

Housing Situation and Housing Policy in Romania

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How do Romanians live?

	2002	2011	2012
Conventional homes	8.107.114	8.468.000	8.506.000
Change p.a.		0,49%	0,45%
No. of rooms	20.791.258	22.168.000	22.319.000
Change p.a.		0,71%	0,68%
Inhabitable surface (sqm)	304.453.058	333.349.000	336.522.000
Change p.a.		1,01%	0,95%
Average no. of rooms / home	2,6	2,6	2,6
Average surface / home	37,5	39,4	39,6
Average surface / room	14,6	15,0	15,1
Population (mil.inhabitants)	21,7	20,12	20,12
Households (millions)	7,3	7,1	7,1
Persons /Household	2,92	2,83	2,83
Household / home	0,90	0,84	0,83
Rooms /household	2,8	3,1	3,1
Persons /room	1,04	0,9	0,9

Major investments in the development of the Romanian housing domain are necessary !

Situation of the housing domain in EU vs. Romania*

•Lack of basic utilities: 3% vs. **38,5%**
(bath, toilet, shower)

Poor living conditions in România!

*Source Data: "Urbanism" magazines vol. 3, no. 2, 2011 and vol. 4, no. 3, 2012 (published by the National Institute for Research and Development in Construction, Urban Planning and Sustainable Spatial Development "URBAN-INCERC") <http://uac.incd.ro/>

Source data: The National Institute of Statistics – "Romania in figures" reports, Statistical Bulletins and Census results <http://www.insse.ro/cms/> and Official Census results page <http://www.recensamantromania.ro>

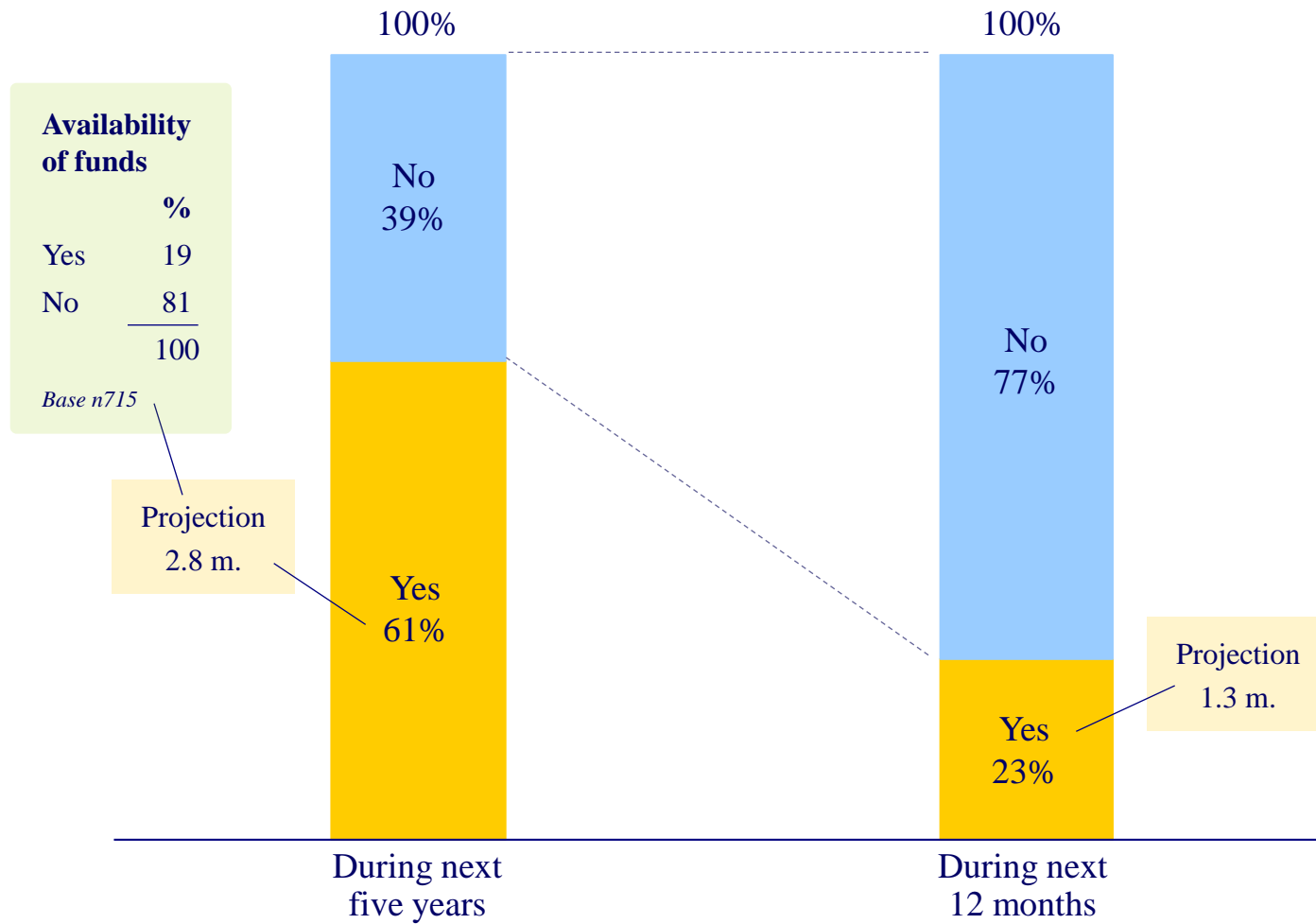
Degree of dwelling decay in urban target market

Dwellings	Residents ¹		Say dwelling needs repair ²	Number of dwellings ³	Repair Urgency ⁴	
	%	000			High	Low
Apartment in blocks	73	4,234	22	368	43	57
Individual houses	27	1,566	47	290	59	41
Total	100	5,800		658		

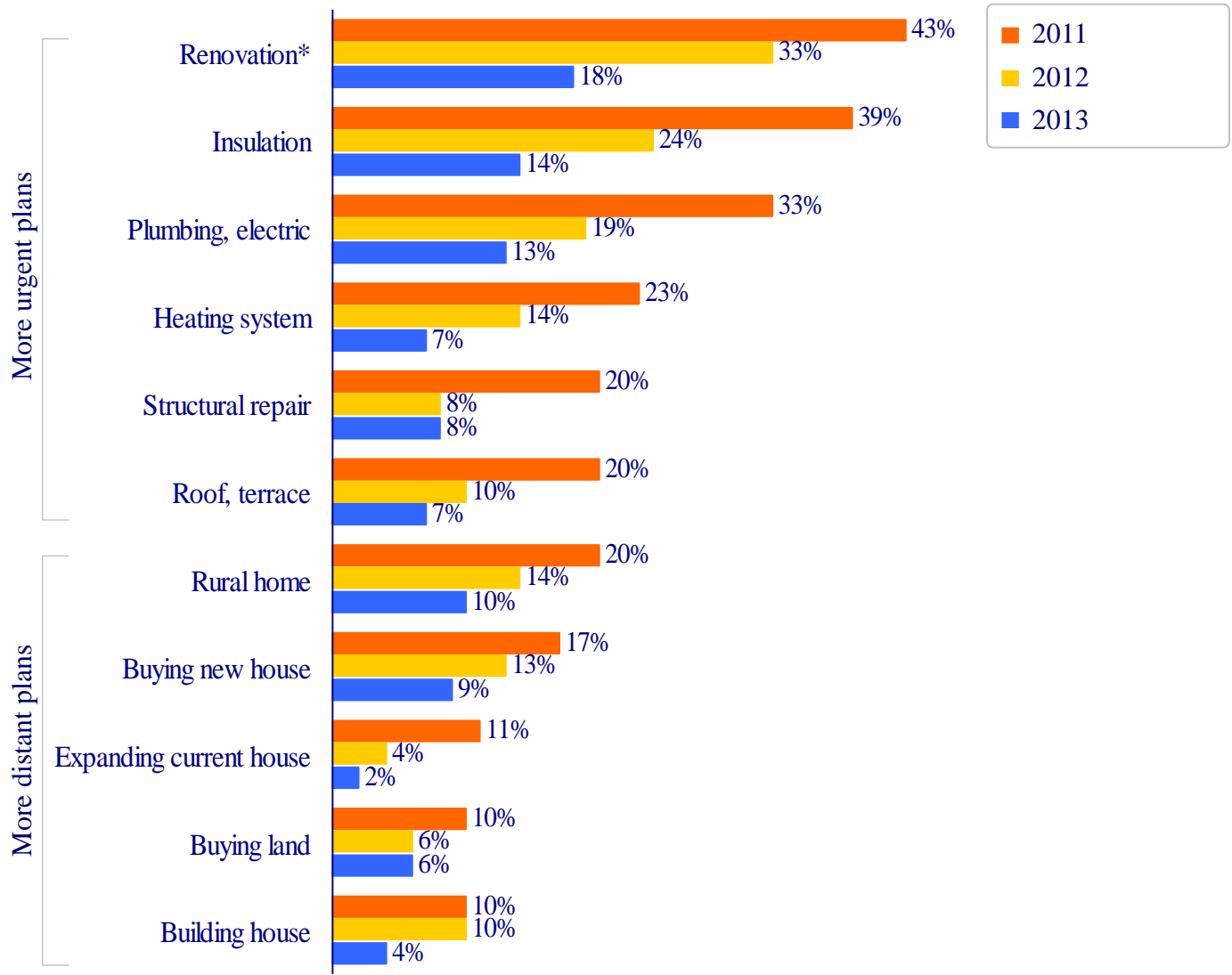
Source is current study IRSOP 2013.

- 1 Based on the question “Do you live in a block apartment or an individual house?”
- 2 Based on the question “Is your block of flats/apartment in good shape or does it need repair?”
- 3 Number of dwellings determined by projecting percent saying dwelling needs repair to target market (i.e. apartment / individual house) and dividing the result by 2.53 (average persons in Household).
- 4 Based on the question (If repair needed) “How urgent is repair needed?”.

Want to implement home improvement project

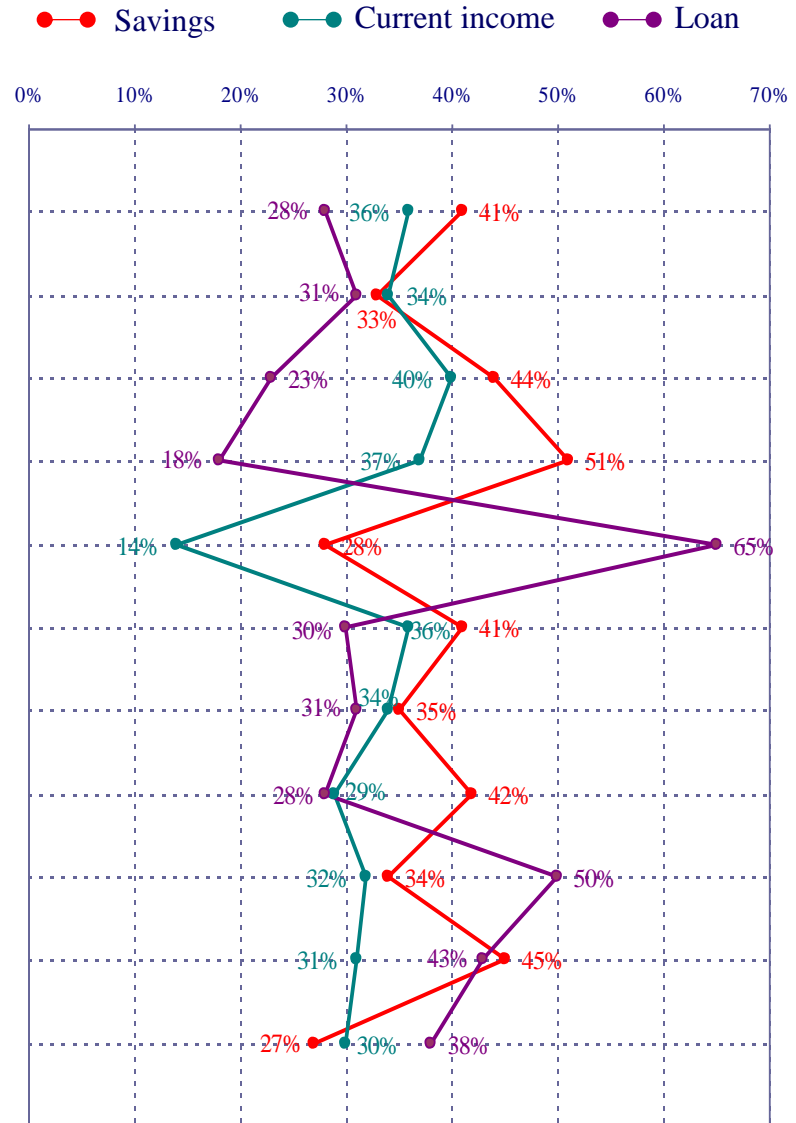
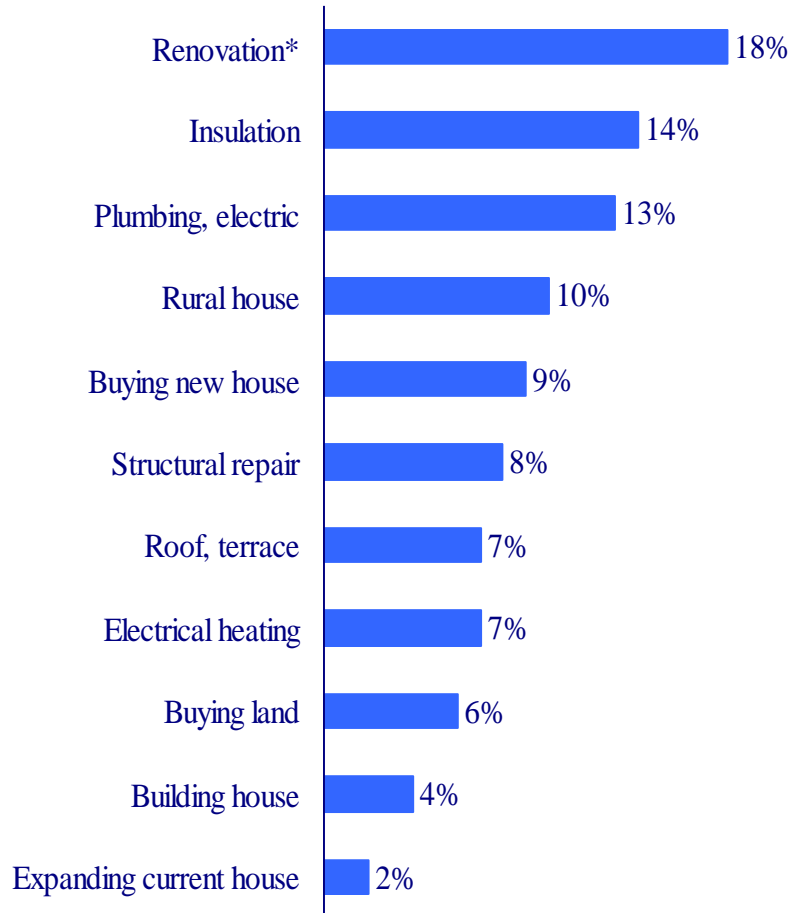


Declining home improvement plans for next 5 years since 2011



* Floor, tiles, painting

Expected funding source for home improvement



Multiple answers. Percents to not add up to 100.

Housing Programs supported by the Ministry of Regional Development and Tourism (1/2)

Program	Short Description	Financing volume (State budget)	Impact	Comments
Building necessity houses through CNI (National Investment Company)	Consolidation of blocks of flats with high seismic risk	n/a	• Two blocks of flats from Bucharest (128 apartments) benefitted of consolidation	Program finalized and closed
Finalizing the blocks of flats started before 1989, GO 19/1994	Started in 1994 For social cases, selected by commissions from underprivileged social categories In partnership with local authorities	20 mil. EUR	50,000 apartments in function Average price / apartment 2,000,000 RON Ensures decent living conditions – min 13.5 sqm/person	Finalized by 2012
Supporting the building of individual property houses, GEO 51/2006	Unrolled between 2006 – November 2011 Granting subsidy for building homes (for private individuals under 35 years)	6 mil. EUR	Subsidy of up to 20% of the price/sqm of built surface) 115 beneficiaries for the subvention Average amount/beneficiary = 40,000 RON	Closed in November 2011 Financing granted during 2007-2012
Rehabilitation of blocks of flats situated in cities from underprivileged areas	Started in 2006 For private individuals or companies owning apartments in blocks of flats in cities from underprivileged areas having severe structural degradation and major thermal system deficiencies	3 mil. EUR	Generally – mining industry cities Average value / year / block of flats = 440,000 RON	Ongoing Financing budgeted until 2012

Housing Programs supported by the Ministry of Regional Development and Tourism (2/2)

Program	Short Description	Financing volume (State budget)	Impact	Comments
Building social homes for tenants evicted from nationalized houses	Started in 2008 Homes allotted to social cases that must be eligible according to applicable legislation	58 mil. EUR until 2011 6 mil. EUR in 2012	Program for local authorities (city halls); Destined for developing the fund of social housing at local level	Ongoing Budgeted until 2016 (lower amounts/year)
Building social homes Law 114/1996	Started in 2001 Building social housing, destined for subsidized rent for selected social cases (max. rent 10% of the family's available monthly income)	50 mil. EUR until 2011 4 mil. EUR in 2012	Program for local authorities (city halls); Homes are not for sale; Average price estimated / apartment = 32.4 million RON	Ongoing Budgeted until 2016 (lower amounts/year)
Building homes for rent, for young people – through ANL (National Housing Agency)	Started in 2001 ANL programs are destined either for rental, or for selling to young people.	434 mil. EUR until 2011 14 mil. EUR in 2012	Rentals for young people (under 35 years old Rented homes can be bought after 1 year of rental contract.	Ongoing Budgeted until 2016
Building homes through mortgage loans (also ANL program)	Currently, ANL is selling most of its rented apartments (10,468), with a fixed price of 326 euro/sqm.		Applicants can apply for regular mortgage loans, First Home loans or for Bauspar loans	
State Premium for the Bauspar system	Started in 2004 Currently the State Premium is of 25% from savings / maximum 250 EURO equivalent /client / year	35 mil. EUR until 2011 10 mil. EUR in 2012	Expected: over 360.000 beneficiaries by end of 2013	Ongoing Higher amounts budgeted starting with 2013

“First Home” Program (“Prima Casa”)

Program / Year	Guarantees granted	Average Value	Financing volume	Used for new homes (built after 2008)
2009	18.544	41.651 EUR	770 mil. EUR	29%
2010	16.414	40.143 EUR	660 mil. EUR	28%
2011	20.178	38.300 EUR	770 mil. EUR	27%
2012	26.000	37.300 EUR	970 mil. EUR	31%
2013	21.000	37.800 EUR	793 mil. EUR	34%
Total	102.000	38.800 EUR	3.948 mil. EUR	

Source Data: FNGCIMM (<http://www.fngcimm.ro/>), Romanian Government (<http://gov.ro/>) & various media articles

- “First Home” program started in 2009 – presently – phase 6;
- Until the 9th of October 2013, over 102.000 homes (value of EUR 3.948 million) were financed through the program;
- Approx. 30% newly built homes (after 2008).
- **Program coordinates – starting with 2013:**
 - Only RON loans with a maximum guaranteed loan of:
 - 60.000 EUR (RON equivalent) – for old houses
 - 70.000 EUR (RON equivalent) – for new houses
 - 75.000 EUR (RON equivalent) – for building a house in collective system (building project of minimum two associated private individuals)
 - A minimum of 5% advance from the client + a guarantee in value of 3 monthly installments;
 - The State guarantees 50% of the default risk;
 - Eligible clients will include individuals who previously owned a home, only if it was under 50 sqm, or who own quotas of a home and wish to apply for paying the difference for full property;
 - Applicants must not sell the home during the 5 years of the loan;
 - **Financing is also granted for acquisition of homes from the ANL projects!** (specific part of funds allotted for ANL purchased homes: 500 million RON as of august 2013)