

# **SOCIAL HOUSING IN SERBIA: Dual Approach**

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

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- ◆ 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

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- ◆ **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**

# PUBLIC HOUSING STOCK PRIVATISATION

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- ◆ In 1990. the Government **put an end to** the four-decade financing practice of so-called "*social residential building*"
- ◆ **THE RESULT:**  
98% **privately owned apartments** by 1997.
- ◆ 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**

# DEVELOPMENT OF RESIDENTIAL MARKET AFTER DEMOCRATIC CHANGES IN SERBIA

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- ◆ Since 2004, the State established **governmental insurance and subsidies for housing loans**, and initiated **Real estate registry**
- ◆ The establishment of **National Mortgage Insurance Corporation (NMIC)** in 2004
- ◆ Governmental activities are directed towards the attempt to **encrease 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 IN SERBIA AFTER YEAR 2000

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- ◆ 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**)
- ◆ Untill 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**

# SOCIAL HOUSING IN SERBIA AFTER YEAR 2000

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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

# RE-ESTABLISHING OF SOCIAL RENTED HOUSING

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- ◆ 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)

# RE-ESTABLISHING OF SOCIAL RENTED HOUSING

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Above: Social housing in Pancevo (2008) and Stara Pazova (2007)

## 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**

# RE-ESTABLISHING OF SOCIAL RENTED HOUSING



Above: Social housing in Niš (2007) and Kragujevac (2007)

Social housing buildings were built at urbanistically and morphologically different sites, but with following common characteristics:

- ◆ All buildings are consisted of **small flats (20 m<sup>2</sup> - 55 m<sup>2</sup>)** 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



Above: Social housing in Čačak (2008) and Valjevo (2008)

- ◆ 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.

# USAGE AND MAINTENANCE OF NEW SOCIAL RENTED HOUSING STOCK

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## General terms of social rented housing:

- ◆ 3-year-period contract
- ◆ Social rented flats (owned by Munitipalities)
- ◆ 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

# DRAFT OF LAW ON SOCIAL HOUSING

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- ◆ 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

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Concepts and principles that the Draft of Law proposes are:

- ◆ Public intervention in social housing refer to **much wider set of measures** then 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**

# BELGRADE'S EXPERIENCE IN THE SOCIAL HOUSING DEVELOPMENT AFTER YEAR 2000

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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



Above: 'Social-no-profit apartments' in Retenzija (2006) and Vojvođanska street (2007)

"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 €/m<sup>2</sup>.

# BELGRADE'S EXPERIENCE IN THE SOCIAL HOUSING DEVELOPMENT AFTER YEAR 2000



Above: 'Social-non-profit apartments' in Settlement Dr Ivan Ribar (2012) and Vojvođanska street (2012)

- ◆ The other 100 flats remained in governmental ownership and are ment 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.

# BELGRADE'S EXPERIENCE IN THE SOCIAL HOUSING DEVELOPMENT AFTER YEAR 2000



Above: Social apartments for rent in Settlement Dr. Ivan Ribar (2012) and Mali mokri lug (2012)

- ✦ 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.

# PLANNING AND LEGISLATIVE DOCUMENTATION

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'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 m<sup>2</sup>/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.

# PLANNING AND LEGISLATIVE DOCUMENTATION

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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

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- ◆ **'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

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‘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 concidered so far.

# MUNICIPAL HOUSING AGENCIES

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- ◆ 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.

# CONCLUSIONS

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- ◆ 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

# CONCLUSIONS

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- ◆ 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 insufficient, and participation of social housing stock in housing (in general) is negligible.

# CONCLUSIONS

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- ◆ 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 **economicaly, financialy, socialy and ecologicaly sustainable social housing.**

THANK YOU FOR YOUR  
ATTENTION !!!

