

Housing Forum 2023

Warsaw, **October 2-3**

Towards better housing



UNHCR
The UN Refugee Agency

Towards better housing futures in Poland

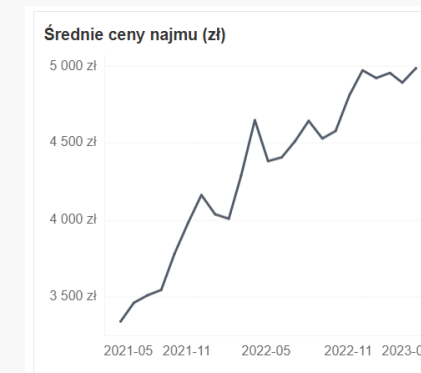
**Aleksandra Jadach-Sepioło, Institute
of Cities and Regions Development**

Apartments needed for rent - people with UKR status

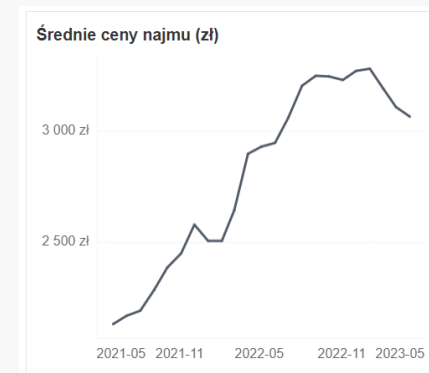
- End of February 2022: a very sharp decline in the number of advertisements, a very sharp increase in rents
- March 2022, Act on the special status of UKR - apartments that were not available on the rental market are launched: used for offices, parts of houses, "second homes", other uninhabited private
- May-August: change in perception (NBP research) - "we stay longer", looking for apartments outside large cities
- September 2022 – reconstruction of the lease offer
- November: high demand again - expiry of PLN 40 benefits
- **On May 15 this year. in Poland - 989,295 people.**



• Warsaw



• Wrocław

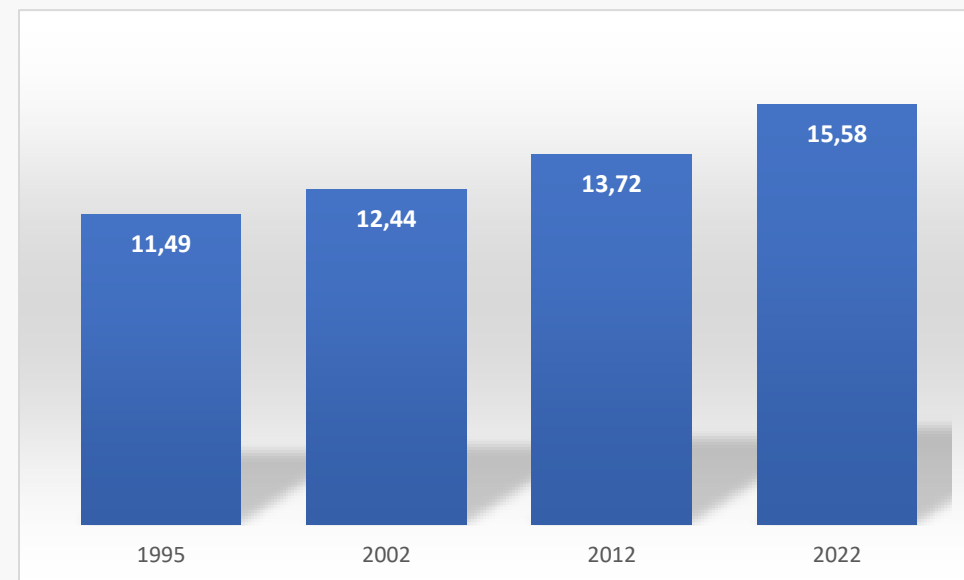


Context : Housing in Poland in the 1990s

- 1988 - there were 10.71 million inhabited apartments for 11.97 million households, which gives a shortage of approximately 1.25 million apartments.
- A decline in the annual number of new apartments - the lowest level in decades - 62,130 in 1996). From 1991 to 2000, a total of 0.89 million new apartments and houses were completed in Poland (in 1970-1979: 2.46 million and 1980-1989: 1.89 million).
- Investor activity was limited by, among others, difficult access of households to loans for the purchase of a flat. At the end of 1996, the housing debt of Polish families to banks amounted to approximately PLN 1 billion.
- Relatively high direct expenditure of the state budget on housing. In the record year of 1996 amounted to PLN 3.4 billion and 0.8% of the national GDP. Without the cost of tax relief (e.g. "large" construction relief). For comparison, in 2017, direct budget expenditure for housing amounted to PLN 1.8 billion (approximately 0.1% of GDP).
- **Why, despite high budget expenditure on housing, were few apartments built?**

Context : Housing in Poland – changes after 2000

- The state allocated limited funds for purposes directly related to the construction of apartments.
- Effects in 2004-2008: entry of people born during the baby boom into the housing market - housing deficit, price bubble on the real estate market, very rapid increase in mortgage debt of Poles and emigration.
- In 2007 - "Rodzina na Swoim" program, 2014 - "Mieszkanie dla Młodych". Support for young people in purchasing their first house or apartment - co-financing of own contribution to a mortgage loan.
- According to NBP data, in the period 2010-2019, new apartments became more expensive on average by 29%, and those on the secondary market by 18%.



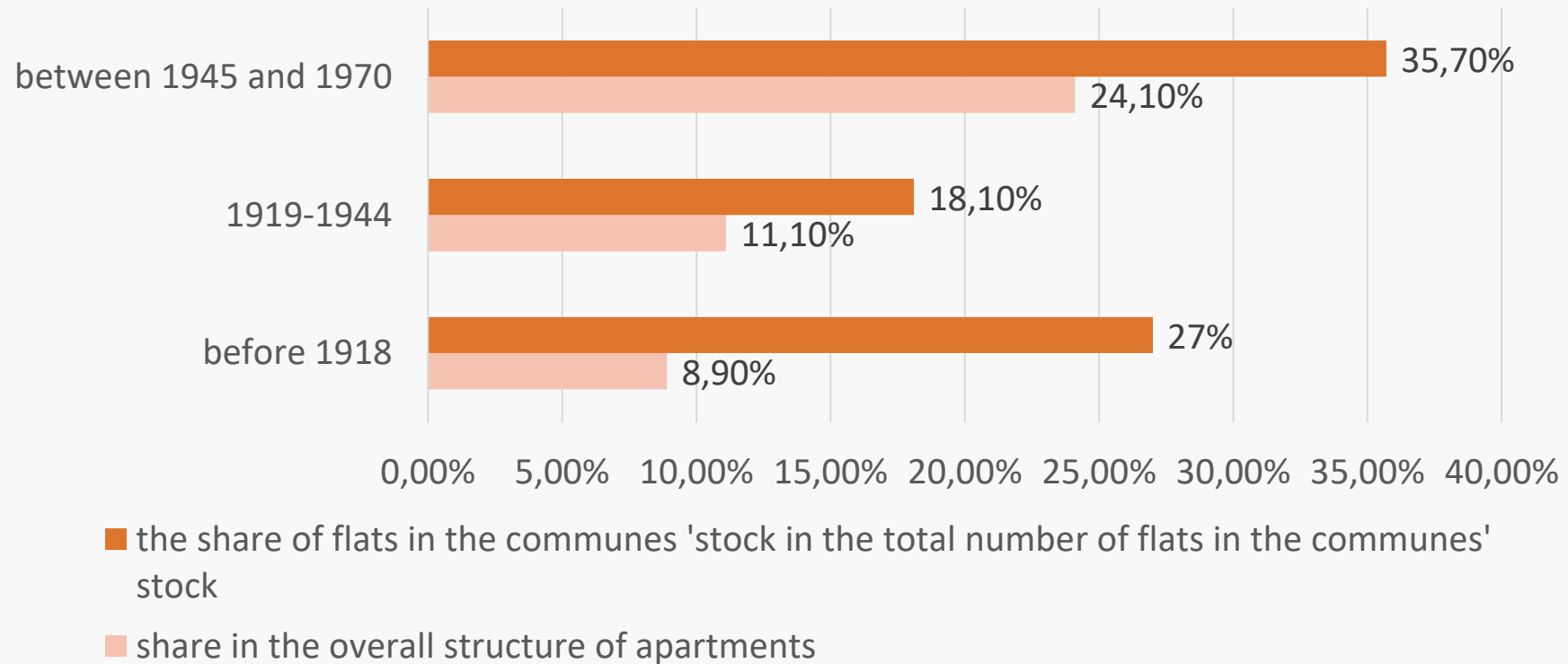
Housing shortage in Poland

- In Poland, there are on average 392 apartments per 1,000 people. This indicator is 26% lower than the European average (495 apartments).
- The housing deficit in Poland in 2020 was approximately 2,300,000 apartments.
- The high rate of owner-occupied apartments in Poland (85.6%) and the low rate of rented apartments (14.4%) indicate an approximately 16% deviation in relation to the distribution of ownership of the housing stock in the EU (70% - ownership , 30% - rental). The share of market rental in the ownership structure of apartments is 3.3%, with the EU average of 20.7%.
- Expenditures on housing construction in 2020 in Poland accounted for 1.9% of the share in GDP creation, while in the EU it was on average 5.4% of GDP.
- The intensity of the increase in rental prices in Poland in 2015–2020 significantly exceeds the average recorded for most European Community countries and amounts to 19.7% (EU average - 6.6%).
- According to research by the Habitat for Humanity, as many as 60% of Polish households cannot afford to buy a flat or meet their housing needs in market conditions.
- According to Eurostat data, in 2020 over 47% of Poles aged 25-34 (i.e. approximately 3 million young people) still lived with their parents. This percentage is almost twice as high as the average for the entire European Union.

Main challenges

- Main problem areas: housing deficit, renovation gap and low standard of housing, low availability of housing, demographic challenges, and the need to improve the quality of space.
- Additional challenges: the diversification of the housing situation in individual cities and regions and the lack of developed practice of cooperation between public authorities and the private sector in the implementation of housing projects.

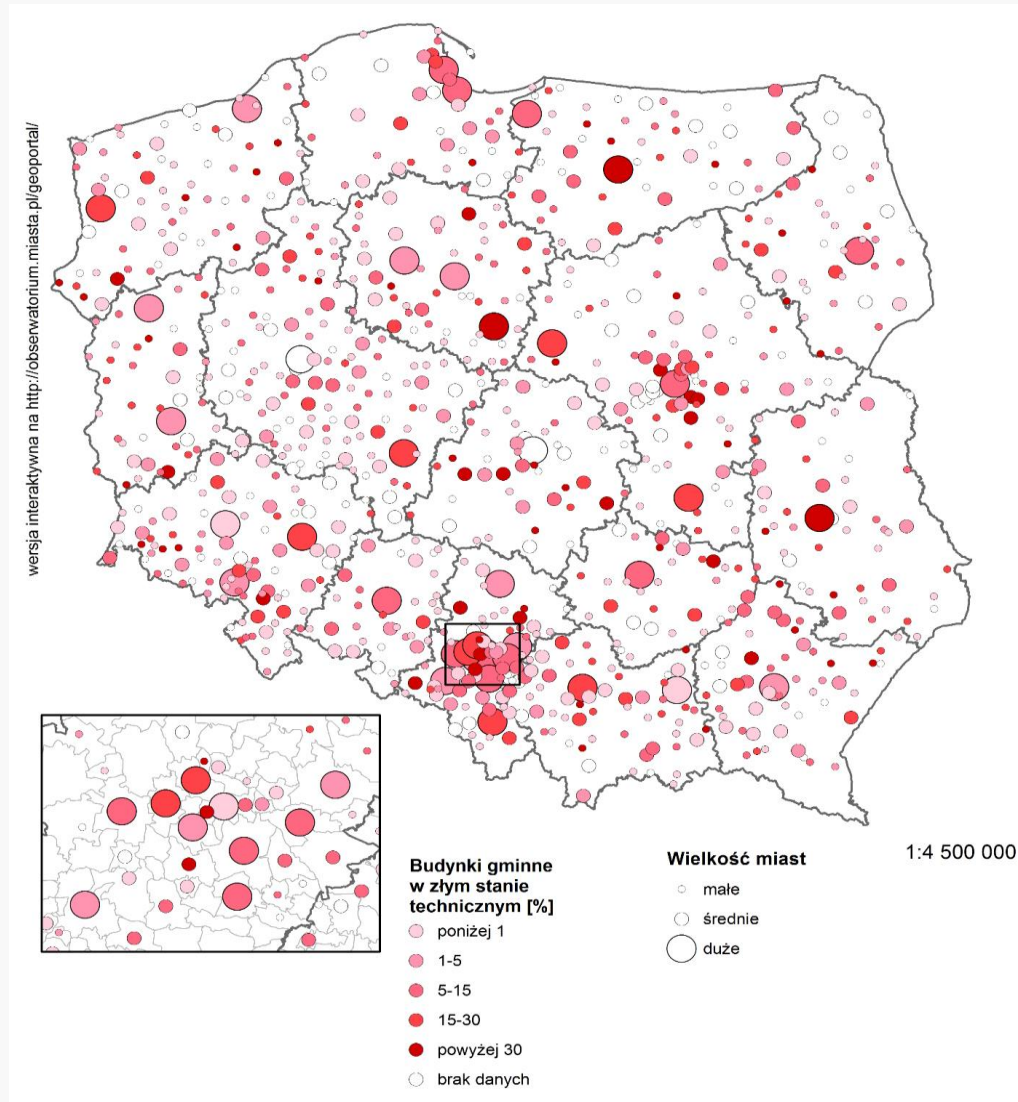
The condition of housing resources in communes



Based on: Muzioł-Węćławowicz A., Nowak K., 2018, Mieszkalnictwo społeczne. Raport o stanie polskich miast, OPM IRMiR, Warszawa.

According to the National Census 2011 data, over 80% of municipal resources were built before 1970.

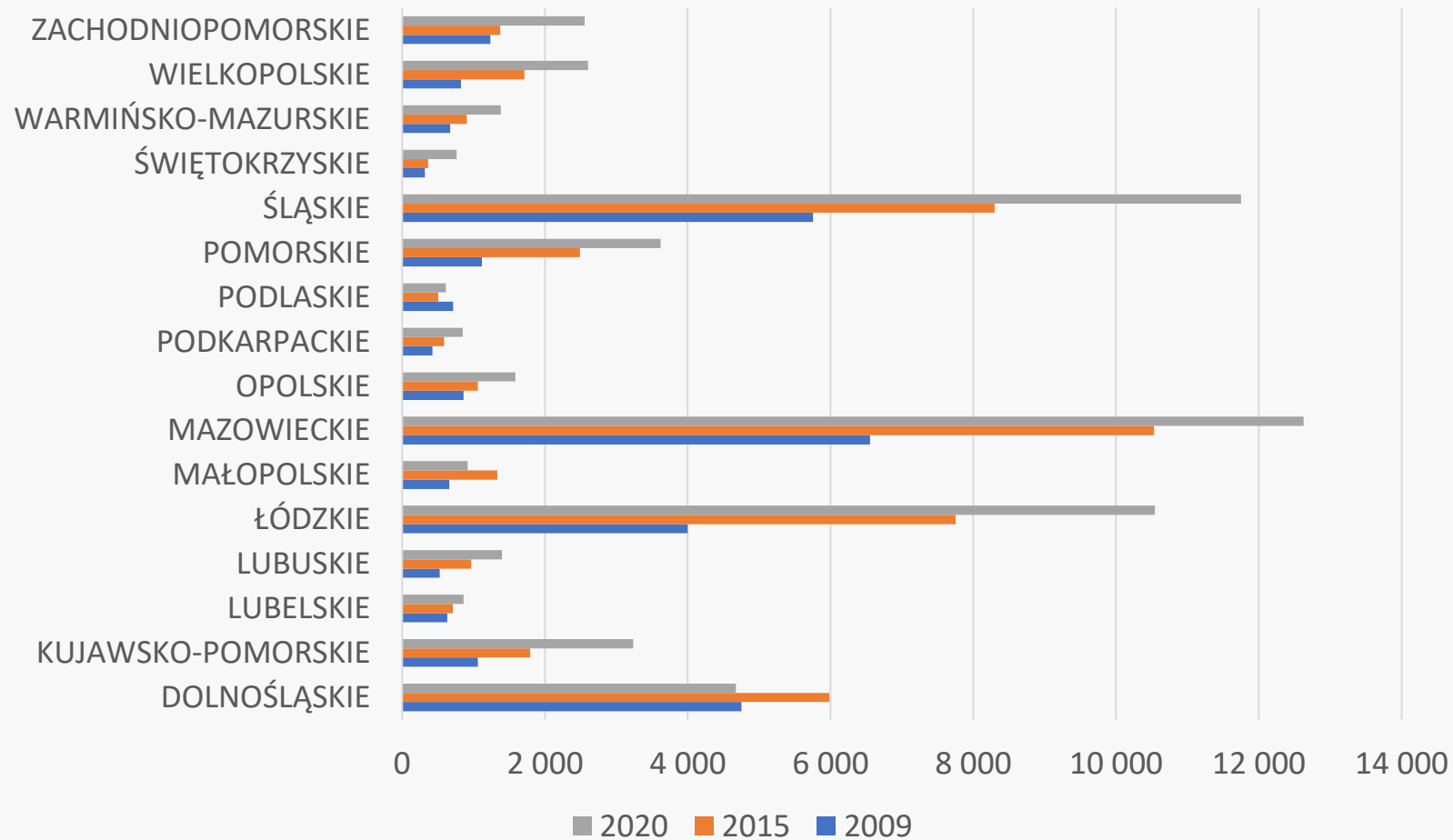
The condition of housing resources in communes



- The average share of buildings in poor technical condition in the municipal resource:
 - large cities: 14.4%
 - medium-sized cities: 8.9%
- Share over 50%: Łódź, Olsztyn, Lublin, Ostrowiec Świętokrzyski, Grudziądz, Szprotawa, Łask

Based on: Muzioł-Węclawowicz A., Nowak K., 2018, *Mieszkalnictwo społeczne. Raport o stanie polskich miast*, OPM IRMiR, Warszawa, s. 71, http://obserwatorium.miasta.pl/wp-content/uploads/2019/03/Mieszkalnictwo-spo%C5%82eczne_Raport-o-stanie-polskich-miast_Alina_Muziol_Kamil_Nowak_Obserwatorium_Polityki_Miejskiej.pdf.

The scale of vacancies in the housing stock of communes



The condition of housing resources in communes

- 2012-2018: new 13,800 municipal housing units, i.e. 1.5% of the municipal housing stock as of 2012 and 1.6% as of 2018.
- Renovations with an increase in the standard of the apartment in 2015 concerned - 1.4% of the stock, in 2016 - 1.2%, and in 2018 - 1.9%.
- In over 70% of communes, only current repairs are carried out.
- In the budgets of these communes, less than 5% of the budget was allocated to renovation.
- Renovated housing stock rarely exceed 10% of municipal resources.

Based on: Nowak K., 2021, Krajowy i lokalny wymiar polityki mieszkaniowej, IRMiR i UG, Warszawa-Kraków-Gdańsk.

The condition of housing resources in communes

- Housing privatization: 844 thousand of dwellings in municipal resources in 2018 accounted for 42.6% of the total resources in 1990.
- Significant discounts (up to 99%) and selling out. Most municipalities decreased their resources. In the group of large cities, only Włocławek increased.
- Insufficient rental rates - between 0.45% and 2.92% of the replacement value.
- High level of rent arrears - between 40 and 50% of the stock with arrears depending on the type of commune.

Based on: Nowak K., 2021, Krajowy i lokalny wymiar polityki mieszkaniowej, IRMiR i UG, Warszawa-Kraków-Gdańsk.

Changes under the National Housing Program

- higher grant from the BGK Subsidy Fund for municipalities for the construction of social housing; introducing the principle of financing the commune's contribution, not refinancing;
- increasing support for municipalities for the construction and renovation of municipal flats (to cover up to 80% of investment costs);
- renovation bonuses for SIM / TBS buildings older than 20 years;
- in the case of the construction of social housing with a higher share of the tenant in the construction costs, it will be possible to change the lease agreement into a lease agreement with ownership;
- rent subsidies in the "Mieszkanie na Start" program also for people without rental capacity (option for "standing on their feet" - rent subsidies also for tenants of flats rented from the investor by the commune and sublet to tenants - so far only direct tenants with rental capacity);
- financing the creation of common areas for seniors in municipal buildings.
- establishment of the Government Housing Development Fund. The RFRM funds are used to finance part or all of the commune's expenses for the acquisition of shares or stocks in a newly established or operating social rental housing company (social housing initiative). The amount of support is 10% of the planned housing investment of the existing TBS / SIM or in the case of a new SIM - PLN 3 million.

Towards new housing policy

- Rental support in various segments – increase the role of local governments as organisers of local supply
- Change of the financing model and stable legal environment of the banking system
- Creation of a system of targeted savings for housing purposes with state support for savers
- Increasing land availability
- Changing the development paradigm – land use policy supporting multi-family housing
- Shortening the administrative process of obtaining permits
- Incentives for developers and clients to construct green buildings

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can in no way be taken to reflect
the views of UNHCR.