

HOUSING FINANCE INTERNATIONAL

The Quarterly Journal of the International Union for Housing Finance



- ➔ **Housing and financial markets in Japan amid global inflation**
- ➔ **Ukraine's housing recovery forum – rebuilding a place to call home**
- ➔ **The two housing finance crises in Hungary – lessons for the housing policy transition**
- ➔ **Round Table on Security Rights over Immovable Property (Part 1) – Objectives and Working Methods**
- ➔ **Decarbonising Tenants**

International Union for Housing Finance

Housing Finance International

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Contents:

- 4 Editor's introduction
5 Contributors' biographies

REGIONAL NEWS ROUND-UPS

- 6 **Africa**
Thandiwe Dhlamini
8 **Asia Pacific**
Zaigham Rizvi
17 **Europe**
Mark Weinrich
18 **Latin America & the Caribbean**
Claudia Magalhães Eloy
21 **North America**
Alex Pollock

ARTICLES

- 22 **Housing and financial markets in Japan amid global inflation**
Masahiro Kobayashi
28 **The two housing finance crises in Hungary – lessons for the housing policy transition**
József Hegedüs
35 **Decarbonising Tenants**
Simone Abram
39 **Ukraine's housing recovery forum – rebuilding a place to call home**
Julie Lawson, Oleksandr Anisimov and Edwin Buitelaar
45 **Round Table on Security Rights over Immovable Property (Part 1) – Objectives and Working Methods**
Otmar Stöcker, Rolf Stürmer



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A brave new world?

While it would be an exaggeration to quote the song title “what a difference a day makes” as an indicator of the speed at which housing markets can change, the past few months have certainly been an illustration of the fact the overall climate can shift very rapidly and in particular that the move from boom to bust can overtake the public and housing commentators alike. No one likes to be the bearer of bad news, so pessimistic observations unfortunately usually tend towards the retrospective.

Here in the UK, house prices were down 1.1% year on year in February and are now down 3.7% since their peak in August 2022.¹ On the first of March the Bank of England announced that net mortgage lending was down by £0.6 billion while actual mortgage interest rates paid by individuals rose 21 basis points to 3.88% pa. At the same time consumer credit borrowing is sharply up, while those who can afford to are choosing to save, with monthly bank deposits by households up by £3.5 billion.²

If this picture was only emerging in the UK, one might simply blame a range of UK-specific factors such as BREXIT, the recent difficulties of the Truss Government and continuing splits in the governing party. However bad news about housing markets is certainly not confined to the UK as this issue of HFI demonstrates.

As Mark Weinrich points out in his Europe column, house prices have been falling in Sweden, Denmark, Finland, Germany, Italy and Romania. With predictions of a fall in construction rates; always a sign that developers smell bad news on the horizon.

From the US, Alex Pollock identifies the end of the house price booms in Canada and the US itself with prices falling from their peaks by 10% so far in Canada in 4.4% in the US.

As if that were not enough, our report from the Asia Pacific region highlights intervention by the Chinese government to attempt to prop up their housing market, falling prices in Korea and fears of a housing crash in New Zealand.

While none of this has occurred overnight the changes have happened rapidly enough that this global reversal requires serious analysis to identify underlying causes and likely future

outcomes. HFI will make its contribution to that analysis over the coming months.

Our first main article in this issue focusses on Japan and is aptly titled *Housing and financial markets in Japan amid global inflation*. Sadly, this will be the last article by Masahiro Kobayashi in his capacity as Executive Director of the Japan Housing Finance Agency as he is retiring after a 35-year career in housing finance. Mr Kobayashi has been an astute and regular contributor to HFI over many years and we hope for further contributions from him in a personal capacity. In this important article Mr Kobayashi examines recent policy changes in interest rate policy by the Bank of Japan in the context of global inflation and against the backdrop of long-term relative economic decline in Japan. In the course of the article Mr Kobayashi analyses a number of issues such as the impact of population decline in Japan and of changing household composition away from the “conventional family” of two parents and two children.

In Autumn 2022 HFI published an article on decarbonisation of the housing stock in Hungary.³ In this issue of the journal we are pleased to follow this with an article by József Hegedüs *The two housing finance crises in Hungary – lessons for the housing policy transition*. In this fascinating historical analysis Hegedüs first provides an overview of the developments in the Hungarian housing market from 1979 to the present day, including the transition to a market economy post-1990 and the foreign currency denominated (FX) loan crisis of 2008. In the second part of his article Hegedüs examines the housing crisis of 1989-1990 in detail, highlighting the role played by previous state-backed lending in the inflationary period of transition. He then goes on to make an analysis of the causes and outcomes of the FX loan crisis of 2008. The article clearly demonstrates the impacts of two different and competing housing finance strategies of government during different periods.

In this issue we have taken a break from our regular series of articles on national approaches to decarbonising the housing stock. Instead, we present an article by Simone Abram of the Durham Energy Institute; *Decarbonising tenants*. The article looks at the way social housing tenants have too often not been actively or effectively involved in the

process of decarbonising their homes and how previous failures of tenant engagement have led to cynicism when attempts are made to engage tenants over decarbonising their homes. Abram offers examples of best practice and gives a clear warning in conclusion; “To be involved in decisions that affect your life means more than delivering your views. It means understanding the ways that decision-points have been reached, how agendas have been set, what the limitations are, and how other people’s views or conditions might affect future action.” Those with responsibility for transforming the energy efficiency of social housing stock should take note.

We are very pleased to present an update on our previous article on housing in Ukraine. This article, *Ukraine’s housing recovery forum – rebuilding a place to call home*, by Julie Lawson, Oleksandr Anisimov and Edwin Buitelaar takes the form of a report on the symposium “Ukraine’s Housing Recovery Forum,” hosted by the PBL Netherlands Environmental Assessment Agency.

Our final main article is by Otmar Stöcker, of the Verband Deutscher Pfandbriefbanken (vdp) is titled *Round Table on Security Rights over Immovable Property (Part 1) – objectives and working methods*. It forms part one of a two-part article with part two scheduled to appear in the Summer 2023 issue of the journal. The Round Table was formed in response to the increased amount of cross-border mortgage business now being undertaken in Europe. With such business confronting a patchwork of national legal systems there is a clear need for comparative analysis set out in a form that can be used in practice while being as accurate as practicable. It consists of both academics and practitioners with members able to bring to bear a high level of expertise. While such work is seldom glamorous, it is important and these two articles will be a valuable source of reference for those involved in secured lending across borders.

All in all, this issue of HFI presents information that is seldom brought together elsewhere and offer unrivalled analysis of some fundamental and usually topical issues. We trust that you will find it useful.

Andrew Heywood, March 2023

¹ Nationwide House Price Index

² Bank of England: *Money and Credit-January 2023*

³ Decarbonising the Hungarian housing stock: the case of the multi-apartment buildings
Éva Gerőházi, Hanna Szemző, Eszter Turai

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Dr. József Hegedüs is a founding member of the Metropolitan Research Institute, a think tank working on urban and housing policy since 1989. His field of research is housing and urban policy. He has published widely in journals, and he is a co-editor of five books dealing with housing regimes in post-socialist countries. [1.23]

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Ukraine's housing recovery forum – rebuilding a place to call home

↳ By Julie Lawson, Oleksandr Anisimov and Edwin Buitelaar

1. Introduction

Why are we talking about recovery while the war is ongoing? “Recovery requires long-term visioning and the need to guide investment in a planned and coordinated way. With that, one cannot start soon enough”, says Professor Edwin Buitelaar, researcher on urban development at the National Environmental Assessment Agency (PBL) and one of the coordinators of a recent symposium focusing on the recovery of Ukraine's homes and neighbourhoods. He stressed that the challenge of rebuilding better, also requires building the right institutions, governance structures, and capacities to ensure that this happens. One of the key conclusions of the event concerned the need for a clear legislative basis for social and affordable housing coupled with appropriate circuits of investment, to be integrated in spatial plans to ensure the development of adequate, affordable and inclusive homes and neighbourhoods for all Ukrainians. Political commitment, technical assistance and knowledge exchange plays an important role in this process.



The tightly organised 'Ukraine's housing recovery forum' hosted by the PBL Netherlands Environmental Assessment Agency on the 15th of February in the Hague, was one of the first major international events to focus on the rebuilding of homes and neighbourhoods. It was organised together with the Ukraine Netherlands Urban Network (UNUN), the New Housing Policy project and RMIT University. More than 400 participants shared their knowledge for action, towards

reshaping vital institutions and key circuits of investment to build back better homes and neighbourhoods. This article reports on the important messages from this event, soon to be elaborated in a joint PBL report.



Opening the event was Oleksandra Tkachenko of UNUN, who stressed that pre-war history matters, and the results of reconstruction will depend on how we continue to reform pre-existing processes. Joining her on the platform were Ukrainian national and local government senior officials, policy research team New Housing Policy and civil society think tank CEDOS, as well as the European Commission, housing and urban policy experts from Housing Europe, the Netherlands, Finland and Austria. The event combined historical perspectives, with contemporary technical experience and political insight. Key international financial institutions, the IMF and EIB, strengthened the call for investment in housing recovery efforts.

2. European Commission's involvement in Ukraine's recovery



Emphasising the Commission's continuing commitment, Krzysztof Gierulski, reminded participants that Ukraine's housing consumes up to three times more energy than average homes in Europe.

While many reforms have progressed through EU and Ukraine co-operation, such as legislative reform, collaboration will necessarily increase. The EU will continue to help Ukraine with arranging housing for internally displaced people, and for the renovation of multi-apartment buildings, for example through a programme of quick repairs of residential buildings, but more will also be done. Experienced policy advisor Gierulski, now part of the EC's new Ukraine Service, contends that even though housing is not formally part of the EU's mandate, it is an important element of social security and a significant part of the economy's energy consumption. Improving housing quality is therefore a matter for European concern, and indeed at the heart of the Green Deal. The Energy Efficiency Fund, established to address the need for investment in renovation can be adapted and expanded to accelerate Ukraine's energy efficient housing recovery.

Informed by daily practice in the face of war, Lviv's director of Urban Development, Taras Kubay brought the audience back to ground level. He reminded participants of the impact the Russian war has had on each region. While some damaged areas were undergoing restoration, others are still unreachable. As a local official, he is aware of national recovery plans and regulatory efforts to improve the quality of housing construction and pointed out reforms to the land inventory and urban planning system that could make more effective use of community resources, while also addressing ecological concerns. The city planner spoke of new projects expanding the hospital to serve war wounded, which also provide social housing for their recovery. The architectural design was selected through competition and financed internationally. In the long run, a long-term system for funding social housing will need to be established, beyond this singular project. He was hopeful that a combination of efforts involving the government of Ukraine, local self-government,

the business community, international partners and the Ukrainian people, would ensure the successful reconstruction.

3. Informing housing and urban policy challenges



Researcher Galyna Sukhomud and co-author of the policy review on Ukrainian housing policy (Sukhomud and Shnaider, 2023), urged participants to concentrate on the housing issue now, and not wait until the end of the

war. It is important to reflect that mass privatisation of the 1990s generated overinflated expectations of the government of today. While giveaways of homes cannot be repeated, realising the right to adequate housing remains a constitutional obligation as well as human right. Governments should use all the policy levers they have at hand to realise this. She referred to evidence from the IOM of almost 6 million people having been internally displaced. Further evidence, verified by the World Bank and KSE shows that the largest share of war damage affects people's homes and poses the greatest burden. There is a pressing need to rehouse whole communities. Yet, being a 'super-ownership' country, Ukraine offers few pathways other than taking on a mortgage, which for many is unobtainable or too risky. The rental market is unable to respond effectively. It is not only overstretched, there is profiteering in some cases, due to the lack of regulation. Social housing as a concept is narrowly perceived, and is in vastly inadequate supply for the purpose at hand. A more comprehensive and larger scale approach is needed that offers solutions not only for the displaced but also those for whom ownership is no longer ideal. Sukhomud recommends building a more effective legal framework so that affordable rental housing can be developed in areas where it is needed, and so that patient finance can invest in better housing options for the future.

Experienced housing developer Konrad Clos and his team from the International Organisation of Migration's Affordable Housing Program, learnt a lot from their pilot of municipal housing companies aimed at housing internally displaced people since the start of the invasion in two eastern regions of Ukraine. Their experience is useful for

informing longer term housing solutions for a wider range of households, such as teachers and nurses, as well as 'vulnerable groups' such as the elderly and injured veterans. Clos argues that stronger shoulders are always needed to ensure inclusive and mixed neighbourhoods. He recalls that before 2021, municipalities were reluctant to work with international organisations. Repurposing buildings or land for housing needs was very difficult and not at all straightforward. The legislation enabling municipalities to rent communal property at affordable levels was unclear and inadequate. There are also no modalities allowing rent to ownership, as in other European countries.

The spirit of reform through Ukraine's recovery plans presents an opportunity to support and establish neighbourhood-based circuits of reinvestment, where areas are more locally managed by municipalities or municipal enterprises, with low overheads and accountable to communities. Neighbourhood improvements could also be supported by municipal housing companies that dedicate part of their rental income towards social infrastructure and area improvements. The IOM recommends clearer communication of what municipalities can do, perhaps in the form of a manual, including how partners can also work with municipalities to establish more community-based homes and neighbourhoods. There is a need for further revision of the housing code to streamline and clarify roles and make space for social housing and affordable housing. This would help inform and assure all stakeholders of the environmental and social management guidelines and how to implement them. Concern was expressed for the integration of displaced people from the eastern parts of Ukraine to the west. While municipalities are eager to welcome new households, especially those bringing valuable skills, vulnerable communities also need protection and support to ensure no one is left behind.

A recovery plan can embody important political, cultural and economic values of a 'good life', for example incorporating social solidarity, environmental sustainability, and reducing poverty, said RMIT's Julie Lawson and lead author of #Housing2030. Such a vision can motivate use of key policy instruments, such as municipal land policy, conditional capital grants and very long-term loans, and support a role for mission focused housing developers. Such tools were applied in post-war Europe, with success, for example accelerating housing recovery efforts in Vienna and Rotterdam.



Lawson recounted the role of the UN Economic Commission for Europe, which assessed Europe's post-war housing needs, advised governments on suitable financing arrangements, and recommended non-profit forms of promotion. Across Europe, 12 percent of ERP funds were dedicated towards different forms of low-cost housing, especially in the Netherlands, Austria and France. European Reconstruction Program funds (Marshall) were used to finance Dutch housing associations, especially in Rotterdam, where they continue to provide over 50 percent of the dwelling stock. ERP funds were also invested in key infrastructure, rehabilitating the economy through Rotterdam's new container port, expansion of Delft Technical Hogeschool (now TU Delft), and a technical advice centre Bouwcentrum, promoting innovation in planning, design and construction. In Austria, pre-existing housing legislation and national funds were adapted and expanded to meet post-war needs. Separate funds repaired private buildings and invested in new municipal and non-profit, via housing companies and cooperatives. Finland combined municipal land banking with national housing funds to create new communities drawing on garden city ideals, and offer affordable home ownership and later a range of housing types in mixed communities.

Ukraine currently lacks an interface for the national agency to work with municipalities to accelerate a coherent and sustainable recovery for all with affordable housing at the core. There is much potential for this and Ukraine has drafted its own Recovery Plan, presented in Lugano, which includes establishing a new concept of social housing based on non-profit and municipal companies. Lawson's presentation outlined key roles to build stakeholder capacity for this role, including reform of affordable housing law, revision to national housing funds, integrated municipal land policy and resident

engagement and empowerment to build back better and fulfil the European Charter.

4. Hopes for the future – housing in the recovery plan



Ukraine's Deputy Minister for Recovery, Oleksandra Azarkhina, is developing a team to build digital tools that maximise transparency in the restoration process, as part of

building back better, and believes that the state shall aid the market to avoid any possibilities of social ghettos. She also appreciates that municipalities are the key, but require rules provided by the state, in order to fulfil their role.

She was enthusiastic about the promise of digital application DIYA used by people who have damaged or destroyed homes. This allows for all data on war related damage to be registered in one central application process making it easier to assess and authorise vouchers' to be used for the purchase of raw materials and construction services. Only owners proving their legal title will be supported. A draft law aims to explain this digital procedure for compensation: virtual certificates, connected to applications, can be used in three ways: to buy a dwelling on the market that is already constructed; to invest in any kind of the new construction; and also buy part of a housing investment. The deputy minister also considered it important to make sure that the money did not go to the person affected, but to those selling materials, services or the property, and sees this approach as one way to prevent corruption, risks and inflated prices. Minister Kubrakov's team will be responsible for calculating basic compensation rates, using a price per square metre, at a rate equal to that of before the full-scale invasion. The digital tool offers a transparent tool to make sure that the people will have a choice and that this offers business opportunities.

Funding this effort will draw on the \$550 million funded from confiscated Russian assets. This will demonstrate to the world community that this digital tool is efficient. When it is working well, she will invite other international partners holding Russian assets to help Ukrainians to receive their compensation,

even before the end of the war, and before the whole reparation process started.

Azarkhina recognises that Vouchers will not answer the big question concerning destroyed cities and villages, but hopes to answer this soon, working first with affected people and addressing their basic needs.

5. Europe has the tools for recovery in its hands



To address the major concerns of neighbourhoods, villages and whole cities, suffering from extensive damage, the program then turned to European best practices in affordable housing

promotion as well as integrated urban planning. The City of Vienna is the largest manager of municipal housing complexes in Europe, managing 220,000 apartments in 1800 complexes. There are close to 190 cooperatives and housing associations across the country and almost half the Vienna's population resides in some form of this housing. Michaela Kauer and Veronika Iwanowski from the City of Vienna, argued that there are no social ghettos or stigmatised areas in the city due to the strong market presence of mission-focused housing providers, and this is one reason why the OECD says the Austrian model is exemplary for other housing systems. Of particular interest is the Vienna Housing Promotion and Housing Rehabilitation Act, which regulates the subsidisation of newly constructed housing, as well as the renovation of older houses. It determines the type and extent of support that is granted to housing developers by, for example, low-interest loans, and it regulates the benefits that are disbursed to tenants. Subsidies for affordable housing are financed from federal taxes through the general income tax system. this creates a reliable basis for planning complex housing programs. This ensures stability and would be impossible under strictly market dependent policies.

Funds for housing promotion are regulated by a federal law that dedicates 0.5% of the gross pay of employers and the gross income of employees. This revenue funds regional housing programs. Vienna receives around €250 million per year to use for

housing construction purposes. It almost doubles these funds with its own resources to provide grants and favourable loans for limited profit providers on the basis of cost-based rents. Repayments from these loans are revolved in a dedicated funding system for expanding new supply. Vienna's direct approach to supply, means that it builds up a strong long-term portfolio of affordable housing across the entire city, and this not only reduces demand for rent assistance it also improves housing quality and reduces social inequality. Vienna's subsidised housing is broadly allocated, including middle-income earners. This not only avoids social and economic segregation but also broadens political support and social inclusion.

Veronika Iwanowski also reported that the City has a number of tools it uses to ensure housing needs are met. It has its own Land Provision and Urban Renewal Company, which currently owns 3.1 million square metres. The company leases land to developers on the basis of long-term contracts. It also uses its authority over strategic planning and land use zoning to introduce a subsidised housing category that requires some areas to allocate two thirds of usable space for subsidised housing.

With a very stable legal and funding framework, both on the national and on the local level, municipalities are empowered to promote their own housing policies, such as Vienna. Kauer said "we are happy to have boring financial financing models rather than fast, volatile, profit oriented financing models in the housing sectors, because we think that this is better for the people." This also allows for strong tenants unions and tenant protection, which forms an integral part of good governance of the housing system.



Social researcher Anastasia Bobrova, from the social policy think tank CEDOS stressed the importance of focusing on new approaches and solutions to overcome a fragmented and incoherent set of laws and institutions which had led to an unproductive affordable housing system. "We need a strong institution

capable of developing a coherent strategy for housing policy.” This is also a pre-condition of EIB financing for affordable housing projects. “It is vital to bring the Ministry of Recovery back into discussion about social housing and that social housing will become a part of this coherent national recovery strategy.” she said.

Bobrova contends that social housing in Ukraine is currently organised very differently from other European countries and consequently is a very small and marginalised sector, unable to respond to the emergency at hand or the longer term needs of Ukraine. The role of rental housing is increasing rapidly, due to displacement, destruction and also lack of affordable alternatives, especially for those on low or currently no incomes. Despite the need for decent affordable options, “the major governmental programs that we have right now, mortgage schemes or concessional loans programs, are not able to cater for these different needs of different social groups that we now have in Ukraine. People find themselves in the situation when they cannot afford to take out a loan. They can also not afford to be homeowners in the future to repair, to maintain their buildings.”

Bobrova's research concludes that there is “a need for secure municipal rental housing, this need is very high and this need continues to grow.” She stressed the importance of progressing legal reforms. CEDOS participated in the National Recovery Plan project, with the Government and non-governmental organisations. “Our organisation was also part of this task force, working on the National Recovery Plan. And this document sets a task to create this bill for non-profit housing provision.” says Bobrova. This document is now part of the thematic materials for the Ukraine Recovery Conference, which met in Lugano and will meet in London this June.

The social policy expert called for national institutions to work on social housing as well as a well-functioning rental system. A unified and expanded national social housing fund could prioritise local needs and drive supply more effectively. Echoing Sukhomud, she also stressed that more research is required to understand the needs of the households and to build policy solutions based on this. “It goes without saying we still need to learn a lot about the difficulties that households encounter in their past phase of housing pathways in Ukraine.”

6. Creating liveable neighbourhoods

In the next section of the recovery forum, the scope was broadened from securing (affordable) homes to creating liveable neighbourhoods. “It is about building places, building neighbourhoods, with schools, public spaces, amenities, access to jobs, and so on. Then we are entering the domain of urban design and spatial planning”, as Professor Edwin Buitelaar said in his introduction of the speakers in this part of the program.



The first speaker to elaborate on this was Francesco Veenstra, Chief Government Architect, of the Netherlands (CRA), who focused on the importance of the design and the creation of a public domain for people to meet and to reconnect to their families and friends, to their neighbourhoods and cities and to their cultural backgrounds. Spaces where people can feel safe again and spaces that reflect a prosperous future.” He argued that for safe housing we need to achieve a balance between private and collective spaces, where quality of the living environment is non-negotiable. “It was the first lady of Ukraine who raised the need for involvement of the architects and builders to create spaces around people, creating obstacle-free neighbourhoods for people to return to and to pick up their lives, and building their societies.” It is this call to action that Veenstra believes should be picked up by the International Society of Architects, Planners and Landscape architects, and where CRA as a Dutch national institute should contribute.

Linking different elements and land uses is not just a matter of urban design, it requires institutional arrangements to do so. Jarmo Linden, head of the Finnish Housing Finance and Development Agency (ARA), introduced the audience to a system that was introduced in Finland and, arguably, to great effect. Linden put it like this: “it doesn't help if the government is planning to do something,

if there is no cooperation with the municipalities. So we have developed this type of agreement procedure with the biggest urban areas, which covers over half of the population. The agreements concern land use, housing and transport.” ARA does not only promote housing, but gives municipalities infrastructure grants. Municipalities promise to give land for social housing and government promises to support housing production and co-finance the transport system.



Reconstruction takes place in space. And Oleksandr Anisimov from New Housing Policy Ukraine asked the question whether Ukrainian spatial planning is actually ready to recover Ukrainian cities.

As of today, in new development projects Ukraine does not stimulate a social mix. Moreover, “we don't have proper public transportation. We don't have proper climate adaptation tools. The question therefore is whether we will follow the same path into recovery.”

To prepare a positive answer, it is necessary, in Anisimov's opinion, to tackle three key aspects related to spatial planning (law) and urban development.

First, municipalities, even though they are given responsibility for local development, are not able to enforce housing policies or housing aims through their planning policies. They are not allowed to do that by law. In a sense, Ukraine would have to revamp the existing legislation according to new principles and the ways to shape social housing in the country.

Second, there is a need to develop planning and development instruments for Ukraine or to adapt those that exist elsewhere that will help the municipalities to design and redevelop neighbourhoods and those micro-districts built in Soviet times. There has to be the shift of ownership structure that follows an effective process and project management that has been referred to already in this article. Anisimov also focuses our attention to the need for a system that allows municipalities

to bring investments from donors and those mentioned public interests for redevelopment together. He contends, there are some good initiatives on the local level, but those need to be upscaled.

Third, a national challenge is to align and streamline strategic planning for recovery. So far, the recovery has been very chaotic. And one of the reasons is that the national government has not yet managed to find a suitable hierarchy and a suitable logic of strategic plans to help municipalities to recover. Ukraine is also in need of municipal capacity to deliver those ambitious goals it is aiming for, as the previous experience showed that even prior to the war hromadas (municipalities) have hardly managed to develop necessary strategies and plans. Anisimov called the audience and partners to look for every opportunity to assist municipalities on how they can improve their policy, management practices and build new long-term commitments around housing projects.

7. Invest in institutions first to ensure good housing and urban outcomes

Affordable inclusive social housing is an important part of the European urban fabric, which played a vital role in the post war era, and remains key to recovery and reform efforts today. Taking a pan European view, Sorcha Edwards, Secretary General, Housing Europe stressed the importance of united political and investor support for establishing a sound affordable housing system in Ukraine, building on the aspirations of its Recovery Plan. To do so can draw on examples from Housing Europe's members, which include 43,000 cooperatives, municipal housing companies, limited profit housing developers across the whole region. They are not only the established experts in affordable inclusive housing but also pushing forward on the energy efficiency agenda, the Green Deal and New European Bauhaus.



Edwards argues that a really smart housing policy strategically invests capital in building and homes that are needed. Profit driven models have other priorities and poorly regulated and extractive approaches have done more harm than good in European cities, generating short term and insecure options. Clever housing policy promotes social progress and well-being for individual households and society as a whole.

Responsible housing providers from Housing Europe stand ready to share their expertise now, in Ukraine's moment of need.



Experienced public investment banker, Gzregorz Gajda, knows Ukraine very well having lived there for almost a decade and been part of housing reforms. He is now a senior urban investment specialist with the European Investment Bank, which has invested 1 to 3 billion euro in affordable housing projects across the European Union each year. The EIB finances examples of affordable housing that were illustrated in this conference. This ensures that long term investment occurs in affordable housing meeting different needs, across cities and not in isolated 'ghettos' of rich and poor areas. All neighbourhoods should be good ones.

He argues that there is a whole spectrum of different ways housing can be provided to people, and a continuum of options can serve differing needs and aspirations. The EIB concentrates its efforts on social and affordable housing, that is non-profit and needs based, rather than commercial rental or homeownership. Housing should be delivered as part of a national strategy, implemented by appropriate institutions, which offer affordable and also inclusive housing. "And this is actually the European social housing magic".

Gajda says "So we will build back better, not only with better technologies, but predominantly we would like to build back better with better institutional setup, with better organisation, making sure that it will

contribute to creation of those cities that will follow the example of the idea of 15 minute city.¹ Housing should be a very important element of that".



Drawing on European best practices. Together with Ukrainian and European partners, the EIB can help create an affordable housing model that will actually deliver those goals.

The World Bank, in their rapid damage assessment last June, estimated that 40 percent of the damage was to housing, and that reconstruction of Ukraine's housing would cost more than \$69 billion (of the \$349 billion mid 2022). Vladyslav Rashkovan, IMF argues that "there is simply no single balance sheet in the world which can single-handedly finance such huge bills for the reconstruction of Ukraine and specifically of housing", so "we need to find a good answer on how this will be financed." He said that NGOs who are working on this write more about it. "It's not only about digital. It's not only about green. There are much more principles inside. So, this [event] is the first, call for action with the NGOs involved."

Rashkovan argues that housing reconstruction is not only about rebuilding of housing or infrastructure, it's a chance for modernising Ukrainian cities.

In his view, "there should be partnerships which will go beyond the regular PPP. I'm encouraging my World Bank colleagues and EIB to start building those partnerships together with the private sector and with governments." He considers the "rebuilding of the cities and communities of the cities will be a path towards Europe."

8. Political commitment

Political agreement and commitment will be vital to ensure progress is made. Jennes de Mol, Dutch ambassador to Ukraine who had been actively listening to the event said "So it means long term commitment and whatever

¹ This concept concerns the planning of cities that prioritise neighbourhood wellbeing and enable people to live, work and have access to all the services they need within

a 15-minute walk or bike ride, rather than be isolated in mono-functional areas and dependent on car travel.

comes, we will be with Ukraine shoulder to shoulder for a long time.” He said a leading principle of development is Euro-Atlantic integration. “So the Green Deal, for example, is definitely an instrument to guide policy making in Ukraine.”



He was impressed by both the resilience, preparedness, and strength of Ukraine. Part of this strength was the NGOs. He called on the international community not only to invest in NGOs but also to do their homework, invest in cultural awareness. “So, look for partners, go and partner, look for knowledge about where you are active. I very much like the presentations by Galyna Sukhomud and Oleksandr Anisomov because they’re based on what is actually going on.”

The final word went to the Ukrainian ambassador to the Netherlands, Maksym Kononenko, who thanked the speakers for their progressive ideas on how to recover Ukraine’s housing sector.



Recovery of people's homes and their neighbourhoods is sorely necessary, as according to military experts over 5000 missiles have been launched on the territory of Ukraine, and most of the targets, more than 93%, have affected civilian infrastructure. More than 170,000 units of the residential area have been either damaged or destroyed because of military aggression, leaving thousands of Ukrainians without homes.

The Ukraine Ambassador was also deeply convinced that after every storm, there is a silver lining and the presentations and engagement from the attendees offered hope for the future. He believes the reconstruction of Ukraine will become “the largest reconstruction project since World War Two.” Like then it will provide new impetus to the European economy”.

Ukraine has now established a state agency for restoration and infrastructure development of Ukraine. The Ambassador understands that his government has a lot of homework to do. The Ukrainian government is conveying ideas, searching for solutions and opportunities in building a new and better future for Ukraine, for the Netherlands and for the whole of Europe. Ambassador Kononenko encouraged partners not to wait until the end of the war but join the process of discussion that will determine how the housing recovery can be done.

9. Follow up

The full audio of the event and related slide presentations are available online. A more detailed technical report is being drafted by PBL, New Housing Policy and RMIT building on this input, in English and Ukrainian, to be launched in Ukraine and internationally. It is hoped this will inform all stakeholders, including the European Commission and international development banks in providing strategic technical assistance and investing in Ukraine’s housing recovery.

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