

**Challenges in the housing sector in countries of
Eastern Europe, the Caucasus and Central Asia
and perspectives for the cooperation
among UNECE member states**

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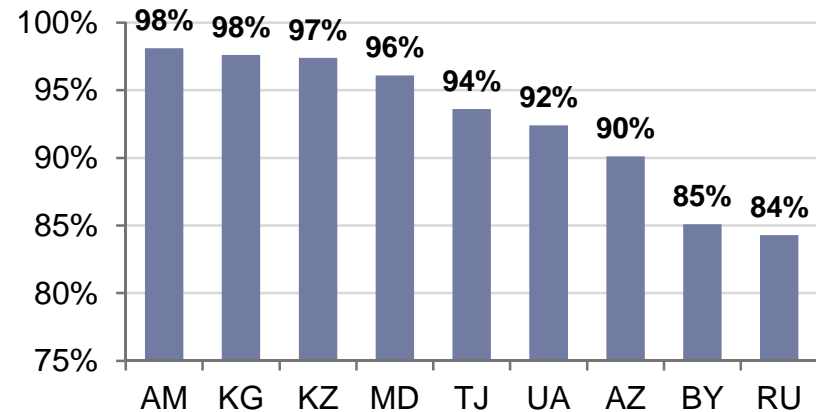
Eastern Europe, Caucasus and Central Asia (EECCA)



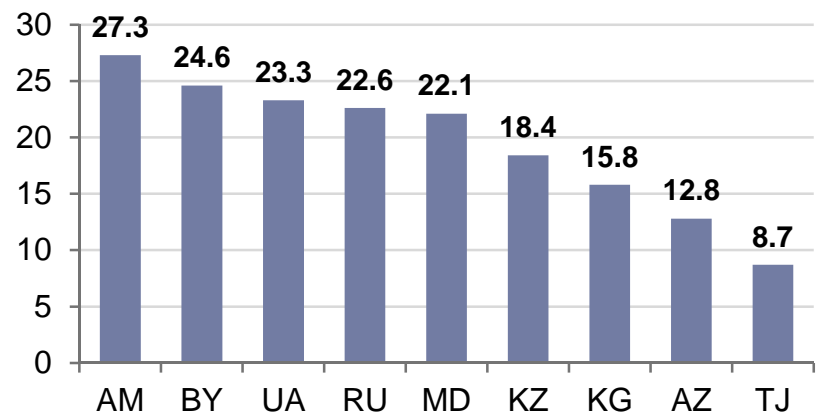
Characteristic Features of Housing Sector in Eastern Europe, the Caucasus and Central Asia

- ▶ Dominance of housing units in private ownership
- ▶ Overwhelming majority of multifamily buildings are condominiums (90-99% of total floor space in multifamily buildings)
- ▶ Weak institutions of rental housing markets
- ▶ Financial instruments for housing and utility infrastructure modernization are underdeveloped
- ▶ Mechanisms of reconstruction of built-up areas are not developed

Homeownership in selected CIS countries (2009)



Average useful floor space per person (m²), (2010)



Tenure Structure in Selected Countries (%)

Country	Rental Housing			Owner Occupied	Coops and other
	Total	Social	Market		
Netherlands	42	32	10	58	0
Germany	54	5	49	46	0
Finland	31	16	15	66	3
USA	32,6	1,0	31,6	66,4	1,0
Russia	25,6	14,2 ¹⁾	11,4 ²⁾	74,2 ³⁾	0,2

¹⁾ State and municipal housing stock

²⁾ Including that in the housing stock owned by legal entities – 3,2 %

³⁾ Estimation

Sources: Rosstat, Housing Statistics in the European Union 2010, US Census Bureau, Statistics Canada

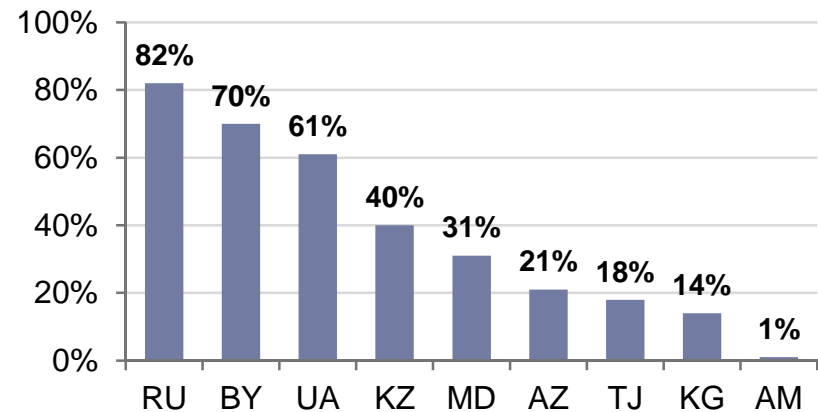
Main Problems Inhibiting Development of Rental and Cooperative Housing

- ▶ Free privatization of public housing (ongoing in most countries)
- ▶ State policies aimed at ownership support, shifting public preferences towards housing ownership
- ▶ Weak housing construction finance, dominance of direct participatory financing of future apartment owners
- ▶ Private rental sector remains within the gray economy system; weak legal protection of both landlord and tenant
- ▶ Low level of trust, risks facing long-term projects in uncertain environments

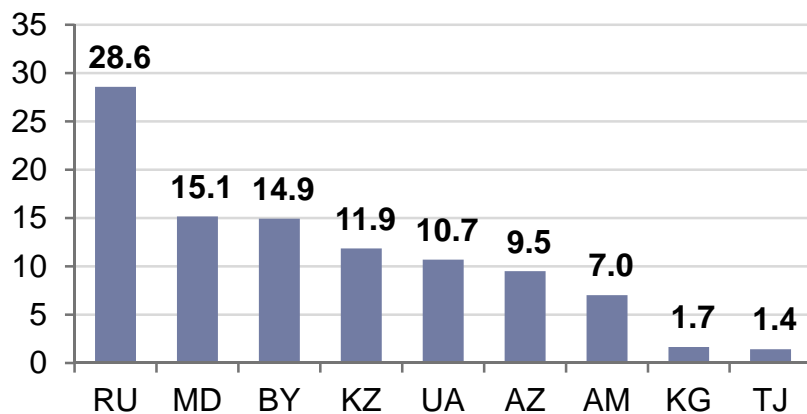
Characteristic Features of Housing Sector in Eastern Europe, the Caucasus and Central Asia (2)

- ▶ Low housing affordability scores and volumes of housing construction
- ▶ Big differentiation in access to basic utilities across the region
- ▶ Housing-related expenditures are not balanced and burdensome

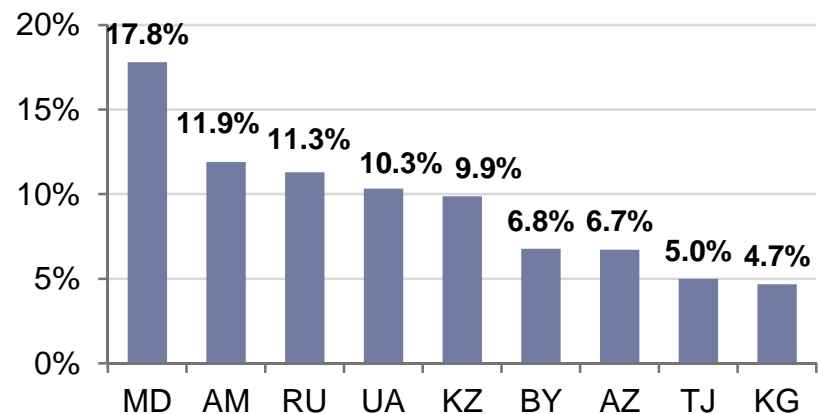
Share of housing units with access to district heating (2009)



Monthly housing related expenditures per capita, €(2010)



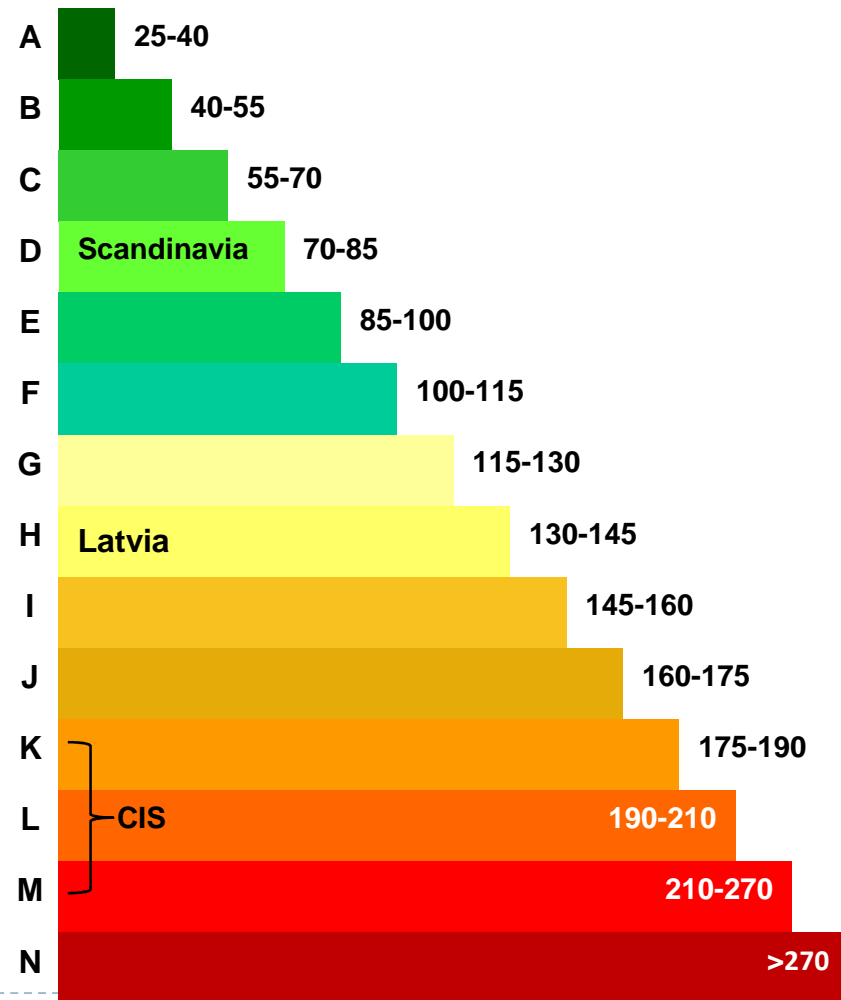
Housing related expenditures as a share of households' consumption expenditures (2010)



Common challenges in the housing sector in the region

- ▶ Revisiting efficiency of different instruments of subsidizing housing sector
- ▶ Reconsidering optimal tenure structure of national housing systems
- ▶ Improving energy efficiency in the sector

Energy efficiency standards for residential buildings, kWt*hour/m² per year



Note: the European standard for a passive building: 15 kWt*hour/m² per year;
low energy houses (Finland) - 40 kWt*hour/m² per year

Prospective Areas of Cooperation Among UN ECE Members

- ▶ Best practices and innovative technologies transfer: from libraries to codes
- ▶ Bringing experience from different parts of the region into the discussion on issues of common interest
- ▶ Housing sector development as a driving force for sustainable economic development and rational migration patterns
- ▶ Fostering development of new markets (i.e. housing modernization in FSU countries)

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▶ **THANK YOU !**

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