

THE PRIME MINISTER'S OFFICE

DEPUTY STATE SECRETARY FOR SPATIAL PLANNING, ARCHITECTURE AND CULTURE
HERITAGE

UNECE MINISTERIAL MEETING, 06.10.2021.

A contributory address

Ministers, Ladies and Gentlemen,

First of all, I would like to thank the organisers for having provided the opportunity of a dialogue, and, in particular, that of on-line participation.

1. Challenges facing Hungary

The greatest economic challenge facing Hungary is convergence with the advanced economies of the European Union in a manner that enables us to preserve our values. Thanks to an increasingly robust economy, the country has been able to surmount the difficulties caused by COVID 19. Of the social challenges facing Hungary, emigration and a declining and ageing population pose the greatest challenge. As has already been mentioned, one of the underlying reasons is spatial and economic inequalities in Europe, a common problem in post-socialist countries. In addition, internal migration from East to West and from small settlements to large ones is also significant in Hungary. Challenges also exert their impact on housing. Sharp differences exist between real property prices between popular and less popular neighbourhoods and areas. There are a large number of functionally obsolete real properties, as well as real properties either not ideally utilised or unable to meet current needs.

2. Milestones delivered over the past four years since the UNECE Conference on Housing and Sustainable Urban Development

(1) Housing management and regulation

Regulation also facilitates construction and renovation. We have streamlined the building permit process. For instance, today no building permit is needed for the construction of a family house with a floor area of below 300 m². We have laid

down clear regulations to which architects must adhere. We have also adopted tougher urban landscape rules so that we can protect a harmonious urban landscape.

(2) Access to finances

We have developed a complex regime of housing subsidies under which families with children enjoy preference. This enables us to boost economy through the construction industry, facilitate population growth, encourage starting a family and strengthen families. This regime has been in place for several years now. As economy picks up, so new social groups become eligible for inclusion in the regime. As the proportion of substandard housing is large in the provinces, we have been providing assistance with construction in villages coping with a dwindling population since last year.

(3) Affordability and availability of land needed for housing

Thanks to the regime of housing subsidies, a large number of new houses have been built over the past few years. Some have been erected on building sites recently developed. However, our policy on architecture encourages the utilisation of sites already earmarked for construction or those already built-up. Towards this end, we have introduced a subsidy scheme for brownfield construction under favourable tax terms this year.

(4) Climate neutral construction and renovation

Climate change has led to, among other things, an increase in the number of hot days in Hungary. Therefore, the insulation and shading of houses is increasingly important. We provided significant funds in 2017 and 2018 for families to build climate neutral houses. Eligible families were awarded several millions for the insulation of walls as well as the installation of new doors and windows, state-of-the-art heating and solar cells. Currently, families can apply for subsidies for renovation. A further objective is the preservation and utilisation of precipitation in private homes.