

# Cedos think tank proposals to the Ukraine Plan for the Ukraine Facility on housing policy

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The right to housing is guaranteed in the Constitution of Ukraine, article 47 clearly states that everyone has the right to housing, and the state is responsible for creating the conditions under which every citizen has an opportunity to purchase, construct or rent their home. At the same time the housing sector in Ukraine is characterised by the imbalance in the tenure structure with the high rate of owner occupancy and limited alternatives to commercial purchase or rent. In 2019, approximately 43% of Cedos' respondents reported having no idea what to do in case of housing loss, which additionally illustrated the skew in the housing sector.

Since the start of the full-scale invasion, housing needs in Ukraine have not only increased but diversified, making a need for social and adequate housing even more prominent. Housing costs have risen and become a burden for a significant share of the population. In October 2022, approximately 43% of Cedos' respondents were spending more than 30% of their household's monthly income on housing, which might have left insufficient disposable income for other necessary expenses. Housing, along with employment opportunities, are significant prerequisites for internally displaced people's integration. However, there is limited access to adequate and affordable housing, especially for IDPs and other vulnerable populations.

Moreover, affordable and adequate housing is an essential prerequisite for the return of the refugees. According to UNHCR's data, 91% of refugees who plan to return claim that their recovery depends on access to essential services, livelihoods and housing. At the same time, social housing stock

is scarce and unable to cater to the growing housing need. As of now, there is no comprehensive strategy to support the development of the social and non-profit housing sectors.

As a result of the forced displacement and housing destruction, the share of tenants has increased since February 2022. Today, the rental sector in Ukraine is characterised by a high level of informality and rising costs, especially in the regions with a higher demand for housing. Thus, there is a growing need for a proactive policy towards tenant rights protection on the national level. Moreover, there is support for governmental programmes to ensure access to affordable rental housing; approximately 73% of Cedoss' respondents completely or rather agree with the statement that the state has to support the development of affordable rental housing programmes.

The role of local governments in housing policy has strengthened since the start of the war. However, they still require additional guidance, capacity-building programmes, and technical support to deliver housing solutions and develop urban planning documents. Without housing leadership, clearly defined strategies and financial instruments on the national level, local governments have no incentives to invest in social housing and draft their own housing programmes.

Data on housing needs and conditions is limited, and there needs to be a unified registry for people in need of social housing, instead, the system of different housing queues is in place that creates an additional administrative burden for local governments.

Housing is a complex good, and housing policy implementation requires active cooperation between different government bodies and levels. International experience draws attention to the importance of a multi-level approach to housing policy implementation, which allows the involvement of various actors to achieve common goals. Multi-level governance approach to housing and coordination between different stakeholders on the national and local levels are highly needed alongside capacity-building programmes and technical assistance to local governments.

## Actions

- Align Ukrainian housing policy with the EU policies and approaches to housing. Housing policy has to be based on key principles, such as the principles defined by the right to adequate housing, including security of tenure, availability of services, affordability, habitability, and accessibility.
- Develop a system to enable housing leadership and strategic development, including drafting a National Housing Strategy and establishing a National Housing Agency. The strategy will define and set long-term goals for a people-centred housing policy and will be the central guiding document for housing policy on the national level. The National Housing Agency will be responsible for collection, analysis and publication of data on housing needs and capacities of various social groups, as well as on the housing situation; development of the state housing strategy, its implementation, monitoring, and reporting on its implementation; development of state housing programmes, their implementation, monitoring, and reporting on their performance; conducting audits of the work of social housing operators; provision of financial support, particularly in the form of discount loans both for private individuals and for legal entities that are social housing operators; provision of expert and technical support with the creation and administration of social housing for local government bodies and social housing operators.
- Develop a comprehensive legal framework that will enable social housing development, including establishing municipal, non-profit and cooperative housing providers ready to take long-term responsibility for social housing management and maintenance. The legal framework must establish a clear and comprehensive set of rules to guide housing companies. It has to include a profit cap for housing operators; a condition to reinvest surpluses or profits into the provision and construction of new housing or renovation of existing dwellings; establish a formula for determining the cost-based rent price; establish the duty to provide tenants with information regarding issues related to their residences and a procedure to involve tenants in the decision-making process. It has to

include mandatory payment for renting social housing to the social housing operators. Even when social housing is provided without any charge for the tenants, the rent price must be calculated and subsidised from the state budget, local budgets, or other sources.

- Implement capacity-building programmes for local governments to assist them in delivering housing solutions and developing urban planning documents. This might include technical assistance to local governments and peer-to-peer knowledge exchange with the representatives of international local governments and other institutions.
- Establish a unified housing registry that will include information on housing needs and potentially include information on social housing providers.

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