



MONTENEGRO

HOUSING POLICY ASSESSMENT

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POLICY DOCUMENTS

Following documents were analysed:

- National housing strategy of Montenegro 2011-2020 (with Action plan for the period of 2011 – 2015)
- Social Housing Law 2013
- The 2017-2020 Social housing programme
- Final report on the implementation of the Strategy 2020, Action plan 2015-2020 and Social housing programme 2017 -2020 (for the reporting period 2019/2020)



MAIN CHALLENGES

- Lack of access to new affordable housing;
- Needs in refurbishment and implementing energy-efficiency measures in the existing housing stock;
- Legalization of informal settlements

POLICY OBJECTIVES

- The National Housing Strategy 2020 and the Social Housing Law (2013) set out the basic strategic and institutional elements of the housing system in Montenegro
- They set forth:
 - the scope of persons entitled to have their housing needs addressed pursuant to the SHL 2013;
 - division of competences between the state and the local level;
 - obligation of the Government to adopt the Social Housing Programme, setting out the goals of social housing development, as well as the sources and manner of securing funds for its implementation; manner of implementation;
 - obligation of local government to adopt local social housing programmes aligned with the state programme

SOCIAL HOUSING PROGRAMMES

1. Regional housing project for displaced and internally displaced persons, implemented by the Ministry of Labour and Social Welfare with The Council of Europe Development Bank - CEB support;
2. 1000+ Project - Affordable housing project in cooperation with The Council of Europe Development Bank -CEB -, implemented by the Ministry of Ecology, Spatial Planning and Urbanism;
3. Housing provision to socially disadvantaged categories of citizens in the north of Montenegro project;
4. Projects of the Montenegrin Fund for Solidarity Housing Development (CFSSI);
5. Projects of two housing cooperatives, which include employees in the health system and employees in the education system, and in the security sector, supported by line ministries of the Government of Montenegro.

MAIN FINDINGS 1

■ **Institutional framework:**

- There is a fragmented division of tasks in housing across the ministries
- There are differences in institutional capacity of individual municipalities, there is need for capacity building both on national as well as on local level
- Lack of consistency in preparing municipal housing program. Municipalities lack funding and staff for social housing planning, implementation, and monitoring.

■ **Data:**

- There is lack of consistent and up-to-date data on housing, no Census held in 2021
- Accurate and reliable data are not available, no census data available in the period of preparation

MAIN FINDINGS 2

■ **Financing:**

- There is no sufficient long-term, stable, and predictable source of financing of intended projects from the state budget, there is high dependance on the external resources

■ **Affordable housing/tenure structure:**

- Excessive reliance on market, which does not provide
- Most of the projects support and target owner-occupancy, either directly, or indirectly
- No specific rules are in place to ensure against possible speculation with allocated housing units, it seems that some households can profit from different programs.
- No reliable register of beneficiaries is in place.

MAIN FINDINGS 3

■ Cadaster

- **Lack of cadaster coverage for all municipalities in Montenegro** – hampers the construction of public/social housing units and regularization and legalization of informal settlements. Number and location of housing units in public ownership are not known and are not registered in cadaster.
- Lack of proper and complete and reliable cadastral registrations and clearly defined legal rights create risks for housing actors, for the responsible ministry including real estate agencies and commercial banks. Also, there is a reluctance to partner with financial institutions, due to unfavorable loan terms and conditions.

MAIN FINDINGS 4

Land policy, urban and spatial planning:

- Insufficient land and spatial planning and management at the state and local levels;
 - Insufficient coverage and/or poor quality of infrastructure (water, public sewerage, etc.);
 - High cost of construction land arrangements.
 - Lack of regeneration projects in rural areas and less developed regions.
 - **The General Regulation Plan of Montenegro - GRP** (an umbrella spatial planning document of the country) **is still under development**. This prevents the development of new and/or amendment of existing local-level urban and spatial plans which need to be aligned with the national-level plan.
- **Lack of urban plans at the local level**

MAIN FINDINGS 5

Informal settlements/construction:

- **Inadequate legalization policies** – at the moment, all informal buildings are equally treated in the legalization procedure defined by the Law on Spatial Planning and Construction, no matter the social and economic status of owners/illegal builders. Therefore, it is necessary to develop classification for illegal constructions and design different legalization procedures for those who were building illegally in the absence of any other option (refugees, low-income families, etc.) and those who built illegally from opportunistic reasons.

FINAL RECOMMENDATIONS FOR THE DRAFT HOUSING POLICY 2030 (1)

- Broader policy framework - global/international commitments and their impact should be made clear.
- Increase visibility of housing challenges on political level – consider establishment of the parliamentary committee.
- Provide for a long-term capacity building both on national and local levels.
- Strengthen cooperation and harmonization of housing related activities between ministries.
- Increase efficiency of cadaster, it is necessary to register all publicly owned buildings/ properties and land; modernization, reliability, and completeness of data in cadaster should be the highest priority and a precondition of the actions related to housing policy.
- Do not sell public land – instead use long-term lease.
- Speed-up process of urban/spatial planning documentation preparation, prepare an interim solution before they are ready.

FINAL RECOMMENDATIONS FOR THE DRAFT HOUSING POLICY 2030 (2)

- Re-asses programmes for affordable housing, stop practice of selling to tenants (possibility of speculation), this praxis leads to decreasing proportion of housing in public interest.
- If the selling of new supported housing is necessary, all aspects of the procedure should be re-assessed: -conditions, price, following possibility to sell on a market price, repeated possibility to get a support in different programmes.
- Keep the register of tenants/beneficiaries of projects in the flats supported through programs or change the rules.
- Concentrate on a better targeting of the affordable housing programmes - more public, permanently rental housing to be supported.

POSSIBLE NEW ACTIVITIES IN HOUSING POLICY 2030

(1)

1. **Programme for housing refurbishment and energy efficiency** measures (including de-risking commercial lending, subsidy scheme for the first to apply, technical aspects) in multi-apartment buildings (MAB) – in the Country profile a procedure and individual elements of the programme should be drafted with following elements:
 - survey and completion of the registers of MAB by municipalities,
 - compliance with cadaster,
 - technical assessment of the conditions of the MAB,
 - regional differences and specificities, if any,
 - if MAB were constructed in industrial panel technology, summary of the technological types plus standard typified projects of refurbishment should be prepared,
 - list of activities necessary to make during refurbishment: complete activities – insulation, internal pipes and electrical wires, gas, water, sewage, new elevators.

POSSIBLE NEW ACTIVITIES IN HOUSING POLICY 2030

(2)

- **Model of the long-term financing of affordable housing (AH)** in public rental sector – possible initial capital by e.g. CEB, to be paid back by MNG from the rent, plus yearly state budget contribution to create in a long run state housing development fund as a financial institution following examples of Slovakia, Czech Republic, or Denmark.