

European High-level Roundtable on Bridging the Gap in Affordable, Adequate, Energy Efficient Housing

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WHERE WE WERE?

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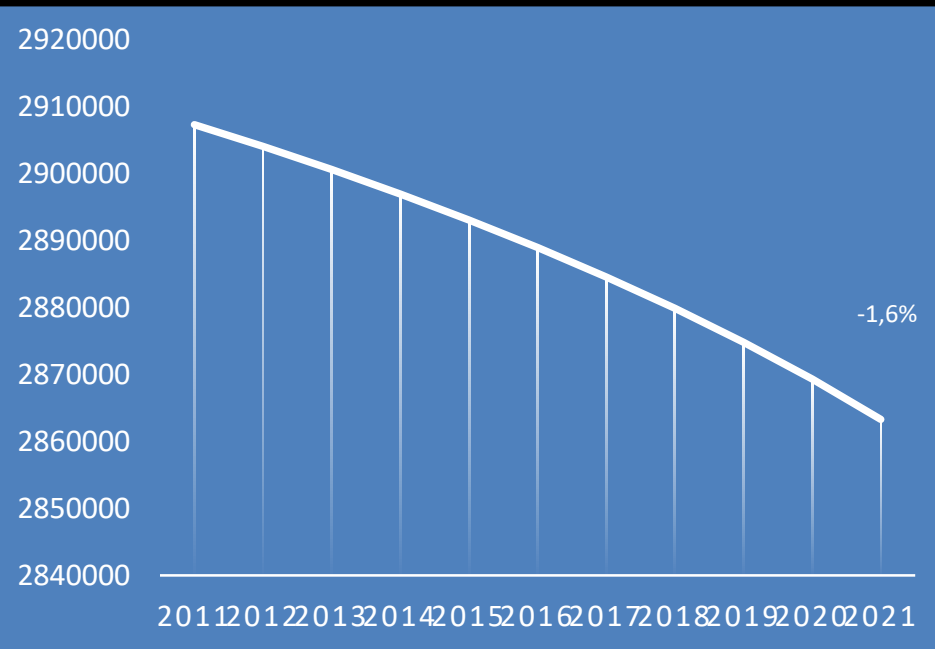
WHERE DO WE GO FROM HERE?

Housing – human right vs. social objective

- Article 59 of the Constitution of the RoA:
 - *The state, within the constitutional powers and the means at its disposal, as well as in complementing the private initiative and responsibility, aims to meet (among others) the needs of citizens for housing*
 - *Fulfillment of social objectives cannot be sought directly in court.*
 - *The law defines the conditions and the extent to which the fulfillment of these objectives may be requested.*

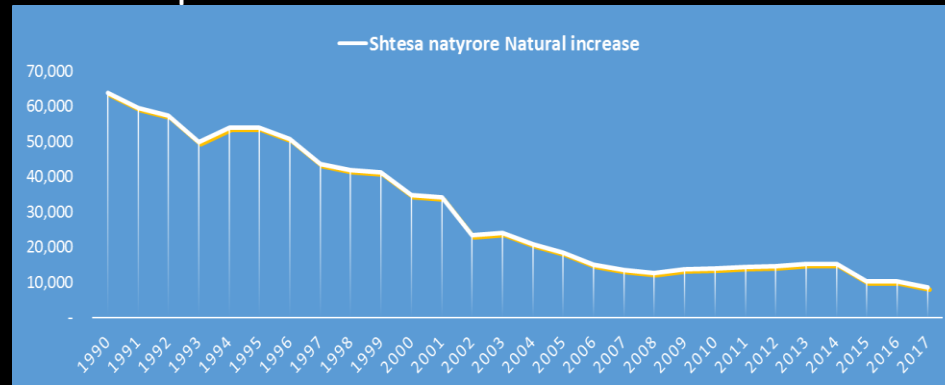
Albania - demographics

Projection of the population



Natural growth

- Population in January 2019 – **2,862,427**
- Population aged between 20 and 39 YO– 840,476 or 29% of total
- Natural growth decreased 7 times compared to 1990



Characteristics of the housing stock

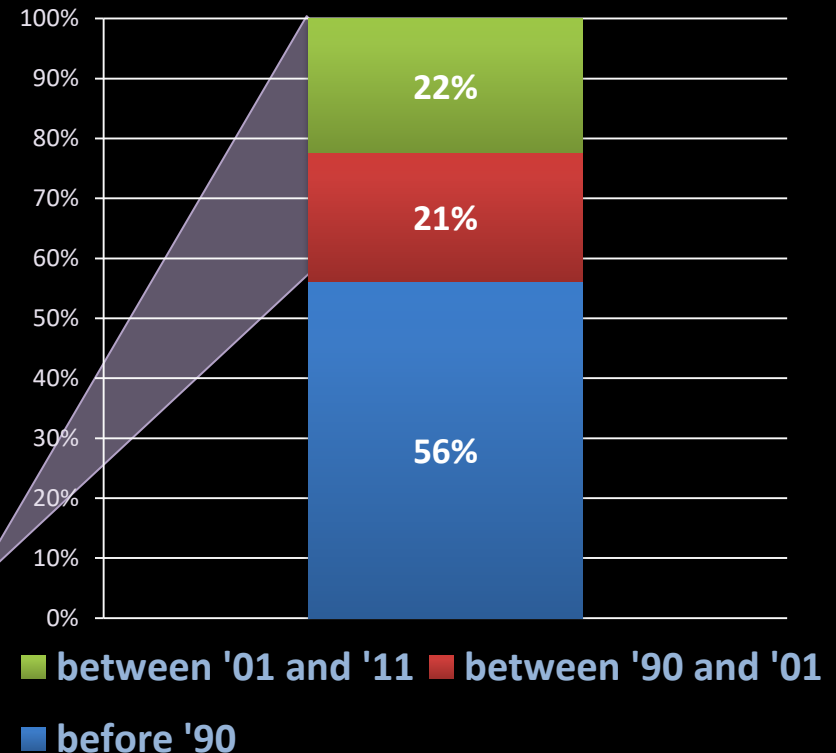
Availability of the housing stock

Housing/1000 inhabitants	1989	2011
	219	362

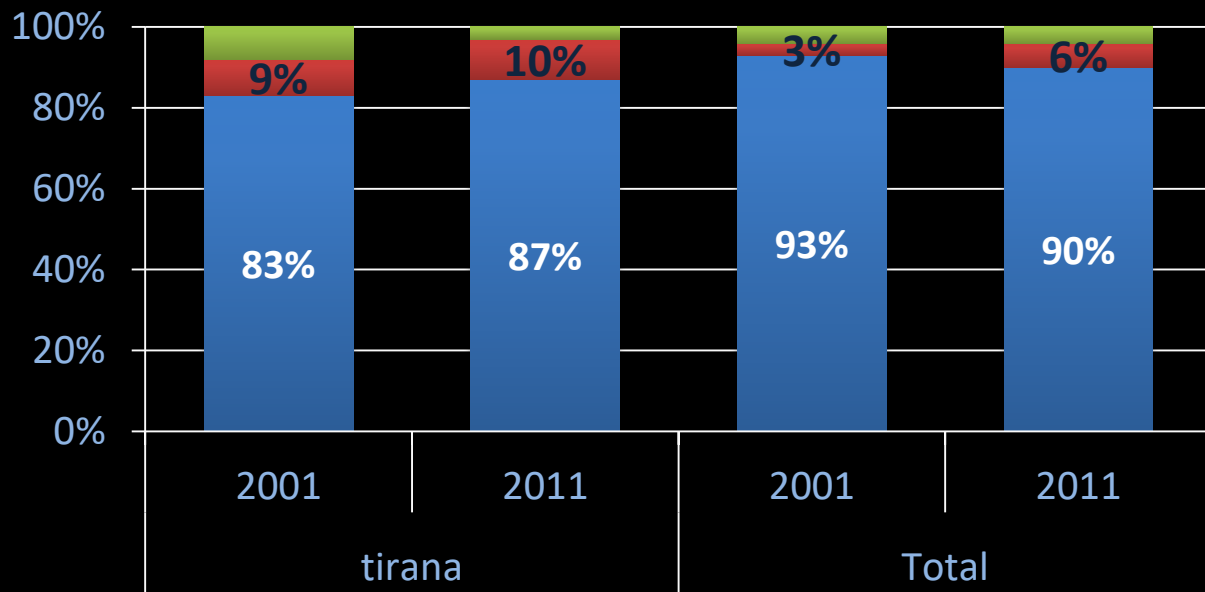
Uninhabited houses	22%
Secondary houses	8%

Informal housing	75%-90% of all houses built after 1990s
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Age of the housing stock



Ownership: 99% private; 0,12% municipal housing



■ Other/Not paying any rent ■ Renting ■ Owing or in process

What happens in the free market?



Affordability gap in Tirana

Location	Euro/m2	Housing price/annual income
Center	2,500	37
Ring road	1,500	22
Periphery	700	10

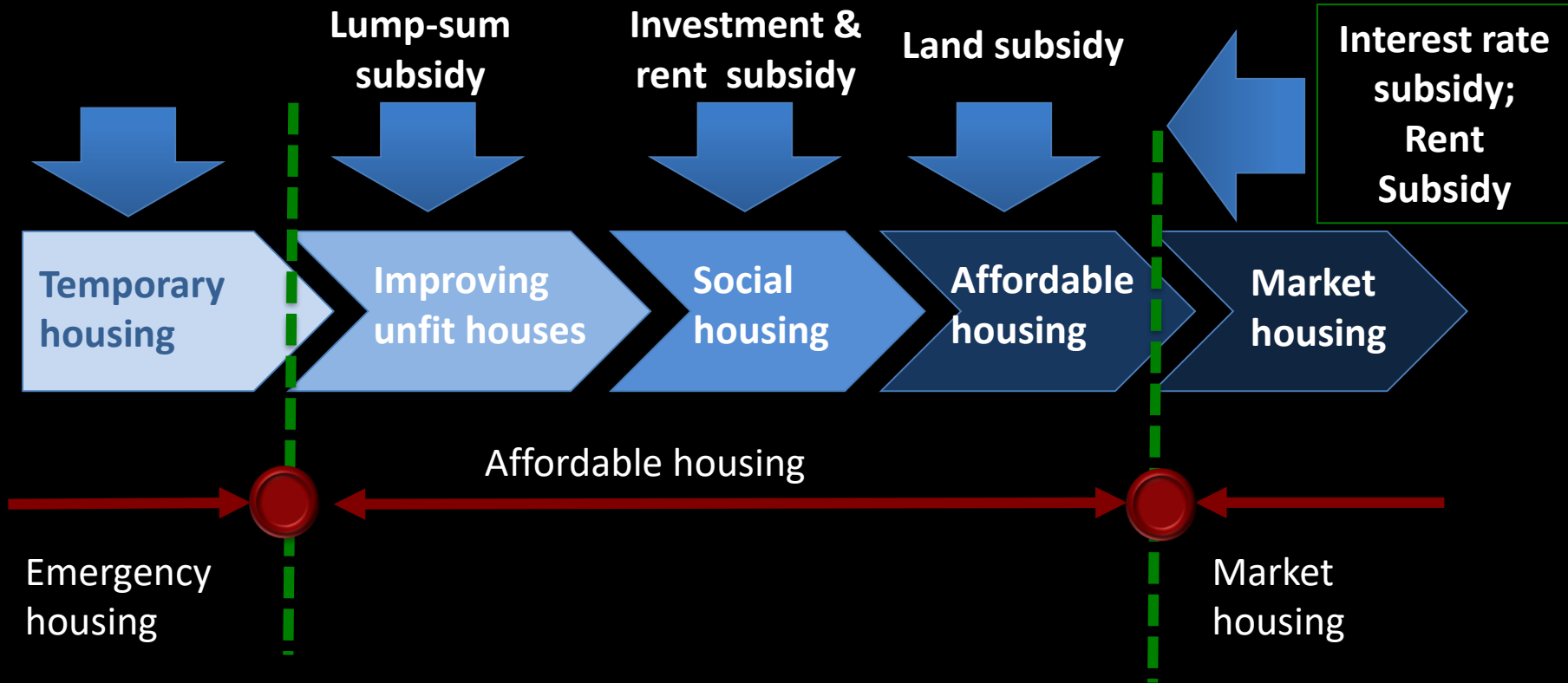
Fulfillment of the housing needs

- Law No. 22/2018 “On Social Housing”, stipulates the principles of housing policy:
 - Security of tenure;
 - **Affordability**;
 - Adequate;
 - Cultural adequacy;
 - Transparency of procedures;
 - Participation;
 - Non-discrimination;

The affordability standard

- Housing should be affordable for all, but are all of them subject of housing policy? Who are the target for the housing policy in Albania?
 - All families of average income that pay more than 25% of their income for the housing costs (excluding services)
 - All families with low income that pay more than 20%
 - All families with very low income that pay more than 15%
- They should not have a house in their ownership, or they live in overcrowded apartments

The housing continuum



Adapted from UNECE

'Filling' the affordability gap

- Through housing programs that address different housing situations and income levels:
 - Temporary shelters for homeless and emergent cases
 - Specialized houses for elderly, differently able people, victims of domestic violence, children that need a special protection, etc.;
 - Improvement of existing houses for poor and vulnerable groups;
 - Social or Public Housing
 - Affordable housing;

'Filling' the affordability gap

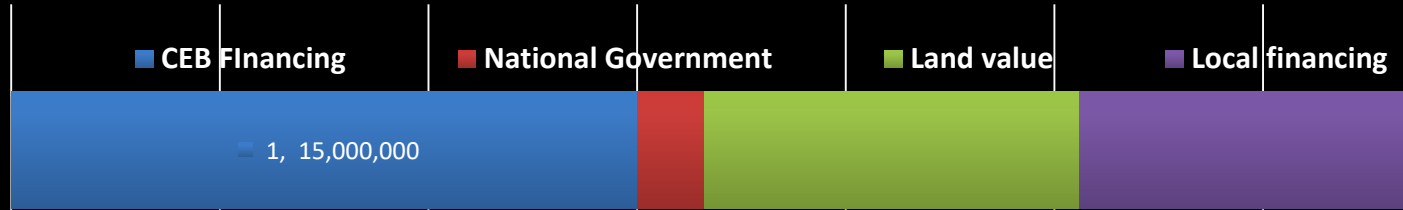
- Through subsidies :
 - public housing provision;
 - rent subsidy for the market rental housing;
 - mortgage interest rate subsidy;
 - lump-sum subsidy for buying affordable housing for specific categories;
 - subsidies for improving living conditions of poor and vulnerable groups

- Social housing provided with a combination of CEB loan, NG and LG financing
- Affordable and energy efficient housing, provided with financing from the National Housing Agency
- Grants for improving the living conditions of poor and marginalized groups
- Emergency houses, used for displaced Roma minorities
- Privatization of ex-industrial buildings and self-help gradual improvement

EXAMPLES

Social (public) housing

Financing scheme:



Affordable and Energy efficient housing



Financing schemes:

A. NHA housing:

- NHA financing
- LG - land + infrastructure
- NG – Land clearance

B. Market housing:

- Interest rate subsidy by NG and/or LG

Grants for improving living conditions of poor and marginalized



Financing schemes:

- NG investments not more than 80%
- LG investments not less than 20%

Emergency houses



Privatization of ex-industrial areas and self-help improvement



What should be done?

- Cooperation and partnership at international, national and local levels; public and private sectors; communities and their associations
- Decentralization and support to local governments to building their capacities for developing evidence-based policies and plans
- Housing policy to be combined with employment, vocational training; health and social protection