

# Republic of Macedonia - Official presentation to the 76th Session of the UNECE Committee on Housing and Land Management

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I am pleased to be here and I will try briefly to say something about Sustainable Housing in Republic of Macedonia considering the period of the last few years.

The housing strategy of the Republic of Macedonia has been approved by the Government of State in 2007. The plan for implementing of this strategy has been divided into 7 tasks.

- The first task is to improve the existing legal regulation.
- The second task is strengthening the institutional capacities in the field of housing.
- The third one is to establish efficient and stimulating system of financing the housing.
- The fourth task is to encourage the construction of apartments which will be rented.
- The fifth task which has been fixed is to prompt the building of apartments.
- The sixth task is to legalize illegal constructed building which satisfies the urban plans.
- And, the last task is to revitalize the existing housing capacity.

In recent years, the Government of the Republic of Macedonia has been implementing 3 major projects:

1. Energy efficiency,
2. Law on treatment of Illegally Constructed Buildings and
3. The Project buy a house, buy a flat.

## **1. Energy efficiency,**

Efficient use of energy is a key to successful settlement of ecological problems. The most appropriate way of reducing environmental pollution is to save energy. The entire mankind and each individual should use the energy in an efficient manner.

A lot of energy is used on Earth. Most often, we use non-renewable energy sources (oil, coal gas) which pollute the environment. Therefore, we need to improve the overall condition and reduce the use of this energy type. By using less non-renewable energy, we reduce the

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pollution of the environment. More specifically, we should use less energy from non-renewable sources, and more energy from renewable sources (solar energy, wind energy, bio-energy, hydro energy).

There is a significant potential of renewable energy sources in the Republic of Macedonia, such as hydro power potential, solar energy, and wind power. However, apart from the support provided by the state, market oriented instruments and grants should be used as well, in order to make investments into energy efficiency more successful.

There are huge losses of energy in Macedonia during energy use in households and public sector, reaching as high as 40%. Losses in building sector will be reduced through three year project aimed at establishing basic preconditions for energy efficiency, while the National Action Plan for Energy Efficiency for the period 2009-2016 envisages that the Republic of Macedonia achieves 9% energy saving relative to energy consumption in the period 2002-2006, in line with European Directives. This would bring energy saving of 1.16% at an average or around 820 TJ (Terra Jules) on annual basis.

Local self-governments are one of the main carriers of the implementation of energy efficiency concept. In the frames of the energy efficiency project, Local self-governments has already implemented several buildings were built in the period 1960 to 1970 and had ruined facades nearing desolation.

Project activities related to these buildings were aimed at full replacement of windows and balcony doors by new double glazing doors and application of thermal façade with 10 cm thick polystyrene. The panels of expanded polystyrene are material with excellent thermal insulation and mechanical properties, of low price and simplicity in installation, by which they have remained at the leading position among thermal insulation materials to date.

The implementation of the program for energy efficiency has contributed to reduced losses of heat and thus reduced expenditures for heat and electricity by 35 to 40 %.

## **2. Law on treatment of Illegally Constructed Buildings**

I would like to tell you something about the law on Treatment of Illegally Constructed Buildings. In the territory of the Republic of Macedonia 350 000 (three hundred fifty thousand) Illegally Constructed Buildings have been registered so far.

The population of the Republic of Macedonia is about 2 million. Therefore the Government of the Republic of Macedonia approved the Law for treatment the illegally constructed buildings on the 3-rd of March 2011. The procedure of legalization starts with a

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submission of an application to the Municipality in whose area the illegal building has been constructed.

Along with the application 3 documents should be submitted. They are the following.

1. A photocopy of the identity card of the citizen.
2. Electricity or water consumption bill.
3. Geodetic Report for determining the factual state of the illegal building.

The Ministry of transport and communication is continuously observing the implementations of the law and It gives its support for successful realization of this law.

The applications for legalizing of the illegally built structures may be submitted within the period of 6 months starting from 1-st of March 2011 till 31 of August 2011. After that date the inspections of the civil engineering has been very strict towards those people who would try to build structures after 31 August 2011. The Municipalities have been obliged to solve all these applications for the period of 5 years.

## **3. Project buy a house, buy a flat**

Under the project of the Government of the Republic of Macedonia “**Buy a house, buy a flat**”, citizens have the opportunity to apply for subsidized residential loan by 31 December 2015. These loans may be used for house building or extension or for new flat purchase.

The flat to be purchased or the house to be built:

- should be a new structure with all the required documentation provided (property list, licenses and permits for building)
- the price of the residential facility should not exceed 900 EUR per square meter;
- should be purchased directly from the investor or contractor of the residential facility;
- building and technical documentation for house building should be issued on the name of the applicant.

### TYPES OF SUBSIDIES

#### **3.1. MODEL “75%/50% INSTALLMENT”**

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For house building/purchase, the Government cover 75% of the monthly installment (principal and interest rate) during the first 5 years of the loan repayment. For flat purchase, the Government cover half of the monthly installment for the same period.

## **3.2. MODEL “75%/50% DEPOSIT”**

The Government covers 75% of the deposit for house building/purchase or up to 9.375 EUR at maximum for a loan of 50.000 EUR. In case of deposit for flat purchase, the Government covers 50% of the deposit or up to 6.250 EUR at maximum for a loan of 50.000 EUR.

Thank you.