SOCIAL HOUSING IN SERBIA: Dual Approach

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MAIN CHARACTERISTICS OF HOUSING POLICY IN SERBIA AT THE TURN OF THE 21 CENTURY

Radical transfer from the communist version of "welfare state" to the neoliberal concept of housing market

Sudden state’s withdrawal from the housing matter

The lack of land regulations

Permanent economic crisis

Significant political changes
MAIN CHARACTERISTICS OF HOUSING POLICY IN SERBIA AT THE TURN OF THE 21 CENTURY

- Privatisation of public housing stock
- The few other housing policy initiatives and processes uncomfortably to each other
- The state successively abandoned introduction of housing policy
- Subsidised programmes and various measures of housing policy development did not produce significant effect in the overall performance
- No comprehensive project of housing development
In 1990, the Government put an end to the four-decade financing practice of so-called "social residential building".


Because of the hyperinflation and decentralized manner of flat buyout, the whole process ended without any positive financial impact on the planned next residential building cycle.

According to Serbian Constitution, the State was still in obligation to provide a certain public housing stock for socially endangered households.
Since 2004, the State established governmental insurance and subsidies for housing loans, and initiated Real estate registry.


Governmental activities are directed towards the attempt to increase the potential number of solvent clients on the housing market, which has nothing to do with social housing itself.

State’s housing policy doctrine: agitation for personal possession of a real estate.
Social housing is not only needed for the low income population, but it’s also needed for the middle income households (who are all affected by the high real estate prices, unfriendly interest mortgage rates and cannot afford appropriate standard of living at market prices - due to overall economic situation).

Until 2004 housing policy was trying to achieve short-dated political aims, but since then, the need for new systematic housing solutions (including social housing above all) emerged - although without yet established long-term national housing policy.
Serbian government began to act in two separate ways:

- First way was to try to support financially and legislatively production of affordable housing, so-called "cheap flats" for subsidized sale;
- The other way was to try to re-establish public rented housing, but this time based on economic sustainability instead of ‘general social equity’ proclaimed in communism.
The **Settlement and Integration of Refugees Programme 2005-2008 (SIRP)**, was based on the "National Strategy for resolving the problems of war refugees and forcibly displaced persons" (2002)

Re-establishing of social rented housing **on the municipal level** and the erection of new-built social housing stock, are the teamwork results of:

- Seven Municipal Housing Agencies at the local level (Cacak, Kragujevac, Kraljevo, Nis, Pancevo, Valjevo and Stara Pazova),
- Amenable State ministries and
- The UN-HABITAT international experts team

SIRP was **partly financed by the Italian government** with the amount of 15 million € for covering the 70% of estimated costs (subsidised credit, not a donation)
Primary aims of SIRP:

- to conceive, evolve and test the basic elements of future system of social rented housing, as well as housing policies on the municipal level.
Social housing buildings were built at urbanistically and morphologically different sites, but with following common characteristics:

- All buildings are consisted of small flats (20 m² - 55 m²) for 2-5 tenants
- All social housing function as multy-dwelling residential housing
- Buildings have ground floor plus 2 - 4 stories
- There are no lifts in these buildings
- Exterior spaces for common use (playgrounds, parking, green spaces, etc.) are obtained in the surrounding of buildings.
RE-ESTABLISHING OF SOCIAL RENTED HOUSING


- User households were chosen through a transparent system of criteria and selection.
- Rules are: refugees, former refugees and local socially endangered population (single parents with children, homeless, families who lived in the inadequate housing conditions, etc.), which means that a **social mix have been achieved**, according to the European social housing practice.
General terms of social rented housing:
- 3-year-period contract
- Social rented flats (owned by Municipalities)
- The lowest possible rent (based on precise cost recovery plan)
- Sustainable financing of stock maintenance
- Tenants’ responsibility on adequate usage of flats

Problems and conflicts:
- No subsided purchase of social rented flats (as tenants expected)
- Rent payment delay
- Avoiding (or significant delay) of monthly payments (heating and electricity bills etc.)
- Misusage of flats and vandalism
- Conflicts between users
Final result of SIRP was the ‘Draft of Law on Social Housing’.

Its’ task was to initiate legislative establishing of basic instruments and institutions (on both national and local level) that would secure the implementation of public intervention in housing policy in Serbia.
DRAFT OF LAW ON SOCIAL HOUSING

Concepts and principles that the Draft of Law proposes are:

- Public intervention in social housing refer to **much wider set of measures** than traditional concept of social rented housing
- Financial support for social housing programmes should be obtained at the national level, but the implementation should be done at the local level
- Financing has to be based on **non-profit but cost-recovery principles**
- All subsidies must be **transparent**
- Social housing must be based on **economical, financial, social and ecological sustainability**
In the new social and legal environment, Belgrade’s newly elected authorities started two parallel activities:

- City Council in cooperation with ‘Funds for financing solidarity housing’ starts ‘Programme of building of solidarity housing 2001-2005’, (2000 units planned, only 1421 finished)

- City Council adopts the decision of building so-called “social-non-profit apartments“ (1) and social apartments for governmental employees and other social categories.

(1) There is "social housing" and there is "non-profit housing building", but there are no "social-non-profit apartments". What amaze is the fact that City government (in official communication with public) uses a non-existent term, thus demonstrating embarrassing ignorance and misunderstanding of the term ‘social housing’. 
BELGRADE’S EXPERIENCE IN THE SOCIAL HOUSING DEVELOPMENT AFTER YEAR 2000

"Project of 1100 flats in Belgrade" (2003-2007):

The City of Belgrade offered for sale 1000 flats (so-called "cheap flats") for the price of 1.050 €/m².
BELGRADE’S EXPERIENCE IN THE SOCIAL HOUSING DEVELOPMENT AFTER YEAR 2000

The other 100 flats remained in governmental ownership and are meant to be rented to the households with clearly defined social needs (Public Rented Housing).

So far 2,150 "social-non-profit flats" have been built in Belgrade.
Simultaneously, with the construction of ‘social-non-profit flats’ started the construction of social apartments for rent to people in state of social need in following Belgrade’s locations: Settlements Dr Ivan Ribar, Kamendin and Veliki Mokri Lug.

So far, 450 social apartments for rent has been built in Belgrade.
‘General Urban Plan of City of Belgrade 2021’ is the first Serbian legislative act which recognises social housing as it is known in developed countries. General Urban Plan:

- Gives the definition of **vulnerable social groups** which need special attention and help in obtaining adequate housing
- Gives guidelines for **social living standards** (5-15 m²/person);
- States the **criteria for location for social housing** and
- Gives **two systemic solutions for obtaining locations:**
  - Construction of social housing dwellings in the planned residential group of more than 250 apartments, (5-8% of which should be assigned for social housing)
  - Construction of social housing dwellings on 58 designated locations prevised by General Urban Plan.
Problems for social and non-profit housing provision which are recognized in Belgrade (and are mostly the same for other locations in Serbia) are:

- **None existing legislative and regulations** that would constitute a consistent legal support for development and implementation of such programs and projects.

- **Small number of available locations** for such purposes – i.e. problems arising from obtaining locations in the existing legal frame. Suggested locations are in accordance with The General Urban Plan but there are still essential ownership issues to be resolved.

- Problem of social housing implementation due to the so-called NIMBY syndrome.

- **None existing standards for social housing.**
‘Law on Social Housing’, based on previously mentioned Draft of Law, came into force at the end of August 2009, after several years of legal procedure.

The realm of public intervention in housing matter is not bounded by this Law and it purports widest possible comprehension of non-profit, affordable and social housing which corresponds to the definitions of social housing given by European associations.
'Law on Social Housing' suggests urgent need of:

- enactment of "National strategy for social housing"
- appropriate "Action plan",
- establishing of Republic Housing Agency.

Republic Housing Agency, was finally founded according to Law in July 2011. by Serbian Government, but no "National strategy for social housing" or "Action plan" have been enacted or even considered so far.
First Municipal Housing Agencies (MHA) in Serbia were established in 2003, in fact before the SIRP programme took part: City Government of Niš and Kragujevac transformed existing public institutions (so-called "City Funds for Solidarity Housing Construction") into Municipal Housing Agencies.

More MHA-s were established during the SIRP (Kraljevo, Čačak, Valjevo, Pančevo).

Apart from SIRP, MHA-s were founded in Leskovac, Kikinda and Smederevo, while there are a few more municipalities that are preparing foundation of their own MHA-s.
In the context of political, social and economical changes in past two decades, the former national housing policy (established in the period of communism) collapsed and the new long-term national social housing policy has not been established yet.

Nevertheless, some steps towards establishing the new housing policy in Serbia have been made, such as:

- Law on Social Housing
- Foundation of MHA-s around Serbia
- Establishing of Republic Housing Agency
- Building of new social rented housing stock
Government’s efforts in the realm of housing policy were (and still are) focused on two different approaches:

- Building ‘cheap flats’ for subsidised sale (including legislative and institutional support)
- Building new social rented housing stock (followed by establishment of authorized MHA-s)

Social housing production in Serbia is still insuficient, and participation of social housing stock in housing (in general) is negligible.
Due to long-lasting economic crisis in Serbia, the need for social housing is in constant arise. Social housing, thus, gets into public focus as a part of solution.

In the future, all social housing stakeholders in Serbia (State, developers, experts, financial institutions and users) should give their contribution in establishing economically, financially, socially and ecologically sustainable social housing.
THANK YOU FOR YOUR ATTENTION !!!