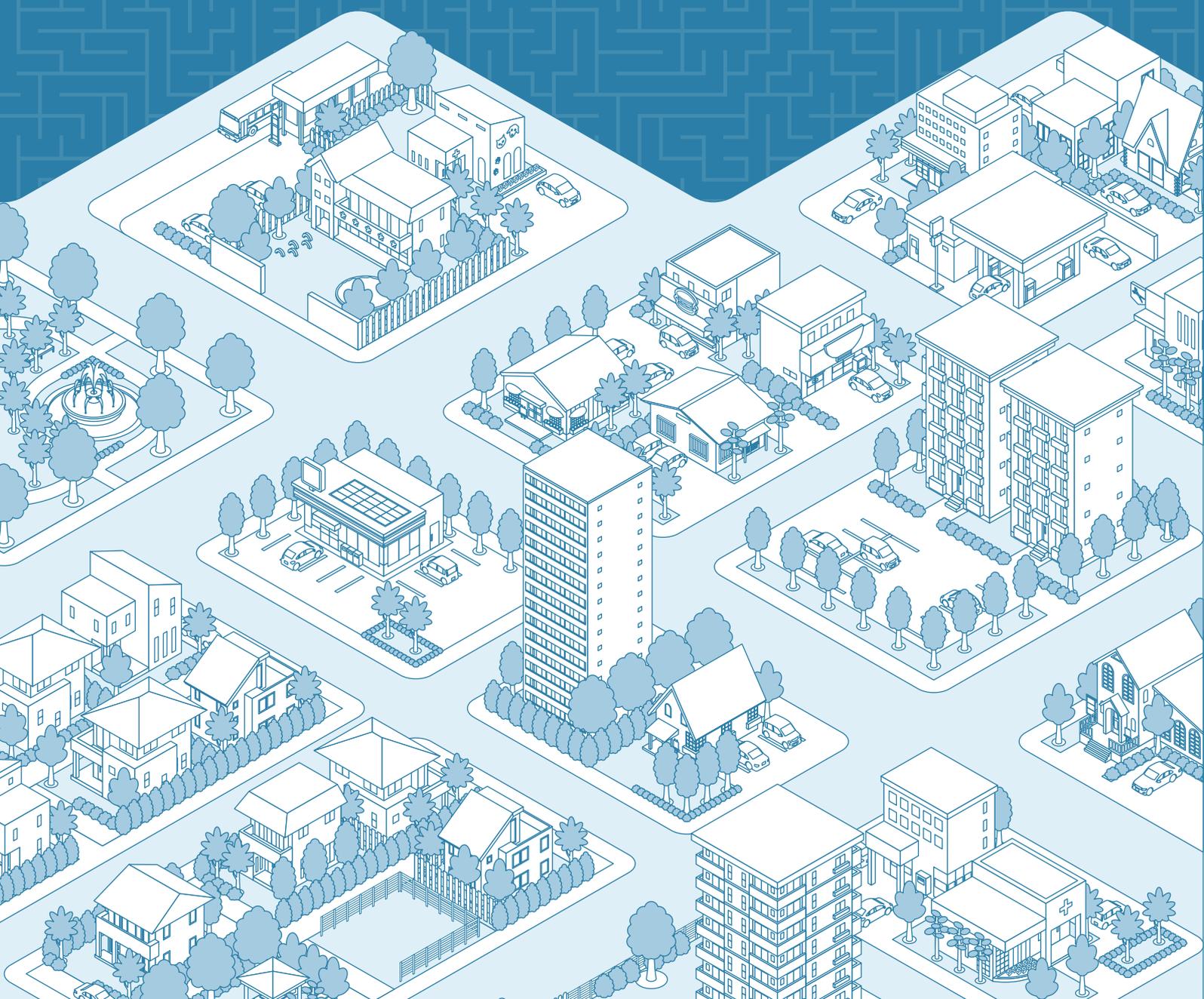


The Tenant Experience in Luxembourg's Private Rental Market



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Keywords: rental market; tenant experience; housing policy; rental regulation; tenant protection

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Executive summary

Tenants in Luxembourg face unique challenges in **accessing** the private rental market, **during** their tenancy, and when **exiting** lease agreements. This report analyses the conditions of a select group of tenants in Luxembourg across each of these three phases. It uses two new data sources collected during the 2022-2023 timeframe. The first is an analysis of correspondence to a tenants' protection association during a one-year period (n=262). The second is an analysis of five focus groups where tenants discussed their experiences (n=32). In doing so, the report provides a detailed look into tenants' perceptions of disputes, challenges, and central questions they ask when they are seeking to become aware of or exercise their rights. This perspective is vital to better understand Luxembourg's private rental market from the standpoint of the tenant.

The results reveal consistent challenges that tenants experience. The focus groups confirmed the difficulty in acquiring suitable rental housing. Unaffordability was the most discussed topic, cutting across all socio-economic groups. During the tenancy, tenants frequently contacted the tenant protection association regarding problems with dwelling conditions. Focus group participants confirmed this challenge, as well as emphasized what they perceived to be unclear rental contracts. When exiting the lease agreement, tenants in the focus groups and correspondence often communicated problems related to deposit restitution and landlord-initiated termination.

Three factors add complexity to the challenges faced. First, tenants were often unsure of their rights, for instance regarding rent increases, repairs, and contract termination. Second, some tenants reported conflict with their landlord or non-response, negatively affecting the tenant-landlord relationship. Third, vulnerable socio-economic groups experienced more severe and urgent problems, especially regarding landlords' selection criteria and dwelling quality problems. Parents with children expressed particular concern for the health and well-being of their families.

In the focus groups, where it was possible to analyse the feelings expressed by participants, negative feelings prevailed: these included dissatisfaction, distrust, insecurity, and unfairness. While 70% of tenants felt unfairly treated and insecure, 22% expressed satisfaction with their experience in Luxembourg's private rental market.

The findings suggest several possible recommendations to improve the tenant experience. Affordability and dwelling conditions are persistent problems that would benefit from sustained policymaker attention. Greater awareness of regulations, more information and tools for dispute resolution would help avoid many other issues.

Chapter 1. Introduction

Housing unaffordability is a growing concern across Europe. Luxembourg is no stranger to such unaffordability trends: a housing shortage, population growth, changes in household composition, and a concentration of ownership of residential land all contribute to rising affordability problems. These trends affect purchase and rental prices alike.

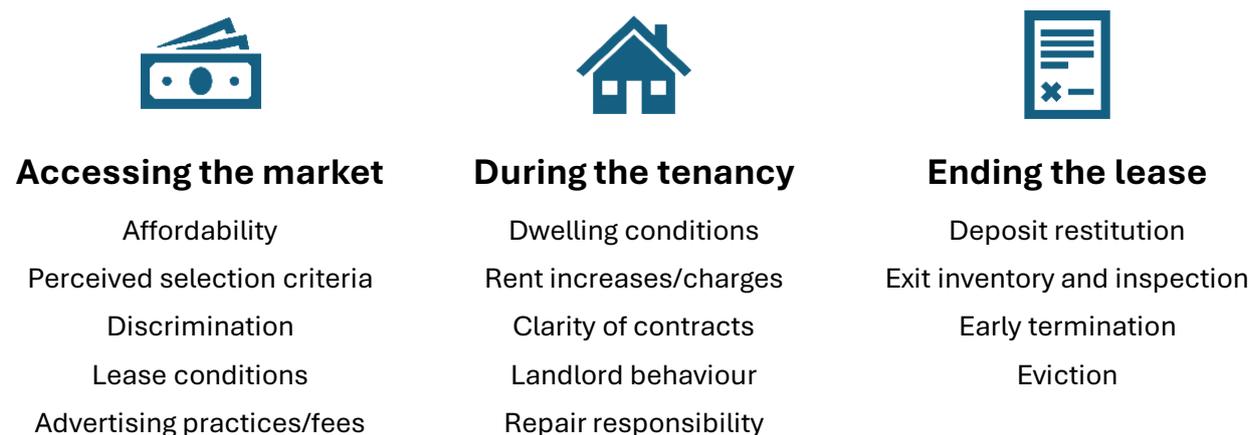
Yet, beyond consistent price increases in both rental and homeownership markets, **living in a leased unit presents unique challenges.** Tenants tend to have more significant cost burdens, and leased housing tends to have more dwelling quality problems. Tenants and landlords must also navigate a contractual relationship where interests may not always align. A primary goal of tenants is consumption – that is, living in a unit – while a primary goal of landlords is investment, or in other words, receiving income from a unit.

When functioning well, the contractual relationship between tenant and landlord can generate desirable outcomes for both parties. However, the associated interactions are prone to misunderstanding, conflict, and potential non-compliance on both sides of the relationship. To generate well-functioning private rental markets, and as is standard across Europe, Luxembourg regulates these interactions, shaping the rights and responsibilities of tenants and landlords, establishing dwelling standards, and setting legal parameters around dynamics such as rent increases. Understanding how tenants live in and perceive the private rental market and its regulations represents a fundamental step in evaluating, assessing, and improving Luxembourg's housing policy.

This report outlines some of the key characteristics of Luxembourg's private rental market, with a specific focus on tenants' lived experiences. Its primary aim is identifying tenants' most persistent challenges in the private rental market. To do so, it uses two new data sources, as described below, and prioritises the problems, feelings, and perceived implications of the tenant experience.

The introductory chapter of this report offers a picture of some unique characteristics of the private rental market, describes the data and study design underpinning the report, and summarises the key findings. Chapters 2, 3, and 4 present the detailed findings, organised under three phases of the tenant experience. These phases are visualised in Figure 1, which identifies some of the main challenges discussed across the chapters. In particular, Chapter 2 looks at challenges in accessing the private rental market and securing a lease. Chapter 3 identifies the challenges tenants most commonly face during the tenancy. Chapter 4 focuses on the challenges associated with ending the lease agreement. Finally, Chapter 5 combines the findings across the three phases of the rental experience to identify common themes and suggest potential policy and practical recommendations.

Figure 1. Select Tenant Challenges by Phase of Tenancy



Why Tenants? Why Luxembourg?

Tenants in the private market tend to feel the challenges in modern-day housing markets more acutely than other tenure groups, such as homeowners. Housing is one of the biggest expenses of any household, but housing costs for renters can be particularly high, especially if they have recently moved. In Luxembourg, tenants spend a greater share of their income on housing (37.3% of disposable income on housing costs in 2019) compared to owners with a mortgage (29.5%) and outright owners (11.0%) (Observatoire de l’Habitat, 2021). New private sector tenants spend 3-16% more on housing than those with contracts older than five years (Observatoire de l’Habitat, 2020). Moreover, low-income renters are especially burdened, with over 30% of renters in the first income quintile overburdened by their housing costs, compared to less than 5% of renters in the third income quintile (OECD Affordable Housing Database).

Tenants are also more prone to various forms of housing precarity. Factors related to insecurity and heightened financial stress, along with weaker regulation, poor construction, substandard accommodation, and inadequate dwelling maintenance, contribute to “cumulative housing deprivation” in the rental sector (Observatoire de l’Habitat 2023a). Vulnerable groups such as low-income individuals, young households, single parents, migrants, the unemployed, and students are more likely to experience this kind of housing precarity (Mckee et al., 2020). In Luxembourg, researchers have confirmed that tenants experience greater housing deprivation (Fusco, 2012; Observatoire de l’Habitat 2023a).

About the Data

This report is designed around two studies, both of which received ethics approval through the University of Luxembourg’s Ethics Review Panel. The first study was designed to analyse the challenges tenants faced during their tenancies through an in-depth **analysis of written correspondence between tenants and a tenants’ protection association** during the 2022 calendar year. The second study, in the form of **focus groups**, was designed to add depth and breadth to the correspondence analysis.

It provides depth by giving voice to the challenges tenants face in their own words. It provides breadth by focusing on the whole experience of tenants in three pivotal phases: acquiring a rental unit, living in it, and exiting it, as well as their views about the rental market, including their feelings.

This report was prepared for the Mieterschutz Lëtzebuerg / Association de défense des locataires de Luxembourg, a nonprofit tenants' protection association founded in 2020.¹ The association's purpose is to represent and assist tenants, including raising awareness and informing tenants of their rights, and engaging with public authorities on issues of tenant protection. The research team was solely responsible for conducting the focus groups, all data analysis, and the writing of the report. The Mieterschutz provided access to an anonymised version of their correspondence with tenants, offered input on the research questions, and helped to advertise for the focus groups. Additional details about the data and research design can be found in Appendix 1.

Readers of this report should keep in mind four caveats. First, the analysis is conducted based on the information provided by tenants. It cannot constitute the full view of a dispute between two parties. The experiences of landlords are an essential area for future studies. Second, this report aims to assess tenants' challenges at critical points. While this offers insight into one important part of the tenant experience, it does not provide a complete picture. Third, the data in this report is not representative of all tenants in Luxembourg, but rather a subset of those who have either reached out to a tenants' protection agency or responded to an invitation to join a focus group.

Throughout the report, data from representative surveys, such as the EU-SILC survey, are leveraged to contextualise the findings. This enables some insight into the generalizability of the findings; however, more research is needed here, too. Finally, a set of housing reforms was implemented after the data were collected for this report. The relevant changes are noted for context throughout this report.

With these caveats in mind, the data in this report nonetheless offer a detailed look into tenants' perceptions and experiences in the rental market, as well as the questions they ask when they seek to become aware of or exercise their rights. In the case of the correspondence between tenants and the tenants' protection agency, the collected data occurs at a pivotal moment: when a disagreement, dispute, or problem occurs in the tenant-landlord relationship. That moment tests the boundaries of the awareness of rights, the legality of actions, and the ability of two parties to find a resolution, whether it be mutually agreeable, unilateral, or court-ordered. In the case of the focus groups, tenants discuss such moments within their broader, typically years-long experience in the rental market. Such breadth enables a look beyond the tenant-landlord relationship to include challenges in securing housing suitable to the tenants' needs and finances, as well as their views about this process.

¹ The articles of association are published in the Electronic Compendium of Companies and Association and available at: <https://www.mieterschutz.lu/sites/default/files/document/2023-04/Statuts-MIETERSCHUTZ.pdf>

Summary : Tenant Correspondence

This report analyses 262 pieces of correspondence between tenants and the Mieterschutz (hereafter referenced as the “tenants’ protection association” or a shorter variant) during the 2022 calendar year. Each piece includes the initial request sent to the association and subsequent responses between the tenant and the association. The analysis is based on a coding scheme developed by the researchers and designed to capture the primary topic of the correspondence and the most frequently cited problems within each topic.

Most of the correspondence was written by tenants about a concern they encountered themselves. Some were reaching out because they did not know where to turn, but most were seeking more knowledge about their rights as tenants or requesting aid in exercising their rights. Approximately 9% of the cases were written on behalf of a tenant (such as a social worker or friend), indicating that at least some tenants have a personal or professional network with whom they discuss their tenancies.

Approximately 10% of tenants in the correspondence indicated they were in an arrangement of shared accommodation with other leaseholders. This aligns with market trends: a recent study found that approximately 12% of rental announcements were for furnished rooms, up from less than 3% a decade earlier.²

Box 1 classifies the primary topic of each correspondence. In all categories except one, and constituting 93% of all correspondence, tenants wrote with a concern that they perceived to be a problem. **The five most frequently cited problems** (64% of the correspondence) were **poor dwelling conditions, deposit restitution, landlord-initiated termination, rent increases, and monthly charges** (e.g. utilities, maintenance). The following chapters will discuss these five problems in greater detail, briefly noting the other problems.

² Available at: <https://logement.public.lu/dam-assets/documents/publications/observatoire/rapport-analyse-7-location-chambres.pdf>

Box 1. Primary topics of tenant correspondence

Poor dwelling conditions (n=46) : Problems related to the dwelling condition, such as mould, structural problems, heating problems, and the persistence of problems or lack of a solution.

Deposit restitution (n=34) : Problems associated with return of the rental deposit, including delay in return, no return of the deposit, and disputes about the amount of a deduction.

Landlord-initiated termination (n=32) : Disputes or questions about the legality of a landlord-initiated termination, such as the legality of the termination or the process by which it occurred.

Rent increase (n=29) : Disputes or questions related to the legality of an increase, such as what justifications are permissible, its timing, its amount, the notice period, and form of the notice.

Charges (n=25) : Disputes or questions related to charges, such as who bears responsibility for the charge, increases perceived to be too high or unjustified, and lack of proof or invoice.

Question (n=19) : Correspondence posing a question without mentioning a problem, including requesting information about the rights/obligations of tenants and landlords or about the law.

Tenant-initiated termination (n=16) : Problems during a tenant-initiated termination, such as lack of mutual agreement, confusion about the contract, and finding a replacement tenant.

Repair responsibility (n=14) : Problems related to who bears the costs for maintenance, repair, or replacement of damaged or broken equipment/structures, such as appliances, windows, walls, water damage, and internet installation.

Eviction (n=9) : Problems associated with eviction proceedings, including requests for help during the eviction process or for help after the eviction process.

Landlord behaviour (n=9) : Problems related to the actions or behaviours of a landlord, such as frequency of visits, arriving without notice, or verbal behaviour deemed inappropriate.

Request for appointment (n=9) : Correspondence asking for an appointment without providing other information.

Inspection (n=5) : Problems or expected problems with the inspection such as scheduling the exit inventory and the absence of an entrance or exit statement.

Social housing (n=4) : Problems related to social housing, including rent increase and alternative arrangements during renovation works.

Registration (n=4) : Problems related to registration that prevented a tenant from domiciling at the address, including refusal of registration by commune and landlord behaviour.

Verbal lease (n=4) : Problems stemming from a verbal lease, including difficulty in registering, in adjudicating a disagreement, and in applying for a housing subsidy.

Other (n=3) : Problems not otherwise categorized due to low frequency of similar cases.

N=262

Summary : Focus Groups

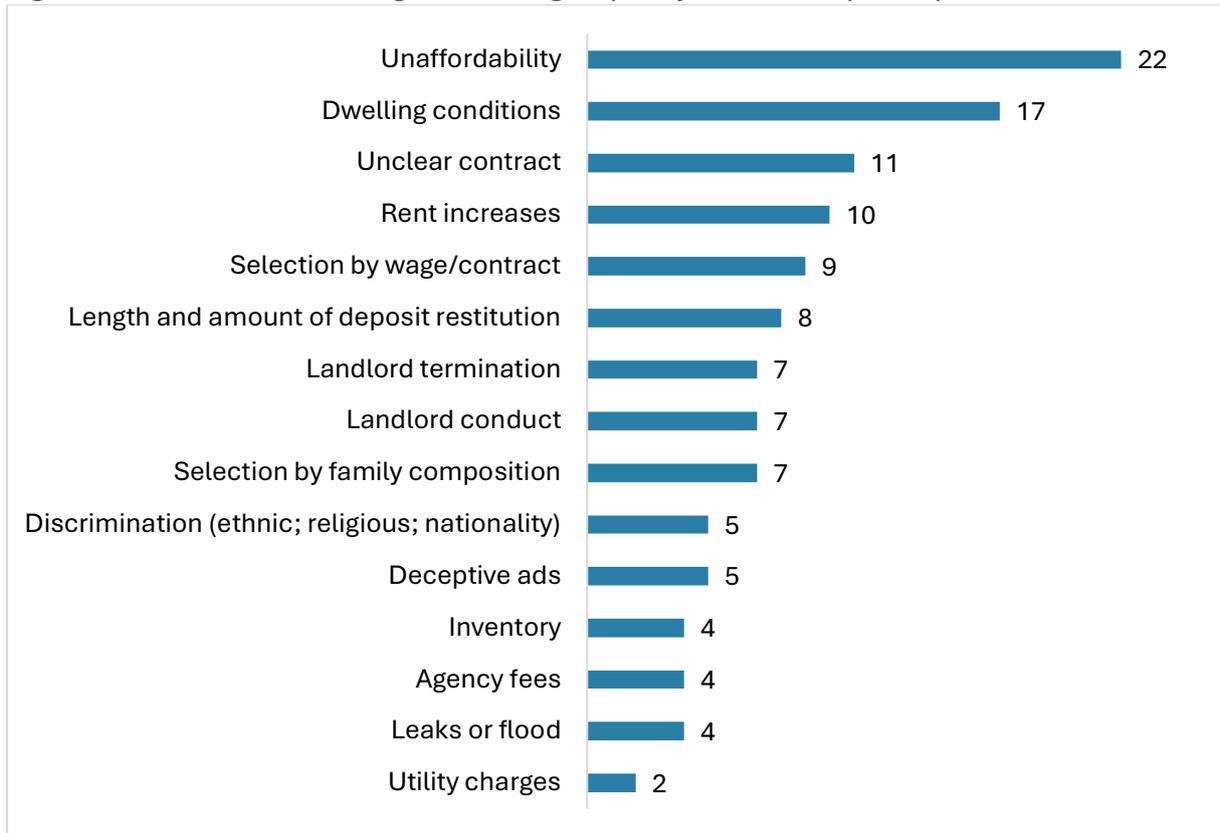
The focus groups were designed to provide a more detailed picture of the perceived problems and issues tenants experience, including the feelings stemming from their experiences. Focus groups allow a discussion of shared views and experiences, and are used in qualitative research to investigate the motivations, perceptions, beliefs, and issues of social groups that share some characteristics. They offer a look into the “lived experience” of participants and which experiences they share as part of a collective group (Macintosh and Wright 2019). That experience is, as observed by McKee et al. (2020), “vital to ensuring policy reforms affect real and meaningful change” (p. 1469).

The research team conducted five focus groups between October and November 2023, with 32 participants (18 men and 14 women). Four groups were held with participants representing a variety of socio-economic backgrounds. One group was held with participants experiencing vulnerable and precarious socio-economic conditions and was conducted with the support of the *Office Social de la Ville de Luxembourg*. Two participants were native-born Luxembourgish, while the remaining were long-term or recently arrived residents coming from abroad.³

The issues raised by participants reveal meaningful insights about lived experiences and perceptions. Figure 2 illustrates the main issues raised across the different rental stages. The bars represent the number of participants who raised each issue. Most tenants experienced two or more issues simultaneously. **Unaffordability and dwelling conditions were discussed most frequently.**

³ This distribution is not surprising given the large foreign-born population in Luxembourg combined with census data indicating that those born in Luxembourg are more likely to be homeowners instead of renters. More information is available at: <https://statistiques.public.lu/dam-assets/recensement/publication-13/docs/13-02-en.pdf>

Figure 2. Issues raised during the focus groups, by number of participants



Source: Authors' calculations from focus groups

Notes: Participants (n=32) discussed more than one problem

Participants expressed a range of feelings when discussing these issues. Building on prior research, we identified and mapped participants' feelings about their self-perceived housing status and security conditions (McKee et al. 2020; Power 2023), their judgements about trust relationships and fairness in rental housing (Ross and Squires 2011; Atkinson 2015; Polanska and Richard 2019; Monkkonen and Manville 2019), and their personal sense of satisfaction about housing experience and achievements (Forrest and Wu 2014; Sanderson 2019; Pedersen et al. 2021; Morris et al. 2021). Our analysis revealed five dominant feelings defined in Table 1.

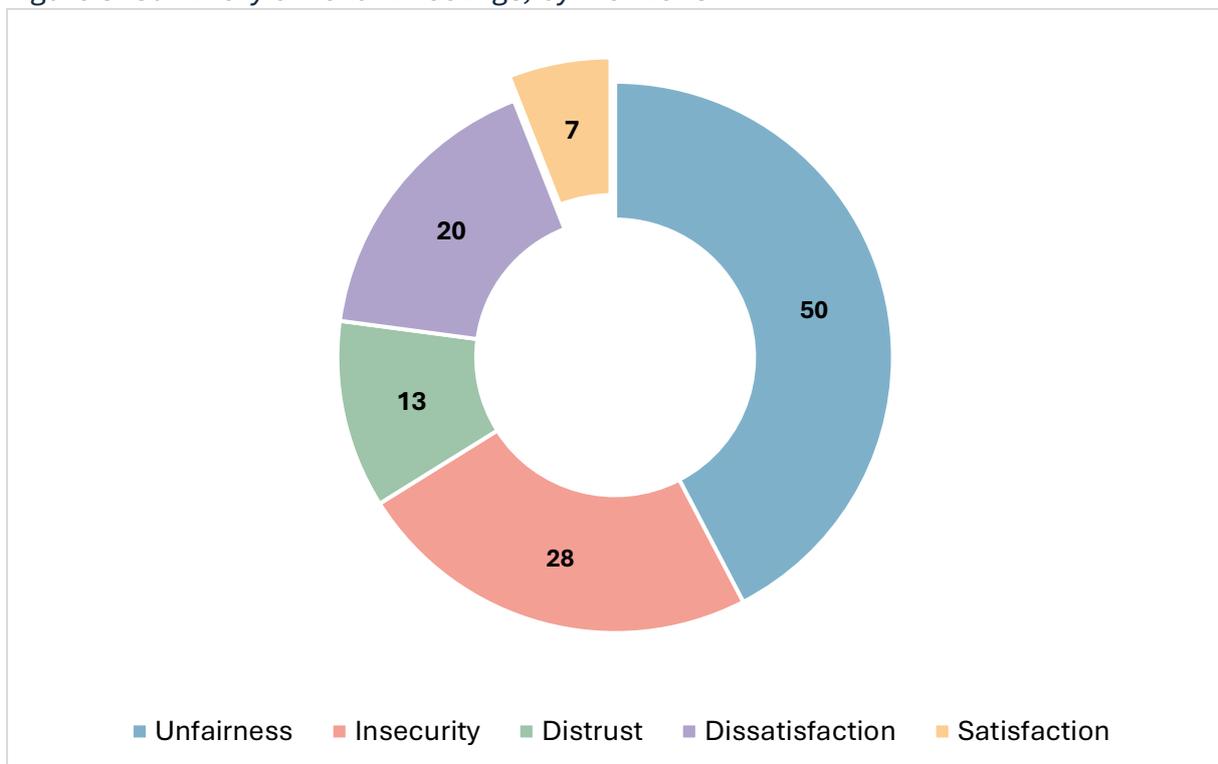
Table 1. Definition of Tenant Feelings

| Type | Feeling | Definition |
|----------|-----------------|---|
| Negative | Dissatisfaction | Poor or lacking appreciation for the rental housing market according to the tenant’s personal experience. It is linked to discomfort and concern for the quality of the individual housing situation. |
| | Distrust | Suspicion or misgivings felt by the tenant towards private and public actors concerning tenants’ needs and rights. |
| | Insecurity | Vulnerability or powerlessness associated with the tenant’s lack of adequate or stable housing. It is linked to fear and anxiety for the future. |
| | Unfairness | Anger for an alleged improper treatment and violation of the tenant’s individual/collective rights or aspirations. It is linked to the determination to take action to defend rights. |
| Positive | Satisfaction | Good or adequate appreciation of the tenant’s personal housing experience and the rental market in general. |

Source: Authors’ construction from focus groups

These feelings can be referenced by the number of *participants* who expressed a view about a rental issue or the number of *mentions* received by the different problems and feelings (with one participant mentioning more than one feeling or issue). Figure 3 illustrates the frequency of these feelings by the number of times they were mentioned in relation to the three different phases of the tenant experience.

Figure 3. Summary of Tenant Feelings, by mentions



Source: Authors’ calculations from focus groups

The dominant feeling emerging from the focus groups’ discussion is that of **unfairness** (mentioned 50 times by 23 participants), framed as the perception of improper

treatment. It was associated with the participants' perception of being in a "weak" position as a tenant compared to landlords, real estate agents and other market actors, along with a determination to defend their housing rights. Participants regularly identified public authorities as the body ultimately responsible for a perceived lack of protection.

Tenants also expressed **insecurity** (mentioned 28 times by 23 participants), a sense of "fear" and "anxiety" mostly caused by the precarious housing situation they experience. It is connected to perceived powerlessness to address an undesirable housing situation and the inevitability of continued negative conditions.

Another expressed sentiment was that of **distrust** (mentioned 13 times by 13 participants), which was framed as a sense of wariness and circumspection towards landlords and housing actors. It was commonly associated with public authorities' perceived lack of willingness or capacity to solve the tenants' problems, enact adequate regulation to protect tenants, or address the lack of affordable housing supply.

The final recurrent negative sentiment was **dissatisfaction** (mentioned 20 times by 15 participants)—a feeling of lower intensity than the others. It was often expressed when discussing dwelling quality conditions.

The positive feeling **satisfaction** (mentioned 7 times by 7 participants) was expressed less often than the negative sentiments. It was expressed mainly by participants who experienced ease in finding an apartment or were happy with high dwelling quality. These feelings will be discussed in greater detail in the following chapters.

Chapter 2. Accessing the Rental Sector

The Luxembourg housing market is increasingly known for high housing costs and an inadequate supply of housing. Significant price increases for newly advertised rental contracts contribute to the difficulties households face as they navigate the rental market. This chapter centres on the focus group discussions and highlights tenants' challenges in searching for a unit and entering a lease agreement in Luxembourg. **Housing affordability is far and away the biggest access concern of focus group participants.**⁴

Main takeaways:

- Unaffordability is the top access barrier according to the majority of focus group participants.
- Unaffordability affects low-income and single-parent households (often single mothers) in particular.
- Other challenges include perceived/experienced landlord selection criteria, discrimination, and problematic lease terms.
- Landlords' selection criteria are perceived as excessive and unfairly penalising.
- Deceptive ads and high agency fees are important issues for foreign tenants.

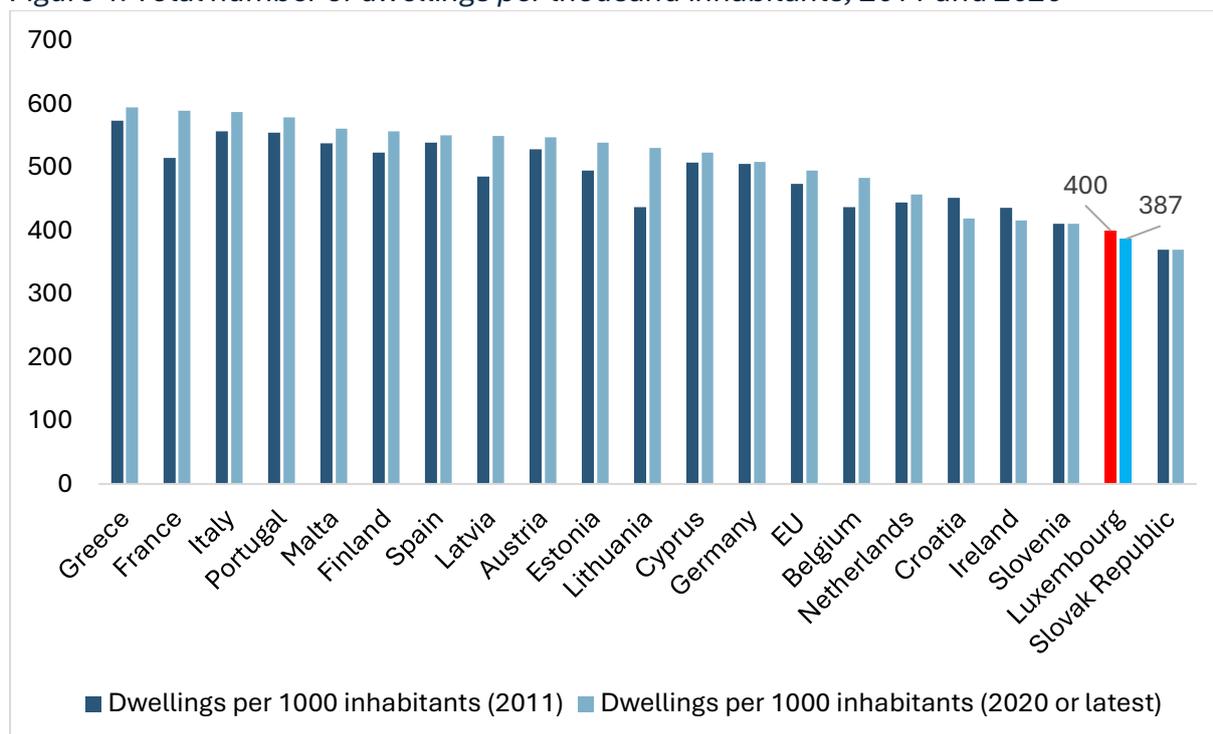
Context

International institutions, policymakers, and civil society organisations have sounded the alarm about an unfolding housing crisis in Europe, pointing to growing unaffordability in accessing rental markets (European Parliament 2020; OECD 2021; IMF 2021; Housing Europe 2022; Eurofund 2023). Recent scientific studies confirm deteriorating affordability for renters compared to owners with mortgages, showing how housing tenure has become “*more* important in European societies in the last decade” (Hick et al. 2024: 21). Within the private rental market, worsening affordability conditions have particularly affected low-income tenants (Dewilde 2018).

Despite a 0.6% increase in newly completed dwellings, **Luxembourg remains below the EU average in terms of dwelling stock relative to the population.** As Figure 4 shows, dwellings per 1000 inhabitants decreased slightly from 2011 to 2020 (OECD Affordable Housing Database).

⁴ Topics of access were not the primary topic of tenants' correspondence with the tenants' protection agency, since tenants were usually writing in with a problem they encountered during their tenancy (the focus of Chapter 3). While they did present themselves as secondary issues, they are outside the scope of this report.

Figure 4. Total number of dwellings per thousand inhabitants, 2011 and 2020



Source: OECD Affordable Housing Database

Notes: Euro area countries + EU average

Luxembourg’s population growth and changes in household composition exacerbate the housing shortage (Stráský 2020). According to recent estimates, the increase of households (+131%) progressed faster than that of the population (+93%) from 1986-2026 (IDEA 2022: 27), with single-parent and single-person household growth boosting housing demand.

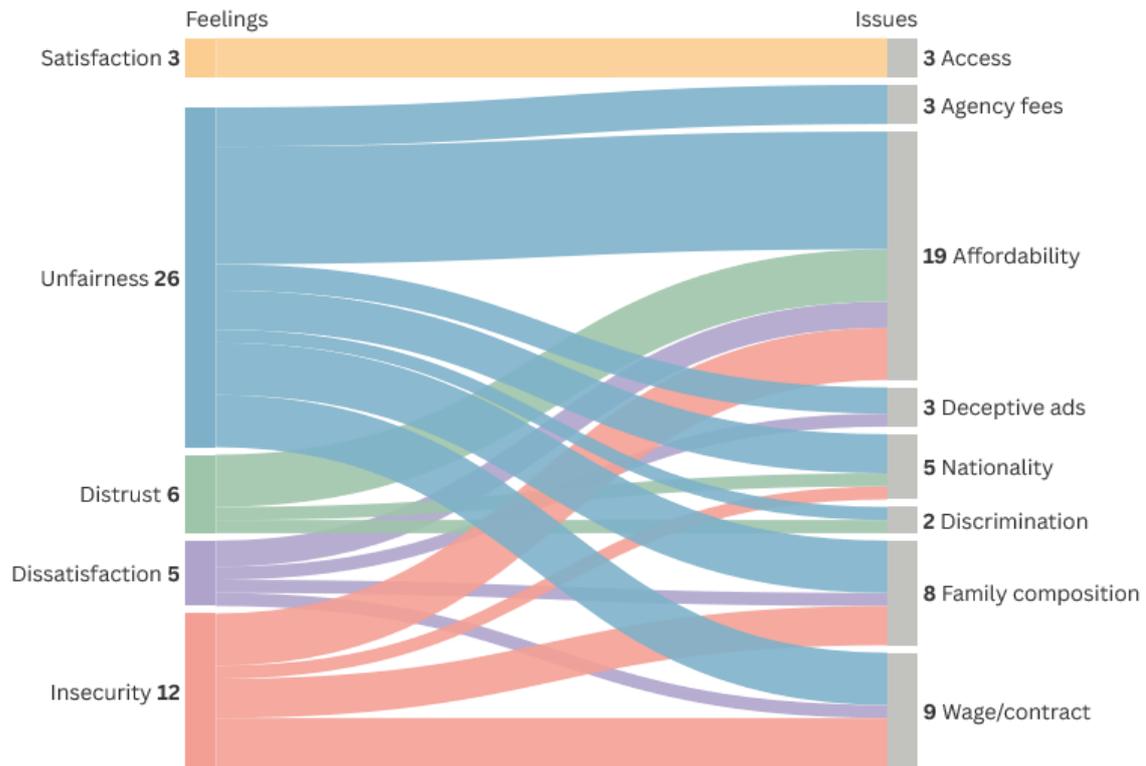
These demographic trends, alongside the housing shortage, interact with a **concentrated ownership structure of residential land**, leading to private land-based wealth accumulation that worsens tenants' affordability (Paccoud 2020; Paccoud et al. 2022; Mezaros and Paccoud 2022).

Indeed, rent prices for advertised new contracts for apartments (representing 90% of the rental supply) rose by 59.4% between 2010 and 2022, with a pronounced increase of 11.1% from the first quarter of 2022 to the same period in 2023 (Observatoire de l’Habitat, 2023a: 3). While recent data shows the stabilisation of advertised rent prices in the third quarter of 2023, the increase over the previous 12 months remained significant at +4.1%.

The focus group discussions confirmed the importance of affordability as a key challenge. Beyond affordability, tenants discussed challenges concerning landlords' selection criteria practices (with perceived discrimination in the process), landlords' requests, advertisement listings, and agency fees.

When discussing these challenges, participants described situations which corresponded with feelings of insecurity, unfairness, distrust, dissatisfaction, and satisfaction (see Chapter 1, Table 1 for definitions). Figure 5 maps the feelings of participants to the challenges they described. The height of each bar represents the number of times participants expressed (mentioned) that feeling. The feelings were mostly negative (49 mentions): unfairness was expressed most frequently and satisfaction the least. Most participants expressed multiple feelings. The remainder of this chapter details each challenge and the participants' feelings.

Figure 5. Participants' feelings in relation to access problems, by mentions



Source: Authors' calculations from focus groups

Affordability

Participants perceived unaffordable rent prices as the most significant hurdle they faced when entering the private rental sector. They framed it as a poor supply of adequate apartments at a reasonable price for their income levels. Participants mentioned unaffordability in access mainly as a product of their direct experiences (17 mentions), though some were in reference to reported stories (3 mentions) and personal opinions (7 mentions). Moreover, tenants from different social backgrounds, living standards, and nationalities (Luxembourgers, long-term residents, and foreign workers) shared similar views about unaffordability. Foreign workers, in particular, mentioned the difficulties in finding a unit and signing a rental contract from abroad, often under tight time constraints because of how quickly units went off the market [1; 2].

[1] There was not much choice, and everything was too expensive. We visited 5-10 apartments, but the offers and conditions of the apartments were not good (no paint, broken windows, etc.)

[2] It was rather difficult: It took me from May to August 2022 to find accommodation. It is surprising how quickly the ads were taken down: just from the time to arrive in Luxembourg and the apartment had already been taken. Out of the 5 apartments to see in the middle of August, the time of the journey from Paris to Luxembourg, and three of them were already gone! It's pretty hard to find something on the supply side...

A sense of unfairness emerged when discussing the affordability of rental units (9 mentions). Participants attributed this to the housing market's dynamics, the limited availability of social housing, and the lack of State intervention and regulation [3].

[3] The State should have some regulation for example, introducing penalties for landlords not renting apartments and leaving them empty. These would be real solutions. But would require real people regulating the landlords. And this is where the big sort of conflict or the complexity comes up.

The feeling of "distrust" (6 mentions) also arose. It was commonly associated with a perceived lack of State intervention and what was deemed as unfair market practices by landlords, which reduced the supply of rental housing and contributed to price growth [4].

[4] I think that they [the politicians] want to turn a blind eye to these practices, because that way we continue to boost the real estate market to drive the price up... It's just my idea, I don't know if it's really the case. But the city of Luxembourg is small, it's not a big metropole...

Perceived Selection Criteria

Landlords' and real estate agencies' selection criteria and practices emerged as key obstacles to accessing private rental housing. **Rigid selection processes based on the tenants' wage and work contract type, and household composition, were the most penalising barriers** (mentioned respectively by 9 and 7 participants). Single-parent households with temporary contracts or low wages seemed to be the most affected group (6 participants).

In particular, **households with children** felt that landlords and agencies requested higher salaries and permanent job contracts as a guarantee. Such participants described being frequently rejected by rental agencies and landlords [5]. A **gender dimension** of housing access inequality was also present: five out of six participants experiencing such difficulties were single women with children.

[5] [A divorced woman with a temporary job and two children expressed deep concerns and frustration for the repeated refusals by landlords, even in less populated areas]

I have two children, two and three and a half, and the same for me: very difficult to find something in this situation. I do not have a permanent contract... I

searched even in the north of the country. But even there [the landlords] ask for very high sums. They refused me for my salary, which was not high, but especially for my children. It is really difficult to find something. Even a studio or a room: they don't want to rent it to you if you have children... The landlords are really intransigent: they don't care that you work, that you are a serious person. They only want to know your salary level and the CDI. If you have children, they ask very high salaries.

Selection criteria were commonly associated with the negative sentiment of “insecurity” (7 mentions), expressed as a sense of powerlessness, fear, or anxiety for not being able to access an adequate home. Participants with children and who had low-income or precarious jobs regularly identified the lack of viable housing solutions for their needs [6].

[6] I have two children and it's very difficult to find anything in this situation... For the education of my children, I would like to stay here: they started to go to day care. I would also like to stay here for the quality of life, but it's not easy...

Discrimination

Focus group participants identified multiple forms of perceived discrimination by the landlords linked to the tenants' non-EU **nationality** (2 participants), **religion** (2 participants) and **ethnicity** (one participant). As a participant noted, the landlords' discretion in tenant selection “has been taken to its absolute extreme”, with the associated risk of “choosing on the basis that you don't want specific types of persons.” **Young professionals**, even with decent jobs and salaries, felt particularly affected (4 of the 5 young professionals mentioned practices they perceived as discriminatory). Despite having good pay and the company's assistance to find housing, a non-EU employee of an international company struggled to find accommodation, expressing that “the rental system in Luxembourg makes you think about going back home”, because “it is particularly frustrating for immigrants.” Another participant felt discriminated against on an ethnic and religious basis, stating that refusing to disclose religious beliefs would result in landlord rejection [7]:

[7] I think that in my case, there has been some discrimination also linked to the fact that I am a person of colour... Some landlords asked me if I was Muslim, or Hindu, or something else: and even if it would have been legal not to disclose this information, if you don't answer you are automatically put in the bad list.

Other Notable Challenges

During the focus groups' discussions, 7 tenants perceived landlords' requests and conditions as undue and discretionary. In some cases, they felt forced to accept due to the lack of viable alternatives and the urgent need for housing. Such cases included last-minute changes to the rental contract, leaving tenants little time to find an alternative (4 mentions); rules of tenants' conduct exceeding legal requirements (3 mentions); requests to pre-pay rent or other expenses (2 mentions).

Additionally, foreign tenants highlighted the negative impact of advertisements by housing agencies and web platforms deemed deceptive, which complicated, and sometimes even compromised, the search for an adequate dwelling. The time constraints for finding an apartment and accuracy concerns related to rental housing advertisements made access to the private rental market a stressful and tiring experience for foreign workers [8].

[8] I thought that [Luxembourg] was like a normal European country. The point is that you can find a lot of advertisements, but you understand the real chances to get a decent apartment once you come here. Because the advertisement is mostly misleading, with houses that do not correspond to what is presented...

Lastly, real estate agencies' fees were perceived as excessive in relation to the provided services and unfairly charged entirely to the tenants, adding to a rent cost already considered particularly burdensome⁵.

⁵ The recent rental law reform introduces a scheme for splitting agency fees. The new rules are available at: <https://legilux.public.lu/eli/etat/leg/loi/2024/07/23/a3111/jo>

Chapter 3. During the Tenancy

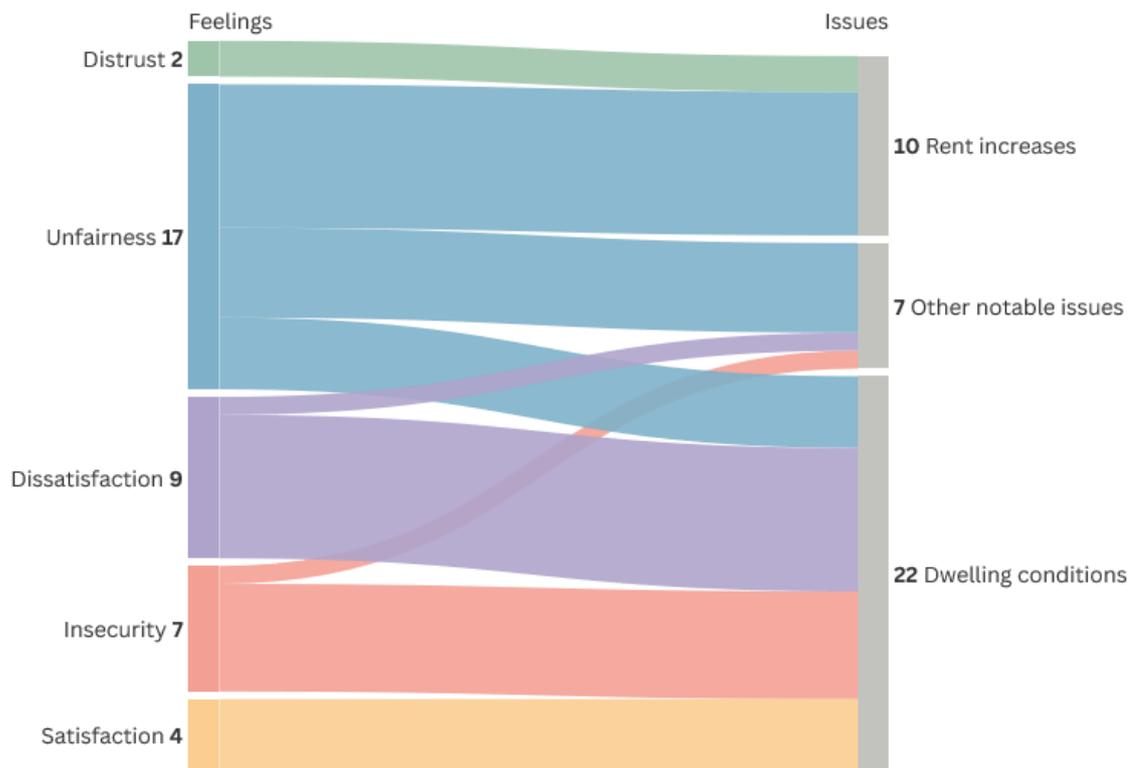
Living in a leased unit presents unique challenges compared to living in an owned unit. Leased housing tends to have more dwelling quality problems, rental prices consistently increase over time, and landlords and tenants must navigate and agree on needs and costs for maintenance and repairs. Both data sources of this report confirm these challenges, among others, exist in Luxembourg.

Main takeaways:

- Rental units in Luxembourg tend to have more dwelling quality problems than owned units, especially mould, humidity, structural issues, or overcrowding.
- Low-income households and households with children are more likely to experience dwelling quality problems.
- Tenants lack full knowledge of regulations regarding rent increases, but often question the legality of the increase and considered rules to be against their interests.
- Low-income, precarious, and young tenants have fewer tools to negotiate or oppose a rent increase.
- Monthly charges (the amount landlords can charge in addition to rent) gave place to disagreements. So did rental contracts tenants perceived as unclear.

The issues tenants discussed were coupled with mostly negative feelings in the focus groups (39 negative mentions vs. 4 positive mentions), as noted in Figure 6. Mirroring the overall findings (see Chapter 1), *unfairness* was the most recurring emotion when experiencing problems of dwelling quality, rent increases and unclear contracts. The two other prevailing emotions, *dissatisfaction* and *insecurity*, mainly revolved around dwelling quality problems. The only positive feeling, *satisfaction*, referred to the perceived overall housing quality in the private rental sector. The remaining sections of this chapter outline the types of specific challenges faced with respect to dwelling quality, rent increases, monthly charges, and other notable issues.

Figure 6. Feelings associated with issues during the tenancy, by mentions



Source: Authors' calculations from focus groups

Dwelling Conditions

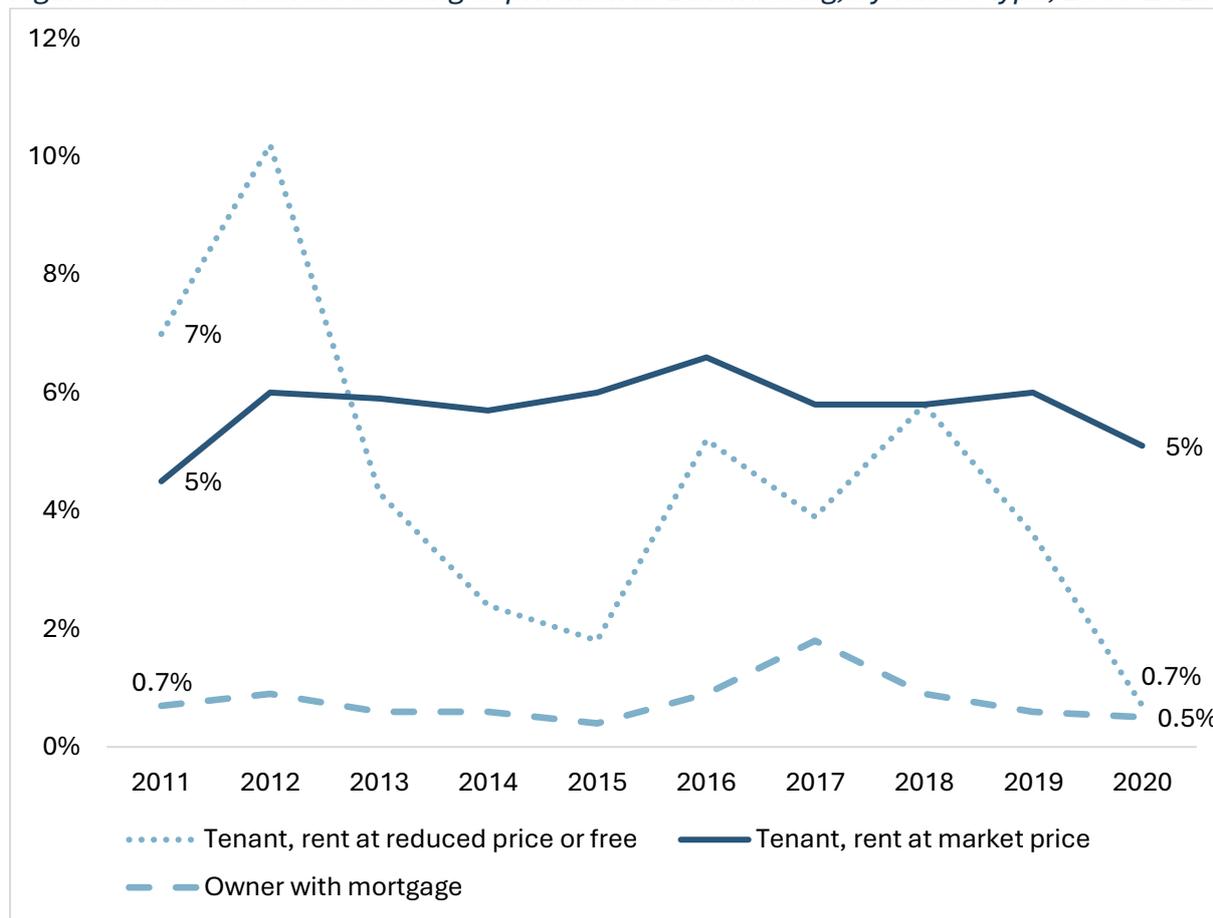
Good housing quality is crucial to well-being and health, and Luxembourg regulates the minimum safety and habitability criteria for dwellings and rented rooms. Yet, like other countries, prior evidence suggests that rental units in Luxembourg tend to have more dwelling quality problems than owned units. Poor dwelling conditions were the most frequently cited problem in the tenant correspondence and the second most cited in the focus groups. Mould and humidity, as well as structural/equipment problems, were commonly cited. Tenants cited difficulties in fixing dwelling quality problems, with unresponsiveness of landlords being a recurrent theme.

Context

Housing quality is widely known as crucial to people's security, general well-being, and physical and mental health (Brooks et al., 2023; Coulburn and Miller, 2022). Housing quality problems are often considered part of "housing deprivation" or "housing precarity" and come in many forms, such as overcrowding, poor ventilation, humidity, dampness and mould, infestation, noise from neighbours, insufficient light, and inadequate heating.

The private rental market is often considered the most precarious housing tenure, where poor housing conditions are frequently exacerbated by rising living costs and escalating rents (Waldron, 2022). From 2013 to 2020, as noted in Figure 7, a greater share of tenants in Luxembourg’s private rental market was affected by severe housing deprivation⁶ compared to both owners with mortgages and tenants in the subsidised or free sector.

Figure 7. Share of severe housing deprivation in Luxembourg, by tenure type, 2010-2020



Source: EU-SILC

Low-income households are particularly likely to experience dwelling quality problems. According to the cumulative deprivation index developed by the *Observatoire de l’Habitat*⁷, in 2019, about a third of private sector tenants experienced at least two housing problems at the same time, while 16.7% of them experienced at least three problems (against, respectively, 20.4% and 7.6% of all owners with mortgages). For the tenants at the bottom of the income distribution, the share of those with at least two

⁶ The rate of “severe housing deprivation” corresponds to the share of the population living in a dwelling which is considered as overcrowded, while also exhibiting at least one housing deprivation measure.

⁷ The cumulative deprivation index combines three indicators on housing conditions, the financial problems faced by households and the housing environment, based on the EU-SILC data (Observatoire de l’Habitat, 2023a).

problems reached 47.1%, while 31.8% experienced at least three problems simultaneously (Observatoire de l'Habitat 2023a: 21).

Children are also likely to experience dwelling condition problems. For households with children, Luxembourg falls in the bottom 25% of Member States for dwelling characteristics associated with water problems or mould.⁸

In Luxembourg, laws and regulations set the minimum health, hygiene, safety, and habitability criteria for rented dwellings and rooms.⁹ Tenants who experience a dispute with their landlord about a dwelling quality problem do have legal avenues for recourse¹⁰, but each possibility requires time, money, and an awareness of the laws and regulations –a set of prerequisites not held by all households.

Previous research indicates that the power asymmetry in tenant-landlord relationships can result in landlords being unresponsive to maintenance requests and that tenants may avoid repair requests due to concerns about potential rent increases, termination of the contract, or expenses associated with finding alternative options (Coulburn and Miller, 2022; Waldron, 2022). Combined, such realities may point to the persistence of dwelling quality problems, a finding consistent with the tenant correspondence and focus group data to which we now turn.

Tenant Correspondence

Poor dwelling condition was the most frequently cited problem in the tenant correspondence, comprising approximately 18% (n=46) of all correspondence to the tenant protection association.

As Figure 8 shows, mould or humidity were the most frequently cited dwelling condition problems (n=23), followed by structural or equipment problems (n=15), heating problems (n=15), other problems (n=10), and leaks or floods (n=4). Among these cases,

⁸ The indicator measures the following: leaking roof, damp walls/floors/foundation, or rotting window frames/floors. Data is from 2018 or earlier. Report available at:

<https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8286&furtherPubs=yes>

⁹ Loi du 20 décembre 2019 relative aux critères de salubrité, d'hygiène, de sécurité et d'habitabilité des logements et chambres donnés en location ou mis à disposition à des fins d'habitation.

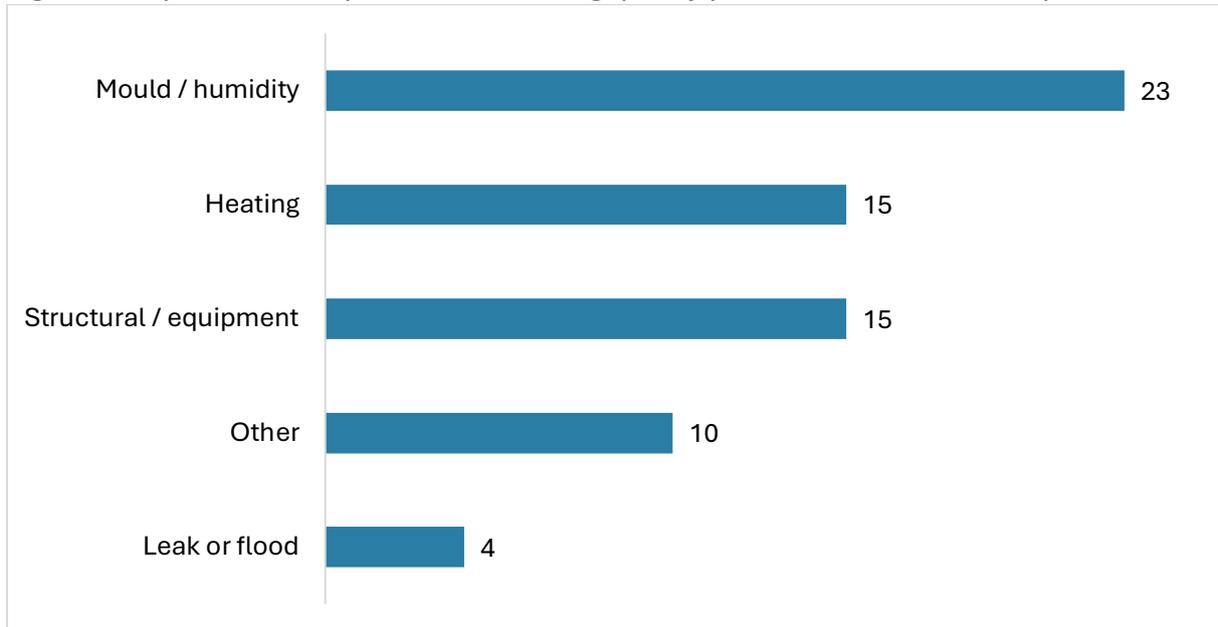
<https://legilux.public.lu/eli/etat/leg/loi/2013/06/19/n3/jo> | Règlement grand-ducal du 20 décembre 2019 déterminant les critères minimaux de salubrité, d'hygiène, de sécurité et d'habitabilité auxquels doivent répondre les logements et chambres donnés en location ou mis à disposition à des fins d'habitation.

<https://legilux.public.lu/eli/etat/leg/rgd/2019/12/20/a883/jo>. As examples: regulations establish the minimum conditions of health and hygiene (chapter II, regulation) in all the rooms, such as windows offering views to the outside, proper ventilation (especially in toilets, kitchen, laundry rooms and garbage areas), protection against humidity, cold, heat, and air streams, and protection against contaminating agents or a high concentration of microorganisms that are harmful to the health of the occupants.

¹⁰ Loi du 21 septembre 2006 sur le bail à usage d'habitation et modifiant certaines dispositions du Code civil.

20% of tenants (n=9) cited a lack of response from their landlord in addressing the problem.

Figure 8. Experienced or perceived dwelling quality problems, tenant correspondence



Source: Authors' calculation from tenant correspondence

Note: Correspondence (n=46) could contain more than one problem

Mould/humidity

In the correspondence about mould or humidity, the tenant often sought assistance, having exhausted their resources to resolve the problem. In rare cases, the dispute revolved around who should bear the costs. Some correspondence indicated problems that extended across years. Some problems were specific to multi-unit buildings, extending beyond the tenant-landlord relationship to include the owners of other units. Tenants with children living in units affected by mould shared concerns about their children's health.

Number and severity of problems

Of the five types of dwelling quality problems, 65% of the tenants experienced one problem (n=30), 26% two problems (n=12), and 9% three or more problems (n=4). The severity of the problems varied greatly, but households with children typically experienced the most extreme problems. In at least two cases, the correspondence indicated that the tenant perceived the unit uninhabitable (or deemed as such by an outside agency), with a sense of urgency and distress apparent in the correspondence. In one case, a homeless single mother with a child described securing a unit via a social media marketplace. When attempting to move in, she realised it was not as advertised, and she considered it dangerous and uninhabitable (including a door that fell off). She was also informed that she could not register there. At the time of the correspondence, the mother refused to move into the unit and requested help in terminating the lease.

Focus Groups

About 66% of focus group participants (n=21) mentioned dwelling quality issues (including problems of leaks and floods), with 18% of them (n=6) reporting more than one quality problem. Several but not all problems overlap with those found in the tenant correspondence.

Focus groups participants regularly described these problems as leading to **disputes with landlords and/or real estate agencies** about the **responsibility to fix** them and the **cost burden**. Participants viewed landlords' unwillingness, resistance, or delays in solving water leaks, poor insulation, safety, and sanitary issues – sometimes after repeated complaints – as an additional challenge. In a few cases, the problems were already present when the apartment was rented, and different participants described what they perceived as rental agencies/landlords' deceptive behaviours [9; 10]:

[9] ...we had different things to fix, like the windows. The landlord was not available to intervene. Also, we had problems with the electrical system, which was not entirely safe.

[10] In the first apartment I saw, a year ago, the owner did not tell me that the terrace needed to be renovated. One day it started to rain a lot and I had water coming from the terrace into the apartment. I was surprised, and I told her. I did it five times. To the point that I had to take a lawyer: we discovered that the problem was already there in 2017, but she rented the apartment anyway. That's why I left: every time it rained the water went everywhere...

From the focus group held at Luxembourg's *Social Office*, it emerged that **vulnerable tenants are in an especially weak position to request repairs** from their landlords compared to the participants from other focus groups. While the latter responded to challenges by taking legal actions and eventually moving elsewhere, the more vulnerable tenants had few or no alternatives. Vulnerable tenants' insecurity and fear of eviction sometimes prevented them from insisting on necessary repairs. One participant repeatedly reported a problem of water leaks in his bathroom without success, with serious hygiene problems for his family [11]. Another tenant described the enduring problem with the apartment's boiler and the landlord's unavailability to solve it [12].

[11] There is a problem with the toilet again, since 2012. I'll show you (he shows us some pictures): there is water everywhere...If I had the means, I would leave this house. I do not have the means.... The landlord says that it is not his problem. I do not have any means, otherwise I would leave the house. Everything is wet because of this water leak and the smells are terrible. I am even afraid to insist because he will kick me out. There, that's my problem.

[12] I pay 1600 euros, plus charges, never missed a rent, but the water heating does not work, every week: it is terrible if you have to take a shower... It's a shame. He just takes the money!

Aside from problems concerning the building itself, *overcrowding* was also experienced mostly by low-income and socially vulnerable tenants. Some households have two or more children living in a studio flat with inadequate space and ventilation systems. This caused two participants to be anxious about providing adequate living spaces for their children [13].

[13] I left the house with my three kids. Then I talked to the lady who had a lot of houses, and she gave me a little studio. Now I live there with the kids. It's very small. We're all in one room: only the toilet is separate. It's really complicated to live like this with children... We have a bunk bed: the two little ones sleep on the bottom bed, the oldest on the top bed, and I am next to them... One of my children cannot sleep well in this situation and often falls asleep in class at school.

Concerning participants' feelings, dwelling quality issues caused *dissatisfaction* (mentioned 11 times), which referred to a lack of appreciation and a sense of discomfort for the dwelling's inadequacy to meet the tenants' quality expectations and desires. In the most extreme cases, particularly with participants in vulnerable conditions, this feeling involved deep personal frustration and concern for the future. It was the case, for example, of a single woman living with her child in a poorly ventilated and inadequate studio apartment [14].

[14] When I showed to my son the studio I had found, he said to me, "Here, mom... Are you sure?" [...] When I had to cook, I must open the window of the toilet: it's disgusting, but you have to survive... I had no idea that it would have been so difficult to find an apartment in Luxembourg, with quality [...] I was really shocked...

Moreover, participants in substandard accommodation expressed *insecurity* (mentioned 9 times) about their future housing situation. They felt *powerlessness* regarding landlords' unresponsiveness and anxiety about the inability to improve their living conditions. Although some participants managed to secure repairs after insisting (2 participants) or simply left the apartment (n=1), those in more precarious and vulnerable situations showed their frustration for not having such possibilities (n=4).

Not all the feelings were negative, however. There was a positive sense of *satisfaction* (mentioned 4 times) with the overall housing quality in Luxembourg when compared to other personal experiences in other countries. While still stressing high rental prices, a few participants agreed that dwelling quality in Luxembourg is generally good and higher than in larger European cities where they had lived [15]:

[15] ...here the prices are very high, but the quality is better, compared to situations like Paris, where you can find very expensive apartments that have terrible conditions [...] The quality here is generally higher.

The tenants who were satisfied with the overall housing quality were middle-income professionals. As these observations suggest, feelings concerning the well-being and enjoyment of a rented dwelling tend to polarize along economic and social dimensions, with low-income tenants experiencing the most negative emotions.

Rent Increases

Rent increases can contribute to affordability challenges and were one of the most common issues tenants described in both data sources. In the correspondence, tenants regularly asked questions about the legality of a rent increase. The focus group data offered more nuances about tenants' views on the rules regarding rent increases, where tenants expressed concern about regulations they deemed more in favour of landlords, feelings of unfairness or powerlessness, or feelings of insecurity in cases where the contract could be terminated if the tenant did not accept the rent increase.

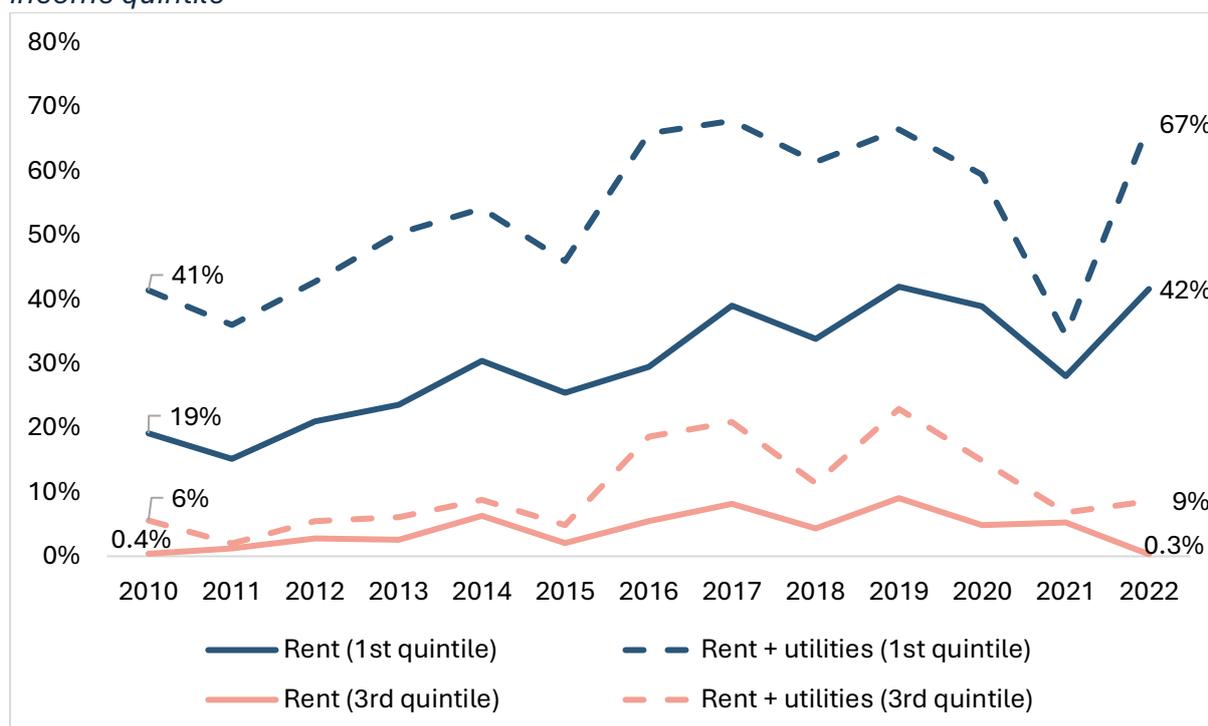
In the European Union, rental prices have increased on average 20% from 2010 to 2023, with rent increases in Luxembourg 18% (Eurostat¹¹). However, rent increases during the same rental contract were less dramatic, with an average of 1.7% increase for Luxembourg during the same period (Observatoire de l'Habitat, 2023b).

As rental prices continue to increase, Luxembourg tenants in the private rental sector spend more of their income on housing than those in other tenure types. In 2019, renters spent an average of 37.3% of disposable income on housing costs, compared to owners with a mortgage (29.5%) and outright owners (11.0%) (Observatoire de l'Habitat, 2021: 5).

Among renters, low-income households are more likely to be considered overburdened by their housing costs. Figure 9 compares the share of low-income and middle-income renters (measured by the first and third income quintiles) who spend more than 40% of their income on rent. Especially when utilities are considered, the majority of low-income renters are considered to be overburdened with housing costs. The 40% threshold is conservative, with research indicating that housing costs, even as low as 10-25% of income, could constitute a burden for low-income households (OECD Affordable Housing Database; Dewilde, 2018).

¹¹https://ec.europa.eu/eurostat/databrowser/view/PRC_HICP_AIND__custom_10807933/default/table?lang=en

Figure 9. Share of households spending more than 40% of income housing costs, by income quintile



Source: OECD Affordable Housing Database

Notes: Rent + utilities data not available for the 3rd quintile in 2022, value is imputed

In this setting, the legal framework regulating rent increases¹² limits the amount and the period when an increase is allowed. Allowable rent increases are based on a rule calculating 5% of invested capital by the landlord in a dwelling (art. 3.1), with no additional increases allowed within the next two years (art. 3.5). The law also outlines a process for tenants to dispute a rent increase.¹³ Under this framework, although mechanisms exist to limit rents, prices are in general set according to private rental market dynamics.

During the period of this study, a temporary rent freeze¹⁴ was introduced due to an exceptional time of rising living costs and declining purchasing power.¹⁵ This measure

¹² Loi du 21 septembre 2006 sur le bail à usage d'habitation et modifiant certaines dispositions du Code civil: <https://legilux.public.lu/eli/etat/leg/loi/2006/09/21/n1/jo>

¹³ Tenants must first communicate with the landlord their disagreement on the increase and mention an action before the rent commission. The rent commission is set by the aforementioned law (arts. 7-11) to determine the rent amount in case of dispute (art. 9). If one of the parties disagrees with the decision of the rent commission, an appeal process can be initiated before the peace judge (art. 10). In case of disputes regarding other issues of the rental experience, tenants can go directly to the Peace Judges, who are the competent authority to hear cases about most rental issues (*bail à loyer*).

¹⁴ Adopted by the Parliament in the Loi du 29 juin 2022 portant transposition de certaines mesures prévues par l'« Accord entre le Gouvernement et l'Union des Entreprises luxembourgeoises et les organisations syndicales LCGB et CGFP », Chapter 2, article 2.

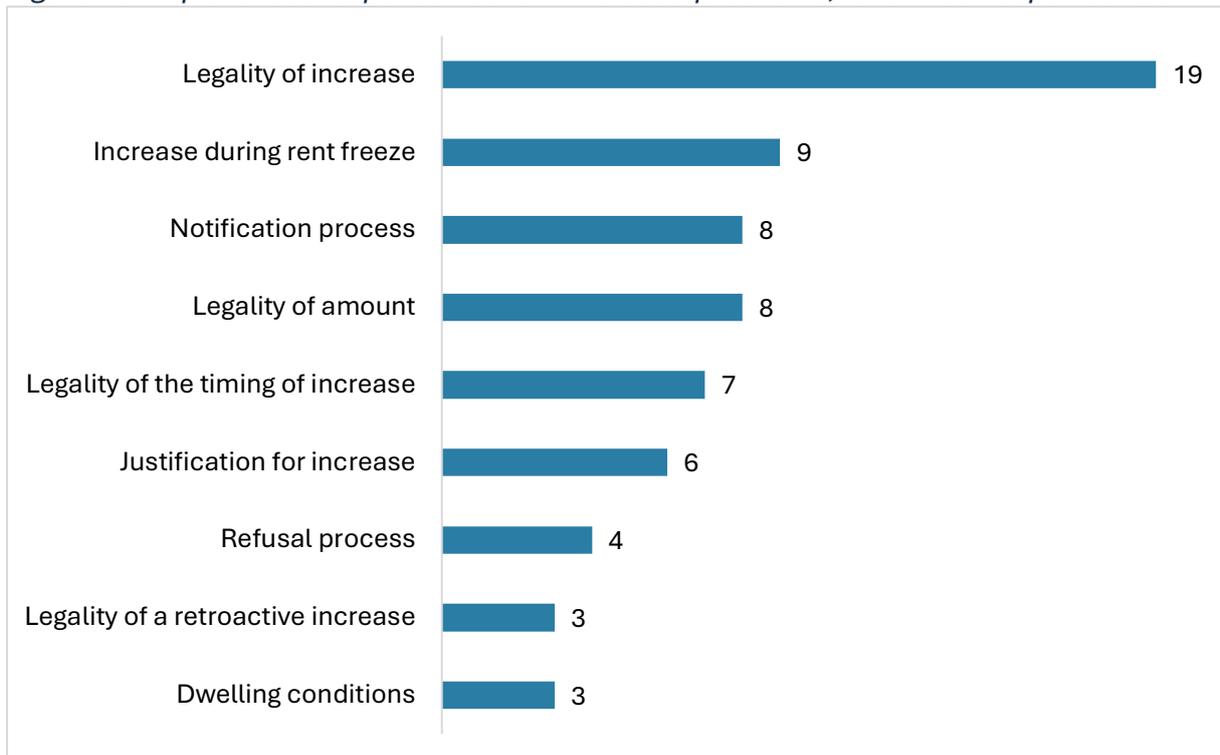
¹⁵ in coalition with the Union des Entreprises Luxembourgeoises (UEL) and the unions LCGB and CGFP (Solidariteitspak, 31st March 2022): <https://logement.public.lu/dam-assets/documents/actualites/2022/03/accord-Tripartite-Solidariteitspak.pdf>

was adopted along with a reform to the existing rent subsidy to avoid situations where the tenant would receive the subsidy, but a rent increase would consume it.¹⁶

Tenant Correspondence

Approximately 11% of all correspondence (n=29) indicated a problem or challenge regarding a rent increase. Figure 10 illustrates the most frequently cited problems.

Figure 10. Experienced or perceived rent increase problems, tenant correspondence



Source: Authors' calculation from tenant correspondence

Note: Correspondence (n=29) could contain more than one problem

Most tenants (n=23) asked two or more questions about the regulations surrounding rent increases. The **primary reason for the correspondence was to ask whether the increase was legal at all (n=19) or, while not questioning if the increase was legal, whether the increased amount was legal (n=8)**. In all but four cases, tenants provided additional details, context, or questions about their situation. About a third of tenants in this group (n=9) asked specifically about the temporary rent freeze measure. While a few tenants asked for help responding to a rent increase notification, most were seeking information about the laws on rental prices and rent increases. Box 2 identifies the most common questions asked by tenants.

¹⁶ More information about the rent subsidy, including eligibility and the application process, can be found on the Luxembourg's Housing Ministry website: <https://logement.public.lu/fr/locataire/obtenir-aide-location/subventionloyer.html>

Box 2. Common questions regarding rent increase regulations

Tenants often asked one or more questions about a rent increase. The most common questions included:

- Under what conditions can the landlord increase my rent?
- Is there a maximum amount by which my rent can be increased?
- How often can the rent be increased?
- Can the landlord apply a retroactive increase in the rent?
- Does the landlord need a justification for increasing the rent / is the justification the landlord provided legal?
- What form must the rent increase notice take and how much advance notice must be provided?
- Can I object to an increase / What happens if I object an increase / I objected to an increase, what now?

To increase awareness about the regulations around rental prices and rent increases, organisations could work to provide easily accessible answers to these questions.

Five of eight tenants asking about the legality of the amount of an increase communicated the cost of their rent before and after the increase, ranging from a 20% increase to a 65% increase. No generalisations can be made from these values given the small number of tenants providing this information; however, those who wrote about rent increases did experience rather significant ones.

Some tenants received notice of a rent increase through a medium other than formal written communication, including verbally or by text message, and wondered if this was a valid form of notification. Others asked whether their landlord was required to justify an increase (i.e., after making repairs/improvements) or whether indexation or aligning with market prices were valid reasons. Some explicitly asked for information about the capital investment rule, but more often, such information was provided as an answer to a question about the legality of an increase. Only a few tenants (n=3) indicated that poor dwelling conditions were connected to their concern that a rent increase was unjustified.

Focus Groups

Rent increases were the fourth most common problem discussed among the focus groups' participants. About a third of the focus groups' tenants (10 participants) considered rent increases excessive or undue, relying either on lived experience or personal opinions about the Luxembourgish rental market. In most cases, the **participants perceived a lack of tenants' protection** in the landlords' decision to increase the rent, along with **perceived difficulties in finding information** on the legality of such increases [16].

[16] I thought it was normal to raise the rent as much as the landlord wanted. The 10% rent increase was too much for me, but I had to accept because I was afraid of being evicted.

When further queried, a lack of clarity in the rental contracts and a regulatory system judged too permissive for landlords emerged as the two main factors underpinning the tenants' experiences about "unfair" rent increases demanded by landlords. A participant shared his experience with a landlord trying to increase the monthly rent because of an alleged increase in the apartment's market value. In the end, the tenant managed to resist the landlord's demands but commented on his experience as a typical example of how difficult it can be to resist undue landlords' requests for rent increases [17].

[17] I had a contract for a standard apartment, but my landlord wanted to raise the rent since I had an indexation of salary: he wanted a part of it... [...] He said that his apartment has become more valued, due to a point system of the State: the value points of the building increased, so justifying rent increases. [...] But I showed that he could not pretend it, since he made no further investments in the apartment. In the end, he had to abandon his requests: but I am sure that most of the other tenants, being in a weaker position, did cede to this request.

A relevant topic that emerged in the discussion was **the vulnerability of low-income, precarious, and young tenants** in the face of rent increases due to their **fear of losing their dwellings and not having a viable housing alternative**. The exchange below between two participants about a landlord's claim to increase the monthly rents for all her rented dwellings exemplifies the shared perception of the weak negotiating position of the most vulnerable groups of tenants [18].

[18]

Participant 7 - But the other tenants could protest!

Participant 8 - The problem is that young people are not in a position to protest. They risk losing the apartment...

Participant 7 - Yes, this is true, because you are afraid of landlords when you are vulnerable...

Disputes related to rent increases and alleged unclear rental contract terms evoked, in most cases, a sense of *unfairness* (mentioned 8 times). The statements and exchanges about a perceived unfair situation were associated with *anger*, traced either from personal stories or to more general sentiments about the role of public authorities. The actors and institutions deemed responsible included rental agencies (4 mentions), landlords (5 mentions), and public authorities (5 mentions). The latter, in particular, was mentioned as having the ultimate responsibility for a rent regulation system perceived as inadequate in protecting tenants [19].

[19] I don't understand the role of the Ministry in that: how is it possible that [the agencies and owners] can do that... This is not the case of a holiday residence: housing is a vital need. This situation is only permitted because of the law!

Monthly Charges

Questions or disputes around monthly charges (e.g., utilities and maintenance) were common in the tenant correspondence, as the fifth most cited topic. Questions or disputes around the proof of expenses, increases in charges, and payment responsibility were the three most common problems. Conversely, focus group participants did not raise

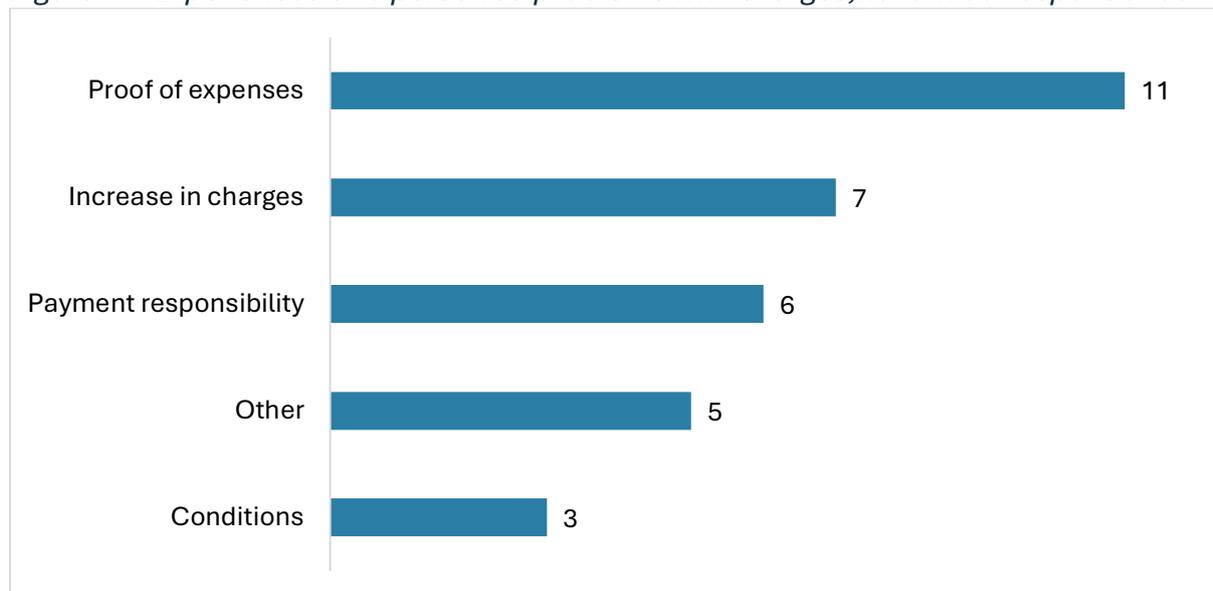
the issue of charges, indicating one of the few areas where a topic was present in one data source but not the other.

The setting of monthly “charges” (the amount landlords can charge in addition to the rent) is governed by the law on rental leases¹⁷, which states that tenants can only be charged on expenses related to their energy consumption, maintenance of the dwelling and common areas, minor repairs, and taxes related to the use of the dwelling (art. 5.3). The landlord can require appropriate advance payment of these costs, which can later be adjusted to reflect the actual expenses by the tenant. In case of charges common to several dwellings, the division of the amount is jointly set by the owners. The landlord is required to provide itemized proof for disbursed expenses.

Tenant Correspondence

Approximately 10% of all correspondence (n=25) indicated a problem or challenge about monthly charges. Figure 11 illustrates the most frequently cited problems.

Figure 11. Experienced and perceived problems with charges, tenant correspondence



Source: Authors' calculation from tenant correspondence

Note: Correspondence (n=25) could contain more than one problem

Most commonly, tenants had a dispute, problem, or question regarding the **proof of expenses** (n=11). Some received no proof of expenses, while others did not understand the breakdown of charges. The expense typically but not always revolved around **utilities**, with multiple tenants indicating they received no justification for how the utilities were divided across units with a shared meter. Others were charged a fee that they believed was not allowable (n=6), ranging from maintenance of shared spaces,

¹⁷ Loi du 21 septembre 2006 sur le bail à usage d'habitation et modifiant certaines dispositions du Code civil: <https://legilux.public.lu/eli/etat/leg/loi/2006/09/21/n1/jo>

property taxes, building insurance, or syndicate bank fees. Such correspondence indicated a lack of awareness about which expenses are allowable.

Those who wrote about an increase in charges (n=7) generally did so to ask whether it was allowable and if they had any rights surrounding the matter. In a few cases (n=3), tenants connected their problem to dwelling conditions. For instance, one tenant described a situation where their landlord increased charges while failing to address a problem with the heating unit that prevented it from shutting off.

Other Notable Challenges

Several other problems and experiences during the tenancy were recurrent. The tenant correspondence included questions or disputes about repairs or landlord behaviour, as well as cases specific to, for instance, social housing or verbal leases. Together, they accounted for 13% of the total correspondence. In the focus groups, clarity of rental contracts emerged as a recurrent theme.

Tenant Correspondence: Repairs and other issues

The remaining tenant correspondence about topics during the tenancy fell into one of a few categories. In 5% of the correspondence (n=14) tenants wrote about a problem with repairs and who was responsible. The item itself varied widely (e.g., painting, floors, appliances, windows, and internet as well as walls, water damage, etc.). The requests themselves, however, followed two themes: a dispute about who should pay the cost for the repair (n=6) or a refusal on the part of the landlord to pay for a repair that the tenant believed should be the landlords' responsibility (n=8). Much of the correspondence in this category pointed to dwelling quality issues included in typical housing deprivation measures, such as dampness and mould.

In 3% of the correspondence (n=9), tenants wrote in about the specific behaviour of their landlord. The most common (n=5) was a request for help or information about engaging with a landlord who the tenant perceived as a nuisance, for instance, visiting the premises or entering the unit without notice. The few remaining cases were specific to social housing (n=4), a verbal lease (n=4), or other concerns (n=3).

Focus Groups: Clarity of contracts

Unclear rental contracts emerged as a recurring concern for about a third of the participants in the focus groups (11 participants), particularly in case of disputes with landlords or real estate agencies. While also present in the tenant correspondence, it was embedded in conversations about specific problems (e.g. repair responsibility) and remains outside the scope of this report. Yet, the focus group data provides several insights into this dimension of the tenant experience.

In general, **tenants' knowledge of their rights and duties was insufficiently detailed** to be able to clarify contract terms in case of dispute. These disputes usually revolved around payment responsibility concerning repairs and maintenance (4 participants) and

rent increases during the contract (2 participants). One example of such lack of clarity is reported below [20]:

[20] In my experience, you have to be careful because some details and clauses are not correct, not legal: but the agency is not saying anything, of course... When you know nothing about the contract, you can have scams [...] For example, in my contract there was the condition that, in case of painting, the person responsible for doing it must be chosen by the owner: but it is the tenant that must pay, and it is not fair... Really the contract was not clear on that: the owner should be in charge of painting work only "if it was needed": it was not clear what that means...

Chapter 4. Ending the Lease Agreement

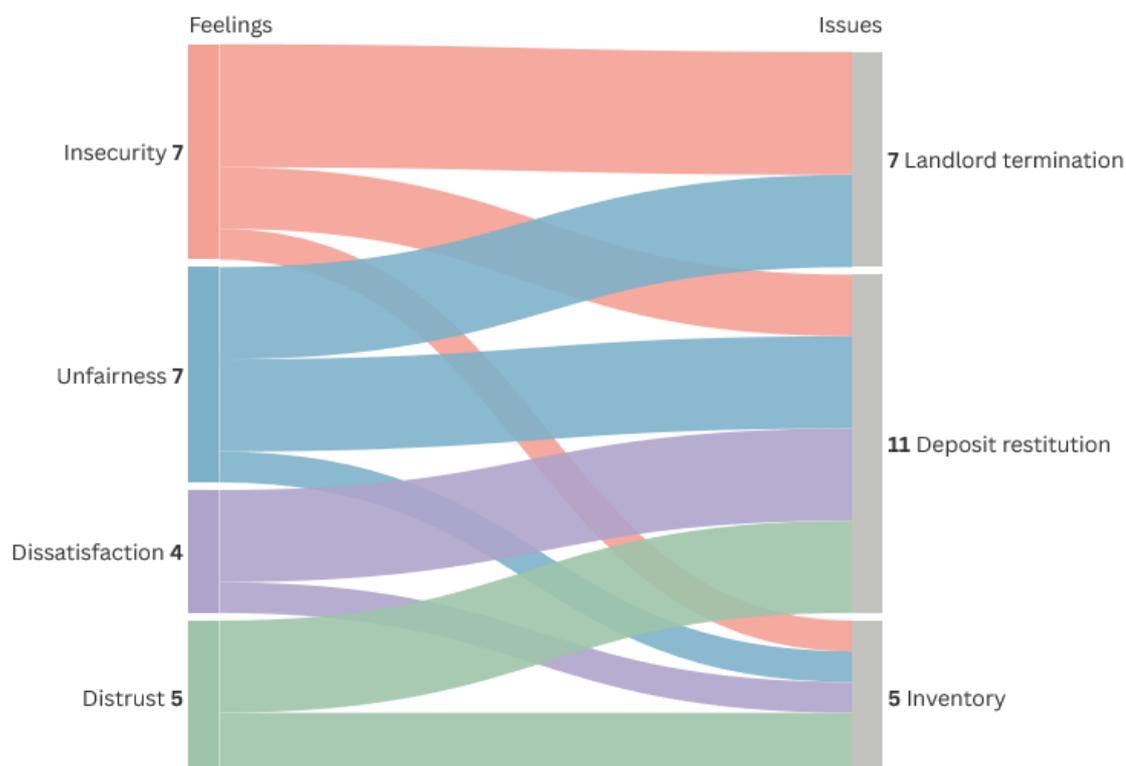
Ending the lease agreement can occur through expected channels, such as the case of non-renewal, or unexpected channels, such as early termination by the landlord or tenant. Both set the stage for misunderstandings and conflict around issues such as the return of the security deposit, as well as, at times, increased tenant insecurity. Both sources of data used in this report confirm such disputes and insecurity exist in Luxembourg.

Main takeaways:

- Delays or disputes around the return of the security deposit are core issues.
- Tenants cite return time length, unresponsive landlords, and disputed amounts when seeking return of their security deposit.
- Landlord-initiated terminations (e.g., personal necessity or tenant non-compliance) were identified more often than tenant-initiated termination.
- The sale of a unit is a sticking point, even though it is not a legal reason for unilateral termination by the landlord.

Focus group participants regularly coupled these issues with feelings of unfairness and insecurity, as noted in Figure 12. Other feelings, such as dissatisfaction or distrust, were also present at this stage. The following sections outline the details of these challenges.

Figure 12. Feelings associated with problems in exiting the rental contract, by mentions



Source: Authors' calculations from focus groups

Deposit Restitution

In tenant correspondence and focus groups, delays and disputes in deposit restitution were commonly identified when exiting the rental unit. The lack of information or clear terms was a source of uncertainty and contention. Those who discussed the circumstances of the exit inventory often expressed reservations regarding its accuracy, believing that inaccuracies combined with unclear contract terms served as instruments for landlords to keep the deposit. Deposit withholding posed a financial constraint, causing concern and uncertainty, for tenants as they moved to a different accommodation.

Context

In Luxembourg, the law on rental leases¹⁸ states that a landlord can request a deposit provided that a written report about the state of the premises is signed by the tenant before moving or, at the latest, during the day of the move (art. 5.2). The law was modified after data was collected for this study: during the time under review, the deposit could not exceed three months' rent and there was no legal timeline for the return of the deposit. The new modifications lower the deposit to a maximum of two months' rent and establish a timeline for the return of the deposit.¹⁹ Some of the concerns that tenants identified in this report may be mitigated by these changes, which future studies could assess.

In Luxembourg, it is also common for the landlord to keep some or all utilities in their name. Thus, in practice, landlords often wait until all utility bills are reconciled with the company, which could take up to a year, before returning the deposit.²⁰

Tenant Correspondence

Rental deposit problems represented 13% of all tenant correspondence (n=34), the second highest category cited.²¹ Figure 13 illustrates the nature of the problem, whether it be the **return time length**, the **amount of the deposit returned**, or both. The most common cost disputes involved utilities (n=10), followed by wall damage or a

¹⁸ Loi du 21 septembre 2006 sur le bail à usage d'habitation et modifiant certaines dispositions du Code civil.: <https://legilux.public.lu/eli/etat/leg/loi/2006/09/21/n1/jo>

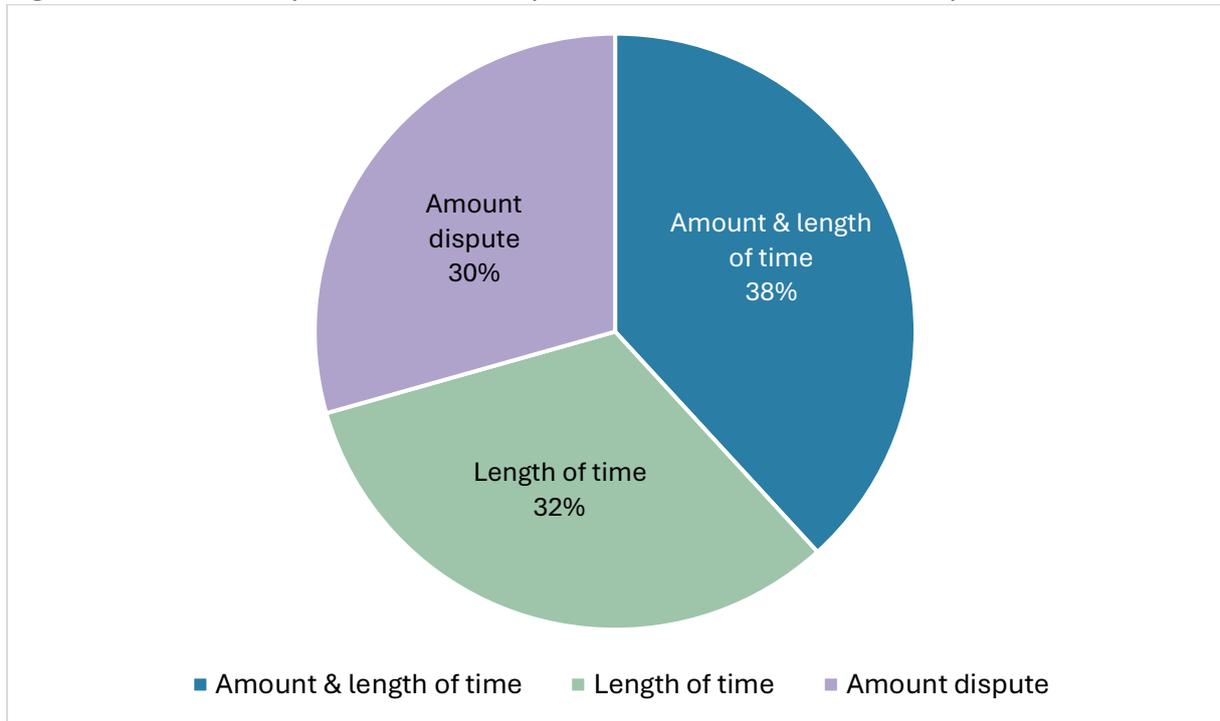
¹⁹ The reformed law can be found at: <https://legilux.public.lu/eli/etat/leg/loi/2024/07/23/a311/jo>

²⁰ The new law requires that half of the deposit must be returned within one month of the contract termination if no damages or rent arrears are reported. The remaining amount must be returned after the annual charges are cleared. The procedure for disputes has also been updated.

²¹ A few tenants (n=5) wrote in with problems or expected problems with the inspection, such as scheduling the exit inventory or the absence of an entrance or exit statement. These were coded as a separate category and not analyzed here.

requirement to paint (n=7), structural issues (n=6), no reason or proof given for withholding the deposit (n=6), mould or water damage (n=3), or something else (n=3).²²

Figure 13. Perceived problems with deposit restitution, tenant correspondence



Source: Authors' calculation from tenant correspondence (n=34)

Regarding utilities, tenants commonly indicated nonresponse from their previous landlord or that the return time seemed unusually long. Tenants seemed to be unaware of the absence (before the reform) of a time-bound regulation regarding the return time. In some cases, disputes or problems that started during the tenancy (for instance, related to the dwelling conditions) persisted during the dispute about the deposit restitution, making it difficult to determine fault and responsibility, at least from the tenant's perspective.

Moreover, issues mentioned around a cost dispute, such as structural problems or mould/water damage, were the same as those reported by those with dwelling condition problems, further pointing to a consistent set of quality problems experienced within the private rental sector. Similarly, some tenants with rental deposit problems also experienced landlord nonresponse, just as those with dwelling condition problems did.

²² Some tenants reported more than one item where the cost was disputed. Four cases did not provide enough detail to code this dimension.

Focus Groups

Delays in the return of the rental deposit represent a recurring experience among the participants when exiting the rental contract (n=8). In half of the cases, participants had to request the restitution of the deposit repeatedly and insistently, waiting from 3 months up to one year to obtain it. The following exchange among tenants in a focus group session illustrates the problem [21]:

[21]

Participant 1 - The main problem for me with exiting is to get the deposit back. They told us that it could take up to six months depending on when the complete calculation about the exact amount to give back is done. I have sent a lot of email without having an answer. I had to push myself into the company's office... But still nothing.

Participant 2 - Also in my case, I had to wait for one year!

Participant 3 - Ok, I was complaining about the delays that are just of three months in my case compared to yours...

As reported by the participants, the justification for such delays relates to the time to calculate the deposit amount in relation to the **final settlement of the utility bills**. Yet, as a participant made clear, the main reason for discontent is the **lack of clear information and deadlines** regarding the annual utility settlement and the reimbursement of the initial deposit, leaving the tenants uncertain and concerned. The uncertainty of not having the deposit returned was cited as a main 'moving cost' factor preventing the participant from looking for a better dwelling: "*on ne sait pas si on va recevoir le dépôt de l'ancien appartement ou non*" ["we never know if we will receive the deposit of the old apartment or not"].

Tenants also discussed the accuracy and reliability of the apartment's inventory (*état des lieux*). Four tenants experienced apartment inventories being conducted carelessly and roughly (in one case also in the tenant's absence), allowing the landlords to claim part or all of the initial deposit for alleged repairing, renovation, and cleaning costs [22].

[22] In my experience, the agency did the inventory without me being present, and they emailed it to me... I had to accept it, because it was the only availability I found.

Two participants openly warned the other focus groups' members about the **importance of taking notes and pictures of the apartment's inventory** "*otherwise the landlord at the end could profit from this and ask you to pay and thus taking the whole deposit.*" Even in this case, uncertainty and concern remained about the conditions and rules allowing landlords to claim deposits from tenants, with some tenants believing that landlords need no proof or justification to deny their restitution.

Tenants expressed negative feelings about the length and amount of the deposit restitution, and the accuracy of the dwelling's inventory (16 mentions). For example, as for deposit restitution, the negative emotions ranged from insecurity about the length of the time (2 mentions) to dissatisfaction, distrust, and unfairness for delays in and terms

of the restitution (3 mentions each), leading the participants to take action in response to the landlords or rental agencies. The exchanges among the three participants below represent their distrust of tenants' protection [23].

[23]

Participant 4 - The problem also is that there is no limitation in the law. The landlords can keep your deposit as long as they think that you damaged the apartment in some respects... I checked the law on this.

Participant 5 - There are a lot of legal loopholes in this respect.

Participant 4 - There is not even a loophole, there is the law saying this.

Participant 5 - Yes, I meant, there is an intended legal vacuum, leaving landlords free to do that.

Participant 6 - I think that in most cases the problem is that the law is so complex that often is difficult to navigate it.

Landlord-initiated termination

Landlord-initiated termination was the third-most cited issue among tenants. This category encompasses situations where landlords cite legal reasons for termination, with the most frequent being personal necessity, tenant non-compliance, and other legitimate grounds. Although the sale of the property is not considered a legal basis for termination, tenants often felt pressured to vacate under such circumstances. Disputes typically revolved around the termination process and the landlord's right to terminate, although some reported cases lack specific details. Consequences ranged from challenges in securing new housing to legal proceedings and eviction, with tenants in shared accommodation slightly overrepresented in this category.

Context

In Luxembourg, unilateral termination of a rental lease by a landlord is permissible under three circumstances: personal need of the property, tenant's non-compliance with obligations, and serious reasons the landlord must duly justify (i.e., demolition or a major structural renovation where it is impossible for the tenant to remain in the unit) (art. 12.2)²³. If the reason for termination is personal need, the landlord must notify the tenant six months in advance of the termination (art. 12.3); otherwise, notification requires a minimum of three months (art. 1736, Code Civil).²⁴ The notification must be made by registered letter with an acknowledged receipt (art. 12).²⁵ The sale of the dwelling is not a valid reason for termination. Instead, the unit is sold with a lease, at which point the new

²³ Loi du 21 septembre 2006 sur le bail à usage d'habitation et modifiant certaines dispositions du Code civil.: <https://legilux.public.lu/eli/etat/leg/loi/2006/09/21/n1/jo>

²⁴ Article 1736, Code Civil: https://legilux.public.lu/eli/etat/leg/code/civil/20230923#art_1736

²⁵ See also: <https://guichet.public.lu/en/citoyens/logement/location/contrat-litige/resiliation-bail.html>

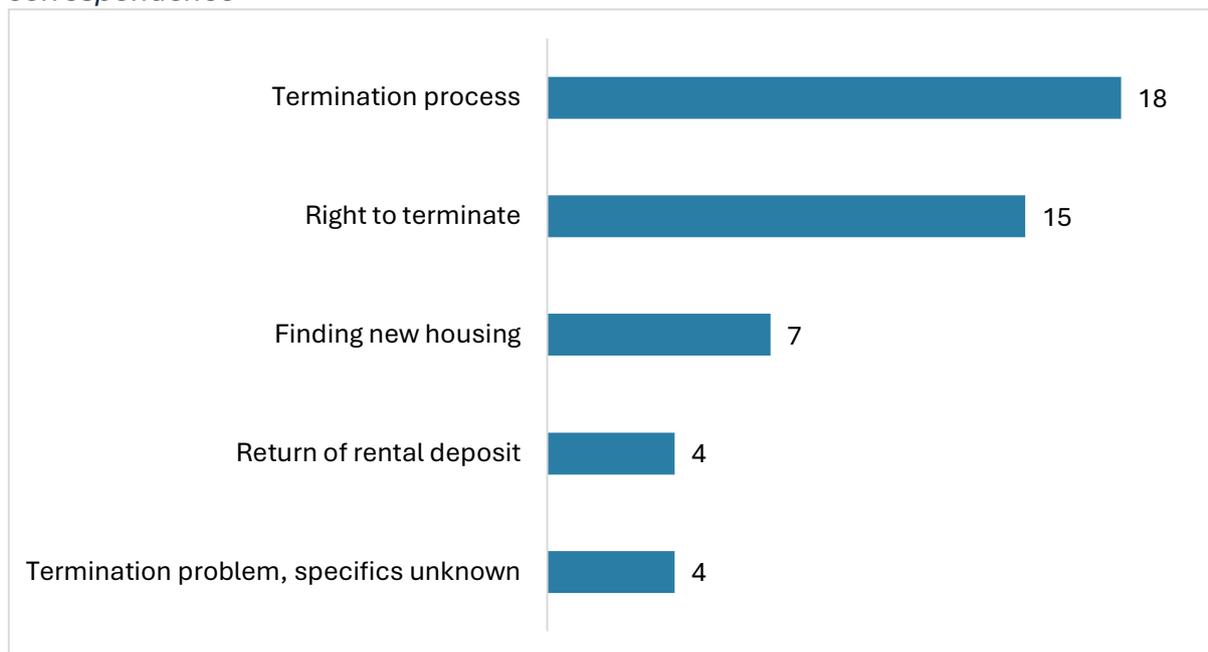
owner can continue the lease or has the right to terminate it using the legally valid reasons noted above (art. 12.6).

Tenant Correspondence

The category *landlord-initiated termination* includes cases where the tenant indicates the landlord initiated a unilateral termination via legally valid reasons (e.g., personal need) as well as those initiated by reasons that are not legally valid (e.g., sale of the premise). It also includes cases where the landlord acted in a way that the tenant perceived they should, or needed to, vacate the premises.²⁶

Problems stemming from a landlord-initiated termination were the third highest category cited in the correspondence, representing approximately 12% of all tenant correspondence (n=32). As shown in Figure 14, they fall within four types: disputes about the **termination process** (n=18), landlord's **right to terminate** (n=15), problems **finding new housing** after termination notice (n=7), return of rental deposit (n=4), and cases where specific details were not identified (n=4).²⁷

Figure 14. Perceived problems surrounding landlord-initiated termination, tenant correspondence



Source: Authors' calculation from tenant correspondence

Note: Correspondence (n=32) could contain more than one problem

²⁶ To fall into this third case, the tenant correspondence ascribed the reason for departure, or for seeking alternative housing, as prompted by the words or actions of their landlord, as was sometimes the case when a landlord informed a tenant they were selling a unit. While such cases are not termination in the narrow sense, they are included here to maintain a grouping where the tenant perceives the primary problem originated from the landlord's behaviour, and, where the tenant believes they are expected to find different accommodation.

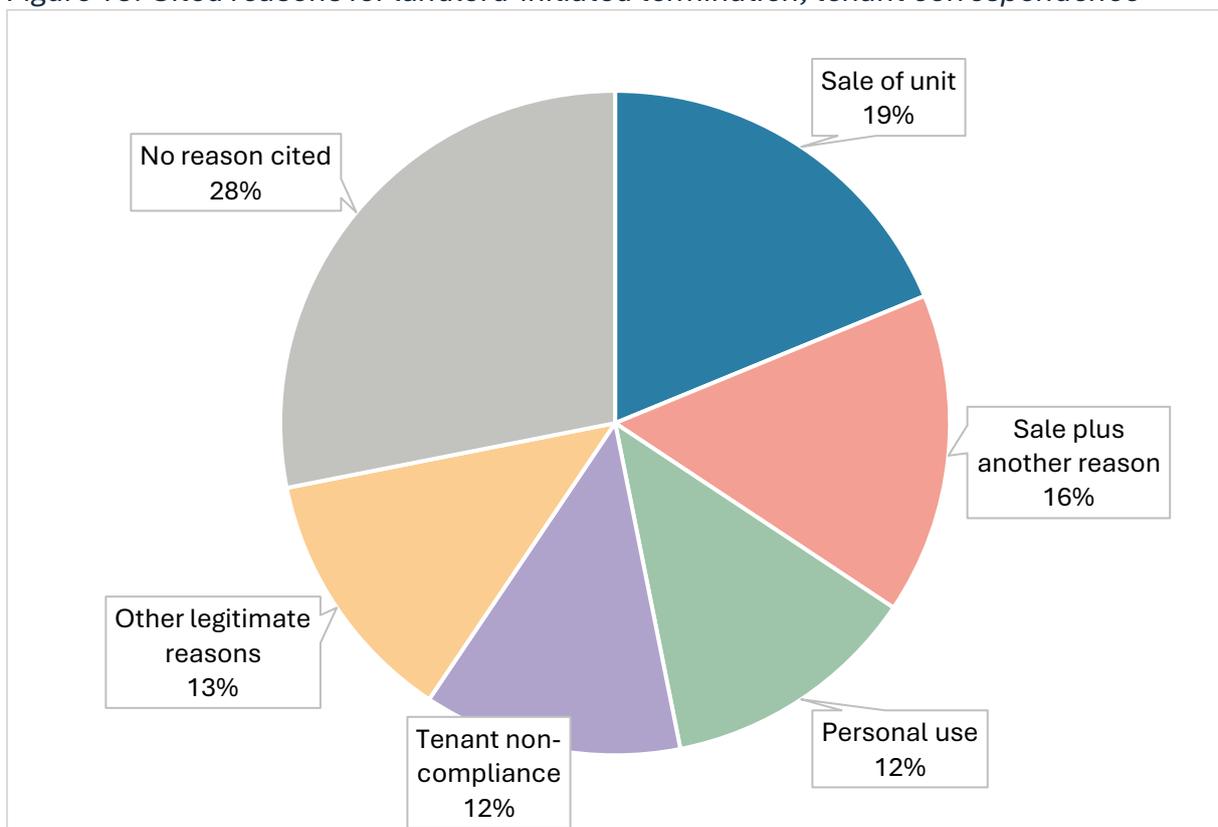
²⁷ More than one subcategory possible.

Tenants regularly questioned the legality of an action and asked for advice about their situation or for legal help. Eleven of the 23 cases revolved, in full or in part, around the sale or potential sale of the premise, a recurrent theme that will be discussed in more detail below. Some cases were more extreme or escalated further, such as correspondence where tenants perceived the landlord's behaviour as aggressive or where the dispute was taken to court. Many of these hinged on the termination process.

Reasons for Termination

The majority of tenant correspondence identified a reason for the termination, as noted in Figure 15. When a reason was cited, the **sale of a unit** was identified most frequently (n=6), followed by the sale of a unit combined with another reason (n=5), a personal use claim (n=4), tenant non-compliance (n=4), and other legitimate reasons (n=4).

Figure 15. Cited reasons for landlord-initiated termination, tenant correspondence



Source: Authors' calculation from tenant correspondence (n=32)

Sale of the premise (alone or with another reason): Tenants perceived the sale of the premise as the reason for termination based on different types of interactions with their landlord. In some cases, landlords disclosed that the (expected) sale was the reason for termination. In other cases, tenants perceived that the landlord interpreted personal need to include the sale of a unit. Other tenants described cases where an official termination notice (e.g., personal need or breach of contract) arrived after the landlord disclosed they were selling the unit. Yet others included perceived pressure or informal requests to vacate the unit because of a sale.

Many cases highlight the tension that occurs when both tenants and landlords are trying to exercise their rights. For instance, one tenant described how their landlord first put the premises up for sale, but after failing to sell it, sent them a termination notice for other legitimate reasons, citing plans to demolish the unit instead. In another case, a landlord communicated to the tenant that they wished to terminate the contract at the end of the current lease term because they planned to sell the house. The tenant proceeded to find alternative housing and, in successfully purchasing a house, wanted to end the lease before the end of the current lease term. The two parties could not mutually agree on a termination date, pointing to difficulties in a mutual negotiation despite seemingly clear and open communication channels between tenant and landlord.

Legally valid reasons (no known sale involved): The experience or perception that the termination was due to a legally admissible reason varied. For instance, in the case of an already concluded termination for **personal reasons**, the dispute revolved around the return of the rental deposit. Moreover, the tenant noticed the apartment was re-listed for rent at a higher amount within 45 days of their departure, leading them to question the accuracy of the claim of personal use. Several complex cases involved **shared accommodations**, landlords holding multiple leases with past and present tenants, or verbal leases. Two cases of **non-compliance** centred around changing household composition that led to overoccupancy of the unit. A third included prior dwelling condition problems that were reported by the tenant but not addressed by the landlord, and which were later used as a reason for non-compliance. The cases shared, however, similar requests, such as **information about their rights**, the legality of the process or action, or **help in solving a dispute** or problem. A few also perceived aggressive behaviour on the part of the landlord or requested help in finding new housing.

Evictions: Nine pieces of correspondence (included in a separate category and not analysed above) had progressed to **eviction**, demonstrating the most precarious case of a landlord-initiated termination. In four cases, tenants asked for help to avoid an eviction. In five cases, they asked for help after the execution of an eviction order. One case resulted in a homeless family.

Tenant-initiated termination: **While landlord-initiated termination was twice as common in the data, some correspondence (n=16) reported problems during a tenant-initiated termination.** It was the sixth-most cited topic, accounting for 6% of all correspondence. The problems generally included a lack of mutual agreement about the timing of ending a lease early, finding a replacement tenant, or confusion about the contract, including whether a tenant could ask for an early release from the lease contract or about the type of lease, terms of “auto renewal”, or when notification was needed.

Focus Groups

Fear of losing the dwelling and the lack of affordable alternatives were major concerns among participants who experienced (or were experiencing) disputes with landlords about anticipated termination of the contract or its non-renewal (7 participants). Three participants expressed concerns about the **perceived risk of**

termination or non-renewal. Four participants were already facing the landlords' termination proceedings, motivated either by an alleged breach of the rental contract (2 participants) or significant renovation works (2 participants).

For those participants who perceived a possible future *threat* of anticipated termination, this concern either prevented them from insisting on necessary repairs or pushed them to find a more stable housing solution. On the other side, tenants who faced the ongoing contract termination process presented it as the culmination of strained relationships with the respective landlords. For economically vulnerable participants, conflicts with the landlords were grounded in their financial difficulties, rent arrears due to job loss [24] or family enlargement. In all cases, the participants stressed the unavailability of the landlords to find a compromise and the fundamental role played by *Office Social* in supporting their legal defence and the search for another accommodation.

[24] Then I had a problem with paying the rent... There is a rent problem, at this time I am not working, so I am unemployed and a beneficiary of the basic income scheme [...] Now the landlord has started a legal procedure to evict me from the apartment. He doesn't want to talk. For me was difficult to find a lawyer [...] I had to ask help to the social office to have support on this...

Two participants noted how their situations deteriorated when they dealt with their landlords' adult children, who took charge of the rented property management. In both cases, the landlords' children were perceived as more rigid and unwilling to negotiate, indicating a crucial role of the "generational transfer" of ownership in their ongoing housing troubles [25; 26].

[25] I had very strained relationships with my landlord since last year because of his daughter... She wants just to kick all out.

[26] Then I had to face the landlords' sons who got hold of this apartment. And there, all the problems began...

Anticipated termination by landlords constitutes a source of more intense negative emotions compared to deposit restitution and inventory issues (7 mentions by as many participants). Participants expressed prevailing feelings of unfairness and insecurity, stressing more existential concerns in relation to the possibility of losing their homes. Three participants responded to what they perceived to be the landlords' *unfair* decision to terminate the rental contract by taking legal action, thus showing strong reaction against the threat of being evicted from their home. The remaining participants, mostly having precarious jobs and/or difficult economic situations (3 out of 4 participants), expressed deep insecurity, in terms of anxiety and sense of resignation, in front of landlords' threats to terminate the rental contracts. Such insecurity appears to be motivated mostly by the tenants' perceived lack of resources and related chances to get a new rented apartment, as exemplified in the quotation below [27].

[27] I resisted exiting as much as possible. It is now ten years that I live in the same apartment. I fought a lot with my landlord... I am quite scared for my future, also because I do not have a permanent contract and there is no landlord that would consider me for renting.

Chapter 5. Recommendations and Conclusion

This chapter synthesizes the major challenges tenants faced in the private rental market, explores the themes that cut across the problems and phases of the tenant experience, and offers some recommendations that could be considered by policymakers, institutional bodies, and NGOs working in this area.

Main takeaways:

- Tenants lack awareness and knowledge of their rights. To address this, tenant-focused organisations can create accessible information. Policy evaluations can assess the clarity of regulations and identify strategies to reduce misunderstandings.
- Many pressure points exist in the tenant-landlord relationship. Increased awareness of laws could help. An analysis of disputes heard by the relevant authorities (e.g., Rent Commission or peace tribunal) could inform new policy strategies.
- Vulnerable households, especially those with children, experience more urgent problems that necessitate tailored and multi-faceted approaches and greater support from organisations.

Despite the different collection methods and data aims, there was **substantial overlap in the broader and day-to-day experiences captured in the two data sources**. Problems with dwelling conditions, deposit restitution, landlord-initiated termination, rent increases, and monthly charges represented the top five issues within the 262 pieces of tenant correspondence, constituting 64% of all correspondence. For the 32 focus group participants, the top five issues were unaffordability, dwelling conditions, unclear contracts, rent increase, and landlord selection criteria to secure a lease. These ranged from 69% of participants mentioning the importance of unaffordability to 28% of participants mentioning the relevance of landlord selection criteria. Each phase of the tenancy – accessing the private rental market, during the tenancy, and ending the leasing agreement – was represented in the most frequently cited problems.

From the two data sources, three themes emerged across multiple problems: **a lack of awareness** of rights and responsibilities, **tensions in the tenant-landlord relationship**, and **more severe and urgent problems faced by vulnerable households**, especially those with children. Each of these themes may benefit from potential policy or practical considerations.

Increase awareness of rights and responsibilities

While some tenants are knowledgeable about rental market regulations and their tenant's rights—illustrated by a focus group participant who carried a book on Luxembourg's rental laws into the focus groups—the data indicate a widespread and consistent lack of awareness among tenants. This includes understanding their own

rights and responsibilities, but also those of their landlords. The lack of knowledge often led to incorrect assumptions about the law, as was sometimes the case with rent increases and allowable monthly charges. At other times, it resulted in tenants not knowing which institutional bodies could act as dispute intermediaries.

It is important to note that this lack of knowledge exists despite the availability of information about laws and regulations. In Luxembourg, for instance, a website published by the Ministry of Housing provides information about the regulation of rental leases.²⁸ **In other words, the presence of information does not necessarily equal awareness or effective use of that information.**

To improve awareness, tenant-focused organisations could strengthen the link between the body of rental regulations and renters who need the information about those regulations. For instance, they could create easily accessible leaflets and other information sources outlining tenants' rights in each of the main problem areas identified in this report. These could serve as the foundation for a larger public service campaign using multiple communication channels. Newsletters or "just in time" information (e.g. when a tenant is signing a rental agreement or registering at a new address) with updates on rental laws, tips for tenants, and successful stories from the community could all increase awareness. Such **information**, however, **must be carefully crafted using recommendations developed from research on information processing** (see, e.g. McKoon and Ratcliff, 1992).

The focus group participants themselves also identified some causes and solutions regarding awareness of rights and responsibilities. The researchers did not explicitly solicit these topics, indicating that participants' views and opinions about the rental market are informed by their first-hand experience.

In particular, about a third of focus group participants highlighted a lack of appropriate public intervention in regulating the rental sector. This suggests that while some tenants are informed about their rights, they find them insufficient in key aspects. Thus, policy evaluations could be beneficial in identifying which aspects of regulation or law need greater clarity aiming at decreasing tenant (or landlord) misunderstanding. A useful starting point could be the regulations identified throughout this report since they are specifically connected to the most cited tenant issues. Additionally, it may also be useful to analyse disputes heard by the Rent Commission, the general judicial courts, or the peace tribunal, the three dispute resolution bodies commonly recommended by the tenant protection association in their correspondence back to tenants.

Address pressure points in the tenant-landlord relationship

The contractual relationship between tenant and landlord does not always go smoothly, nor does the day-to-day relationship. Suboptimal or conflicted relationships can stem

²⁸ The site is available at: <https://logement.public.lu/fr.html>

from several sources, including misunderstandings, unclear contracts, legal terminology and procedures that are perceived as complex by the general public, or non-compliance on the part of either party. These dynamics affect the tenant experience and shape how easily tenants and landlords can resolve disputes. Many **potential solutions for improving the tenant-landlord relationship also involve increasing awareness of relevant laws** (above).

Examples from this report illustrate potential paths forward, though additional research is needed in all cases. In the area of unclear contracts, greater tenant awareness of laws and regulations might prompt requests for discussion of contract terms at the outset of a lease, possibly reducing problems during the tenancy. This is where tenant-facing organisations can give detailed guidance to those who request it but also work to create more general awareness among tenants. If the lack of clarity (or, as perceived by some tenants, illegal contract terms) is intentional on the part of landlords or the agencies that represent them, incentives and deterrents would be more effective.

Regarding landlord-initiated termination, the tenant correspondence reveals that the sale of a unit is a sticking point, even though it is not a legally valid reason for unilateral termination. Further assessment of this problem is merited, especially since it intersects with unaffordability and price increases. Unexpected terminations can exacerbate challenges in finding suitable accommodations, especially those with comparable prices to the previous lease. While tenant-initiated termination was cited less frequently, **further analysis of all types of early termination** would provide a fuller picture of the pressure points for both tenants and landlords when ending or attempting to end a lease.

In the areas of deposit restitution and charges, **greater transparency and communication from landlords** would alleviate many of the problems and disputes raised by tenants, like receiving no proof of costs or landlord nonresponse to requests for payment, information or timing. Other problems, however, require more complex solutions. For instance, infrequent utility billing prompted tenant stress, especially when the costs were billed to the landlord instead of the tenant. Addressing the time lag or shifting who holds the account would necessitate changes to multiple systems and procedures in the public and private sectors, making short or medium-term solutions unlikely. Programs like the rent deposit guarantee, on the other hand, could be better leveraged by qualifying tenants to help bridge the time gap between putting down a deposit for a new lease and receiving the deposit from the previous lease.

Finally, and in general, tenant-focused organisations could coach tenants in best practices for engaging with landlords, including providing **templates for formal written correspondence**. Developing templates, especially if drafted by legal experts, might enable more tenants to exercise their rights. Such templates could be considered for each relevant type of tenant-landlord interaction.

Tackle unaffordability and dwelling conditions, especially for vulnerable groups

Unaffordability challenges permeated the focus group discussions, confirming the well-known growing unaffordability trend. As described in previous chapters, **unaffordability**

is structural to the Luxembourg housing market, pointing to solutions best managed by public bodies.

In addition, **dwelling conditions** were frequently voiced in the focus groups, and the top issue in the tenant correspondence. Dwelling quality issues may similarly be best managed by concerted action at the public or collective level. The data from this report can inform the discussion.

Focus group participants offered their views on both the causes and solutions to unaffordability and dwelling condition problems without explicit prompting from the facilitators. Affordability and dwelling conditions perceived causes included landlords' interests being prioritized over tenants', with one participant explicitly linking a perceived regulatory bias towards landlords with a "cultural" issue in society: the tenant noted that the "fundamental problem" is that "decent housing is not conceived as a right." Others mentioned real estate agencies practices worsening housing affordability and dwelling conditions (25%) and the power of the real estate industry in shaping the regulations (19%). Over 40% of participants pointed to housing supply problems, with half identifying poor housing supply in the private rental market as the most immediate cause of unaffordability and the remaining half mentioning either the lack of adequate social housing supply or the related restrictive eligibility criteria as the most relevant causes.

As for solutions, some participants mentioned individual coping strategies like moving to less expensive housing markets (13%) or relocating to a neighbouring country (22%). Others mentioned policy changes on the regulatory side (34%) or increasing state-provided housing (13%). Additional data could help determine the generalizability of such views, providing public opinion insights for policymakers.

As the focus groups revealed, finding an affordable and good quality dwelling represents a particularly tough challenge for young foreign workers. Young foreign employees in international companies or public institutions, even with good salaries, reported significant hardship and stress in finding a suitable dwelling due to the tight rental market and the perceived excessive restrictive selection criteria by the landlords. Such affordability issues for young professionals and qualified workers represent a potential hindrance to Luxembourg's long-term attractiveness as a workplace.

Importantly, the data in this report clearly indicate that unaffordability and poor dwelling conditions **disproportionately affect vulnerable groups**, especially vulnerable households with children. This was confirmed through both the focus group held with the assistance of the *Office Social de la Ville de Luxembourg* and in the tenant correspondence. While not unexpected, this points to the **continued need for tailored and multi-faceted approaches specific to those in more precarious housing situations.**

Tenant-facing organisations could consider directing a larger share of their resources to issues stemming from unaffordability and dwelling quality problems and supporting clients needing greater assistance. They can also **assess the effectiveness of the support network across organisations and public bodies** for low-income households,

ensuring that vulnerable households successfully navigate informal and formal channels for dispute resolution. This is crucial when it comes to dwelling quality problems for households with children, where repair delays and disputes can generate problems for the health and well-being of children.

Moreover, tenant organisations and public bodies alike can **promote policy tools designed to help tenants who are burdened by their housing costs**. For instance, rent subsidy and rent guarantee programs already exist in Luxembourg and are specifically designed to help tenants with the cost of their rent and the security deposit. Promoting and increasing the effectiveness existing policies will help fill the gap while solutions to the structural problems are developed and implemented.

Appendix 1. Additional Methodological Details

This report constitutes one part of a pilot project implemented by the Mieterschutz and funded by the Luxembourg Ministry of Housing.²⁹ The research and writing of the report were conducted and additionally funded through the PROPEL (PROactive Policymaking for Equal Lives) project.³⁰ The topic of this report was identified by the Mieterschutz; the studies were designed and conducted by the research team, in consultation with the Mieterschutz. A steering committee composed of representatives from the Mieterschutz and the Ministry of Housing, as well as two external experts, provided feedback on the findings and the writing of the report.

In order to collect the tenant correspondence and focus group data, the research team used best practices in research and ethical guidelines to minimize risk while still adhering to the principles of public interest.

Tenant Correspondence

For the tenant correspondence, the study was designed and conducted after the correspondence had occurred. Therefore, the research team sought and received ethics approval for opt-out consent. The research team provided the Mieterschutz with email text to send to tenants who contacted their association during the 2022 calendar year. This text informed tenants of the study, and included an opt-out consent form and an information notice regarding the use of their data.

Tenants were informed that the content of their correspondence would be shared with the research team, but that all personal information would be removed from the shared data file. If participants did not want to be included in the study, they were informed to opt-out by responding to the email. The Mieterschutz redacted all personal information (e.g., names, contact information, etc.), providing the research team with the content of the correspondence fully anonymized. As such, no personal information was shared with the research team. During the timeframe of this study, the Mieterschutz operated all initial correspondence through electronic communication, offering a comprehensive look at the types of problems, questions, and requests of tenants.³¹

The Mieterschutz also provided a summary of the 2021 calendar year correspondence, but not the correspondence itself, enabling a broad comparison of the topics in 2021 and 2022. Analysis indicated similarity in topics. Only the 2022 correspondence is discussed

²⁹ Information about the pilot project is available at:

<https://logement.public.lu/fr/actualites/2022/12/signatureduneconventionentreleministeredulogementetlasblmieterschutzletzebuerg.html>

³⁰ Information about PROPEL is available at: <https://propel.uni.lu>

³¹ In 2022, the correspondence was monitored and answered by volunteers without legal training, with some correspondence receiving input from lawyers. Beginning in 2023, in part through the pilot project related to this report, tenants receive answers from lawyers.

in this report. Within the 2022 correspondence, eight pieces were deemed not applicable to the analysis of this report and were excluded.

Focus groups

Recruitment for the focus groups was designed to maximize the sample size while adhering to group sizes recommended by the methodological literature (Morgan 2019). Due to the participants' availability, the size of each focus group varied considerably. We managed to obtain three focus groups within the planned range of participants (between 6 and 8). For two groups, however, we had, respectively, 2 and 10 participants.

As recruitment strategy, we adopted a *convenience sampling* to obtain a sample of participants as diverse as possible in a short timeframe, without requiring statistical representativeness (Patton, 2002). Participant selection was restricted to tenants currently living in the Luxembourg's private rental market, except for one person who participated in the focus group and was living in social housing.

The average duration was 90 minutes. Three focus groups were held in French, one in English, and one in both languages. The recruitment campaign was conducted by sending email invitations to households in the private rental sector, with the support of *Mieterschutz* and the *Office Social de la Ville de Luxembourg*, and by circulating flyers via social media.

The research team designed an interview guide to facilitate the focus group discussions. The guide was designed to assess the participant's relationship to the rental housing market and the ways in which they identified as a tenant (Morgan 2019). The focus group sessions were recorded and transcribed. The content was analysed and coded by the research team to single out dimensions specific to the questions asked, as well as dimensions that arose organically out of the discussion. These included:

- 1) the perceived *problems* faced by the participants throughout three phases of the rental experience: a) in accessing the private rental sector; b) during the rental contract; c) in exiting a rental contract
- 2) the *sentiments* expressed by the participants in relation to the mentioned housing issues and actors
- 3) the institutional and social *actors* to turn to for help and assistance
- 4) the perceived *causes* of the experienced problems, and
- 5) the perceived *solutions* to them, including tenants' coping strategies and calls for policy interventions.

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