

Country profile in the housing sector – Moldova 2013

Workshop 8-9 September 2015

Chisinau

CHARACTERISTICS OF THE HOUSING SECTOR IN MOLDOVA



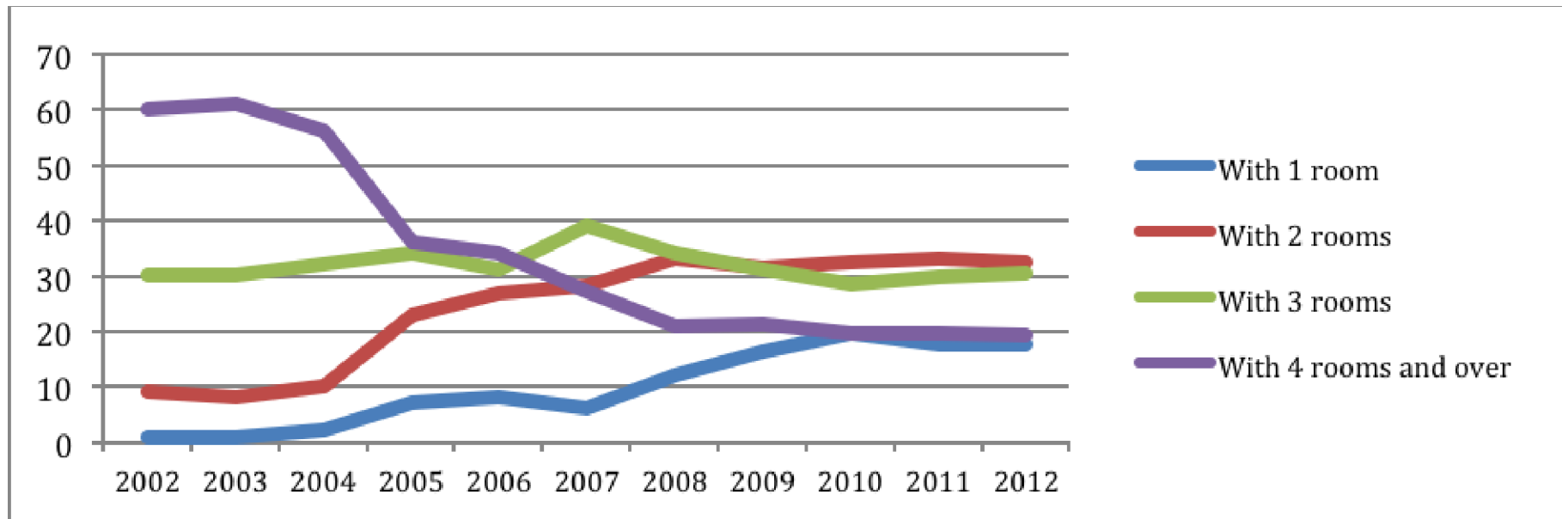
Housing stock is relatively new
(60% is provided between 1976 and 1993)

11% of Moldovan families live in overcrowding housing while ...
the vacancy rate in Moldova is high

Housing is characterised by low access to water and sanitation
42.1% of the population (68.9% urban and 22.7% rural) – access to public water
supply

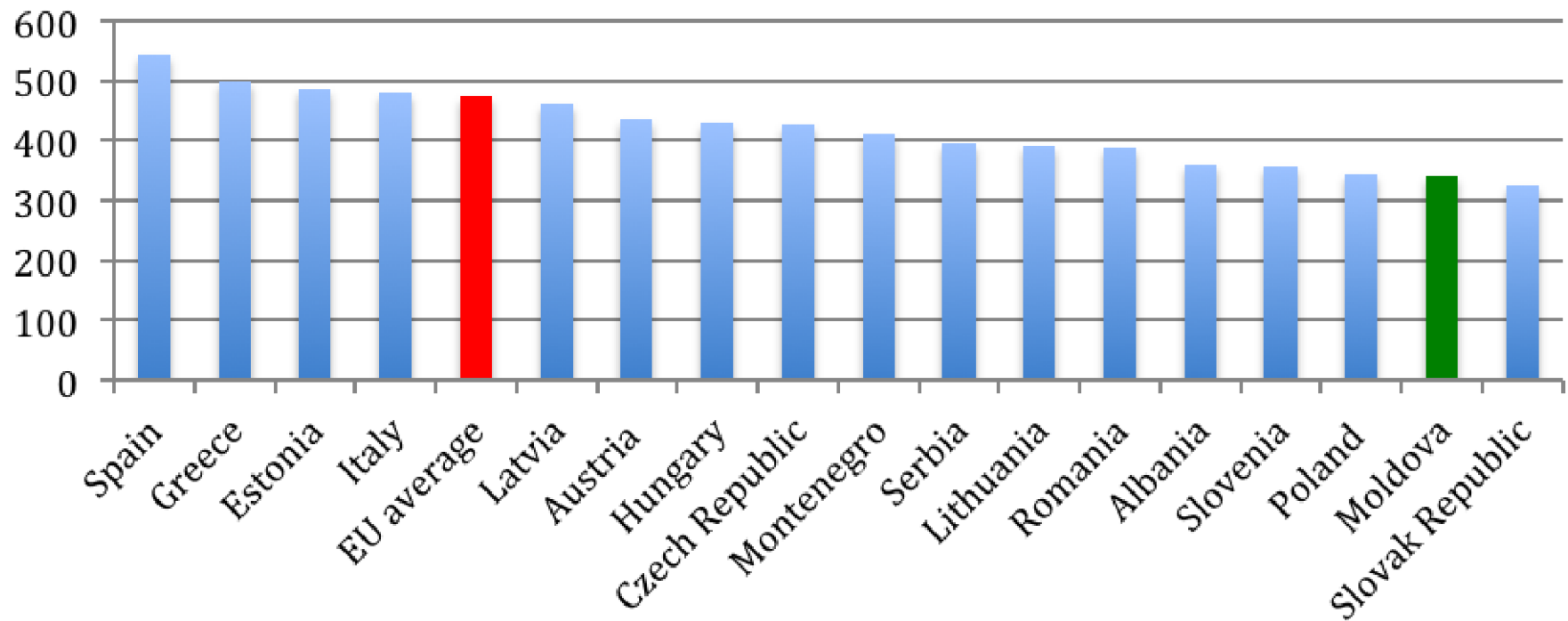
OVERVIEW OF THE SITUATION

Trends in housing typology



Housing availability

housing/1000 inhabitants





Housing sector consumes almost 30% of energy

Households spend for heating between 15% up to 50% of their total spending

Moldova imports 95% of its energy demand

ENERGY EFFICIENCY OF HOUSING

The average market prices for housing is equivalent to 10 years' salary of a Moldovan average earner

Buying a home through a mortgage is unaffordable for an average income earner family

Rental market is also unaffordable and rent consumes 60-80% of the HH income

HOUSING AFFORDABILITY AND HOUSING FINANCE



Housing is financed by:

- mortgage loans

- remittances

- state budget, including IFI loans

Unaffordable mortgage loans

Remittances have declined

State budget insignificant

HOUSING AFFORDABILITY AND HOUSING FINANCE



RECOMMENDATIONS

WHAT SHOULD BE DONE?

Recommendations

**SUPPORT THE IMPROVEMENT OF
HOUSING CONDITIONS, WITH
PARTICULAR ATTENTION TO THE
PRIVATISED HOUSING STOCK**

How ?

- First scenario: Do Not Act
 - Possible outcomes:
 - devaluation of the property
 - increased housing problems
 - individual and not unified solutions
 - private developers may get interested
- Second scenario: Act
 - Demand driven approach – bottom-up
 - Urban regeneration – top-down approach



MoREEFF project is a good example that can be extended

Encourage homeowners to organise

Reform the legislation on registration of land for
condominium

Land and common property to be used as collateral

Establish a state guaranty fund to cover part of the risk for
the banks

Implement gradual improvements

Metering for the common consumption of water and
electricity should be separated from individual consumption

SUPPORT THE IMPLEMENTATION OF PROJECTS



Develop a national strategy for awareness raising, capacity building and training for homeowners on the management of the common properties.

Develop vocational training for condominium managers

Develop curricula for different levels of education

AWARENESS, CAPACITY BUILDING, TRAINING



Better management of state-owned land

Transfer of state and public-owned land to local government with clear rules and regulation for its use

Local government to develop urban plans and enter into partnership with private developers for affordable housing provision

INCREASE THE AVAILABILITY OF THE HOUSING STOCK AND ITS PROVISION



Ensure *Security of tenure*

Improve *Access to water and sanitation*

Reduce *Overcrowding*

Eliminate *physical barriers for the disabled*

**DEVELOP POLICIES AND REGULATIONS
TO IMPROVE THE LIVING CONDITIONS
OF THE POPULATION**



Develop specific legislation for non-for-profit housing associations (example provided from Austria)

Establish incentives for those that provide affordable housing

SET UP A REGULATED NON-FOR-PROFIT HOUSING SECTOR



Enable people to find their own housing solution

Stimulate bank deposits to increase banking activity and housing loans

Develop a policy to regulate / formalise the “dacha sector”

IMPROVE AND ENHANCE AFFORDABLE FINANCING