

# Housing and war in Ukraine

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Since the beginning of the full-scale war, the number of people who are in need of housing has grown significantly. [The UN estimates](#) that 12.8 million people had to leave their homes. Around 7.7 million have been displaced within Ukraine, including around 2 million who had officially registered as [internally displaced](#) as of April 25. [According to](#) the Ministry for the Development of Communities and Territories (MinRegion), at least 116 thousand residential buildings housing 3,5 million people had been damaged or destroyed by early June. [The Kyiv School of Economics](#) has calculated that around 44 million square meters of housing have been damaged or destroyed—they estimate the losses at \$39.3 billion. However, given the situation at the front and constant shelling and bombardment of Ukrainian cities, the scale of destruction is much greater by now.

In the first month of the war, the government [focused](#) on providing shelter to people who had lost their homes or had been forced to move to other regions.

Crisis accommodation was arranged both in the vacant housing stock and in non-residential buildings such as gyms, schools, kindergartens. According to the Head of the Lviv Regional Military Administration (RMA), Lviv [had successfully accommodated](#) 301,000 people by April 11. In Zakarpattia, 296 municipal facilities had been engaged [as of March 31](#) to accommodate 18,200 people, and another 11,899 places were still vacant. However, there is no accurate data on the number of people who have received shelter since the beginning of the war. In April and May, the need emerged to look for more sustainable and long-term solutions in order to provide housing to everyone who needs it.

In late March, we published our [first brief](#) analyzing the impact of the war on housing in the first month of the full-scale invasion. In this second brief we will focus on reviewing and analyzing the decisions made by national and local governments in the field of temporary housing, as well as on the changes that have taken place in the rental sector since late March. For our monitoring, we use the official pages of central and local government bodies, statements and publications by government representatives, and social media publications.

## ● Temporary housing

In April and May, representatives of central government bodies started to emphasize that housing was a human right. In his video address on April 16, President Zelensky [stated](#) that “everyone in Ukraine is entitled to their own home, their own house or their own apartment. [...] I have no doubt that we will be able not only to rebuild what has been destroyed, but also to restore justice for those whose right to housing has been violated.” This change in the approach to understanding housing can serve as a push towards rebuilding the housing stock on the basis of social justice and providing housing to all the people who need it.

Communications by central and local government bodies feature the expression “housing for the internally displaced.” However, we believe that it is important to expand this framework and speak about “housing for everyone who needs it,” including people whose homes have been [destroyed](#) as well as those who did not have permanent homes before the war. Because people who have lost their homes but have not moved to other regions of Ukraine cannot receive welfare payments as IDPs; instead, they have to stay in temporary shelters and await the implementation of the government [program](#) for housing compensation. At the same time, people who did not have homes even before

the war are in the most vulnerable position because their needs are excluded from government programs and solutions.

Nevertheless, in their calculations of the need for housing, central government bodies specifically cite the number of officially registered internally displaced people. On April 27, the Deputy Head of the President's Office Kyrylo Tymoshenko [stated](#) that housing was needed by around 600,000 people. By the end of 2022, the government plans to [provide](#) housing to around 183,000 people; 53,400 apartments will be built or purchased for them.

- **Construction and purchase**

On April 29, the Cabinet of Ministers of Ukraine approved a [decree](#) on the procedure for forming housing stocks intended for temporary accommodation of internally displaced people. The document focuses on purchasing housing that has already been built as well as on building new housing funded by local budgets (using the subvention mechanism).

This decision creates an opportunity to provide people with **comfortable housing** in which they can live for at least a year. The decree specifies that temporary housing will not be eligible for privatization. This means that in the long term, this construction can **increase the non-profit housing stock**.

However, the mechanisms proposed by the decree carry a number of risks. **The first risk is the price of the housing** which the government plans to buy from developers. The decree notes that it should not exceed the [mediated](#) cost of housing construction in the regions, as determined by the MinRegion. For cities with a population of over 300,000, the price is multiplied by 1.75; for all the other localities, it is multiplied by 1.5. Thus, buying housing in villages or towns will now cost much more than before the beginning of the full-scale war. Before, the State Youth Housing Fund [could not](#) buy apartments in localities with populations under 100,000 for prices that exceeded the mediated cost.

The second risk is the **funding**. The decree allows using funding not only from the state or local budgets, but also from international donors as well as donations by individuals or legal entities. Despite this, the President's Office claims that housing construction and purchase in 2022 will be funded specifically from the state budget. There is a risk that this funding will not be sufficient. Even if the plan for this year is successfully implemented in full, this will only provide housing to a fraction of the people, so it is necessary to work on looking for alternative solutions. One of the options is still the mechanism

of military apartment duty, which is articulated in the Law “On the legal regime of martial law.” This mechanism could allow the government to use vacant apartments in newly constructed buildings to temporarily house people who have lost their homes. It specifically involves temporary use of new housing which has been vacant or remained unsold until now. This tool has never been employed in Ukraine, so its implementation may face some obstacles. First of all, this decision can be perceived negatively by at least a part of society. However, under the conditions of limited resources, this path can help Ukraine avoid social tension and partially overcome the consequences of the housing crisis.

The third risk is the **distribution of this housing**. Housing from this stock will be distributed among families which will apply for it and whose need for housing will be assessed according to a point system (points will be given for the number of children, disabled and elderly people in the family; low income will also be taken into account). On the one hand, this will allow the government to provide housing to the most vulnerable. On the other hand, this targeted approach can overlook the people who cannot be officially viewed as low-income or will not get enough points but who cannot afford to purchase or rent housing on their own. Finally, this system complicates access to temporary housing, since the applicants will have to gather a stack of papers to prove the urgency of their need for housing.

The final risk is the **future of temporary housing**. The decree indicates that temporary housing will not be eligible for privatization. At the same time, the President’s Office [claims](#) that the construction will, in the future, allow the country to solve the housing problem for people who have been waiting in the “housing queue” (the list of people who need improvement of their residential conditions) for decades. Due to discrepancies between housing and privatization laws, apartments which people receive via the “queue” can be privatized almost immediately. That is, there is a risk that the newly constructed temporary housing will eventually be transferred from public to private ownership. This will once again leave Ukraine without a social housing stock and make our society vulnerable to potential future crises associated with war, destruction of housing, and migration.

- **Modular housing**

Potential temporary solutions also include modular housing. In his address on March 25, President Volodymyr Zelensky [declared](#) that regional administrations had already been tasked with the “quick allocation of land for

temporary housing.” Some regions have even arranged several such settlements already.

The first 18 modular houses were [transported](#) to Zakarpattia in early April from the US (where this kind of housing is provided to people who lose their homes due to natural disasters). These houses were supposed to accommodate IDPs in Chop and its suburbs, but the Head of the Zakarpattia RMA decided to [hand them over](#) for hosting volunteers and rescue workers who had arrived in the recently liberated Bucha and Hostomel.

Modular towns for people who need housing were built in Lviv in April and May. Their construction was [announced](#) in late March, and the city planned to accommodate around 20,000 people this way. In particular, the first one of the constructed [complexes in Stryisky Park](#) is housing 350 people, and two other complexes opened in early May have accommodated over 600 people. At least three modular housing complexes are [to be built](#) in the Lviv Region in the coming months.

**Modular houses are an option for providing people with housing as quickly as possible.** In contrast to tents and accommodation in shared spaces, this kind of housing is more comfortable and suitable for more long-term living. This can be a solution for people whose homes have been damaged and need to be restored. Modular housing can take different forms, from containers equipped for residence to modular frame structures which provide a more comfortable housing option.

The very opportunity to provide any kind of housing to people who have lived in a school or a culture institution for two months is an important step. However, these decisions must also be sustainable. Government representatives present these houses as temporary, but they can turn into permanent housing for many people. Ukraine already has unsuccessful experience of building modular (container) towns for IDPs after the war began in 2014. Supported by the German Corporation for International Cooperation (GIZ), Kharkiv, Pavlohrad, Nikopol, Zaporizhia, Dnipro, Kamyanske and Kryvyi Rih built transit container towns which were meant to be used for up to three years. However, many people continued to live in these towns even in 2022.

Without understanding the actual period of exploitation of modular houses, there is a risk of creating uncomfortable housing which will not be integrated with the rest of the town or city. If there is a lack of planning or development strategy for these settlements, their residents may not have convenient access

to schools, hospitals, kindergartens, cinemas, public transit, and they risk eventually finding themselves in social isolation.

One of the options is to build modular frame buildings which are relatively quick to build but which can provide more comfortable conditions. A building of this sort is planned to be [built](#) in Drohobych; this will be a pilot project in Ukraine.

Architects and designers propose their own variants for modular frame buildings. In these projects, they focus on the importance of comfort, inclusivity, proper shared spaces, and zoned rooms. A designer [proposal](#) for modular housing has been presented by BalbekBuro: their houses would be built from natural materials and would allow for quick scaling according to need. For instance, a set of modules can make up a residential block with several rooms for a big family with children and people with limited mobility. This project will be used to [build](#) housing for IDPs in Chernivtsi. Another example of a designer solution are [dome houses](#) whose construction is relatively simple and cheap.

In a more long-term perspective, temporary housing requires infrastructure, public spaces, and urban design. Residents' access to education, jobs and social security should be taken into account. Ukrainian architects are already proposing [modular school projects](#) which can be built quickly next to temporary housing. Design studios [help](#) to organize the space around modular towns. However, these scattered targeted solutions do not cover the entire range of problems. A possible solution would be a complex approach to choosing the location for modular houses, which would help integrate them into the city and the community.

The option of constructing modular housing is a way to quickly solve the existing problem. Although living in container houses has a lot of drawbacks, this option can quickly meet the need for housing. However, it should be viewed as a crisis solution, while the goal should be to provide people with more comfortable housing which can be used up until their destroyed homes are rebuilt.

- **Existing housing stock and refurbishment of buildings**

Government bodies at the national and local level continue to use existing buildings to accommodate people. On March 29, the State Property Fund announced that it would provide its buildings for hosting IDPs. They noted that

in Zaporizhia, one of their companies has already accommodated people who had evacuated from Mariupol.

In early April, the Head of the [Lviv RMA](#) announced that they planned to arrange housing for IDPs in 156 communally-owned social infrastructure facilities (dormitories, resorts, hotels, etc.). In other [regions](#), dormitories and other municipal facilities have also [been turned into](#) temporary housing for IDPs. For instance, in Vinnytsia, the City Council [made the decision](#) to renovate one of its dorms. Supported by GIZ, Zhytomyr has also started [refurbishing](#) one of its municipal facilities.

NGOs are joining in the process of refurbishment. For instance, MetaLab in collaboration with Urban Curators are [renovating](#) dormitories in Ivano-Frankivsk. The initiative Building Ukraine Together has [announced](#) that this year, participants of their camps will be arranging housing for IDPs in Western regions of Ukraine. Another example is the transformation of a [resort in Khust into comfortable homes for 150 IDPs](#), done by a private initiative.

The solution of refurbishing existing buildings is quite sustainable and quick. There is still the question of the intersection between grassroots initiatives and local government decisions in terms of the search and transfer of buildings for refurbishment. Activists also [note](#) that looking for dormitories and non-residential buildings to be refurbished as housing for IDPs is not easy, the search can face obstacles from local governments. The number of buildings that can be refurbished as housing is limited, the buildings can be in bad shape, and their refurbishment can require some resources and time.

## ● Renting

Before the beginning of the full-scale war, at least 8% of people in big Ukrainian cities lived in rental housing. By now, the number of tenants has increased due to war, displacement, destruction and damage of housing. However, there is no exact data on how many people are currently renting housing and in which cities. The war has exacerbated the existing problems in the rental sector and affected not only those who were forced to move and rent new homes, but also the people who have stayed in their cities and continued to rent homes. The following problems can be pointed out in the rental sector: price fluctuations; insufficient rental housing stock, especially in the cities where the rental sector was underdeveloped before the war; prejudice and discrimination; illegal evictions and contract violations.

The rental sector is overlooked by the central government. At the same time, local governments have started introducing solutions in order to provide housing to IDPs and people who have lost their homes through private renting. In April and May, decisions were made at the local level to stimulate both demand (price compensation) and supply (real estate insurance) in the private rental sector.

**Rent price compensation.** In [Zhytomyr](#), people who have lost their homes due to war can receive money to cover rent. Moreover, UNHCR has [announced](#) that it will help local governments to cover rent payments for IDPs. In addition to local government decisions, several non-governmental initiatives have emerged to help with rental housing. For example, civil activists, journalists and their families from Mariupol [will receive](#) money to rent housing.

This approach has **several advantages**. Rent compensation can quickly solve the housing issue. Less money is needed to implement this solution than to build or purchase housing. Since the compensation will be paid by government bodies, they will likely insist on signing written rental contracts. This will help improve transparency in the sector and protect tenant rights.

At the same time, this approach also has **disadvantages** in the long term. First of all, it is not sustainable and does not help to solve the need for housing in a complex way. Paying compensation funnels the funds directly to landlords, but it does not help increase the supply of available housing. Most landlords in Ukraine do not pay taxes on their rent income, and the real estate tax does not work effectively. Subsidizing rent for many years can prove to be more expensive than building non-profit housing. Finally, without additional regulation, particularly rental price regulation, solutions of this kind cannot protect people from sudden price hikes. In addition, they can encourage a general increase in minimum rents.

**Real estate insurance.** In Vinnytsia, the City Council has proposed to [insure](#) the properties rented to IDPs or provided to them free of charge. They also propose to cover a surface renovation of housing and provide basic equipment. The Municipal Real Estate Agency, a communal company, will serve as an intermediary between tenants and landlords and offer additional guarantees to both parties.

On the one hand, such solutions are especially relevant for small and mid-size cities where the rental sector was underdeveloped before the beginning of the full-scale war. They help to increase the supply of housing on the market, particularly to engage properties which have not been rented until now. For



landlords, this is an opportunity to get additional guarantees and make sure that their properties will not be damaged. Since government bodies will serve as intermediaries between landlords and tenants, this can help avoid prejudice and discrimination while renting.

On the other hand, solutions like this are not sustainable in the long term either. The funding will “vanish” in the private sector without increasing the social housing stock or supporting the development of other kinds of non-profit housing. While planning for the future, it is much more advantageous to invest capital in non-profit housing. This will allow local governments to be less dependent on the private rental market in their housing policies and to influence this market. Because a large supply of non-profit rental housing can curb price increases in the private sector.

Nevertheless, under the conditions of war and limited resources, supporting private renting can be one of the ways to partially solve the housing crisis. At the same time, **the private rental sector is the most insecure**. Even before the beginning of the full-scale war, about 18% of tenants [faced prejudice](#), including 48% who faced prejudice for having children, 35% for having pets, and 35% for their place of official registration. Since the beginning of the full-scale war, for instance, there have been cases when people were [denied](#) renting due to their place of registration. Illegal evictions and contract violations have also been important problems in the rental sector.

In addition, one of the key issues is rent price regulations. **Rent prices have been fluctuating during the three months of the invasion**. At the beginning of the full-scale war, rent prices in western regions of Ukraine soared, which reduced affordability and exacerbated the housing crisis. For example, according to [Flatfly](#), rents in Zakarpattia increased by 225% in May 2022 compared to October 2021. In March and April, the average price of long-term rental housing in Lviv increased by 30-40%, [according to an expert calculation](#). The same problem is also confirmed by the Economic Security Bureau, which [stated](#) on March 29 that most of the complaints they received were associated with rent hikes. At the same time, rents in some regions, such as Kyiv and Odesa Regions, on the contrary, decreased. By late May, there were [messages](#) that rent prices in Lviv were going back to the levels before the beginning of the full-scale war.

Even though these sudden rent hikes do not last long, they can be a significant obstacle while renting. A major increase in prices forces people who would otherwise find housing on their own to appeal to government bodies for help.

This increases the workload of government bodies and reduces their capacity to provide housing. Sudden price hikes do not just affect people who are looking for new housing, but also those who have not changed their homes and continue renting. In order to protect both of these groups, an effective mechanism of rent regulation needs to be developed. This can be a maximum rent cap for a particular region or the introduction of annual rent indexation which can apply to both new and existing rental contracts. Today, many European countries [regulate](#) housing rent prices using one or both of these mechanisms.

## ● Conclusions and recommendations

During the first month of the full-scale war, government bodies focused on solutions to provide shelter to everyone who needs it. For this purpose, they refurbished schools, gyms, kindergartens as crisis housing where people could live for a few days or weeks. During the second and third months of the war, a discussion about looking for more sustainable and long-term solutions started. As of today, the main category of people who are targeted by government solutions for housing provision are internally displaced people. According to the official information, as of April 25, around 2 million people have received the official IDP status. However, the number of people who need housing is much higher, including people whose homes have been destroyed and people who did not have homes before the war. Their needs must be taken into account while developing future solutions and plans for rebuilding.

The options for temporary housing provision which are being considered or are already being implemented include: 1) building new or purchasing existing housing for IDPs; 2) constructing modular settlements; 3) refurbishing communal buildings (dormitories, hotels, etc.). In order to make temporary housing provision as effective and fair as possible, the government should:

- stop the process of free-of-charge housing privatization; prohibit free-of-charge privatization of any housing built for public money or funding from international donors;
- while constructing modular housing and choosing the projects, plan for the actual period of its exploitation; consider the most sustainable projects and create housing with a sufficient level of comfort so that people can live in it for several years until their homes are restored;

- pay attention to the need to include the temporary residents into the city community (choose a complex approach to selecting the location of their accommodation, meet their needs for education and social security, etc.).

During the second and third months of the war, local governments started to consider the private rental sector as one of the ways to provide housing to IDPs. They made decisions to stimulate both the supply of (real estate insurance) and demand for (rent price compensation) housing. In the short term, these solutions have their advantages, such as increasing the amount of housing on the market. However, in order to protect tenant rights and increase the affordability of housing in a complex manner, it is needed to:

- ban evictions from rental housing, at least for the period of martial law;
- develop a mechanism for effective regulation of rental prices at the legislative level.

Short-term solutions to be considered for increasing supply in the private rental sector and engaging housing which has remained vacant until now include:

- rent price compensation (vouchers);
- development of municipal real estate agencies which can act as intermediaries between landlords and tenants.

In the long-term perspective, it is required not only to support and regulate private renting but also to develop non-profit rental housing in various forms of ownership. Ukraine already has a legally ensured social housing stock which needs to be expanded. Due to gaps in legislation, lack of funding, and the development of other programs aimed at purchases, social housing in Ukraine has never developed in full. Another obstacle was the inability of local governments to fund the construction and maintenance of social housing. Today, however, the need for social housing is apparent and urgent. International [research](#) and analysis points out that it is more advantageous to invest in the development of non-profit housing than to compensate for private renting for a long time. The development of non-profit rental housing should be the goal of the updated housing policy in Ukraine.

We ask you to support the approach of victory through donations to help [the Armed Forces of Ukraine](#) and [humanitarian initiatives](#).

[The donations](#) we are currently receiving for our work will be used to research and analyse the impact of the war on a civilian population. We thank those who made donations, the Prague Civil Society Centre, the International Renaissance Foundation and the Heinrich Böll Foundation in Ukraine, for their assistance.