



UNECE

UNECE Eighty-fourth session of the Committee on Urban Development, Housing and Land Management

6th October 2023

7. Update on technical cooperation activities

Other projects for urban development in Ukraine

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Theses and proposals
for the development of a more diversified
housing sector in Ukraine
with the help of IWO's* network and portfolio

***IWO e.V.** – Initiative Wohnungswirtschaft Osteuropa | Housing Initiative for Eastern Europe, NGO



IWO's network and member structure

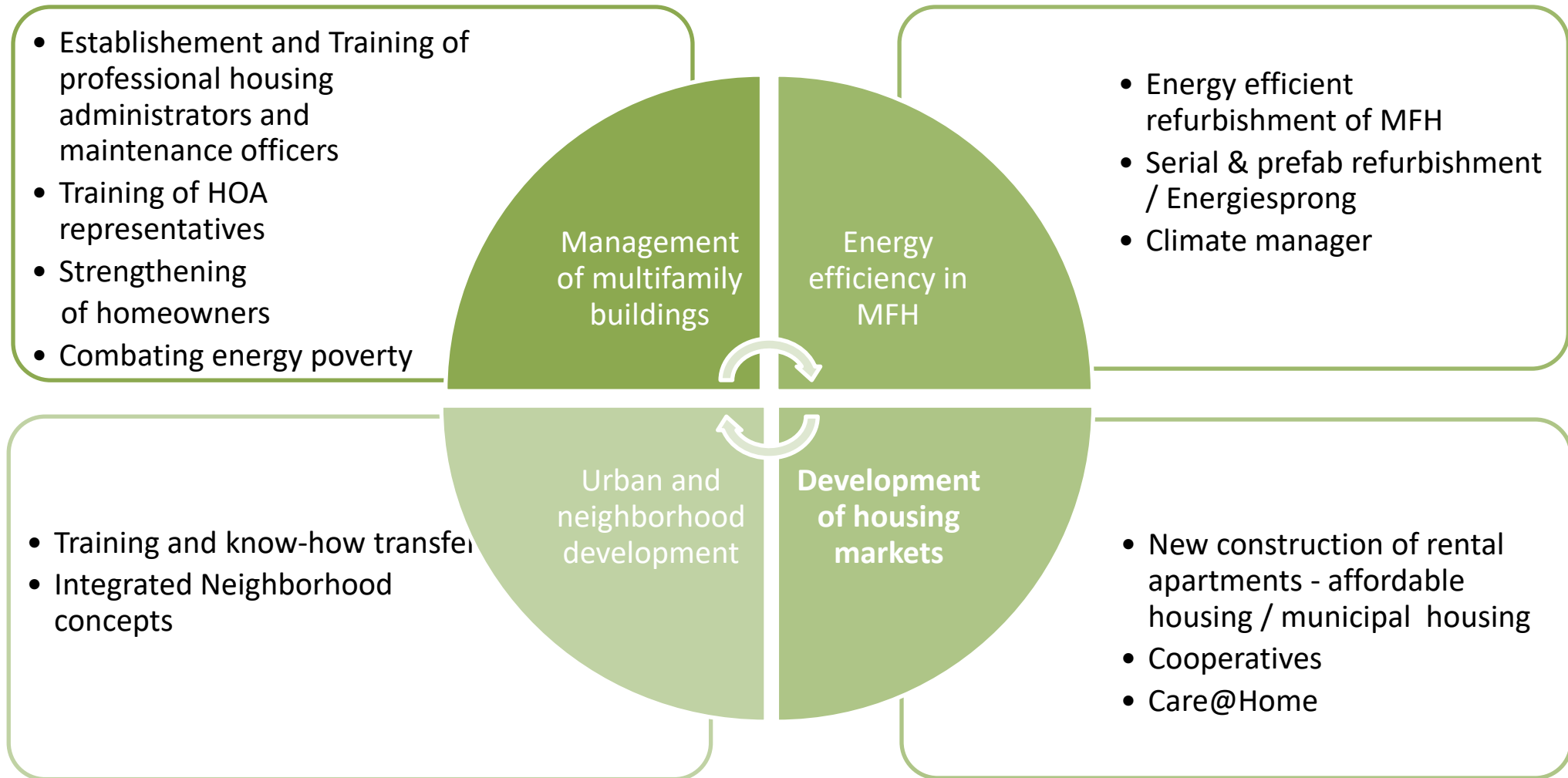


*IWO e.V. – Initiative Wohnungswirtschaft Osteuropa | Housing Initiative for Eastern Europe, NGO

Member – Partner – Networks – Sponsors

Current IWO topics in Eastern Europe

IWO has been working in Ukraine since 2005 and has implemented numerous projects.



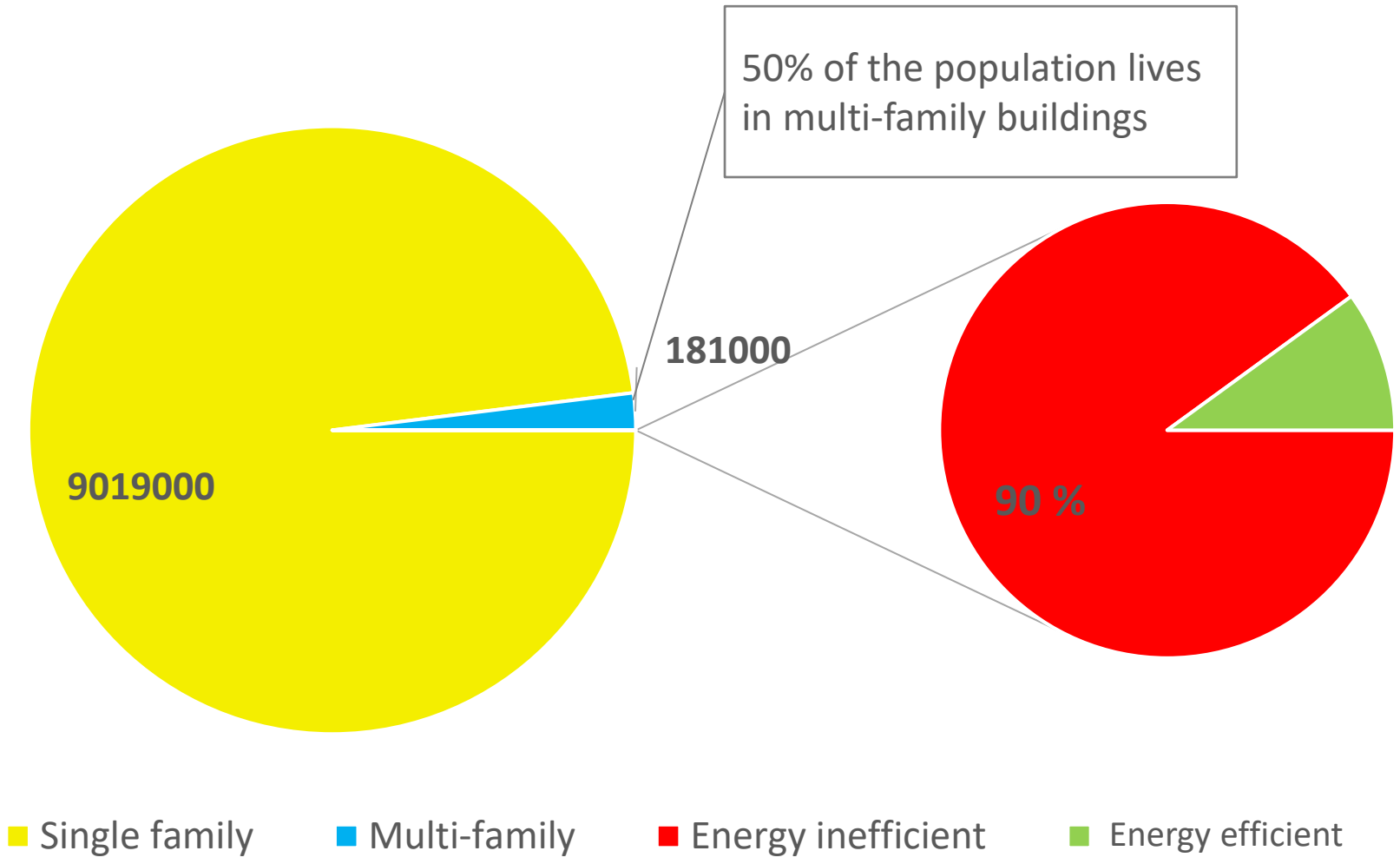
1.

Housing sector and housing stock in Ukraine:

Status-quo as of 2022;

Situation after the full-scale Russian invasion

Housing stock in Ukraine (buildings)



Source: State Statistics Service of Ukraine (September 2019)

State of existing housing stock in Ukraine (pre-invasion estimations)

Housing stock built until 2013

- > 75% of the population lives in housing from 1960-1980s
- > multi-apartment buildings (~50% of the population live here)
- > huge investment requirement due to decades of maintenance backlog
- > refurbishment rate almost zero
- > many individual measures with negative consequences

> 90%

New housing – built in the last 10 years

- > exclusively oriented towards residential property for owner-occupiers
- > predominantly in the mass low standard
- > built by private developers – often „speculative“ development

< 10%

Source: Own estimations based on available statistics.

Massive losses of the housing stock

Housing stock built until 2013 > 90%

- **Multi-apartment buildings** **181 000 buildings**
 - damaged buildings ...
 - Destroyed buildings circa 17000
 - unused apartments due to displacement ...

- **Individual houses** **9.019.000 buildings**
 - Destroyed ...
 - Damaged ...

Existing housing stock still needs high priority and refurbishment, while rebuilding needs new approaches

New housing – built in the last 10 years < 10%

- Partially stopped due to the war
- To be built in the future for whom?
- according to which model?
- Who will finance it?

Systematic consideration of all types of the housing stock

Two lines of attention are needed



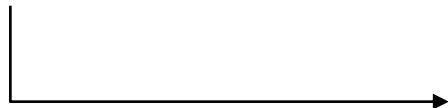
Existing housing stock

- Damages -> repairs and refurbishment
- Destructions -> debris demolition, replacement (?)



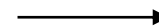
Back to the core refurbishment issue

Up to 80% of the old housing stock is energy inefficient and needs refurbishment



Construction of the new housing

- What kind of model, private or public
- BBB and demanding energy efficiency standards
- Financing



New ownership models? Financing?

Dealing with super-ownership orientation

Systematic consideration of all types of the housing stock

- **Revitalization of the existing stock**
 - national and regional refurbishment programs,
 - professional administration and maintenance structures (public/private)
 - „Städtische Sanierungsträger“/ municipal refurbishment companies or/and OSS = one stop shops
 - independent energy consultant network
 - small and medium-sized construction and craft companies
- **Diversification of the new construction**
 - with regard to the construction /building typology
 - **and with regard to the type of property – new housing providers**
 - in social—affordable--market segments
 - by private—municipal--cooperative housing companies who build, rent, manage and maintain

World Banks' Damage and Needs Assessment, Reconstruction Priorities

- **Reconstruction and Recovery Needs, including Build Back Better**

- The total needs for the housing sector are estimated to be **around US\$68 billion**
- Of these, US\$31.5 billion is needed for the immediate and short term
- and around US\$37.1 billion for the medium to long term...

- **2023 Recovery and Reconstruction Implementation Priorities**

*“It is also essential to develop a housing recovery strategy, including a housing recovery financial strategy, and to **support local self-governments (hromadas) in building the capacity** to assume their legislated roles in the selection, support, verification, and implementation of housing repair and reconstruction investments”*

Source: World Bank; Government of Ukraine; European Union; United Nations.

Ukraine Rapid Damage and Needs Assessment : February 2022 - February 2023 (English). Washington, D.C. : World Bank Group.

UNECE Country Profile on Ukraine 2013 Recommendations still relevant

1.4 Consider development of legislation regulating **cooperative housing sector** and other forms of non-commercial housing

1.5 Strengthen the role of municipalities in implementing the national housing policy

2.1 Develop a long-term sustainable housing strategy

2.3 Stimulate housing supply to relieve housing deficit and improve affordability

2.4 Promote **diverse non-profit housing providers** to ensure alternative approaches to housing provision and a more competitive and balanced housing development market

2.7 Expand range of affordable housing (types and tenures)


Source: UNECE (2013) COUNTRY PROFILES ON HOUSING AND LAND MANAGEMENT. Ukraine.

Recovery Plan of Ukraine

- 17 National programs of reconstruction
- One program dedicated to housing with 150 - 250 billion USD
- 120 projects in the housing program, including
 - New construction of flats
 - **Non-for-profit' rental housing, cooperatives**
 - Refurbishment of multi-family buildings
 - Further training of administrators
 - Energy standards
- Details on the website: recovery.gov.ua/en




Energy independence and Green Deal

 130 bn USD




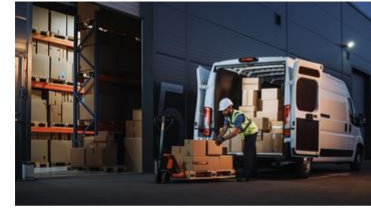
Boost business environment

 5 bn USD




Ensure competitive access to funding

 75 bn USD




Logistics de-bottleneck and integration with EU

 120 - 160 bn USD



Recovery and upgrade of housing and regions infrastructure

 150 - 250 bn USD



Recovery and modernization of social infrastructure

 35 bn USD

Some of 17 programs. Source: recovery.gov.ua/en

Source: The National Council for the Recovery of Ukraine from the Consequences of the War / Draft Recovery Plan Material of the "Construction, urban planning, modernization of cities and regions" working group.

2.

How German housing sector experience and expertise can assist housing recovery in Ukraine

How German housing market and IWO's experience can assist

Two lines of attention are needed

→ **Existing housing stock** →

- Damages -> repairs and refurbishment
- Destructions -> debris demolition, replacement (?)

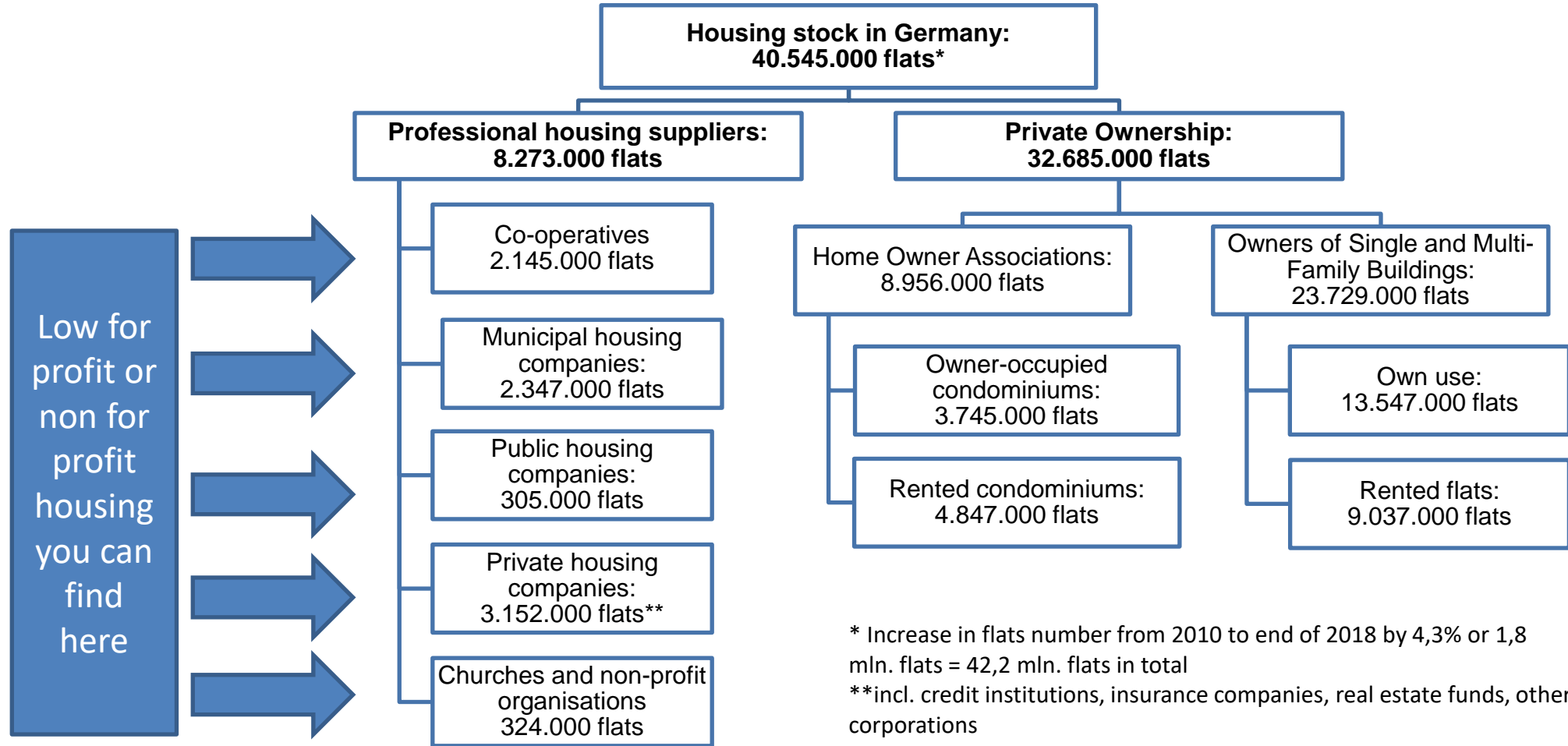
- Transformation of the East German housing sector into a social market economy
- Legislative, administrative and financial framework for the building renovation (on a large scale)
- Developed construction supply market
- Developed infrastructure of private companies, NGO's and research institutions

→ **Construction of the new housing** →

- What kind of model, private of public
- BBB and demanding energy efficiency standards
- Financing

- Diversivied market of housing providers, esp. municipal and cooperatives, with experience in new construction in all market segments (social, affordable, market)

Housing stock and administrative management portfolio in Germany



Source: Destatis (2013): Zensus 2011

Housing stock and administrative management portfolio in Germany

- a total of 40.5 (2018: 42,2) million apartments in 19 million buildings in Germany
- 9 million owner-occupied flats = 22 percent of all flats
- 1.8 million home-owner associations (WEG) = 10 percent of all buildings
- **54% of Germans live in rented accommodation – more than in any other country in Europe.**
Only roughly 46% own a house or apartment.
- 13 million inhabitants in approx. > 5 million flats are living either in co-operatives or in municipal housing
~ 30 % of all rented flats



Housing stock and administrative management portfolio in Germany

- **What is GdW?**

GdW – Bundesverband Deutscher

Wohnungs- und Immobilienunternehmen/
Federal Association German Housing and

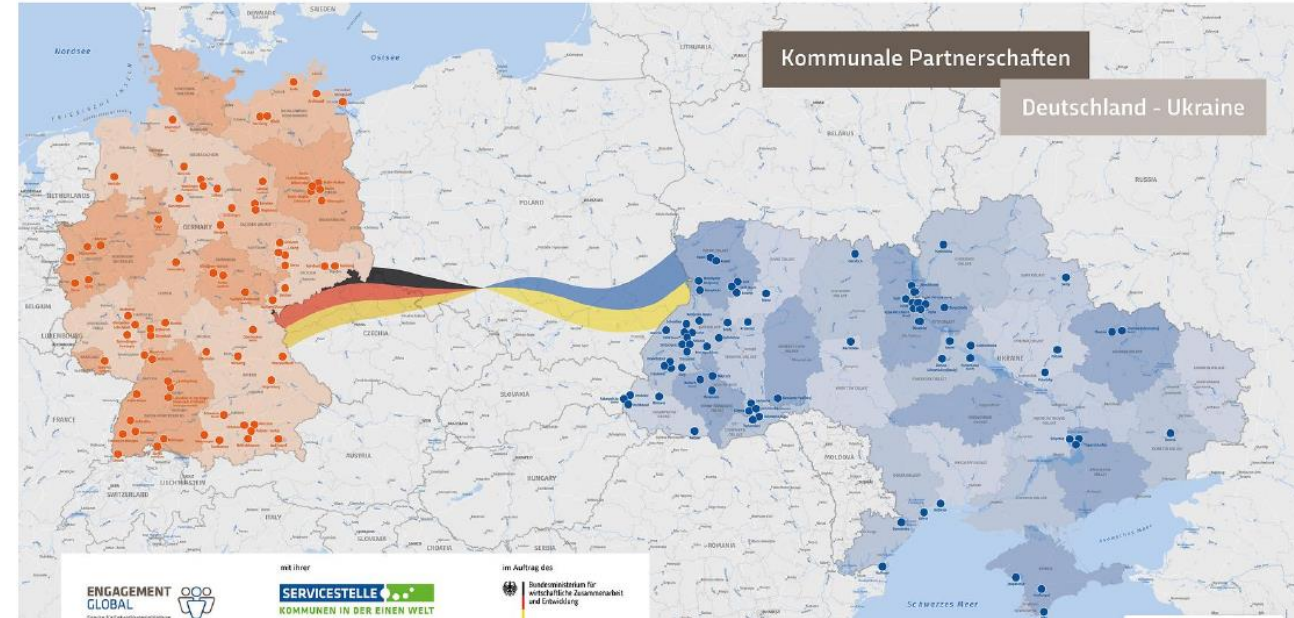
Real Estate Companies

- **Rent level at GdW companies in 2017 almost 20 % below the rent index level**



German-Ukrainian intermunicipal partnership

- **184 intermunicipal relations of cities of all sizes and geographical areas**
- **Examples of partnerships:**
 - Kharkiv – Nuremberg
 - Berlin – Kyjiw
 - Delitzsch – Schowkwa
 - Potsdam / Erfurt – Iwano-Frankiwsk
 - Leipzig – Lwiw
 - Frankfurt (Oder) – Schostka
- **This means hundreds of municipal housing companies and cooperatives in partner cities that can be active in the housing sector during reconstruction.**



Map: 80 deutsch-ukrainische Städtepartnerschaften. Source: BMZ

3.

IWO's theses and proposals for the recovery and transformation of the housing sector in Ukraine

Theses and proposals for the development of a rental and affordable housing sector in Ukraine

- Start from zero!
Development of different modules / projects with the involvement of relevant key stakeholders/experts and funding within the framework of projects
- Housing providers platform: Coordination in Germany by IWO e.V. and in Ukraine by local partners
- Cooperation with Ukrainian ministries, city and regional administrations
- Establishment of a German network / coordination of activities with European partners (Housing Europe, Habitat for Humanity, EFL etc.) - project-related European consortia
- Involvement of Polish partners (ministries, municipalities, NGO's, HfH International others), possibly other countries.
- Cooperation with international organisations, e.g. UNECE, OECD, and financial institutions, e.g. EIB, EBRD, CEB, IFC etc.

Theses and proposals: 4 Modules (short, medium and long-term)

Module I:

**Awareness raising on
introduction of the rental and
affordable housing models in
Ukraine**

Module II:

**Identifying and Founding of
Local Housing Enterprises**

Module III:

**Management support and
partnerships with German
housing companies**

Module IV:

**Support in mobilizing funding
opportunities**



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