental market for low-income population in Barcelona. Through this exercise, it was found that the true implementation of housing rights in a rental real estate market such as the Catalan one does not only depend on REITs, although their responsibility and decision-making power is undeniable.

It is for this reason that to develop this thesis three objectives were raised in the form of a sub-question:

1. What are housing rights and how can they be secured (or accessed)?
2. What are the challenges between real estate rented market and securing housing rights?
3. What real estate management models are commonly practiced by private landlords?
4. Is there a balancing act between private landlords and low-income tenants or the balancing act between 'housing as an asset' and 'housing as a right'?

The answer to these questions was introduced by understanding the concepts presented in them.

The literature review focused on the definition of the four main concepts of the thesis: Financialization (shown as the main problem in the context studied), Housing Rights (shown as the metric and objective or goal), Private Landlords (shown in this research as possible agents of change in the face of the problem of rental housing), and the low-income tenant (who are presented as the beneficiary as the end user). Additionally, a concept parallel to these is presented, the Dynamic Capability of the business model of private landlords. What this framework achieves is to represent the processes through which the Housing Rights implementation balancing act must go through by the relation between landlords and tenants.

Taking into account the breadth of these concepts and the possibility of implementing them in different urban contexts around the world, it became clear that this case should be treated through a specific case study. This thesis presents empirical research regarding private landlords and low-income tenants relationship in Barcelona, Spain. The presentation of this case is given by means of three main sources. The primary data collection is a series of questionnaires with key stakeholders, the secondary data analysed literature, public documents and corporate reports.

8.1 Research question

The main question of this thesis is What are the challenges between real estate management models and securing housing rights for low-income tenants in Barcelona?. This question is presented with the aim of seeking new solutions to the existing challenges in the city's Housing rent market. As presented in the problem statement, financial actors, such as listened companies, have grown more engaged in the housing market of big cities, as have social housing providers and even private households that have changed their minds about buying additional units for pure investment purposes (Wilberg et al., 2018; Fields and Uffer, 2014). This type of behavior increases the tension of private rental housing. One of the most relevant behaviors is the commodification of housing, which consists of the transformation of the Housing concept from a social security factor to a commodity or asset. In this way, since 2008 with the

GFC, a financialization process began, where the main affected are the low-income populations that depend on the conditions given by the Housing rent stock. One of the most influential players in the market are big private landlords like REITs and private equity funds. The tenants are shown as the possible beneficiaries and the private landlords as the possible investor of this strategy. In the same way, it is important to understand that, if the financialization process is the main cause of the precariousness of the tenant's housing and that the implementation of housing rights is the solution, the level of responsibility of landlords in the face of these two conditions.

1. What are housing rights and how can they be secured (or accessed)?
2. What are the challenges between real estate rented market and securing housing rights?
3. What real estate management models are commonly practiced by private landlords?
4. Is there a balancing act between landlords and tenants or the balancing act between 'housing as an asset' and 'housing as a right'?

8.1.1 What are housing rights and how can they be secured (or accessed)?

The main definition for this thesis is taken as the one given by UNHabitat (2018), the Housing rights are related to adequate housing and are defined by seven elements. These are significant dimensions because they directly link housing adequacy to fundamental issues and challenges of Housing Rights. For the purpose of this thesis these elements are taken but they are complemented with additional literature in order to give a better understanding of them. The seven elements for an adequate housing are: security of tenure, availability of services, affordability, accessibility, habitability, location, and cultural adequacy. To securing Housing Rights it is necessary to consider two parties: private (ESG initiatives) and public (a través de políticas that seek to improve the conditions of the inhabitants, especially to generate a balance between the landlords and the tenants). Incorporating themes such as psychological and social well-being is more difficult because there is less direct evidence of health and economic benefits. Much research has been conducted in social science to measure facility management user satisfaction, but proven causal relationships are scarce. (Grum, 2017). In the case of Barcelona, this research found that a point to highlight within this urban context is the type of policies that have been implemented In recent years, Barcelona has been a pioneer in the implementation of PRO-Housing Right policies. His most recent project was the implementation of Law 11 of 2020. Said law regulates and contains income at the regional level. Through this policy, the municipality seeks to benefit the citizens who live in high tension areas. This control is limited to housing, so it does not affect other types of uses. As a result, the initiative seeks to reduce the tension of the existing market in the municipalities of Catalonia. The law establishes two price limits to define the value of rent. The first price presented by law is the reference price. This price refers to the one agreed in the previous contracts and to the coexistence unit. This point is interesting since the rental price ceases to depend solely on the historical price of the apartment and starts to consider the income of tenants. The second is the value of income updated by the competitiveness index. The competitiveness index (IGC) is the result of the harmonized CPI of the European Union minus the loss of competitiveness of Spain as a country since 1999. Additionally, it is important to highlight the right to housing plan (2016-2025) that seeks to maintain the social function of housing in the city. The plan sets out a strategy to tackle the seven challenges mentioned previously using 59 specific initiatives.

8.1.2 What are the challenges between real estate rented market and securing housing rights?

The problems and challenges encountered in the Barcelona market are the result not only of the introduction of private equity funds and big private landlords but also of the context of the Barcelona housing system. This context defines the limits and freedoms of the stakeholders, so that their behavior is the result of both internal and external conditions. It is necessary to understand that financialization of housing mechanism can vary based on how houses are produced in each respective country. In the

specific case of private households' scheme, the Spanish case can be an example. As a result, two major effects on the housing market. First, the mortgage market transformed housing into a global financial market tradeable debt. This occurred because of mortgage securitization, which is the packaging of mortgage debt into tradable financial products that are then sold to third-party investors. The second major effect of housing financialization is the growing importance of residential real estate as an asset for investment and wealth accumulation. The large number of residential properties that were subject to foreclosure in the aftermath of the financial crisis provided an opportunity for investors to purchase them at a low cost. It is at this point that the private landlords take responsibility for the financialization process of the rental housing market, specifically for low-income tenants.

The answer to this question is shown to us from two areas. The first is shown from a theoretical and economic analysis, it is raised during the literature review where it is shown how the vision of housing has changed. The commodification of housing, as well as the increased use of housing as an investment asset in a globalized financial market, has had a significant impact on the enjoyment of the right to adequate housing. Financial vehicles appear to be pursuing a long-term investment strategy to generate consistent cash flows for their shareholders (Lizieri 2009). With the implementation of a "rentier structure", funds can maximize cash flows, rental income, and capital gains by selling individual housing units (Moreno 2014; Rutland 2010). Also, they seek to increase the portfolio's net value by focusing on investment strategies, stimulating gentrification effects through modernizations and refurbishments, "gaming" rental regulations, and collaborating with local governments to coordinate neighbourhood development (Bernt et al. 2017; Beswick et al. 2016). Low-income tenants usually do not have the financial means to allow landlords to upgrade their rents in line with house prices. The result is an 'impoverishment' of the supply of affordable private rental accommodation for a more selective.

The second evidence that reflects the responsibilities and contributions of Private Landlords to the financialization process is shown from a more practical aspect and is during the empirical development of the case study. This presents the financialization process that Barcelona experienced and how landlords were related. Barcelona is shown as one of the cases most affected after the crisis and has established itself as one of the epicenters of massive investment due to its tourist attraction. When private equity fund purchased the nationalized Catalunya Bank's real estate platform Anticipa in 2014, it catapulted into Catalonia and Barcelona. They later purchased 112,000 securitized residential mortgages from Catalunya Bank in a sale managed by the state-run FROB, costing 3.6 billion euros for assets valued at 6.4 billion euros, with the FROB topping up the sale with 572 million euros of public funds (Garca Montalvo, 2015). In recent years, funds have bought thousands of assets from the SAREB and banks that benefited directly from the financial system bailout, and it now owns at least 100,000 real estate assets through dozens of companies (Zuloaga, 2017).

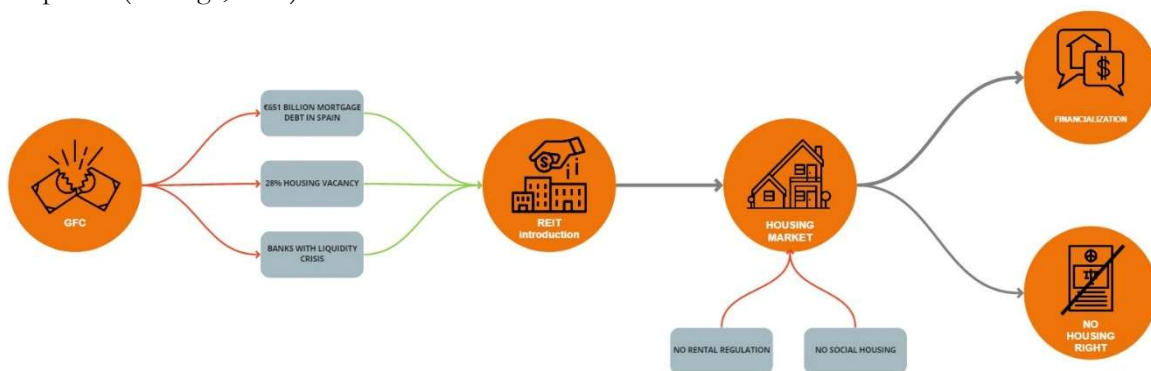


Figure 52: REITs and financialization in Barcelona (Author)

In figure 52 it is possible to understand how the arrival of SOCIMIs in Barcelona affected the housing rental market. Although this was shown as the most suitable investment vehicle for the recovery of the economy and national banks after de-financialization due to lack of mortgage payments. The lack of income regulations and the non-existence of a public social housing system in the city allowed REITs to act freely with respect to the assets they acquired, optimizing their profits but reducing the stock of

affordable housing for low-income residents. This increased the negative effects of financialization and reduced the conditions that guarantee Housing Rights for this sector of the population. At this point it is important to clarify that emphasis is placed on low-income tenants due to lack of financial maneuvering power compared to the population with high incomes.

8.1.3 What real estate management models are commonly practiced by private landlords?

Faced with the effects generated by private landlords to the implementation of Housing Rights, it is important to establish first that during the execution of this thesis it was found that Housing Rights are a very broad concept where its implementation depends on many stakeholders, so it is It must be understood as a shared responsibility. As the main reference in the understanding of Housing Rights, the Housing right index (2020) was taken as a reference, where these are related to adequate housing and are defined by seven elements. Against this basis, the strategy of primary and secondary data collection was proposed. The survey of tenant members of the Sindicat de Llogaters was consolidated as the primary data collection, by revealing the general notion of tenants in compliance with their Housing Rights and helped to find the deficiencies that these users have compared to the existing housing offer. The second source is the theoretical and public information collected from reports, public data, reports, and papers. This information was used to validate the results of the surveys and understand if there are correlations, or the notion of the tenants reflects a disagreement due to lack of knowledge or discontent. The validation was carried out through the KPIs presented in Annex 3. In front of these results, the answer to the second question posed by the thesis is shown and is seen in more detail in [section 4.6](#). For this, a partial responsibility of the private landlord in the effects on the implementation of Housing Rights is proposed.

Security of Tenure it is found that the responsibility of private landlords depends on three main elements. The first is the level of evictions in Barcelona, at this point where owners take responsibility. When considering cases such as that of banks rescuing assets after the crisis generated by the Spanish government and the banks. This type of organization has become one of the main property players in Barcelona. The second aspect of liability is related to the contract conditions for evictions. The lack of clarity regarding the unilateral renewal of the contract generates a lack of transparency and increases the levels of eviction. The non-specific language with which the contract defines the valid reasons for eviction reduces the security of tenure. The third liability aspect is to the lack of dialogue between tenants and owners, where tenants are limited in the options provided by the owners. This type of behavior can be seen as natural within a conventional market where the owner is a natural person.

Affordability: In relation to the causes of the low levels of affordability in the city of Barcelona, three shortcomings were found. The first is the lack of mechanisms that guarantee the extension of the rent period set by the law. As it is a unilateral initiative by the tenants, its implementation depends directly on their knowledge of the legal system, which is not always the case. The second shortcoming is the lack of spaces for dialogue between the parties. In cases where the lease is outsourced to agents, the tenant does not have clear communication with the owner, so expressing their desire to extend the contract is hindered. The third shortcoming is related to the profiling of tenants. When the tenant selection preconditions are more focused on short-term contracts, the accessibility of affordable houses to low-income citizens is reduced. Facts such as the demand for high deposits and variable rents depending on the season of the year affect local demand. As shown in the geographic analyzes in section 4.5.3, increases in rent in certain areas of the city have generated a displacement of low-income populations to peripheral areas. These types of conditions reduce the quality of life of the tenants.

It is important to highlight that in the face of this element, the public sector has made a great effort to guarantee equal conditions for low-income populations. Unfortunately, due to the housing production mechanism in Barcelona, the measures are only regulatory and there are no public housing systems that

work as a counterweight to the existing tension in the market. Private landlords continue to bear a heavy responsibility for these shortcomings by presenting themselves as the largest owners.

Availability of Services: Although the public services of the city comply with European quality standards. The greatest challenges are found in the contracting mechanisms against which of the parties' contracts it and against the physical limitations of the building. Both cases are presented in section 4.6.1. The first is related to the level of transparency given by the Private Landlords when the services are shown as a fixed cost for the tenant and at the end of the contract the difference in cost is assumed by the Tenant. In the contractual aspects it is shown that, if the amount paid is less than the expense, the tenant must assume said difference. On the other hand, in cases where the difference is negative, that is, the real cost of the service is lower than the one paid, the tenant is not recognized said difference.

The second challenge presented is of a physical nature, given that Barcelona has established itself as a city with buildings that are over 100 years old, low levels of energy efficiency are revealed. What automatically affects the cost of services and is shown as an unsustainable service system. At this point, private landlords in their duty as owners show a high level of responsibility regarding the suitability of the homes that are part of their portfolio. This type of renovations must be carried out in a general way and should not affect the rental prices since they are shown as basic aspects of the habitability of your portfolio.

Habitability: Regarding the habitability aspects of the dwellings in Barcelona, there are three major deficiencies: the subdivision of the old apartments, the physical limitations of the buildings compared to their adaptation to an inclusive model and the low levels of comfort presented by the dwellings. As far as housing itself is concerned, progress is being made, albeit very slowly, both in the diversification of the offer and in adapting to the evolution of the average level of occupation, to the different family and personal situations and, in general, to the new social demands.

Against the first point, it can be established that the spatial optimization model used by Private Equity funds and other owners to subdivide old apartments has affected the special conditions and habitability. It is important to mention that the architectural programs of the old buildings were designed for other types of families with a greater number of members, so they were characterized by large spaces. Currently, to optimize and readapt these spaces, the subdivision of the apartments has been chosen. This has created a problem in terms of equity and proportionality of these.

The second deficit is related to inclusivity with people with special needs. Old buildings present great limitations when adapting common areas, since vertical mobility solutions are very few and the infrastructure in many cases is limited.

Finally, there are the deficits in terms of comfort, as has been mentioned, the subdivision of the apartments is a common practice in the portfolios. This affects the lighting and ventilation conditions of the spaces. Leaving rooms without windows that provide lighting and natural ventilation.

Accessibility: The Spanish social housing policy focuses on the construction of housing for sale and not for rent. Although this cannot be described as a bad policy, it does show little interest or political will regarding the conditions of accessibility to fair rents. Unfortunately, in the recovery process after the economic crisis, this type of policy has been counterproductive. Although the national economy has recovered, this is not reflected in the purchasing power of its inhabitants, especially low incomes. For this segment of the population, fitting into a system that prioritizes property limits their levels of access to housing that meets their needs. On the one hand, the high value of the rent impedes the ability to save, which, as a consequence, reduces the possibilities of acquiring housing loans that are adapted to their spending capacity. It is worth mentioning the greater attention paid to urban rehabilitation and renewal operations, which acquire special significance and importance as a result of the new urban situation of urban centers and consolidated urban fabrics in general, derived from the deployment of the general metropolitan plan and its urban regulations.

On the other hand, the limited level of construction in the Barcelona metropolitan area prevents the market from reaching equilibrium and the value of existing housing from rising under speculation. In this

case, organizations such as SAREB must take a leading role by having the commitment to reintroduce homes from the banks' portfolios to the market. Of the 6,889 homes (SAREB, 2022) that are for sale, none have been destined for the social housing market. The responsibility of big private landlords on this point is evidenced by knowing that the company in charge of managing SAREB's real estate is Altamira, Blackstone's Socimi in Spain. Thus, evidencing a clear conflict of interest when acting as seller and buyer.

Location:

The central area of the metropolitan region of Barcelona is a territory in development, with a great general structural complexity, made up of a mosaic of urban centers, housing estates, residential extensions of medium and low density, industrial areas, communication routes, spaces agricultural, forest areas, which frame a lot of undecided territories. Although Barcelona is shown as a compact city where the distances are not significantly long, the analysis shows problems in the lack of gardens and urban parks adequate to the increase in population, the inexistence of a management body for the Metropolitan Area and the Metropolitan Region, deficiencies in public transport, absence of effective social housing plans, etc. It is also affirmed that the urban transformations carried out have paid little attention to the existing heritage, not only monumental, but also to the whole of the built historical heritage, often becoming true attacks on collective memory. As a great deficiency, a clear imbalance is shown within the labor distribution at a geographical level. In this sense, Barcelona is shown in a monocentric way where the city center concentrates most of the job opportunities and the rest of the economy of the rest of the city revolves around it. At the neighborhood level in low-income areas, job opportunities are limited to small businesses, for which the inhabitant is forced to take on the journeys to the center and the port area. Faced with the type of responsibility presented by private Landlords, it could not be said that their contribution is direct, since these types of conditions are given by a type of historical urban development. What is evident is the limitation in terms of development and business opportunities when a specialized portfolio is shown. When an real estate investor portfolio is focused solely on housing, the possibility of increasing job opportunities and boosting the local economy are limited. Since the change or improvement of the local economy is not given by the growth of its inhabitants but by their replacement. Thus, arriving at a process of gentrification.

Cultural Adequacy: Among the main challenges encountered in cultural adequacy issues is that local populations are displaced by strong touristification processes, thus leading to a strong social rupture and loss of the sense of belonging. The low-income population has become accustomed to periodically changing their location, which affects their relationship with the neighboring community. Regarding this point, a high level of contribution is shown by private landlords that in recent years have opted for short-term contracts and tenant profiling, looking for a foreign tenant with greater purchasing power and a short stay plan.

Additionally, this type of contract affects not only the structure of the local community but also the level of appropriation of the spaces by the tenant. As they are short-term contracts, clauses are usually presented that prevent any type of intervention on the space, ignoring the right of possession of the tenant.

8.1.4 Is there a balancing act between landlords and tenants or the balancing act between 'housing as an asset' and 'housing as a right'?

Once the responsibilities and effects that private landlords are generating in the Housing Rights of low-income tenants have been defined, it is important to establish that there is a field of action to face these challenges.

Faced with this discussion, four large areas are established within Private landlords where change strategies can be implemented, as well as the Housing Rights of the tenants: Stakeholder management & transparency, Asset management, Property management and Portfolio.

Property management: The implementation of Housing rights in the procurement of property management occurs from 3 solutions. The first is related to the methods of perception of the tenants and the definition of their profile. The result of private landlords and community creating a partnership, where each contributed equally to establish objectives and the construction of more social.

The second solution is related to the contractual conditions and clauses present in the agreement between the landlords and the tenant. The first thing is the change of the eviction clauses, it is necessary to present guarantees for the tenant in cases where an early termination or eviction is given for reasons not related to the breach of the contract or for unjustified reasons. What is sought with this change is to mitigate the moving process and damages to which the tenant may have been affected. The second is the elimination of clauses such as the "Barlin", which under Spanish law are inadmissible and abusive. The last proposed contractual change is the implementation of clauses related to the appropriation of the space by the tenant. This type of clause seeks to provide the tenant with the freedom to adapt the spaces to his will.

The third point is related to the outsourcing of property management. In many cases, being an investment fund, outsource the property management function to real estate agencies or brokers. These types of conditions increase the gap between the parties. It is for this reason that the solution is once again linked to stakeholder management and the creation of communication bridges between the private landlords and the tenants.

Finally, the Community Functionality methodologies are taken up again, but they are shown as the base methodology for the calculation or estimation of housing income. In this way, the amount presented is more related to the spending capacity of the community that lives in the area.

Asset management: Regarding the implementation of Housing rights in investment and loans, three strategies are proposed, one related to the investment method, the second based on the potential of a locally diversified portfolio and the third with the loan conditions given by Mortgage and Hybrid REITs. In the first strategy, a change in the reading of the market is proposed, from the traditional and speculative method to a more quantitative methodology. At this point, the strategy presented by Fu (2015) is proposed, where the approach to the market is given from a careful analysis of the "Community Functionality". Where the dynamics of the population that inhabits the area mark the growth potential. This strategy provides two great benefits with a win-win situation. The first is that the interest of local economic development focuses on the growth of the community and not its replacement. Managing to limit the possible processes of gentrification. The second great benefit is that the implementation of long-term strategies is more accurate because working with the community generates constant feedback, and its implementation occurs more naturally with the support of the inhabitants.

Secondly, the strategy diversity of the portfolio concentrated in a specific area is presented as un possible solution to reduce the tension of the housing rental market. Fu et al establishes, it is important to incorporate what is defined as Functional Diversity. As a result, big private landlords can have increases in the value of the properties and increases their demand. Additionally, it improves the conditions of the community, thus improving its functionality. The diversification of uses is proposed as a solution, but with the condition of carrying it out within the same area. In this way the value of the zone increases, and the accessibility levels of the tenants increase. As an additional factor, implementing this type of investment analysis method quantitatively reduces the level of speculation and generates investment interest in different areas.

Lastly, the implementation of a lease contract with a purchase option is proposed. The rent with option to buy is a contract between 2 people by which a lease is formalized, which gives the right to use and enjoy a home in exchange for rent, in which, as an accessory benefit, the landlord grants the tenant the possibility of acquiring the dwelling object of the lease in more beneficial conditions than those offered by the market, agreeing for this purpose to certain stipulations (Rambaud & Sánchez, 2015) As can be seen in section 4.1.2, one of the reasons for the strong Spanish financial crisis, in addition to the labor crisis, was the debtors' limited ability to maneuver in the face of the sharp increase in interest rates. By creating programs that provide knowledge to tenants interested in having a purchase option, they are given the opportunity to know what type of loan and interest rate is best for them. This not only benefits

the tenant, but it also benefits the fund as the lender. If the debtor knows how to manage his debt responsibly, the risk of de-financialization is avoided.

Portfolio Management: Through alliances with the tenants and different service providers, improvements were implemented in the houses that did not have to be assumed by the tenants.

The company's proposal

- Waste Management Plan: The project will redirect as much construction material as possible from the landfill and recycle as much as possible.
- Alternative Transportation: Additional bicycle racks and storage facilities were incorporated into the building design to promote alternative modes of transportation.
- Efficient Lighting: To control the spread of light rays, more efficient outdoor lighting fixtures were installed. These more energy-efficient lights also help to reduce the amount of heat generated by lighting, reducing the 'heat island effect.'
- Water Saving: All restrooms in the construction site are low flow or dual flush.
- Recycling Facilities: A recycling facility that is conveniently located encourages employees to divert waste from the landfill and increase recycling efforts.
- Indoor Air Quality: Improved indoor air quality can lead to a healthier work environment as well as increased employee productivity and performance. To that end, monitoring devices have been installed to accurately assess indoor air quality performance and provide accurate baseline level data, which will be evaluated on a regular basis.

Stakeholder management & Transparency: It was found that one of the most evident problems is the lack of relationship between private landlords and their tenants. This is not only seen through the secondary data collected but also in the surveys carried out. Where, when evaluating points related to citizen participation and the transparency of the acquisition processes, a high level of dissatisfaction is shown, 86% answered that the level of decision-making power is insufficient. That is why, as a first step in the incorporation of, it proposes a solution at a strategic level where the same organization rethinks its vision and conceptualization of housing. This through the concept of Community-led Housing (CLH) (Pivo, 2010). For this, the construction of bridges or spaces for direct dialogue with the tenants is proposed. The advantages of this type of strategies are reflected in the transformation of the space. For this, four pillars or principles are shown that guide the dialogue spaces:

1. The Parties will set up a Building Management Committee which will meet regularly. In this way, a follow-up and shared decision-making is carried out among the stakeholders.
2. The Parties will work together to implement other specifically listed measures to solve problems or needs. In this way common ground is established within which the parties can negotiate.
3. Managing agents implement this agreement that represent each of the stakeholders involve.
4. Encourage new owners or tenants to implement these agreements. In this way, it is sought that this type of strategy last over the years.

9. REFLECTIONS:

9.1 Positions within the Master track

This research was made for the master's Management in the Built Environment (MBE) track of the MSc Architecture, Urbanism, and Building Sciences program at the Delft University of Technology. The research has been developed at the intersection of two core disciplines within the MBE master track, the Real Estate Management (REM) and the Urban Development Management (UDM).

On one hand, the Real Estate Management discipline was implemented as a tool to understand the Housing rental market and the emphasizes facilitating a socially inclusive built environment that contributes to tenants, urban development, and organizational goals of stakeholders in the Housing Rental Market. Additionally, the disciplines related to the Urban Development track were related to the analysis methodologies of the built environment, the understanding of the effects of financialization and the conditions of Housing Rights that the inhabitants of the city live.

With the union of these two disciplines of the Master it was possible to establish the purpose of this thesis, which is providing insight into the relation between financialization of Housing and its effects to Housing Rights and its value for private landlords and communities who are in search for improve the social conditions in the urban areas of Barcelona. The research identifies mechanisms used by private landlords to act within the rental housing market in the city of Barcelona and how their business models and operational structures can be transformed in order to implement the Housing Rights of the Tenents who inhabit your portfolio. Through the Dynamic Capability Approach, the REM chair provides theoretical background and guidance to explore organizational change towards Housing Adequacy. The UDM chair provides an understanding of the urban dynamics and the current conditions of tenants and Housing in Barcelona.

9.2 Relevance

The findings of this study are intended to provide knowledge that is relevant for science and practice.

This research provides lessons for private landlords who want to steer to more conscious business models regarding the implementation the Housing Rights of their tenants. The current behaviour of the housing system and the financialization effects are affecting the social, economic, and cultural context of cities. The need for more socially sustainable approaches is necessary to find a balance in the built environment. Hence, it is relevant to investigate the way financialization of housing is affecting the citizenship of the population, in this specific case, the seeks to identify responsibilities of private landlords in this phenomenon and how to contribute to their business models from a housing right strategy. The results of this study could be beneficial for the current and future tenants of areas where owners who rent their properties have invested. As well, as it aims to contribute positively to the housing system, with a focus on social interaction and generating understanding of Housing rights among them.

From a scientific point of view, this research seeks to fill the gap, in a quantitative way, that exists between the financialization and the Housing Rights. The existing literature presents concepts of Financialization of Housing at a macro-economic level stablishing effects in an international or national levels. At the same time Housing Rights are presented in a generical way and the usual approach regards, principally, the creation a policies and laws. As a result, this thesis considers the relevance of studying the actors (REITs and communities) involve and stablish the responsibilities and relation to these two main topics.

9.3 Research Method and approach

Literature Review: The literature review was critical in the first part of the research in establishing the theoretical foundation that guided and structured the empirical review. The literature review opened during the development of the research creates a clear understanding of relevant elements for the research such as Financialization processes, Housing Rights and REIT's business model and operational structure. Since the objective of the research was to define the existing links between these three themes, together with the support of the tutors, the relevance of establishing a framework capable of objectively analyzing and criticizing the context in order to establish the links above was highlighted. mentioned. It is at this point that the methodology used to deal with the case study during the empirical research is considered. In this way, the section related to the Housing Right Index is presented as a reference for the primary data collection used through the questionnaires and the Dynamic Capability as a generating framework that served to guide the case study and highlight the existing aspects and links. between REITS and their transition from Financialization to housing Right implementation.

Most of the research was done in academic journals and scientific publications. However, because the topic has been ignored until recent years by academia there has been a limited supply of reference regarding the link between private landlords and Housing Rights. Multiple publications from practice, such as books, online websites, and reports, were analyzed and used to construct the narrative. The data was gathered and distributed in accordance with the three main concepts of the study, resulting in a cohesive narrative supported by clear graphics and a scientifically supported storyline.

Empirical research: Initially, the execution of the empirical research was planned to have three large data sources. The academic articles, papers and texts related to the case gave the validity, The questionnaires to the tenants allowed to understand the notion of the population in front of the studied subject. Finally, it was planned to carry out a series of interviews with professionals related to the field of REITs, who could provide feedback and insight. The objective of these interviews is to have the opportunity to validate the findings with the private landlords in order to identify if there is a corporate will to establish a transformation. This point in the interviews turned out to be quite challenging. In many of the cases, the corporations and their officials were reluctant to be interviewed and of the 6 planned interviews only 3 were obtained.

Reflecting on the interviewees, it was concluded that using a structured interview and sending the research protocol in advance would have made the process more fruitful and smoother. Additionally, a frustrating linguistic limitation was found in relation to the terminology to which the different prospects are accustomed. While the interviewees related to the academic and humanistic field were more open to conversations related to Housing Rights. At the time of contacting the corporate officials, the subject matter seemed unrelated to their duties.

9.4 Research Processing and Planning

The thesis research process represented a great challenge for me: emotionally, intellectually, academically and physically. Although I must admit that I always seek to maintain a high level of motivation given the personal satisfaction that working about this thesis gives me. I have to say that this process always presented a constant state of discovery and uncertainty.

Cases such as this thesis, where there is a case study focused on the corporate segment, the objectives and results are aimed at the types of benefits that the community can receive. In this way I always maintained a state of enthusiasm and optimism, especially in the initial part of the empirical research. The work with the community, in the execution of the surveys, brought me closer to the population that I

was studying. Although I always seek to maintain an objective and critical mindset, on certain occasions, since the survey process took three weeks, it was unavoidable for me to share and exchange stories with tenants. Although this approach allowed me to better understand the vision of the local low-income tenant, it was challenging for me to maintain the characteristic distance of the researcher who seeks not to compromise his evidence.

On the other hand, during the elaboration of the research I understood that the subject matter studied presents a broad multi-disciplinarity level. Although I feel that my professional and master's academic training that I have allowed me to face the challenges of a problem as complex as Financialization and Housing Rights, I must admit that facing economic, legal, anthropological, and financial academic articles was an intellectual challenge that led me to understand that the built environment is a highly complex system that should not be understood from a single discipline.

Finally, it is necessary for me to express that the development of this thesis was incredibly challenging but fortunately it was not an isolated and lonely process. The mentors Dr. Yawei Chen and Dr. Ellen Geurts gave me valuable and very relevant feedback to set the structure for my research. They questioned me against the dangerous assumptions that I could have had due to convenience or carelessness. They supported me in the arduous and in certain frustrating moments of empirical research and they motivated me to always maintain confidence in the process and the value of research.

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APPENDIX 1: Housing Right Questionnaire:

Security of Tenure



1 2 3 4 5

Informal settlements and slums in my city/ country	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Protection against forced eviction, harassment and other arbitrary interference to privacy and household rights by laws and policies	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Co-relation between eviction and homelessness and is there a provision of affordable housing from the government	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Mutually agreed adequate compensation, resettlement or provision for restitution is made when eviction	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Public accessibility to a land registration system	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Tenants have the right to choose their residence, determine their locality of residence and exercise their freedom of movement	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Participation in housing-related decision-making	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Policies and laws are in place to ensure security of land or dwelling occupied by informal settlers	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>

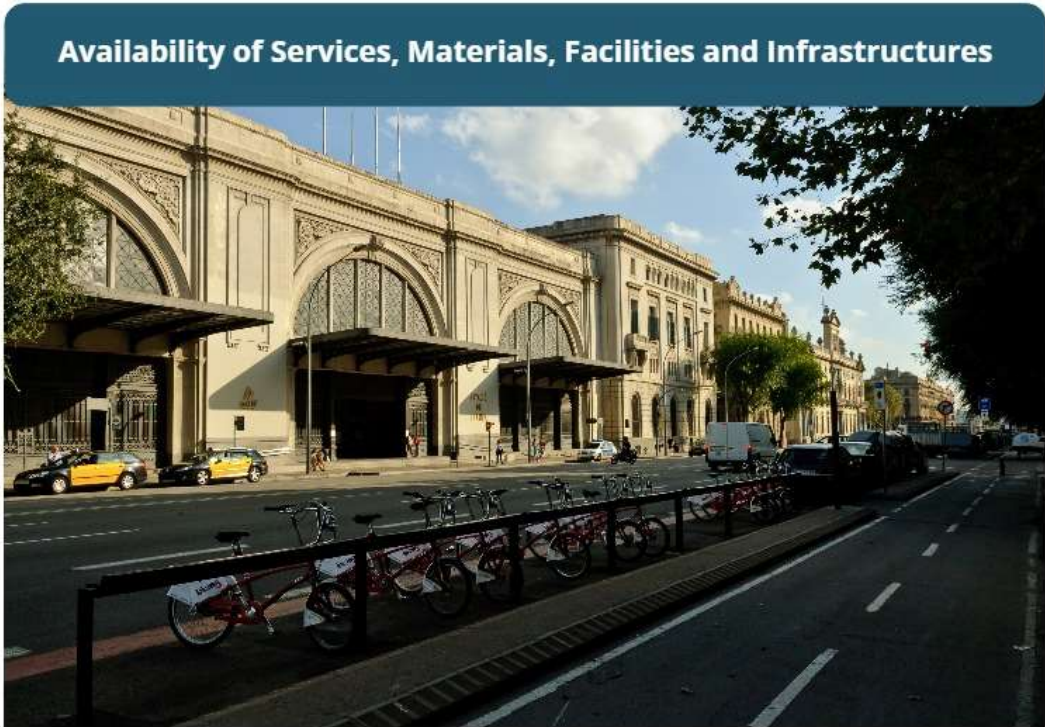
Affordability



1 2 3 4 5

A clear definition of 'affordable housing' exists in my city	○ ○ ○ ○ ○
The Affordable definition is adopted by policies and implemented in laws and regulations	○ ○ ○ ○ ○
The financial costs associated with rental housing in the city are commensurate with the income level of the tenants	○ ○ ○ ○ ○
Housing costs (rent, services and taxes) don't compromise basic needs (food, education, transport, clothing and health)	○ ○ ○ ○ ○
Tenants in my city are legally protected from unreasonable increase of rent	○ ○ ○ ○ ○
Rent increases are not use as eviction tool, rental control regulations	○ ○ ○ ○ ○
Existence of housing subsidies or policies enable access to affordable housing by those households with low-incomes	○ ○ ○ ○ ○
My city offers social housing programs such as lines of credit for low-income tenants	○ ○ ○ ○ ○

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Availability of Services, Materials, Facilities and Infrastructures

	1	2	3	4	5
Subsidies or pricing mechanisms to ensure affordable access to basic services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to safe and affordable drinking water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sanitation and washing facilities are available in dwellings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accessibility to energy to cook, heating and lighting with affordable price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Solid waste produced at household level is adequately managed, regularly collected and disposed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social and green infrastructures like garden, public parks and common areas are made available to tenants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainable drainage systems and flood defences are also in place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone and broadband internet services are increasingly being included in the apartments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Habitability



1 2 3 4 5

My place of residence provides me with sufficient space, thermal and sound insulation, and protection from other threats	○ ○ ○ ○ ○
My home is protected against pests or other risks that may affect my health	○ ○ ○ ○ ○
My home has a natural or mechanical ventilation system that guarantees good air quality	○ ○ ○ ○ ○
My home has a natural or artificial illumination that allows normal indoor activities	○ ○ ○ ○ ○
My city is adopting policies for the environment and improving the safety of environment	○ ○ ○ ○ ○
On average, housing in my city provides a sufficient area standard for the average family	○ ○ ○ ○ ○
My city's housing is shown to be inclusive and easily accessible to people with special needs.	○ ○ ○ ○ ○
My city has a climate risk mitigation mechanism	○ ○ ○ ○ ○

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Accessibility

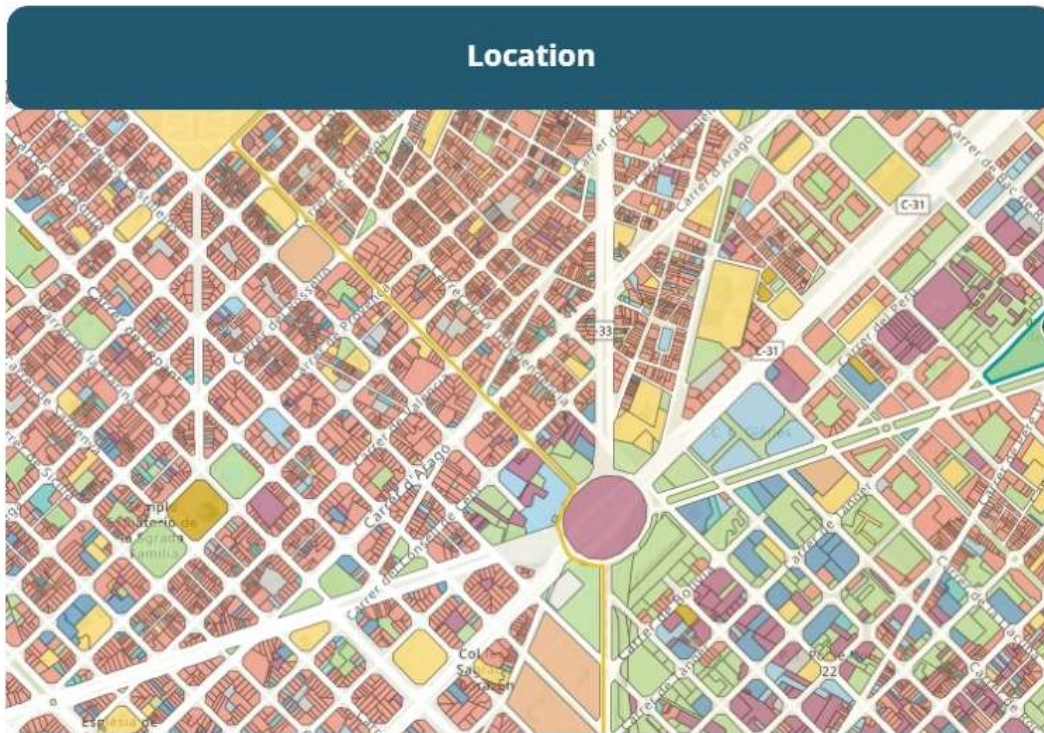


- In Barcelona, housing laws and policies are in place to enable low-income groups to access affordable rent housing that meet their needs.
- The policies adopted and implemented in Barcelona enables the access to land by landless, discriminated and impoverished segments of the society.
- In Barcelona, the processes of massive housing acquisition are consulted with the local communities
- Policies and strategies are in place in Barcelona to facilitate a sustained transition from institutions to community-based living arrangements for minorities, migrants or low-incomes groups
- There are judicial and non-judicial mechanisms to ensure access to adequate rent housing by low-income groups,
- There are policies and measures adopted in Barcelona to ensure popular participation in decision-making processes related to housing, land-use plans and urban development
- Relevant social and economic laws in Barcelona ensure that adequate housing is accessible to the poor
- My rental contract respects the regulatory conditions of Barcelona.

1 2 3 4 5

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Location

1 2 3 4 5

The location of my home gives me easy access to the health system, education, child-care centers and other social facilities	○ ○ ○ ○ ○
The economic and time expenditure on my work activities does not generate additional pressure on the tenant's budget.	○ ○ ○ ○ ○
The inhabitants of my city live in well-connected locations and affordable means of transport	○ ○ ○ ○ ○
The houses are not located in or near polluted areas that could affect the health of the tenants	○ ○ ○ ○ ○
Streets in Barcelona are walkable at all times. There is a feeling of security in my city.	○ ○ ○ ○ ○
Tenants have key facilities (public transport, parking spaces, playgrounds, public spaces and grocery markets) within walking distance.	○ ○ ○ ○ ○
Residents in my city/ country can access quality employment opportunities from their locality.	○ ○ ○ ○ ○
In Barcelona, tenants have easy access to cultural and sport facilities close to their homes	○ ○ ○ ○ ○

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Cultural adequacy

1 2 3 4 5

<p>The spatial offer of rental apartments is designed and configured according to the preferences and needs of the community</p>	
<p>In Barcelona, activities geared towards modernization of the existing housing stock ensure that the cultural attributes, dimensions, habits and norms of the population are not sacrificed in the process.</p>	
<p>The lease contracts and the spaces of the apartments allow the appropriation and cultural expression of the tenants</p>	
<p>Ethnic or gender minority groups are included in decision-making for residential policies or strategies</p>	
<p>The inhabitants have access and participation in cultural activities or festivities celebrated in the city</p>	
<p>Communities in Barcelona have the opportunity to contribute to the preservation and conservation of their cultural heritage</p>	
<p>The urban and real estate development in Barcelona has not compromised the lifestyle of the communities that inhabit it over the years</p>	
<p>The community is consolidated and is proactive in adopting practices that seek to provide a sustainable and friendly environment with its members</p>	

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APPENDIX 2: Housing Right Questionnaire results

Security of Tenure																																
<p>Protection against forced eviction, harassment and other arbitrary interference to privacy and household rights by laws and policies</p> <p>Co-creation between eviction and homelessness and is there a provision of affordable housing from the government</p> <p>Mutually agreed adequate compensation, resettlement or provision for restitution is made when eviction</p> <p>Public accessibility to a land registration system</p> <p>Tenants have the right to choose their residence, determine their locality of residence and laws are in place to ensure security of land or dwelling occupied by informal settlers</p>																																
Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Average result
2	2	2	1	2	1	2	3	1	2	2	1	2	1	2	1	1	3	1	2	1	2	3	2	2	1	1	2	3	2	3	1	1.78
3	3	1	3	3	2	3	2	1	3	1	3	3	2	2	2	2	1	3	3	3	4	2	1	2	1	1	3	3	2	2	2.25	
2	1	2	1	2	1	1	2	2	2	2	1	2	1	2	2	3	2	4	2	2	2	3	4	4	2	2	2	3	3	3	3	
3	3	4	3	3	2	3	3	4	2	2	1	2	2	3	3	4	4	4	2	2	2	3	4	4	4	3	2	2	3	2	3	
1	1	2	2	2	2	1	1	1	2	1	1	1	1	1	1	2	3	2	1	2	1	1	2	1	2	1	2	2	1	1	1	
3	2	2	1	2	2	1	1	1	1	2	2	1	1	2	1	2	1	1	2	2	3	1	2	1	1	1	2	2	2	1	2	
4	1	1	3	2	3	4	3	1	4	1	3	2	3	3	2	2	1	3	2	2	1	3	2	1	3	1	1	1	1	1	1	
21	15	14	18	10	15	17	18	15	17	15	14	17	13	17	14	18	16	10	15	14	18	18	16	17	14	13	15	10	16	17	18	
52%	38%	40%	45%	40%	38%	42%	45%	38%	42%	40%	40%	42%	37%	42%	40%	42%	40%	38%	40%	38%	45%	45%	43%	43%	40%	38%	38%	38%	40%	42%	45%	
Affordability																																
<p>A clear definition of affordable housing exists in Barcelona</p> <p>The affordable definition is adopted by policies and implemented in laws and regulations</p> <p>The financial costs associated with rental housing in Barcelona are commensurate with the income level of the tenants</p> <p>Housing costs (rent, services and taxes) don't compromise basic needs (food, education, transport, clothing and health)</p> <p>Tenants in my city are legally protected from unreasonable increase of rent</p> <p>Rent increases are not used as eviction tool / rental control regulations</p> <p>Existence of housing subsidies or policies enable access to affordable housing by those households with low-incomes</p> <p>Barcelona offers social housing programs such as lines of credit for low-income tenants</p>																																
Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Average result
3	1	3	3	1	2	2	1	1	3	3	3	3	2	2	1	1	3	1	1	1	2	3	1	3	1	2	2	2	3	2	1	2
3	2	3	3	1	3	3	2	1	2	2	2	3	3	2	2	3	1	3	1	3	3	2	1	2	3	2	1	2	2	1	3	2
1	1	2	1	1	1	1	1	2	1	2	1	1	1	1	1	2	1	1	1	2	1	1	2	1	2	2	1	2	1	1	2	1
2	2	1	2	1	2	2	1	2	2	1	2	1	2	2	1	2	1	2	1	2	2	1	2	2	1	2	1	2	2	1	2	2
3	2	1	3	2	3	3	2	1	2	1	3	2	3	3	2	1	1	3	2	1	3	2	1	2	1	2	2	3	3	2	1	2
1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
16	11	14	18	9	15	16	11	10	13	13	17	13	15	15	11	12	11	16	9	15	16	13	12	11	14	16	10	15	16	11	12	13
40%	28%	35%	45%	23%	38%	40%	28%	25%	33%	33%	43%	33%	38%	38%	29%	30%	28%	40%	23%	38%	40%	33%	30%	28%	40%	25%	38%	40%	28%	30%	35%	

Availability of Services, Materials, Facilities and Infrastructures	Availability of Services, Materials, Facilities and Infrastructures																												Average result					
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28		Q29	Q30	Q31	Q32	
Subsidies or pricing mechanisms to ensure affordable access to basic services	4	3	2	3	2	4	4	4	2	3	3	2	4	4	4	2	3	2	3	2	4	4	2	3	3	3	2	3	2	4	4	2	3	3
Access to safe and affordable drinking water	3	4	2	2	1	1	2	3	3	4	2	2	1	1	2	3	3	2	2	1	1	2	3	3	3	4	2	2	1	1	2	3	3	
Sanitation and washing facilities are available in dwellings	2	2	2	4	3	3	2	3	1	2	2	4	3	3	2	3	1	2	4	3	3	2	3	1	2	2	4	3	3	2	3	1	3	
Accessibility to energy to cook, heating and lighting with affordable price	4	3	2	4	1	4	3	4	2	3	2	4	1	4	3	4	2	2	4	1	4	3	4	2	3	2	4	1	4	3	4	2	3	
Solid waste produced at household level is adequately managed / regularly collected and disposed	4	4	2	4	1	2	2	4	4	4	4	4	1	2	2	4	4	2	4	1	2	2	4	4	4	4	2	4	1	2	2	4	4	3
Social and green infrastructures like gardens, public parks and common areas are made available to tenants	3	2	3	3	2	3	3	2	3	2	3	3	2	3	3	2	3	3	3	3	3	2	3	3	3	2	3	3	3	3	2	3	3	3
Sustainable drainage systems and flood defences are also in place	3	3	3	3	3	3	2	3	3	3	3	3	3	3	2	3	3	3	3	3	3	2	3	3	3	3	3	3	3	3	2	3	3	3
Telephone and broadband internet services are increasingly being included in the apartments	3	3	3	3	2	2	2	3	3	3	3	3	2	2	3	3	3	3	3	3	2	2	3	3	3	3	3	3	3	3	3	3	3	3
Average result	26/60%	24/60%	19/48%	19/48%	26/65%	15/38%	22/55%	20/50%	24/60%	22/55%	24/60%	19/48%	26/65%	15/38%	22/55%	20/50%	24/60%	22/55%	20/50%	24/60%	22/55%	20/50%	24/60%	22/55%	20/50%	24/60%	19/48%	26/65%	15/38%	22/55%	20/50%	24/60%	22/55%	20/50%
Habitability	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Average result	
My place of residence provides me with sufficient space, thermal and sound insulation, and protection from other threats	3	2	4	2	2	4	4	2	3	2	4	2	4	4	2	2	3	4	2	2	4	2	2	3	2	4	2	2	4	4	2	4	2	3
My home is protected against pests or other risks that may affect my health	3	2	2	5	3	2	3	2	4	2	2	5	3	2	3	2	4	2	5	3	2	3	2	4	2	2	5	3	2	3	2	4	2	3
My home has a natural or mechanical ventilation system that guarantees good air quality	3	3	1	4	2	3	3	2	3	3	1	4	2	3	2	2	3	1	4	2	3	3	2	3	3	1	4	2	3	3	2	3	3	
My home has a natural or artificial illumination that allows normal indoor activities	4	3	2	4	2	3	3	2	4	3	2	4	2	3	2	4	2	4	2	4	2	3	2	4	3	2	4	2	3	2	4	3	2	3
My city is adopting policies for the environment and improving the safety of environment	4	1	3	3	2	3	3	2	3	1	3	3	2	3	2	3	3	3	3	2	3	3	2	3	3	1	3	3	2	3	3	2	3	3
On average, housing in Barcelona provides a sufficient standard for the average family	2	3	2	1	1	3	2	1	3	3	2	1	1	3	2	1	3	2	1	1	3	2	1	3	3	2	1	1	3	3	2	1	3	2
My city's housing is shown to be inclusive and easily accessible to people with special needs	2	1	2	1	1	2	2	1	1	1	2	1	1	2	2	1	1	2	1	1	2	2	1	1	1	2	1	1	2	1	1	2	2	1
My city has a adequate risk mitigation mechanism	24/60%	18/45%	3/8%	3/8%	3/8%	16/40%	23/58%	23/58%	15/38%	24/60%	18/45%	19/48%	23/58%	16/40%	23/58%	15/38%	24/60%	18/45%	23/58%	16/40%	23/58%	15/38%	24/60%	18/45%	19/48%	23/58%	16/40%	23/58%	15/38%	24/60%	18/45%	23/58%	16/40%	23/58%
Average result	24/60%	18/45%	3/8%	3/8%	3/8%	16/40%	23/58%	23/58%	15/38%	24/60%	18/45%	19/48%	23/58%	16/40%	23/58%	15/38%	24/60%	18/45%	23/58%	16/40%	23/58%	15/38%	24/60%	18/45%	19/48%	23/58%	16/40%	23/58%	15/38%	24/60%	18/45%	23/58%	16/40%	23/58%

	Accessibility																				Average result														
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20		Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32		
In Barcelona, housing laws and policies are in place to enable low-income groups to access affordable rent housing that meet their needs.	4	2	3	3	1	4	2	2	3	2	3	3	1	4	2	2	3	3	3	1	4	2	2	3	2	3	3	1	4	2	2	3	3		
There are judicial and non-judicial mechanisms to ensure access to adequate rent housing by low-income groups.	4	3	3	2	5	3	3	4	3	3	3	2	5	3	3	4	3	3	4	3	3	3	4	3	3	3	3	2	5	3	3	4	3		
The policies adopted and implemented in Barcelona enables the access to land by landless, discriminated and impoverished segments of the society.	1	4	4	4	3	4	4	3	4	4	3	4	3	4	3	3	4	3	4	3	4	4	3	3	4	4	4	3	4	4	3	3	4		
Policies and strategies are in place in Barcelona to facilitate a sustained transition from institutions to community-based living arrangements for minorities, migrants or low-income groups.	3	2	1	3	2	3	2	3	2	3	2	3	2	3	2	3	2	2	1	3	2	3	2	2	2	1	3	2	3	2	3	2	2		
In Barcelona, the processes of massive housing acquisition are consulted with the local communities.	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
There are policies and measures adopted in Barcelona to ensure a popular participation in decision-making processes related to housing, land use plans and urban development.	3	2	2	3	1	2	3	2	2	2	2	3	1	2	3	2	2	2	2	3	1	2	3	2	2	2	2	3	1	2	3	2	2		
Relevant social and economic laws in Barcelona ensure that adequate housing is accessible to the poor.	3	1	2	2	1	3	3	2	1	1	1	2	1	3	3	2	1	2	2	1	3	3	2	1	1	2	2	1	3	3	2	1	2		
My rental contract respects the regulatory conditions of Barcelona.	2	2	1	1	1	1	2	2	1	2	1	1	1	1	2	2	1	1	1	1	1	1	2	1	2	1	1	1	1	2	2	1	1		
	21	17	17	17	19	15	21	19	16	17	17	19	15	21	20	19	16	17	17	19	15	21	20	19	16	17	17	19	15	21	20	19	16	18	
	53%	43%	43%	43%	48%	38%	53%	50%	48%	40%	43%	43%	48%	38%	53%	50%	48%	40%	43%	43%	48%	38%	53%	50%	48%	40%	43%	43%	48%	38%	53%	50%	48%	40%	45%
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Average result		
The location of my home gives me easy access to the health system, education, child-care centers and other social facilities	2	2	4	3	4	3	2	2	3	2	4	3	4	3	2	2	3	4	3	4	3	4	3	2	4	3	4	3	4	3	2	2	3		
The economic and time expenditure on my work activities does not generate additional pressure on the tenant's budget.	3	2	3	2	2	3	3	2	2	2	3	2	2	3	3	2	2	3	2	2	2	3	2	2	3	2	3	2	2	3	2	2	2		
The inhabitants of my city live in well-connected locations and affordable means of transport	3	2	2	2	2	3	2	3	2	2	2	2	3	2	3	2	2	2	2	2	2	3	2	2	2	2	2	2	3	2	2	3	2		
The houses are not located in or near polluted areas that could affect the health of the tenants.	3	3	4	4	3	3	4	4	3	3	4	4	3	4	4	4	3	4	4	3	4	4	4	3	4	4	4	3	4	4	4	3	4		
The streets of my city are walkable at all times. There is a feeling of security in my city.	3	4	3	3	2	2	3	3	4	4	3	3	2	2	3	3	4	3	3	2	2	3	3	4	3	3	3	2	2	2	3	3	3		
Tenants have key facilities (public transport, parking spaces, playgrounds, public spaces and grocery markets) within walking distance.	3	3	3	3	2	4	3	3	2	3	3	3	2	4	3	3	2	3	3	2	4	3	3	2	3	3	3	2	4	3	3	2	3		
Residents in Barcelona can access quality employment opportunities from their locality.	2	2	3	2	2	2	3	2	3	2	2	2	3	3	3	2	2	2	2	2	2	2	2	2	1	3	2	2	2	3	2	3	2		
In my city/country, tenants have easy access to cultural and sport facilities close to their homes	2	3	2	2	2	2	3	2	3	2	2	2	3	3	3	2	2	2	2	2	2	2	2	2	1	3	2	2	2	3	2	3	2		
	21	21	24	24	21	19	22	23	21	21	24	22	20	23	23	22	20	23	21	21	19	22	22	21	20	23	22	22	19	22	23	22	22	22	
	53%	53%	60%	53%	48%	55%	58%	53%	53%	53%	60%	55%	50%	58%	58%	55%	50%	58%	53%	53%	48%	55%	55%	50%	58%	53%	53%	48%	55%	58%	53%	53%	53%	50%	

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Average result	
The spatial offer of rental apartments is designed and configured according to the preferences and needs of the community.	2	1	3	2	1	2	2	1	3	1	3	2	1	2	2	1	3	3	2	1	2	2	1	1	3	1	3	2	1	2	2	1	3	2
In my city/country activities geared towards modernization of the existing housing stock ensure that the cultural attributes, dimensions, habits and rooms of the population are not sacrificed in the process.	2	2	2	2	1	2	2	2	1	2	2	2	1	2	2	2	1	2	2	1	2	2	2	2	1	2	2	2	1	2	2	2	2	
The lease contracts and the space of the apartments allow the appropriation and cultural expression of the tenants	1	3	2	2	1	1	2	2	4	3	2	2	1	1	2	2	4	2	2	1	1	2	2	4	3	2	2	1	2	2	2	4	2	
Ethnic or gender minority groups are included in decision-making for residential policies or strategies	3	3	3	3	3	3	3	2	3	3	3	3	3	3	3	2	3	3	3	3	3	3	2	3	3	3	3	3	3	2	3	3	3	
The inhabitants have access and participation in cultural activities or festivities celebrated in the city	4	3	4	5	3	5	4	3	4	3	3	5	3	4	3	5	4	4	5	3	5	4	3	5	5	4	5	3	4	4	4	4	4	
The communities of my city have the opportunity to contribute to the preservation and conservation of their cultural heritage	3	2	4	4	3	4	4	3	2	2	4	4	3	4	4	3	2	3	4	4	4	4	3	3	2	4	4	3	4	2	4	2	3	
The urban and real estate development of the city over the years has not compromised the lifestyle of the communities that inhabit it	1	1	3	2	1	2	1	2	2	1	3	2	1	2	1	2	2	2	2	1	2	1	3	2	1	3	2	1	1	1	1	1	2	
The community is consolidated and is proactive in adopting practices that seek to provide a sustainable and friendly environment with its members	4	3	2	5	3	4	2	3	4	3	2	5	3	4	4	3	2	2	3	3	4	2	5	2	3	2	2	3	4	5	3	3	3	
	20 50%	18 45%	23 58%	25 63%	16 40%	23 58%	20 50%	18 45%	23 58%	18 45%	22 55%	25 63%	16 40%	22 55%	21 53%	20 50%	21 53%	21 53%	23 58%	17 43%	23 58%	20 50%	21 53%	23 58%	20 50%	23 58%	22 55%	16 40%	22 55%	21 53%	19 48%	21 53%	21 52%	

APPENDIX 3: KPI results

Security of tenure

		1	2	3	4	5
Informal settlements and slums in Barcelona	Formality of the portfolio				4	
Protection against forced eviction, harassment and other arbitrary interference to privacy and household rights by laws and policies	Contract conditions for evictions		2			
	Social housing system and policies in Barcelona	1				
Co-relation between eviction and homelessness and is there a provision of affordable housing from the government	Level of homelessness in Barcelona			3		
	Level of evictions in Barcelona		2			
Mutually agreed adequate compensation, resettlement or provision for restitution is made when eviction	Contract conditions for recompensating for eviction	1				
Public accessibility to a land registration system	Municipality data system regarding land registration			3		
	Rental value calculation system with CRR			3		
	Transparency policy in the city			3		
Tenants have the right to choose their residence, determine their locality of residence and exercise their freedom of movement	Pre-conditions of tenant selections set by portfolio manager procurements		2			
	Variety of price rent distribution along the city		2			
	Variety of sizes in the apartments throughout the city		2			
Participation in housing-related decision-making	Dialogue spaces between property managers and tenants	1				
Policies and laws are in place to ensure security of land or dwelling occupied by informal settlers	Existence of rent control regulations				4	
	Contractual conditions for extension of the rental term			3		

Affordability

		1	2	3	4	5
A clear definition of 'affordable housing' exists in Barcelona	Existence of public and private organizations and NGOs that promote the concept of affordable housing					5
	Level of awareness of the definition of affordable housing from the population		2			
the Affordable definition is adopted by policies and implemented in laws and regulations	Existence of policies that include the concept of affordable housing and Barcelona					5
	Level of awareness of affordable housing policies from the population		2			
	Average wage in Barcelona		2			
	Cost of public services in Barcelona		2			

The financial costs associated with rental housing in Barcelona are commensurate with the income level of the tenants	Non-housing costs in Barcelona	■				
	Rental price definition methods by the Portfolio manager procurement	■				
Housing costs (rent, services, and taxes) don't compromise basic needs (food, education, transport, clothing, and health)	Tax housing price			■		
	Rental control regulation and policies (price control)				■	
Tenants in my city are legally protected from unreasonable increase of rent	Rent increase control regulation				■	
	Guarantees of tenure security (conditions for extension of the term of the contract)	■				
	Correlation between rent increase and eviction processes	■				
Rent increases are not use as eviction tool, rental control regulations	Causes of evictions in the rental contract		■			
	Contractual conditions for rent increase		■			
	Existence of social housing system	■				
Existence of housing subsidies or policies enable access to affordable housing by those households with low incomes	Index of construction of public housing in Barcelona			■		
	Requirements to acquire housing loans		■			
Barcelona offers social housing programs such as lines of credit for low-income tenants	Percentage of fixed-rate mortgages and variable-rate mortgage in Barcelona			■		
	Housing subsidy system		■			

Availability of Services, Materials, Facilities and Infrastructures

		1	2	3	4	5
Subsidies or pricing mechanisms to ensure affordable access to basic services	Subsidy systems for public services			■		
	Service pricing mechanisms				■	
Access to safe and affordable drinking water	Water quality in Barcelona		■			
Sanitation and washing facilities are available in dwellings	Availability of cleaning spaces			■		
	Internal garbage collection system	■				
Accessibility to energy to cook, heating and lighting with affordable price	Type of kitchens in the apartments		■			
	Accessibility to electric stove		■			
Solid waste produced at household level is adequately managed, regularly collected and disposed	Urban garbage collection system			■		
Social and green infrastructures like garden, public parks and common areas are made available to tenants	Distance from building to social infrastructure		■			
	Distance from building to green infrastructure		■			
Sustainable drainage systems and flood defences are also in place	Availability of a sustainable drainage system		■			
	Availability of flood defences			■		

Telephone and broadband internet services are increasingly being included in the apartments	Availability of telephone network as part of the lease		2			
	Availability of internet service as part of lease		2			

Habitability

		1	2	3	4	5
My place of residence provides me with sufficient space, thermal and sound insulation, and protection from other threats	Division of spaces		2			
	Capacity of inhabitants in the apartment		2			
	Thermal insulation mechanisms in the portfolio		2			
	Sound insulation mechanisms in the portfolio		2			
My home is protected against pests or other risks that may affect my health	Pest control measures			3		
My home has a natural or mechanical ventilation system that guarantees good air quality	Ventilation system of the apartments		2			
	Air quality in Barcelona		2			
My home has a natural or artificial illumination that allows normal indoor activities	Access to natural Light		2			
	Apartment lighting levels		2			
My city is adopting policies for the environment and improving the safety of environment	Policies of safety in Barcelona			3		
	Environmental policies in Barcelona			3		
On average, housing in Barcelona provides a sufficient area standard for the average family	Minimum Area requirements in Barcelona's housing		2			
	Correlation between minimum area regulation and actual stock		2			
	Accessibility to spatially adequate apartments in Barcelona	2				
My city's housing is shown to be inclusive and easily accessible to people with special needs.	Measures for adequate access to people with special needs to the buildings	2				
My city has a climate risk mitigation mechanism	climate risk mitigation mechanism in Barcelona		2			

Accessibility

		1	2	3	4	5
In Barcelona, housing laws and policies are in place to enable low-income groups to access affordable rent housing that meet their needs.	Rent control regulations				4	
	Level of affordability in the portfolio	2				
There are judicial and non-judicial mechanisms to ensure access to adequate rent housing by low-income groups,	Existence of organizations that watch over the rights of the tenants			3		
	Legal tools that protect the rights of tenants			3		
	Contractual guarantees of the rights of the Tenants		2			
The policies adopted and implemented in Barcelona enables the access to land by landless, discriminated, and impoverished segments of the society.	Municipal policies related to "Ocupas"			3		
	Pre-conditions established by the property managers to grant a rental contract	2				

Policies and strategies are in place in Barcelona to facilitate a sustained transition from institutions to community-based living arrangements for minorities, migrants, or low-income groups	Integration policies for migrant populations		1			
	Existence of rent subsidies for low-income groups	1				
	Existence of a portfolio with a social nature	1				
In Barcelona, the processes of massive housing acquisition are consulted with the local communities	Socialization processes of massive housing acquisition	1				
	Protocols implemented by asset managers		1			
	Municipal control mechanisms for property acquisition			1		
There are policies and measures adopted in Barcelona to ensure popular participation in decision-making processes related to housing, land-use plans and urban development	Citizen control mechanisms for Barcelona's development plans		1			
	Transparency mechanisms		1			
	Guarantee conditions for Stakeholders		1			
	Socialization with the communities involved in the development of projects			1		
Relevant social and economic laws in Barcelona ensure that adequate housing is accessible to the poor	Existence of laws that ensure accessibility to adequate housing for low-income groups			1		
	Map of rent price per square meter throughout Barcelona			1		
	Average income of the populations		1			
	Major investors in the most vulnerable urban areas		1			
My rental contract respects the regulatory conditions of Barcelona.	Existence of corporate guaranteed systems for tenants		1			
	The monitoring of the execution of rental contracts ensures compliance by both parties		1			
	Process of updating contracts with the new rent regulations	1				

Location

		1	2	3	4	5
The location of my home gives me easy access to the health system, education, child-care centres, and other social facilities	Urban distribution of the health system		1			
	Urban distribution of the educational infrastructure			1		
	Access to child-care centres			1		
	Distribution of social facilities in Barcelona		1			
The economic and time expenditure on my work activities does not generate additional pressure on the tenant's budget.	Cost of public transport in Barcelona			1		
	Minimum wage in Barcelona		1			
	Distance between office centres and affordable housing areas		1			
	Travel time between office centre and affordable housing areas		1			
The inhabitants of my city live in well-connected locations and affordable means of transport	Distribution of public transport stations			1		
	Distance between the houses and the public transport stations			1		








	Number of public transportation options close to home	1	2	3	4	5
The houses are not located in or near polluted areas that could affect the health of the tenants	Distance from waste collection centres			1		
	Conditions of the garbage management system in Barcelona		1			
The streets of my city are always walkable. There is a feeling of security in my city.	Quality of the lighting system in the city		1			
	Night insecurity index in Barcelona		1			
Tenants have key facilities (public transport, parking spaces, playgrounds, public spaces, and grocery markets) within walking distance.	Distribution of public transport stations		1			
	Access to playgrounds in Barcelona	1				
	Access to affordable grocery markets		1			
	Availability of parking spaces in Barcelona	1				
Residents in Barcelona can access quality employment opportunities from their locality.	Type of existing contracts	1				
	distribution of purchasing power in Barcelona	1				
	accessibility to spaces suitable for Co-workings or workspaces	1				
In my city/ country, tenants have easy access to cultural and sport facilities close to their homes	Sports facilities system in Barcelona		1			
	Cultural infrastructure system in Barcelona				1	

Cultural adequacy

		1	2	3	4	5
The spatial offer of rental apartments is designed and configured according to the preferences and needs of the community	Tenant inclusion programs	1				
	Decision making level of the tenants over the apartments	1				
In my city/ country, activities geared towards modernization of the existing housing stock ensure that the cultural attributes, dimensions, habits, and norms of the population are not sacrificed in the process.	Regulations related to the dimensions of Housing in Barcelona		1			
	Residential portfolio renovation strategies			1		
The lease contracts and the spaces of the apartments allow the appropriation and cultural expression of the tenants	Contract conditions related to the adaptation of space by the tenant	1				
	Diversity of spaces in the apartments of the portfolio		1			
	Availability of spaces or facilities within the buildings	1				
Ethnic or gender minority groups are included in decision-making for residential policies or strategies	Programs for the inclusion of minorities by the municipality of Barcelona	1				
	Distribution of ethnic and gender minority in Barcelona	1				
	Inclusiveness of the fund's portfolio		1			
The inhabitants have access and participation in cultural activities or festivities celebrated in the city	Variety of cultural activities in Barcelona					1
	Accessibility to areas where cultural activities take place				1	
	Cultural activities are private or public in Barcelona			1		
	Variety in religious spaces in Barcelona			1		

The communities of my city can contribute to the preservation and conservation of their cultural heritage	Variety of communities in Barcelona				■	
The urban and real estate development of the city over the years has not compromised the lifestyle of the communities that inhabit it	History of displacement in Barcelona		■			
	Existence of gentrification, turistification or studentification in Barcelona	■				
	Variation of land use in Barcelona in recent years		■			
The community is consolidated and is proactive in adopting practices that seek to provide a sustainable and friendly environment with its members	Existence of unions or organizations that ensure the well-being of Tenants				■	
	Guarantees provided by the municipality to the communities			■		
	REIT policies regarding tenant movements		■			
	Citizen activism in Barcelona				■	

APPENDIX 4: Table of findings

 <p>Security of Tenure</p>	<p>Lack of knowledge of the population about price regulation platforms</p>	<p>There is evidence of a profiling of the tenants at the time of accessing an apartment.</p>	<p>The systematic link of REITs with the refinancing of banks ignores the affected population</p>	<p>The contractual conditions of cancellation of the contract by the landlord do not provide guarantees or remuneration for the tenant</p>	<p>Contractual absence in contract renewal methods</p>
 <p>Affordability</p>	<p>The outsourcing agency reduces the spaces of dialogue between parties.</p>	<p>The concentration of properties in specific areas of the city can create tension in the rental market.</p>	<p>Lack of mechanisms that guarantee extension of lease contracts</p>	<p>There is evidence of a profiling of the tenants at the time of accessing an apartment.</p>	<p>Rent increase mechanisms increases evictions (Berlin Clause)</p>
 <p>Availability of services</p>	<p>Lack of transparency over energy, gas, and water consumption</p>	<p>Reimbursement guarantee in the event of differences in paid services.</p>			
 <p>Habitability</p>	<p>Spatial distribution problems after refurbishment, which reduces the chances of families finding housing</p>	<p>Low levels of light and ventilation comfort due to the poor readjustment of spaces in old buildings.</p>			
 <p>Accessibility</p>	<p>Transparency and accessibility of housing related to massive acquisition by REITs.</p>	<p>Lack of citizen participation in the reintroduction of houses own by banks.</p>	<p>The outsourcing of property management by REITs affects the owner-tenant relationship</p>		
 <p>Location</p>	<p>The relevance of the operation of urban infrastructure systems at the time of acquiring new properties is unknown.</p>	<p>The portfolio specialization trend generates an imbalance in areas where there is not enough infrastructure.</p>			
 <p>Cultural adequacy</p>	<p>High levels of activism by local communities.</p>	<p>Tourism and the high level of migration have been disruptive in the communities</p>	<p>Lack of space for dialogue with the community and activists</p>	<p>The contractual conditions prevent a spatial appropriation by the tenant.</p>	<p>Housing modernization processes do not consider the needs of local families.</p>

