

Housing Reform in the Czech Republic

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Housing – important part of the CZ transition to market economy

- **Since 1989**, many fundamental societal, social and political changes have gone ... the role of housing ...
- Start in early nineties.
- **Since 1991** - de-etatization = privatization – transferring of the residential building to their former owners (or heirs), or to municipalities.
- **Since 1993** – construction saving system, subsidized from the state budget.
- **Since 1994** – condominiums law as a legal framework.
- **Since 1995** – mortgage loans; subsidized from the state budget.
- **Since 1995** – subsidies for new construction of rental flats.

Housing reform – where to go?

Ownership as a basis?

How to deal with former state dwellings?

Which role for municipalities?



Inspiration from the UNECE

- On the long-term „transitional path“ ... a lot of inspiration from the **UNECE Committee** aimed at housing issues!!!!!!!
- **Publications** prepared by the UNECE served as very helpful sources of information, with concrete examples, experience, recommendations
- **Housing finance, Guidelines for Condominiums, Social Housing ...**
- At the same time – the Czech Republic has provided housing experts as members international teams for the **UNECE Country Profiles projects**.



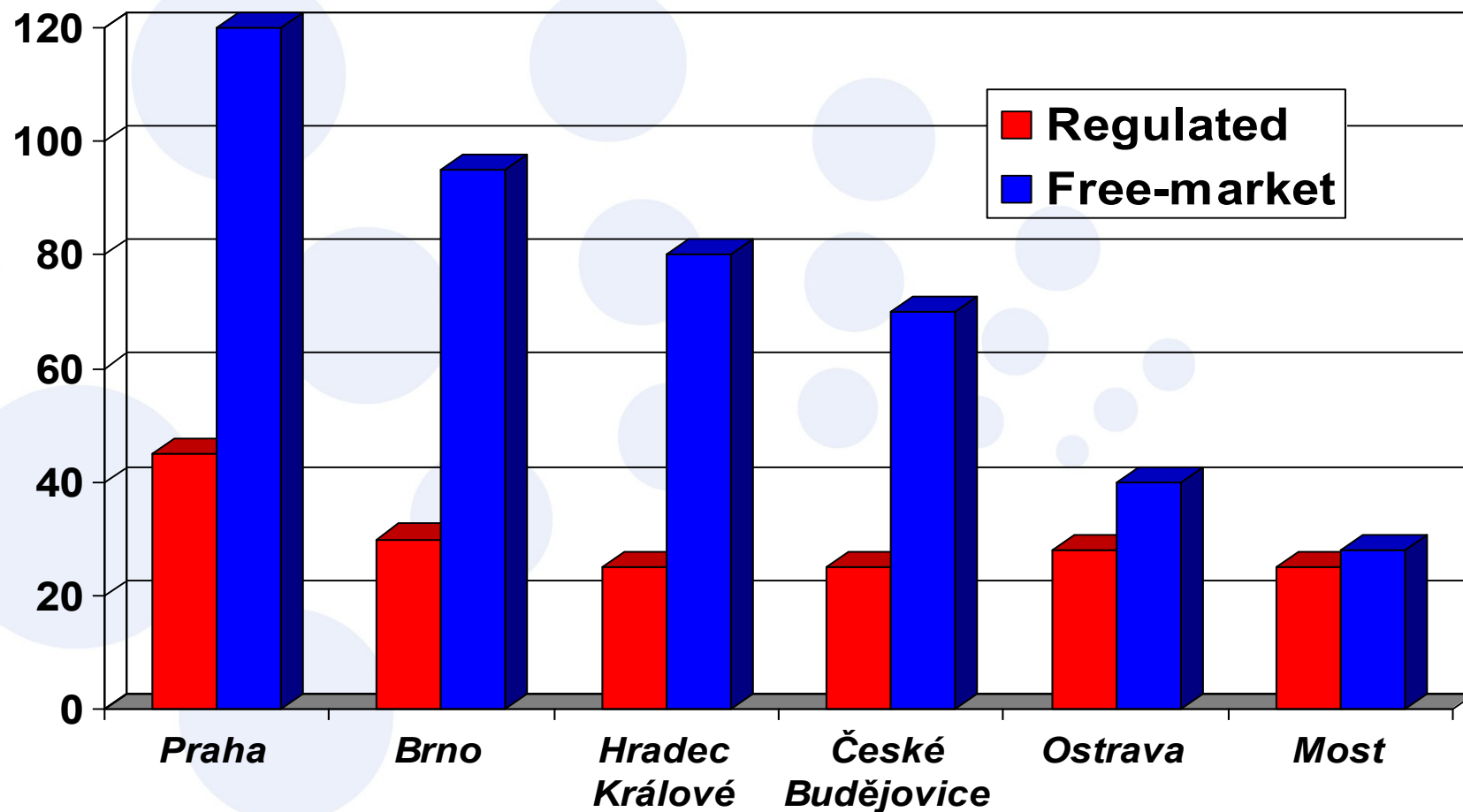
Housing rent reform ... the biggest Czech issue in the whole housing reform!



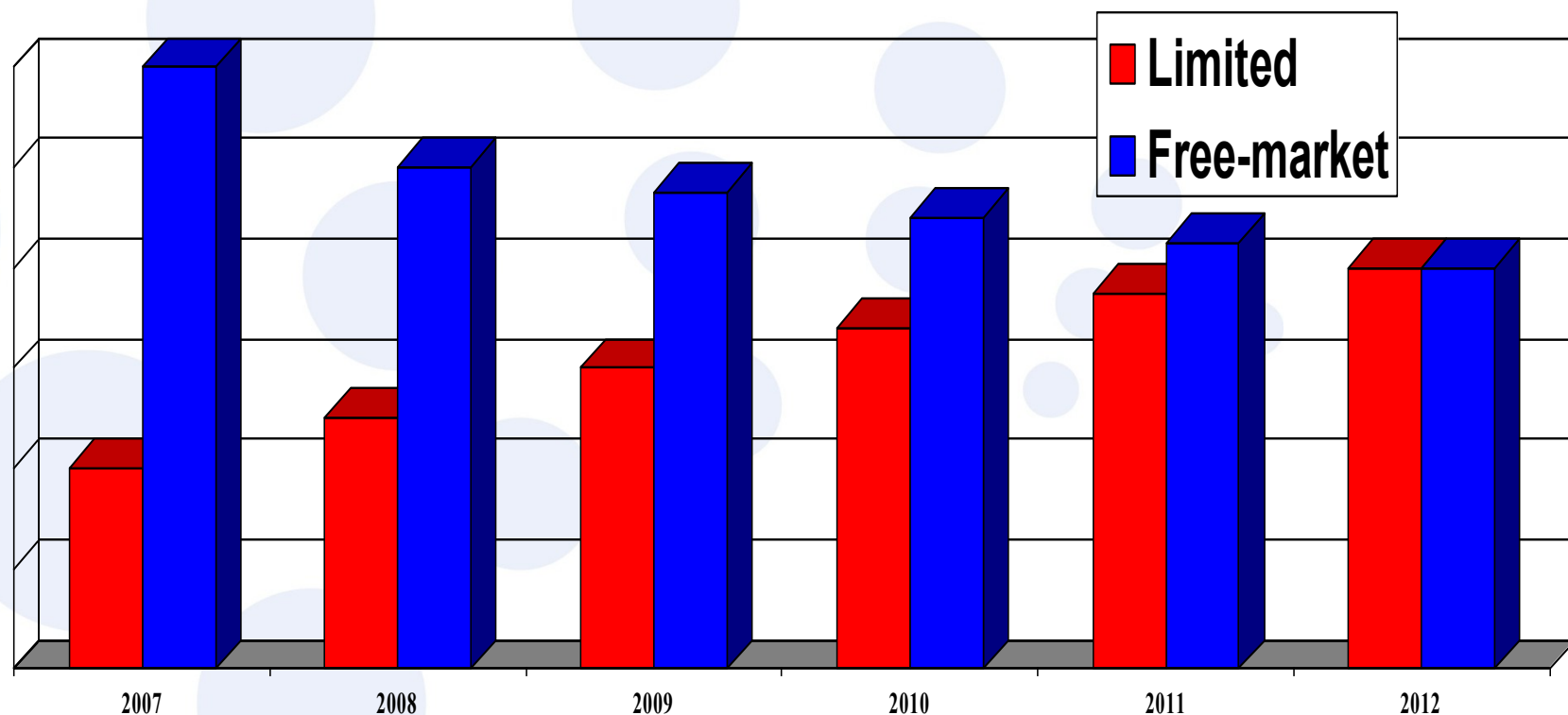
Rent distortions

- “Price ceiling” - obligatory applied to all “old” lease contracts.
- **Since 1994** - possibility to negotiate **new** rents following local demand and supply.
- Therefore – **two levels** of housing rents (BUT - regardless the social status of a given tenant).
- **Since 2003** – possibility to negotiate changes also in “old” rents
- Plus - **temporary Act** on Unilateral Increase of Housing Rents for 2006-2013.
- Czech solution – the scissors **has gradually closed** ...

“Price scissors“ = two levels of rents



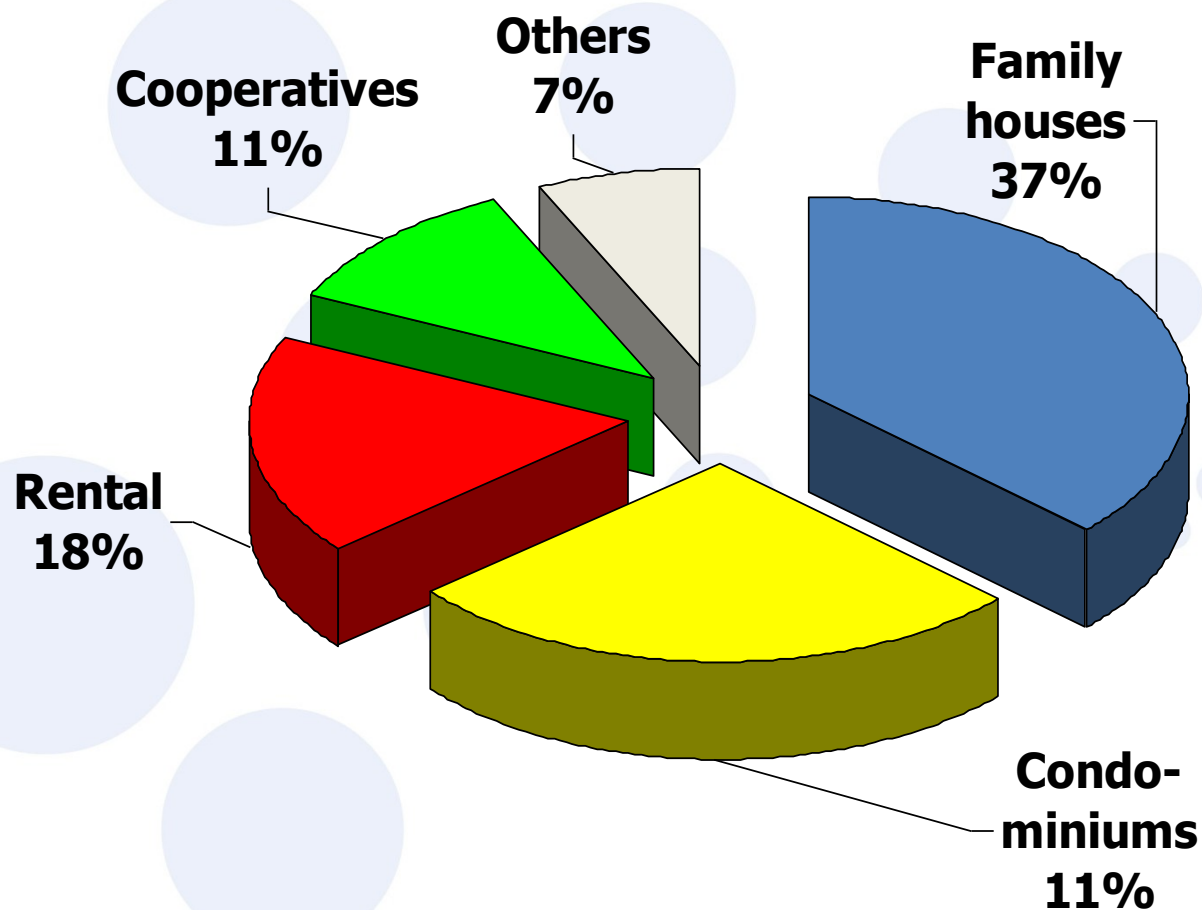
Closing the gap ...



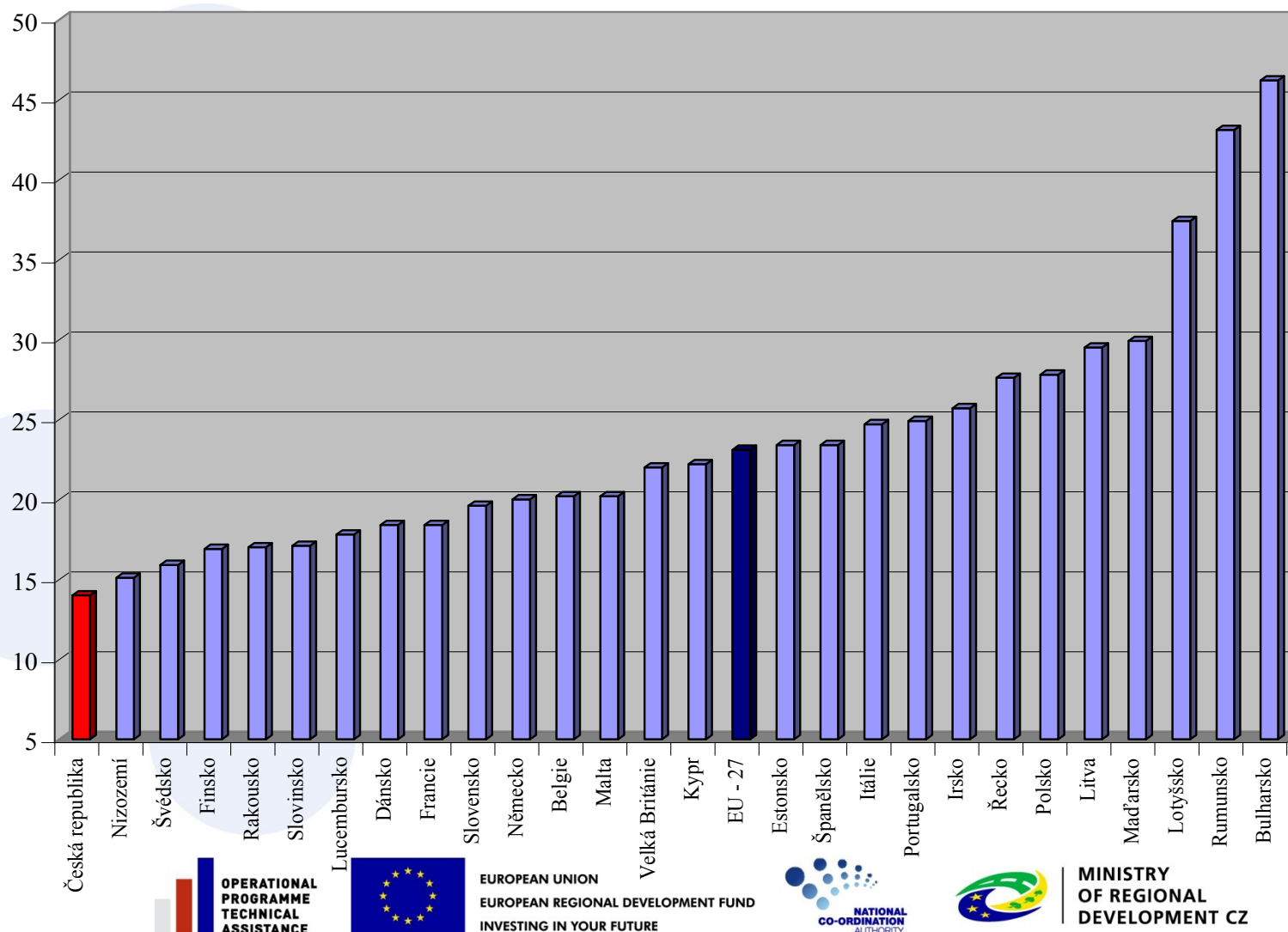
**“It is a capital mistake to theorize
before one has data.”**

Sir Arthur Conan Doyle

Housing tenure structure



People in risk of poverty or social exclusion – in %



New social housing

- Construction of affordable rental flats for disadvantaged persons and households – i.e. the programme aimed **only to socially defined target group**.
- Investors = municipalities and newly also private investors.
- Limited rents, social services included.



Support for housing refurbishment



***“If you want to be better –
be competitive.
If you want to be exceptionally better –
be cooperative.”***

(Anonymous)



Housing = political + professional issue

- Experience with housing reform implemented in **other countries** can be inspiring ...
- **Country profiles** - provide an independent view from an international team of experts!
- When also politicians are involved in debates, tailor-made solution can be found.



- The Czech Republic regularly supports financially **projects of the UNECE** ... The aim: to enable countries to find **their own solution** for similar problems ...

Thank you for your attention.



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