How tenants’ reactions to rent increases affect displacement: An interactionist approach to gentrification

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Abstract
Rising rents play an important role in the displacement of residents through gentrification processes in Germany. Applying an interactionist approach and conceptualising gentrification as an emergent phenomenon that results from an interaction process, we explore how residents of the gentrifying district Altona-Altstadt in Hamburg deal with situations of rent increases. Four strategies emerge: de-problematisation, unwilling consent, changing the field of action and confrontational rejection. Using an interpretive analysis and the concept of the ‘moral economies of housing’, we investigate the normative and strategic conditions of these strategies and how they contribute to or counteract housing-related displacement. This analysis contributes to qualitative research on how residents experience gentrification and negotiate situations relevant to displacement, and, thereby, to the exploration of power in the tenant–landlord relationship.

Keywords
displacement, gentrification, Germany, housing, interpretive paradigm, moral economy, renting

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Introduction

While displacement has long been regarded as insufficiently studied in international gentrification research (Helbrecht, 2018a; Slater, 2006), an increasing number of scholars have recently addressed this gap. For example, there have been studies on the problem of quantifying housing-related displacement (e.g. Easton et al., 2020), and qualitative research on the experiences of marginalised residents ‘losing their place’ and their connections to their communities being severed (e.g. Atkinson, 2015; Davidson, 2008; Elliott-Cooper et al., 2020; Shaw and Hagemans, 2015). In this article, we contribute to this latter strand of research, centring residents’ experiences of rent increases in the process of gentrification. However, we do not focus so much on subjective experiences of alienation and loss as on situations in which residents actively deal with the threat of displacement, because, as we argue from an interactionist perspective following the ‘interpretive paradigm’ (Wilson, 1970), the residents’ situated action is one of the determining factors for whether and how gentrification takes place. Displacement can be understood as a ‘defining feature’ (Elliott-Cooper et al., 2020: 494) of gentrification; but displacement is not inevitable. Processes of displacement are, rather, negotiated through situated power relations between numerous actors. That means they are shaped – or can even be prevented – by the practices of residents, too, whether they are protesting collectively or acting in less visible ways ‘that are linked to configurations of power in everyday life’ (Lees et al., 2018: 351).

In an exemplary study of rent increase situations experienced by tenants in the gentrifying Altona-Altstadt district of Hamburg, Germany, we ask how tenants deal with such an incident potentially relevant to their own displacement and to the gentrification process the district has been undergoing. We focus on rent increases because they can be considered a key factor for direct displacement in German cities (e.g. Beran and Nuissl, 2019, on Berlin); at the same time, they also influence other forms of displacement and can further exacerbate the existing fears of losing one’s home. Drawing on focused qualitative interviews with residents, we analyse how they interpret respective situations and interact with the other actors involved, such as landlords, neighbours, lawyers or staff of the local welfare office. We identify four
situated strategies: de-problematisation, unwilling consent, changing the field of action and confrontational rejection. Only the confrontational strategy leads to an open conflict between landlords and tenants and may prevent a rent increase and thereby counteract gentrification, while the other action strategies potentially lead to indirect forms of displacement and contribute to an increase in the general rent level in the district. Furthermore, to problematise a rent increase at all, and to come into conflict over it, many conditions have to be met. It seems that even in Hamburg – as the second largest city in Germany, a country credited with having an integrated rental system where a ‘tenant’s position is very close to a property right’ (Fitzsimons, quoted in Davies et al., 2017: 15; cf. Hulse and Milligan, 2014) – many conditions must be met in order for tenants to define an ‘objectionable situation’ as problematic (Chisholm et al., 2020) and raise their voices against landlords in situations of rent increase. To understand the observed strategies of tenants in a sociological sense, and thereby analyse power and agency in the tenant–landlord relationship, we combine the methodology of symbolic interactionism (see Blumer, 1986 [1969]) with the heuristic concept of the ‘moral economies of housing’ (Alexander et al., 2018). This enables focusing both on the tenants’ normative evaluation of the situation and on their strategic weighing of the actual opportunities for action and the situational power relation. We conclude that whether residents define a rent increase as a problem at all – a basic condition for contesting displacement – depends on the respective moral economy at play and on the extent to which they ascribe agency to themselves vis-a-vis their landlord.

In the following, we first summarise findings of recent studies on displacement and residents’ coping strategies in Germany and discuss the role that rent increases play in gentrification processes. To further contextualise the interactive situation of a rent increase, we address the private rental sector’s legal regulations and the power relations between tenants and landlords in Germany. We then outline our methodological and heuristic approach, introduce the study area of Altona-Altstadt and describe our methods of data collection and interpretation. In the following section, we reconstruct the four identified ways in which residents deal with rent increases. We unpack normative and strategic dimensions of how residents define situations and assess corresponding actions, then discuss these findings using the concept of the moral economies of housing. By reconstructing the conditions that enable tenants to resist a rent increase or to avoid confrontation and agree to it, we not only investigate the experiences and agency of tenants in displacement processes, but how these processes come about in practice.

**Displacement in German cities and the significance of rent increases**

As in international debates, within gentrification research in Germany there has recently been more discussion surrounding displacement (e.g. Helbrecht, 2018b). What is striking here is a focus on the capital city of Berlin and a certain emphasis on quantitative studies. To mention only one recent ambitious investigation, Beran and Nuissl (2019) survey tenants who moved out of their apartments in the Mitte and Friedrichshain-Kreuzberg districts and arrive at a displacement rate of 22.5%. Quantitative research, however, mainly focuses on displacement as ‘out-migration’. The effects of gentrification, especially on the housing conditions of poorer households managing to stay in gentrifying neighbourhoods, are not considered as these
households more often remain in unhealthy or overly expensive apartments because moving is simply too expensive in light of the high rents for available flats (Beran and Nuissl, 2019: 204). In this respect, with Atkinson, ‘even the modest data we have on displacement [...] offer an opaque view of its prevalence since it tends to ignore feelings of injustice, anger, resentment and of being supplanted even while remaining in place’ (Atkinson, 2015: 376). Furthermore, it remains unclear what the residents did and which strategies they used to stay in their apartments before moving respective to being forced to move. Thus, the interactive process that leads to different forms of housing-related displacement does not come into view.

Leaving aside the literature on tenants’ initiatives and anti-gentrification movements in German cities (as this is beyond the article’s subject; but e.g. Mayer, 2013; Rink and Vollmer, 2019), only a few qualitative studies address tenants’ action strategies in situations relevant to displacement. Bernien (2017: 54f.) describes how tenants used legal means to fight the terminations of their leases because landlords wanted the units for their own use; how tenants tried to purchase their own apartments, which had been put on the market by the owner; and how expecting parents tried to remodel their units to avoid moving to larger, more expensive apartments. In addition, Grotefendt et al. (2018) investigate how welfare recipients in Berlin manage directives issued by the local employment agency to reduce their housing costs. They show that around half of those affected cover the rental costs above the rental subsidy cap out of their own pockets and therefore have to accept significant financial losses in order to stay in their homes. These findings are largely consistent with international research; for example with Newman and Wyly, who identified as ‘private strategies’ of low-income residents trying to stay in gentrifying neighbourhoods in New York City, ‘accepting poor housing quality, coping with high housing cost burdens and/or sharing housing with other residents’ (Newman and Wyly, 2006: 48f.). And Atkinson’s (2015) study of ‘displacees’ in Melbourne and Sydney particularly highlights experiences of being powerless against rent increases. These and other studies make important contributions to reveal how residents suffer the ‘violence of un-homing’ (Elliott-Cooper et al., 2020) and how they try to cope with displacement. However, the situational conditions for action and the variety of residents’ (everyday) strategies in processes of displacement, for example in negotiations with their landlords over rent increases, still remain under-studied in gentrification research.

The fact that, in Germany, only a few studies examine action strategies used by residents who are affected by rent increases is quite surprising, considering that the large majority of people in German cities live in rented apartments, rent levels are rising nationwide and gentrification processes are widely discussed (Rink and Vollmer, 2019). Frequent rent increases are a common experience and contribute to gentrification processes in several ways: they affect individual tenancies and local housing markets, are linked to different dimensions of displacement (Marcuse, 1985) and contribute to the overall dynamics of gentrification. As Beran and Nuissl’s (2019: 204) study on Berlin shows, rising rents are a significant factor for the direct displacement of residents, as they were the most frequent reason for moving among the displaced (see Mösgen et al., 2019: 426, for Frankfurt’s Ostend district). They also find that individual factors such as income, education level and age are less significant for residents being affected by displacement than assumed, and conclude that displacement can affect almost anyone (Beran and Nuissl, 2019: 200). Rent
increases, however, lead not only to direct displacement, but subsequently to exclusionary displacement (Marcuse, 1985: 206), when, after the previous tenants have moved out, households with incomes similar to the former can no longer afford the apartment. Furthermore, any rent increase may legally justify rent increases for other apartments. In this context, the ‘local reference rent’ (Section 558 of the German Civil Code) can be used to legitimise higher asking rents for vacant apartments and rent increases in existing rental contracts, which are officially determined by using the ‘rent index’ (‘Mietenspiegel’). After analysing the results of a representative survey, the rent index in Hamburg, for example, is calculated by including all rent increases of the previous four years, as well as the prices for new leases – resulting in a continuous upward trend (Metzger, 2020: 76). Finally, increasing rents can also lead to residents being ‘forced out of their standard of living’ (Blasius, 2004: 23, translated by the authors), that is, higher rents must be balanced out by reducing other household costs, which is probably one of the most common strategies for staying put (cf. Atkinson, 2015: 380).

Now, if rising rents have a considerable impact on displacement in German cities, the question is how a rent increase actually becomes possible or can be prevented. This points to the situational agency and power in the tenant–landlord relationship and particularly in negotiations over rent increases. Since tenancies are contextually embedded in legal, economic and cultural conditions, a brief look at the rental sector in Germany seems necessary at this juncture.

Legal regulations and the tenant–landlord relationship

The extent to which tenants are facing the threat of displacement in major German cities may be surprising, since housing scholars consider the German rental law and housing system to be particularly ‘friendly’ to tenants (e.g. Kemp and Kofner, 2010). Legal and market-related regulations are described as being underpinned by cultural norms that regulate the antagonism between a rental unit as a home and as an asset (Madden and Marcuse, 2016) in a way that contributes to a high de jure and de facto security of tenure (Hulse and Milligan, 2014). In fact, tenants are comparatively well protected against terminations, as rental contracts are usually signed for an indefinite period, and landlords can only legally end the lease agreement under a few exceptional circumstances.

However, tenants in Germany have come under pressure. As is the case with other Western welfare states, neoliberalisation has hit the German housing market, with the non-profit housing sector in West Germany being ‘practically dismantled’ by the end of the 1980s (Schönig, 2020: 6) and the state phasing out provision for social housing units. The ‘hegemonial Fordist paradigm of providing quality “housing for all” dissolved’ (Schönig, 2020: 1), former public and non-profit housing was privatised and, in the following decades, different variations of financialisation restructured the German housing market and the rental sector (Wijburg et al., 2018). Especially after the financial crisis of the late 20th century, new actors (e.g. listed real estate companies) with new management and profit strategies appeared on the market. While rent levels subsequently rose in many cities and gentrification processes accelerated, tenants’ initiatives and urban movements gained momentum, once again putting the ‘housing question’ on the national political agenda (Rink and Vollmer, 2019).

In reaction, the relatively ‘soft’ rental regulations have been tightened (Kettunen and Ruonavaara, 2021). Meanwhile, rent increases are generally capped at 20% over three years, with the 2015 rent-capping law
State governments can also cap rental increases at 15% in areas with tight housing markets, where the rental amount for new leases can also be capped; they may exceed the ‘local reference rent’ by a maximum of 10%, although exceptions exist for new buildings or for modernised apartments (Holm et al., 2018). However, as several studies show, the goal to dampen rent hikes has been elusive (on Hamburg, see Behörde für Stadtentwicklung und Wohnen, 2019: 60ff.; Holm et al., 2018). Landlords employ numerous – legal and illegal – strategies to circumvent regulations; and it is assumed that many tenants generally shy away from conflicts with their landlords for fear of losing their homes (Holm et al., 2018: 54ff.) and are typically not sufficiently familiar with the law to fight back (Behörde für Stadtentwicklung und Wohnen, 2019: 92ff.).

These observations are similar to those of Byrne and McArdle (2022), who demonstrate the inefficiency of newly implemented tenancy legislation in Ireland, and those of Chisholm et al. (2020) in their study on landlord-tenant relations in the private rental sector in countries with dualist rental systems characterised by weak security of tenure. They investigate why tenants do not report problems of poor housing quality and thus avoid confrontation in an ‘objectively’ unjust or unbearable situation. This fact, they argue, indicates either a ‘hidden’ dimension of power, meaning that tenants are dissatisfied but avoid voicing complaints, or an ‘invisible’ dimension of power when tenants actively de-problematise bad housing conditions. ‘Objective’ conflicts of interest as a result remain concealed. Against this background, Byrne and McArdle (2022: 2) argue for a greater emphasis on how tenancies are ‘mediated within and through everyday relationships between landlord and tenant’. We follow this proposition, focusing on tenants’ perspectives to understand how they interpret and evaluate situations of rent increase and weigh their strategies of action, thereby interactively negotiating situations that (potentially) interlink to the process of displacement. Therefore, we combine a methodological approach to social interaction with a socio-historical approach to ‘moral economies of housing’.

An interactionist approach to displacement in Altona-Altstadt: Methodology, research context and methods

The methodological primacy of situated interaction

To approach displacement in the context of gentrification, we follow Blumer’s general definition ‘that fundamentally human groups or society exists in action and must be seen in terms of action’ (Blumer, 1986 [1969]: 6) and Wilson, who stated that ‘large-scale social phenomena, such as organisations, institutions, conflict, and the like, can be seen as patterned relations among the actions of individual actors in interaction with one another’ (Wilson, 1970: 698). Thus, gentrification is understood as the result of interactions between several actors. Methodologically, an interactionist approach to situated action is based on four central principles: interactive determination, symbolisation, emergence and agency (Snow, 2001: 368). Interactions are based on (symbolised) interpretations that the actors assign to a particular situation. Blumer describes meanings as ‘social products’ that are ‘formed in and through the defining activities of people as they interact’ (Blumer, 1986 [1969]: 5). The meaning of an event is thus not objective, but rather, for example, the basic interpretation of a situation as a ‘rent increase’ (or ‘poor housing condition’), and the further definition as ‘normal’, ‘unjust’ or as a ‘structural conflict of interests’, is actively negotiated and ‘produced’ by the actors involved. Snow emphasises that this conception should,
however, not be misunderstood in an individu-

dualistic way but that it includes ‘both struc-
turalist and constructionist dimensions’ (Snow, 2001: 372). He stresses the need to 
focus accordingly on the institutionalised and 
habitualised dimensions of generating mean-
ing in specific ‘social contexts, organizational 
forms, relational connections, and social pro-
cesses’ (Snow, 2001: 372). In our context, this 
refers to legal, market-related and cultural 
dimensions of housing provision and tenant–
landlord relations (Chisholm et al., 2020; 
Hulse and Milligan, 2014), which shape – but 
do not determine – the production of meaning 
and the strategies of actors. This connects with 
the principles of emergence and agency 
because as interactive relations exhibit 
dynamics that change habitualised and institu-
tionalised practices or perspectives, they are 
also capable of transforming broader social 
relations. Furthermore, interactions should 
always be analysed as social power relations, 
while power can be conceptualised as a rela-
tional, situational and productive practice 
(Dennis and Martin, 2005). Thus, the actual 
power of landlords over tenants must be pro-
ven in concrete situations and may be under-
mined by tenants’ strategies; it cannot be 
simply derived from ‘structural’ positions. The 
same is true for tenants’ (lack of) agency, 
which is influenced but not determined by, for 
example, their income or education level. In 
this context, actors and human action are con-
ceptualised as principally reflexive, as actors 
are weighing ‘a possible action strategy with 
or against the other actors involved in the 
interaction in the sense of an “internal trial 
action”’ (Bareis and Cremer-Schäfer, 2013: 141; translated by the authors).

Moral economies of housing as a heuristic 
device

How do residents decide whether to act 
cooperatively in a potentially displacement-
relevant situation or alternatively decide to 
start a conflict with their landlord by acting 
in a confrontational manner? To address this 
question, several authors draw on the con-
cept of the ‘moral economy’ (Thompson, 
1971) and link it to housing issues. With 
Alexander et al. (2018: 130), the concept of 
the moral economies of housing is ‘a heuris-
tic device to access our informants’ demands 
for housing and how they make sense of 
their rights to a home in the face of political-
economic processes and larger political-
economic institutions’. From this perspec-
tive, transformations of power relations are 
crucial. Initially, Thompson analysed rup-
tures in a common ‘paternalist’ system of 
rights, norms and obligations between subal-
tern peasants and elites in 18th-century 
England where a political economy regulated 
by ‘free market forces’ emerged, accompa-
nied by severe subsistence crises. He had 
argued that the material deterioration of the 
living conditions of the lower classes by itself 
is not sufficient to explain protest and resis-
tance; they could be better explained by 
gross violations of mutual obligations and 
established expectations of reciprocity within 
power relations. In a similar move, changes 
in political economies of housing related to 
‘crises’ and conflicts can be analysed. As 
Alexander et al. (2018: 123) note, housing: 

has often been seen as an expression of a social 
contract between citizens and the state … 
While in the post-war decades, housing was 
often presented as a right gained through cri-
teria of citizenship and labour, the advent of 
noliberalism, financialisation and austerity 
have redrawn the lines between those who are 
included and those who are not. 

However, not only the state, but also land-
lords must be included in the relation. To 
examine power in rental relationships in the 
context of the neoliberalising German hous-
ing system, Hohenstatt introduces the con-
cept of the ‘implicit rental contract’. He 
emphasises that implicit contractual
relationships including reciprocity and the distribution of certain ‘property rights’ are ‘the product and subject of constant renegotiation and disputes in which all parties involved attempt to expand their own scope of action’ (Hohenstatt, 2017: 51; translated by the authors). Hohenstatt identifies transformations arising from privatising non-profit housing stock: tenants recognised violations of an implicit rental contract based on a moral economy embedded in the ‘Fordist paradigm’ (Schönig, 2020), and this created the condition to define dissent and to act in a confrontational manner. To summarise, this concept helps to understand the normative references and moral interpretive repertoires of tenants in situations of a rent increase, and how conflicts arise or do not arise.

**Study area: Altona-Altstadt, Hamburg**

The district of Altona-Altstadt, home to around 29,000 people, is part of the ‘western inner city’ of Hamburg, which still has many historic 19th-century residential buildings. In 2013, over 92% of residents were living in rented apartments, while about 45% of the apartments were still owned by cooperatives or the municipally owned SAGA company (GEWOS, 2013: 33, 56). We chose this district as our research area because rising rents and changes in neighbourhood composition in recent years clearly indicate displacement. Since the 1980s, the inner city of Hamburg has experienced several waves of gentrification, accompanied by sometimes militant protest (see Rinn, 2016). Particularly in the last two decades, connected to the restructuring of the real estate market mentioned above, continued upgrading and profit strategies by landlords and institutional investors resulting in the loss of affordable housing were evident. In Altona-Altstadt, average asking rents without utilities for apartments rose by 63% to €13.02 per square metre between 2000 and 2011 – well above the average for Hamburg, where rents rose by 38% in the same period (Pohl and Wischmann, 2014: 48). However, these developments were contested by a growing urban movement that had a significant impact on housing policy in Hamburg (Rinn, 2016; Vogelpohl and Buchholz, 2017). For example, in 2015 the federal state government began applying the stricter regulations of the rent-capping law (described above) to the entire city of Hamburg (Metzger, 2020: 70), which, however, did not stop gentrification. Between 2012 and 2019, purchase prices for condominiums in Altona-Altstadt rose by 86% to €5987 per square metre – well above the Hamburg average of €5053 per square metre.1 During the same period, the share of public housing units of all apartments in the district fell from almost 20% to less than 15%. And from 2019 to 2020, the highest rent increase for new leases in all of Hamburg was recorded in Altona-Altstadt: from €14.52 to €16.92 per square metre, while the citywide average in 2020 was €13.45 (Stahl, 2020).

The sharp difference between asking rent and existing rent levels in particular (the latter amounted to an average of €8.66 per square metre in Hamburg in 2019; see Mieterverein zu Hamburg, 2019) suggests exclusionary displacement. For residents with low and even medium incomes, moving within the district is hardly possible anymore. The displacement process in Altona-Altstadt also becomes evident when taking welfare figures into account. Between 2005 and 2019, the total number of residents in the district was rising, while the proportion of residents receiving unemployment benefits and welfare payments fell from 17.5% to 11.2%.2
Methods of data collection and interpretation

The study that provides the broader context of this article focuses on ‘difficult’ situations relevant to displacement in its broader sense. To gain empirical access to respective situations, a four-member research team conducted 76 focused qualitative interviews with 101 Altona-Altstadt residents in the summer of 2019. To compile a sample of interviewees with diverse and contrasting experiences regarding displacement, we chose a ‘low-threshold approach’ using two strategies. First, interviews were initiated and conducted in an ad hoc manner using quiet settings in public places. Second, letters were distributed in those residential buildings where specific types of situation (e.g. conflicts over renovations), milieus and income groups were believed to be present. The letters informed about upcoming door-to-door visits by team members. Of the 101 interviewees recruited, 55 were categorised as female and 46 as male, while 65 were categorised as white Germans and 36 as black or people of colour. They were aged between under 18 and over 70 years old, and 95% had been living in rented accommodation. Their social status and income levels varied, from residents living in absolute poverty and experiencing homelessness to residents on welfare or fixed retirement incomes to people with well-paying academic jobs.

The interviews were structured in two parts. First, an open-ended question was asked to hear from residents about difficulties they had encountered first-hand regarding their everyday lives in the district; if residents mentioned challenging situations, more detailed narratives were requested. Second, additional topics were introduced, regarding housing, neighbourhood infrastructure and public spaces. Based on notes taken during and immediately after each interview, fieldnotes were prepared to record the interview sequences as transcripts, supplemented by comments on the interview situation and analytical notes (Emerson et al., 1995).

Following our methodological approach, each interview transcript was then analysed by interpretation teams. Adapting interpretive evaluation strategies to our data and research question (Bareis and Cremer-Schäfer, 2013; Reichertz, 2004), sequences regarding ‘difficult’ events or episodes were identified. Next, each event or episode was reconstructed by interpreting the individual situation and its interconnection with other situations to the respective process; which means interpreting the residents’ definitions of a situation and the meanings of the ‘things’ (Blumer) negotiated in that situation, and thus understanding the residents’ actions and the meanings they attribute to other involved actors and their (expected or performed) actions. In this interpretive process, the researchers elaborate ‘as many readings as possible that are compatible with the text’ (Reichertz, 2004: 294f.), compare them and decide on the most justifiable and intersubjectively comprehensible, while at the same time documenting alternative interpretations (Bareis and Cremer-Schäfer, 2013). The reconstructed situations were then thematically coded (as ‘housing-related issues’, ‘neighbourhood’, ‘socio-cultural infrastructures’ and ‘public spaces’) and analytically coded in terms of actors involved, action strategies, interaction dynamics and outcomes. Further, by combining the three basic qualities of action – cooperative, evasive and confrontational (Mayer, 2019: 79) – of the (at least two) actors involved, a typology of interaction situations was elaborated. Mutual confrontational actions were categorised as ‘conflict’, and the other action constellations as non-conflictual situations ranging from mutual agreement to one-sided dominance. In the following, we draw on
this analysis, focusing on situations of rent increases.

**Four strategies of dealing with rent increases in Altona-Altstadt**

In our interviews with residents in Altona-Altstadt, we encountered numerous narratives about gentrification, rent increases, high asking rents and displacement in the district. Although residents reported that those with the greatest difficulties in finding affordable apartments are those with low incomes, with many children and who have experienced racial discrimination, most pointed out that rising rents are a problem for everyone. Residents then also referred to this knowledge about local housing market conditions to interpret their own issues with rent increases. In respective narrations, we could identify four types of situated strategies: de-problematisation, unwilling consent, changing the field of action and confrontational rejection. To analyse how these strategies contribute to or counteract displacement, we now reconstruct exemplary situations and the different moral economies of housing at play.

**De-problematising personal experiences with rising rents**

In those accounts in which residents de-problematised experienced rent increases, we can distinguish four basic explanations. Residents either argue that the amount of rent after the increase was *relatively low* ‘compared to others’, ‘for this location’ or ‘compared to new rentals’; or they *normalise* rent increases by describing them as ‘nothing out of the ordinary’ or calling them *legitimate* (e.g. because of the modernisation of their apartment) or simply *legal*. In a first reading, considering the heterogeneity of the interviewees who de-problematised rent increases – among them residents on public welfare, with low incomes and with experiences of racial discrimination – this finding can indicate that Altona-Altstadt is still a location that offers ‘affordable’ rents even to marginalised residents, and that some tenants still stick to a ‘Fordist’ moral economy of housing which includes the landlord’s right to increase rents in a ‘reasonable’ manner. A second reading adopts the argument that many conditions must be met in order for a tenant to problematise or even engage in a conflict over a rent increase (cf. Chisholm et al., 2020). From an interactionist perspective, the fact that tenants de-problematised rent increases refers not so much to ‘objective’ rent and income levels and the ‘affordability’ deduced from them. Rather, it can be assumed that tenants also act in reflexive and strategic ways regarding the tenant–landlord relationship: to define the rent increase as a difficult situation requires subsequent action to deal with a ‘problem’. If tenants experience a fundamental power imbalance in their relationship with their landlords, this either means that they perceive themselves as incapable of solving the ‘problem’ or that they must expend greater effort to deal with it while not being sure of the outcome. To define a rent increase, conversely, as being ‘all right’ and the rental relationship as not negatively affected in terms of its reciprocity and property rights (Hohenstatt, 2017) can indicate the above-mentioned ‘invisible’ dimension of power hindering tenants from problematising a situation as unbearably unjust (Chisholm et al., 2020). A third reading refers to a ‘neoliberal’ moral economy of housing in which ‘the market’ regulates rent levels: tenants simply have resigned themselves to rent increases in a gentrifying area and expect nothing less. Overall, by de-problematising rent increases, tenants rationalise the fact that they may be ‘forced out of their standard of living’ (Blasius, 2004: 23) after their discretionary incomes decline.
Problematising rent increases but agreeing unwillingly

The second strategy is to define an upcoming rent increase as a ‘problem’ but still to act cooperatively and to agree to it. The consideration underlying this constellation is exemplified in the following account of a tenant. When asked about her landlord, she describes the relationship as ‘difficult’ and subsequently states: ‘If we get a pension increase, we’re going to get a rent increase right away.’ The interaction that leads to a rent increase she succinctly describes as follows: you get a letter from the landlord – the SAGA – that you have to sign, ‘otherwise you’re out of the apartment; that’s how it is today’. Her internal weighing of alternative actions refers to an assumed general rule of renting conditions (the rule that tenants have no option but to agree to a rent increase if they want to avoid termination) but also suggests a perceived change in the landlord’s reasoning. She may be referring to a more tenant-friendly period in the past or specifically to the municipal company, stating that SAGA is ‘never available’ when she calls, which means that it is not possible to claim your rights or advance your interests against SAGA. Obviously, she identifies an injustice here, which becomes even clearer from the fact that she directly associates the regular rent increases with her pension increase: she does not gain anything from her pension increase and her purchasing power decreases. And she considers the reciprocal relationship between her and the landlord – and, by mentioning her pension, society as a whole – to have been violated. This can be interpreted as the perception of a rupture in a previous welfare state-based moral economy. The tenant finds herself in a subordinate position to a landlord who does not fulfil his obligations in several ways – and experiences herself as powerless. Despite being outraged, she does not create a conflict (which, with Chisholm et al. (2020), indicates ‘hidden power’).

Problematising rent increases and changing the field of action

Under certain circumstances, however, it is even more difficult to accept a rent increase, especially if tenants assume that they will lose their home immediately afterwards. The third identified strategy is therefore to define the rent increase as a problem for which a solution needs to be found, but at the same time to avoid entering into negotiations with the landlord. For example, a 65-year-old resident told us that the Wilhelminian-style residential building in which she has been living (with some interruptions) for 40 years has changed hands several times recently. After carrying out extensive renovations about five years ago, the new owner – a listed housing company – significantly increased the rent by €100 per month twice. The chronically ill resident reported that her housing costs had so far been covered by social services. Residents receiving welfare payments may now be required to reduce their housing costs in case they exceed the municipality’s rental subsidy limit (Grotefendt et al., 2018). Because if they do not comply, tenants will have to find other ways to pay the excessive rent and run the risk of ultimately losing their apartment. She reports:

I then had to go to the health office and get a certificate from the doctor, who wrote me a letter … because I’m at the Sozialamt [social services department], I’m 100% disabled and get money from the state; I’m ashamed of that too. But otherwise I would have had to move out; the Sozialamt would not have paid the higher rent just like that.

I: And you didn’t want to move out of here?
Tenant: No, of course not; I know everyone here.

In this situation of imminent displacement, the resident switches the field of action: she does not interact as a tenant with her landlord but with the welfare state as a citizen in need of help. Her strategy is most likely based on the knowledge that her landlord is already known for high-end upgrades of residential properties in gentrifying areas and for premium rents. Subsequent accounts also revealed that the resident was unable to prevail with her demands against the landlord and that ‘there is a lack of communication. They’re based in Berlin, and they only have a small office here.’ Her knowledge that there is ‘no way’ that she can prevent this landlord from, for example, renovating her apartment – as other residents reported as a strategy to avert a rent increase – clearly shapes her strategic approach. On the other hand, as a citizen in need of help, she still knows how to use the welfare system in order to stay in her home. In this way, she refers to a neoliberal moral economy including a workfare-oriented responsibilisation, which, however, she also opposes in practice: she is ashamed to claim welfare assistance but insists on the right to remain in ‘her’ apartment and strategically mobilises a residual welfare instrument – the ‘individual case of hardship’. Entering the support system and insisting on one’s right to continue living in the gentrifying area can also be interpreted as a defiant strategy of staying put – even if no open conflict is initiated.

**Problematising and rejecting rent increases**

In the fourth strategy, tenants respond to a looming rent increase in a confrontational manner and initiate a conflict with their landlords. What becomes apparent in respective accounts is, first, that the rental relationship is not entirely transparent to both sides, and second, the significance of the tenants’ efforts to strengthen their own capacity to act by involving neighbours, lawyers or tenants’ associations. This becomes clear in the story of one tenant in her 60s who had been living in her apartment in a Wilhelminian-style building for over 30 years. The house, which she described as in need of renovation, pointing out that she had been living with problems such as drafty windows for many years, had been sold to a ‘yuppie’ (‘Jungschnösel’, a term used to characterise this landlord as wealthy and profit-oriented). Immediately after the change of ownership, although ‘nothing had happened yet’, she decided to join a tenants’ association because she anticipated that her relationship with the new landlord would alter: ‘I knew which way the wind was blowing now.’ She further emphasised that ‘everybody’ knows that after a change of ownership ‘run-down’ buildings are being renovated and described this general practice as both acceptable and legal – but, considering her preventive strategy, obviously as a threat, too. And her assumptions seemed to be correct: the new owner went ahead with extensive renovation work, including an attic conversion and a basement remodel, during which she had to move into a ‘significantly smaller’ temporary apartment in the back of the building. When she afterwards wanted to return to ‘her’ apartment, the landlord confronted her with the demand to sign a new rental agreement. Although this presented a challenging situation, she refused to sign and insisted on the terms of her previous lease. She contacted the tenants’ association, and the lawyer advising her wrote a letter to the landlord in which he insisted on the validity of the existing contract. Finally, the landlord gave up, and the subsequent rent increase was rather small. In this respect, she represents herself as a ‘conscious’ and competent tenant who knows about her rights and how to enforce them in the event of violations by the
landlord – this can be understood as related to a moral economy of housing in which both parties meet ‘at eye level’ and specific rights may not be broken. At the same time, even after she succeeded in the conflict, a feeling of insecurity remained, mixed with the following consideration: ‘... now look for something else, something where you can stay. Because I’m already a bit older, moving once more is okay, but I don’t want to move so often anymore.’ Subsequently, she decided to move to a new building with condominiums in a ‘not so exciting’ part of Altona-Altstadt. She described this move explicitly as ‘renovation-related’, linking her experience to the displacement of long-established residents. This strategy of dealing with displacement pressure to prevent potential displacement in the future, however, requires financial resources in particular to purchase condominiums or to have good contacts in the neighbourhood (cf. Bernien, 2017). At the same time, her exit strategy leads – unintentionally – to increase in the rent of her old apartment and also in the rent index.

Discussion: Conditions for (preventing) rent increases and displacement

The cases presented here make it evident that many conditions must be met for tenants to be able to reject a rent increase. In addition to a specific moral economy of renting as the basis for problematising the landlord’s action, the attribution of personal agency within the concrete negotiation situation is crucial. During the process of defining the situation, normative and strategic dimensions converge to suggest specific actions, while others are rejected. What the aforementioned examples show is that changes in existing rental relationships and the specific classification of landlords are particularly significant for the problematisation of rent increases. On the one hand, tenants refer to a rather ‘Fordist’ moral economy where ‘reasonable’ rent increases are acceptable; on the other hand, they refer to a neoliberal moral economy where even exorbitant rent increases are simply a ‘normal’ feature of tenancies and the housing market in general. Finally, other tenants experience and articulate precisely the friction between these two (here somewhat schematically sketched) moral economies, and, based on strategic considerations that refer to the fact that ‘the need for security is core to moral economies of housing’ (Alexander et al., 2018: 130), either de-problematise the situation or experience themselves as powerless – or else expend great effort to assert their interests against the landlord.

While a necessary condition of action, it is evidently not enough for tenants to identify a violation of reciprocity or of an entitlement based on the implicit rental contract, to then be outraged about this fact and then to act in a confrontational manner towards the landlord. For this to happen, tenants first need to assess the balance of power within the rent increase situation by categorising the respective opponent as a specific landlord type on the one hand and by evaluating their own scope of agency in an anticipated dispute on the other hand. Involving other external actors such as tenants’ associations can strengthen residents’ position in the process of making a case for an unjust situation and, more importantly, of ascribing individual agency. Defining the rent increase as ‘normal’ or actually ‘not that bad’ can certainly be a strategic approach for avoiding a perceived inability to act.

Now, conceptualising displacement as an interaction process, how do the different ways of dealing with rent increases contribute to it? Reflecting on and extending the findings of our exploratory study, rent increases become possible when tenants: (a) define them as unproblematic and accede,
(b) problematise them but grudgingly consent because they perceive their own capacity to respond to the landlords’ (anticipated) actions as too limited, (c) enter into a conflict with landlords but are unsuccessful (in contrast to the analysed example), or (d) for various reasons move out of their apartments, which are then rented out again at a higher price. Looking at the situations in which displacement was prevented through raising one’s income (as in the example of the chronically ill resident on welfare) or successfully rejecting the rent increase (as in the example of the apparently better-off tenant who finally moved out), contradictory effects become visible that illustrate why displacement, as a macro phenomenon, cannot simply be deduced from the relation between rent levels and the socio-economic status of tenants. While the economically precarious tenant can remain in her apartment by changing the field of action, the better-off tenant moves out because she still feels insecure even after winning the fight against her landlord, and her old flat is rented at a likely higher price. In both cases, strategies of dealing with threatening displacement and displacement pressure contribute to rising rent levels in existing contracts and new leases – and thereby to gentrification as an emerging process.

Conclusion

This article analyses how residents deal with rent increases in the gentrifying district of Altona-Altstadt, Hamburg, contributing to qualitative research on displacement and residents’ experiences of gentrification (e.g. Atkinson, 2015; Elliott-Cooper et al., 2020). Following the interpretive paradigm (Wilson, 1970), we conceptualise gentrification as an emergent phenomenon that results from an interactive process with displacement as the defining feature. From an interactionist perspective (Snow, 2001), we focus on various ways that tenants negotiate situations of rent increase that may interconnect with processes of displacement, and, by means of an interpretive analysis, identify four strategies that tenants employ to deal with this: de-problematisation, unwilling consent, changing the field of action and confrontational rejection. Only the latter can potentially prevent the direct displacement of the affected tenant and also counter rising rent levels in the district and exclusionary displacement. Each of these strategies depends on how tenants interpret their own situation and the district-specific rental market corresponding to specific ‘moral economies of housing’ (Alexander et al., 2018; Hohenstatt, 2017), as well as how they perceive their own capacity for action in relation to the other actors involved. To confrontationally reject a rent increase, tenants must first define this situation as problematic and unbearably unfair, and second, ascribe situational agency to themselves. Particularly, the conflictual co-existence of a moral economy still connected to the ‘Fordist paradigm’ of housing (Schöning, 2020) and a neoliberalised moral economy becomes apparent – also, that agency has both a normative-moral and a strategic dimension intertwined in a situational context. To understand the concrete ‘landlord-tenant power relationship’ (Byrne and McArdle, 2022: 124) and the visible, hidden or even invisible dimension of power disabling or enabling tenants to raise their voices against their landlords (Chisholm et al., 2020), both dimensions must be considered. Finally, our analysis of (potential) displacement as an interaction process, which revealed that even poor residents can manage to prevent direct displacement under certain conditions while better-off residents experiencing increased displacement pressure may move out, shows that social position (which is linked to specific
experiences and financial resources) certainly has an impact on interpretation and action, but does not determine the outcome of a given situation.

Although our investigation is primarily exploratory and situated within the German context, we assume that the interactionist approach presented here can be fruitfully applied to other local contexts and areas of conflict. In this sense, for further research aiming at a nuanced understanding of how displacement (in various forms) is realised or prevented, we propose examining the normative and strategic conditions of residents’ interactions in gentrification processes. This can widen our perspective on displacement incidents, by viewing residents not as ‘victims’ (contrasted with ‘heroic’ anti-gentrification activists) but rather as actively dealing with situations pertaining to displacement (Lees et al., 2018). In this, the moral-economy approach seems fruitful, as it addresses particular everyday experiences of marginalised residents in relation to various strategies of resistance against displacement and gentrification (e.g. Wilde, 2022).

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Note

1. See Statistical Office for Northern Germany, available at: http://region.statistik-nord.de/detail_timeline/19/1501/11/2/1716/227697/ (accessed 7 February 2022).

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