

UN4Ukraine

Workshop on Affordable
Decent and Healthy
Housing



Recommendations building on Ukraine's Recovery Plan relating to Affordable Housing

*Drawing on European best practices
from #Housing2030*

Dr Julie Lawson
Adjunct Professor, RMIT University

#Housing2030

an initiative of



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AFFORDABLE HOUSING: TIME TO THINK AND DO DIFFERENTLY

Ukraine has a unique and evolving housing system ...

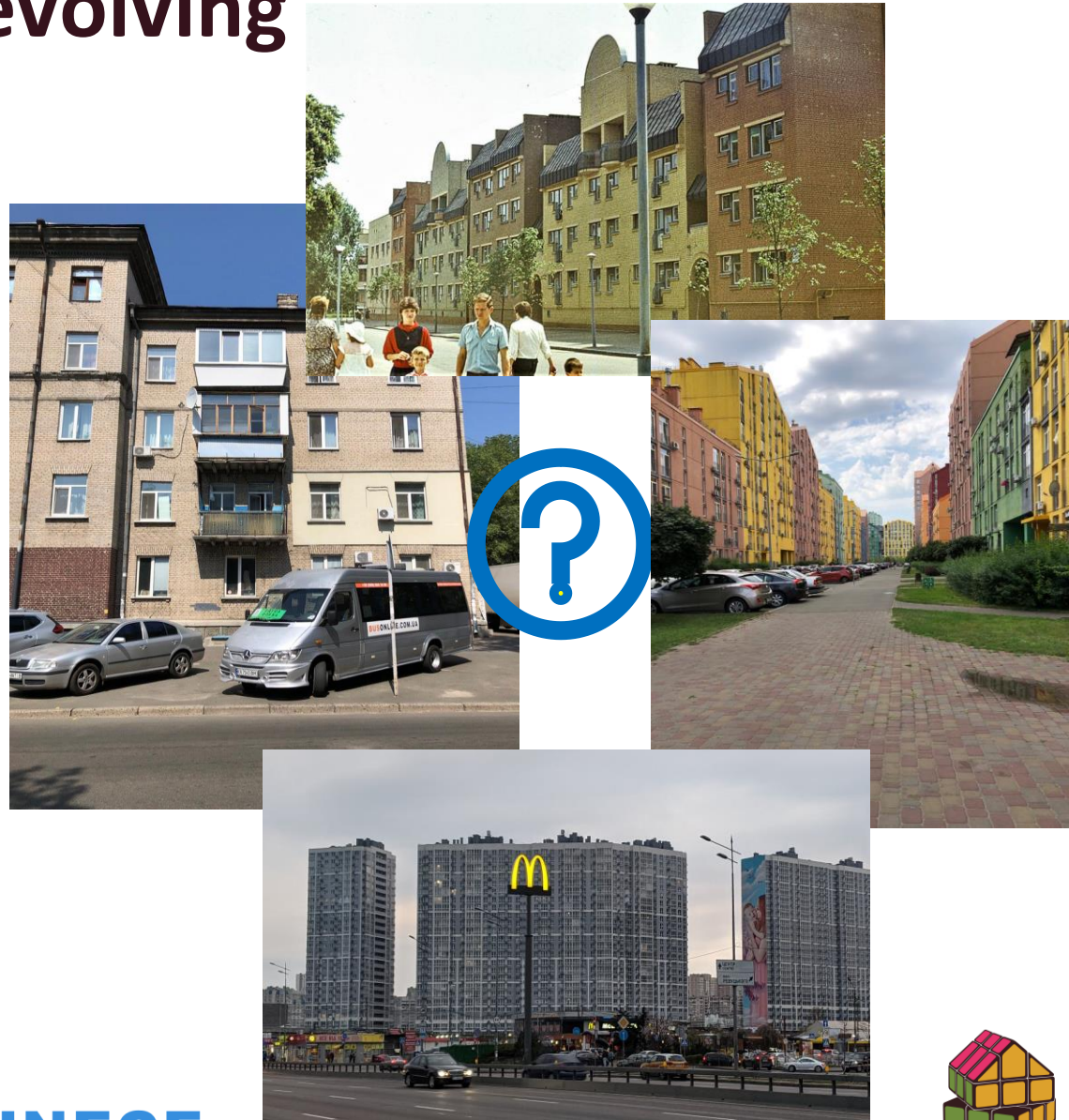
Ukraine's housing system continues to evolve in the context of numerous crises

Ukraine's National Council for Recovery has developed its own Plan with recommendations for affordable housing

Lessons from Ukraine's experience are informative: the post-Soviet privatization and Home Owner Associations and EE investment ([UNDP evaluation](#)) as well as the changing role of the State Fund for Youth Housing Construction ([loan allocations](#) to IDPs and the [affordable housing program](#)).

Learning from their experience and outcomes and relevant European practices can inform Ukraine's ongoing recovery.

Ukraine is also working towards EU accession which has implications too, such as Social Pillar, use of public support (SGEI) and [EIB frameworks for housing](#)



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Ukraine drafted its own Recovery Plan ... aims to reform housing approach

The National Council for the Recovery of Ukraine from the Consequences of the War

Draft Ukraine Recovery Plan

Materials of the "Construction, urban planning, modernization of cities and regions" working group

July 2022



UNECE

What does the Plan say? (see pages 148-149) on housing related ambitions and constraints..

Target. 100% of citizens are provided with housing (developed market and many tools for housing) Stage 3: January 2026 - December 2032

- 1 Departure from the established principles and logic of the Soviet times approaches to the realization of the right of citizens to housing, in particular by reverting privatization January 30, 2025 – Contingent factors social tension; inefficient organization of migration department work;
- 2 New local and regional programs for the realization of citizens' housing rights have been adopted, state funding redirected towards housing associations, municipal housing companies rather than individuals December 2026 combat and other security risks; lack of financial resources; inefficient organization of migration work; DRAFT 149
- 3 Mechanisms for providing housing for some categories of citizens entitled to state support have been improved, including municipal housing programs supported by the state December 2026 constraints: limited financial resources for the formation of government programs; dependence on migration policy; income level of citizens.
- 4 Integration of housing diversity, social inclusion parameter into the spatial zoning regulations and spatial planning regulatory framework December 2028 constraints: organizational factors; institutional capacity; lack of financial resources;
- 5 Creation of a stable and viable non-profit municipal housing funds and/or municipal housing enterprises in urban hromadas of Ukraine with efficient and resilient economic budgets December 2026 constraints: limited financial resources for the formation of government programs; organizational factors;
- 6 New tools have been introduced to encourage the use of vacant land for housing development, in particular through renting (by improving land assessment and taxation) December 2032 limited financial resources for the formation of government programs; organizational factors;



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Europe rebuilt - producing some of Europe's most livable cities - how?

This varying experience can also inform Ukraine's reconstruction and build on contemporary good practices.

Rovaniemi, Finland

Vienna, Austria

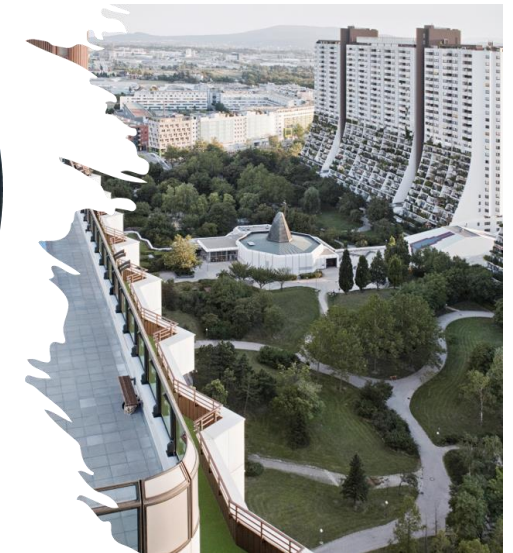
Rotterdam, the Netherlands

Munich, Germany

Also Sarajevo, Bosnia and Herzegovina



Key role for municipalities in housing promotion via land resettlement policy and strategic urban planning, dedicated housing promoters channeling long term public investment (grants and loans) towards new homes and empowered neighborhoods.



Which policy tools are relevant to fulfil Ukraine's Recovery Plan?



#Housing2030 is about tools and good practices in the UN ECE region – A joint initiative of UNECE, Housing Europe and UN-Habitat

Focuses on solutions to the housing affordability crisis in the UNECE region, highlighting the need for strategic and coordinated policy reform to shape more effective housing systems.

Addresses four topics:

- (1) Housing governance and regulation**
- (2) Access to finance and funding**
- (3) Access and availability of land**
- (4) Climate-neutral housing construction and renovation**

56 countries surveyed, evaluative evidence reviewed, 8 thematic and regional workshops, 12 podcasts

More than 30 policy tools outlined and applied in 70 illustrations



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| | | | | |
|------------------------------|---|---|--|-------------------------------|
| GOVERNANCE TOOLS | Strategic frameworks | | Institutions and capacity-building | |
| | Multi-level governance | | Setting and monitoring housing standards | |
| | Evidence | | Supervision | |
| | Dedicated social and affordable housing providers | | Tenant and owner-occupier involvement frameworks | |
| FINANCE AND INVESTMENT TOOLS | Regulating financial institutions | Non-profit provision of social and affordable housing | Subsidizing rents | |
| | Rent setting, indexation and regulation | Microfinancing | | Using household savings |
| | Public loan, grants and purposeful investment | Interest rate subsidies | | Loan guarantees and insurance |
| | Special-purpose intermediaries | Shared equity and costs schemes | Revolving funds for investment in affordable housing | |
| | Taxation to guide investment | | | |
| LAND POLICY TOOLS | Public land banking | | Public land leasing | |
| | Land readjustment | | Land value capture | |
| | City and neighbourhood planning | | | |
| | Land-use regulation and inclusionary zoning | | | |
| | Land value taxation | | | |
| CLIMATE-NEUTRALITY TOOLS | Energy performance-related building regulations | | Regulating the urban environment for energy efficiency | |
| | Non-regulatory climate policy initiatives | | Financial incentives | |
| | Awareness-raising and training | | | |



AFFORDABLE HOUSING: TIME TO THINK AND DO DIFFERENTLY

Strategic Frameworks and National Housing Agencies that drive effective progress



- People focused market shaping is vital - absence of an effective strategy or regulation leads to chaotic, unproductive, unsafe and unequal outcomes – and leaves too many people behind. Thus, govern with the needs of people front and centre.
- An example of an effective National Housing Strategy is “More Homes Scotland” which involves needs based strategic investment, works with municipalities and all housing providers and focuses on improving housing supply and conditions. Strategy has funds and 'teeth' alongside a dedicated Affordable Housing Supply program is the Scottish Housing Regulator – which monitors standards, requires improving performance, and includes tenants in the process.
- An example of a successful national agency is Finland’s Housing Finance and Development Agency (ARA) which works closely with municipalities, co-invests in a broad range of tenures, for students, young families and the elderly, with a focus on affordability, inclusion and energy efficiency.
- Much more effective market shaping of the private rental market – especially given crises and war conditions – has been applied in European countries since WWII and during COVID, e.g. rent controls, needs based allocation, security of tenure and protection from eviction.
- To ensure capable housing managers that promote, build and or operate affordable housing a clear mission and related business model is required. Legislated models of cost rent non-profit housing, land policy, conditional co-investment couple with revolving funds underpin affordable housing systems that grow affordable municipal, non-profit and co-operative housing in Austria, Finland and Denmark.
- Involve residents in an integral way, for example the management of buildings through tenant democracy a feature of the growing Danish model of affordable rental housing and also Swiss non-profit co-operatives.



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Municipal land banking to acquire, prepare and allocate sites meet local housing needs



- Governments and their communities have a combined role in land policies that influence housing outcomes. Bringing together land policy for affordable housing, also at the neighbourhood level, with conditional funding and long-term financing is key.
- Finnish governments make very long term agreements (MAL) on land use, housing and transport infrastructure to ensure economically feasible and socially sustainable development takes place. These combine national funds for transport and affordable housing with local land policies and knowledge about needs.
- Vienna is a city state that plans for the metropolis of Vienna – it has a long term strategic plan ‘STEP’ and also a Wohnfond land banker that delivers required sites to ensure housing needs are met. It also co-invests affordable and conducts developer competitions. These competitions involve for profit and not for profit housing builders and co-operatives.
- Land uses change over time and in Paris - the Etablissement Public Foncier (EPF) is a public land banker that actively buys undeveloped greenfield land or brownfield sites, preparing sites and reselling them for housing development purposes. In the process it focuses on meeting housing needs and improving neglected housing. The mechanism ensures many sites for affordable housing in heart of Paris today.
- Disused sites can impede good growth. In the US Public land banks acquire distressed, foreclosed or abandoned properties with the intent of redeploying them for more productive use. The Genesee County Land Bank Authority (GCLBA) is an example of a Michigan state land bank.



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Financing models that grow and maintain inclusive sustainable affordable housing



- #Housing2030 covers various successful approaches to public, co-operative and social housing and the financing instruments that support them, such as:
- Slovakia, which overcame upheavals of privatization and established a revolving fund to invest in and maintain housing, successfully improving 70% former Soviet housing stock.
- In Poland **public investment accelerated** by EIB framework loan lent via BGK, Poland's national development bank to public housing enterprises (TBS). These funds are subject to ESA conditions on energy efficiency, revitalisation and affordability.
- Finnish municipal and non-profit housing, that uses **grants, long term loans and guarantees** supported by a National Housing Finance and Development Agency (ARA) and regulated under non-profit cost recovery legislation, rent covers capital costs, property maintenance, and renovation costs, contributes around 9,000 units per year and 11% of all homes.
- Denmark's revolving National Fund supports the expansion of non-profit cost rent housing associations – this fund revolves and reinvests tenant's rents after the repayment of mortgage loans to ensure good maintenance and ongoing supply. The sector is growing, also relative to other tenures (20% of all dwellings).
- Austria's limited-profit housing legislation defines cost rent housing that uses grants, public and private loans, it protects and reinvests surpluses to improve and expand supply each year by 15,000 units (17% of stock plus 7% municipal housing). Similar legislation was abolished in Germany, and consequently dedicated affordable housing is in rapid decline.



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Energy efficiency for new and renovated (rental) homes and neighbourhoods



- National and city governments have a key role to play regulating and promoting more energy-efficient and liveable homes neighbourhoods and cities – and is the focus of continuing UNECE knowledge exchange.
- The EU provides a legislative framework that includes the Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive to achieve a highly energy-efficient and decarbonized building stock by 2050.
- Following the introduction of energy performance rules in national building codes, buildings today consume only half as much as typical buildings from the 1980s. National building codes such as the German Building Code – Energy Conservation Act (Energieeinsparverordnung) – are a good example.
- Energy Performance Certificates (EPC) – drive EE housing improvements if used strategically in segments of the housing market.
- Scotland focuses on lifting private rental housing standards (from C to B), while in France, new build and also renovations are also included and there are now audits on both resale and reletting take place (focused on E and F) and funds and rules to promote this.
- UNECE has provided numerous reports on this issue and #Housing2030 outlines many more best practice examples from Europe on how – including training and certification.



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Build on Ukraine's Recovery Plan – reform and grow Affordable Housing System

Ukraine aims to:

- Reform and consolidate a new concept of social housing focusing on new supply of non-profit, municipal and co-operative options to address widening needs.
- Build municipal capacity to plan for and promote public, non-profit and co-operative housing
- Clarify and co-ordinate land policies to ensure sites are available for needed housing.
- Revise and expand social housing programs to channel required investment towards new supply more effectively.
- Ensure energy efficient and low carbon homes and neighbourhoods, adapting and progressing best EU practices.

And could also:

- Address the unnecessary 'pain' of an unregulated rental market, protect households from exploitation and insecurity, reflecting war time conditions (revise Housing Code)

NATIONAL HOUSING AGENCY SUPPORTS LOCAL CAPACITY IN AFFORDABLE HOUSING SUPPLY

- Good governance - legislation that clarifies land acquisition, readjustment and resettlement processes, responsive to the neighborhood level and coheres with agreed AH concepts
- Drive green and inclusive ESA outcomes, through standards, procurement, regulation and evaluation
- Get ready, build capacities – train and plan for housing promotion, design, construction and management, including skilled trades, urban professionals and involves residents
- Focus funds on affordable **supply** (not demand for unaffordable housing) – grants, long term public loans & guarantees for affordable housing, based on successful experience of municipal, non-profit and cooperative housing
- Harness willing investors to accelerate – EIB and COEB, and also Ukrainian Financial Institutions. Regulate housing subsidised providers, sustain good housing performance



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Thank you

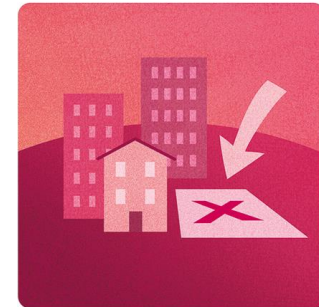
Relevant #Housing2030 tools and good practices for inspiration and adaptation - all these illustrations are outlined here:

<https://www.housing2030.org/reports/>

Also see various UNECE reports on EE good practices, also for Ukraine.

Consider offer of technical assistance for Ukraine made by Housing Europe <https://www.housingeurope.eu/resource-1707/proposal-for-a-housing-europe-offer-within-the-framework-of-eu-support-to-ukraine-rebuilding>

Further contact: julie.lawson@rmit.edu.au



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