

Country Statement of the Czech Republic for the “UNECE Ministerial Meeting on Urban Development, Housing and Land Management”

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**MINISTRY
OF REGIONAL
DEVELOPMENT CZ**

Madame Chairperson, Ministers, Excellences, distinguished delegates, Ladies and Gentlemen,

It is my great privilege to speak at this ministerial session today and represent the Czech Republic here. Delegations of Member States and participants of this ministerial meeting were invited to deliver statements about progress made in last four years – i.e. since the previous meeting of Ministers in 2017. Therefore, I would like to focus my address on a few most significant steps done in my country.

First crucial change is a new Building Act, approved by the Czech Parliament this summer, which will enter into force partly in January next year and fully in summer 2023. So far, the Czech Republic has had a very complicated, administratively demanding and lengthy process of issuing building permits. The current Building Act, being in force since 2006, is repeatedly and widely criticized by many relevant stakeholders. Burdensome planning procedures limit public as well private investments, including public infrastructure and new housing construction. New Building Act as a revolutionary new piece of law should improve substantially the investment climate. It is, as we believe, a big step for the future of our country, which will accelerate and streamline permit-granting procedures for citizens and investors and will remove obstacles to housing construction. The housing supply will thus be increased and will speed up.

Second important step was approval of the new Housing Strategy by the Czech Government recently. The main purpose of the strategy is to identify weak areas in need of state intervention and identification of appropriate tools leading to an increase in general housing affordability for all segments of society. Actions from national and local governments will be critical to expanding access to adequate housing. During the preparation of this new Housing Strategy, we cooperated successfully with the OECD through the project, financed from the budget of the EU and aimed at recommendations for the Czech Republic in the area of housing affordability. The Ministry of Regional Development, as an author of the Housing Strategy, incorporated these recommendations of the OECD into the new strategy.

Thirdly, I would like to mention some new instruments, which flexibly respond to urgent housing challenges, like pandemic situation, or natural disasters, like recent tornado. The Czech Government has taken several emergency measures to protect the most vulnerable families. For example, introducing a bank mortgage forbearance, freezing rents for some time, and suspending evictions. The Ministry of Regional Development launched new programmes providing support – grants and cheap loans – to municipalities and citizens aimed at renewal and recovery of housing and at building new housing for people in need.

To conclude, let me mention briefly specific social and economic situation in the Czech Republic. For years, we have the lowest unemployment in Europe, and persistent shortage of labour force – namely in building and industrial sector. Moreover, we have lowest indicator on risk of poverty and highest indicator on income equality to compare with other European countries. These social indicators might be good news. But, at the same time, there are also other, rather negative, economic facts. Houses prices have risen by almost one half since 2013, thus many people are struggling to afford decent housing, particularly in cities, where demand is highly outpacing supply. Inflation for this year will be about 5% and prices in some sectors are growing rapidly – namely for building materials. This combination of conditions results in rather low affordability with not very quick and easy solutions how to combat the challenge of “low affordability and very high prices”.

Therefore, the new Czech Government, which will emerge from the parliamentary elections held this weekend, will have to deal with this situation in housing. I am personally convinced that outputs of our international cooperation in housing and urban development can effectively help new Czech Ministers in formulating of concrete national actions aimed at improvement the housing affordability in relation to post-pandemic recovery and economic and social challenges.

All Governments should strive to boost the housing supply in order to address the gap between demand for and supply of affordable housing. The right policies can make housing resilient, green and sustainable for future generations. Governments should be courageous and creative in their commitment to “better housing for better lives”. I am convinced that our international cooperation can help them. Therefore, the Czech Republic appreciates and supports work and outputs of the Committee – e.g. Housing 2030 and Regional Action Plan.

Thanks for the floor.