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**SOCIAL AND ECONOMIC CHALLENGES IN DISTRESSED
URBAN AREAS OF THE UNECE REGION**

Note by the secretariat in collaboration with the Bureau

Background

1. At its sixty-sixth session in September 2005, the Committee on Housing and Land Management held an in-depth discussion on social and economic benefits of the development of human settlements. The purpose of the discussion was to maintain the focus of policymakers in the UNECE region on the importance of human settlements development for promoting stability and prosperity across the region.
2. As a follow-up to this discussion, the Committee agreed to organize a high-level meeting to be held in conjunction with the sixty-seventh session of the Committee in September 2006. This meeting should define future policy directions of the Committee's work and address specific and concrete issues. The Committee also invited its Bureau and the secretariat to prepare a draft declaration on the basis of the outcome of the in-depth discussion of 2005 for consideration and adoption at the high-level meeting (ECE/HBP/136, para.14).
3. At its two meetings in 2006, the Committee's Bureau considered this request by the Committee and decided that the high-level meeting should address two major issues of interest to all countries of the UNECE region: (a) social and economic integration through human settlements development policies, and (b) the multi-family housing sector: ownership, maintenance, renewal and management.

4. This note has been prepared by the secretariat in consultation with the Committee's Bureau to assist the high-level meeting in discussing these issues and for the adoption of the declaration (ECE/HBP/2006/4). The note is mainly based on the results of the work of the UNECE Committee on Housing and Land Management and the findings of a Dutch study on "Sustainable Refurbishment of High-Rise Residential Buildings and Restructuring of Surrounding Areas" (Ministry of Housing, Spatial Planning and the Environment, the Netherlands, 2004).

I. SOCIAL AND ECONOMIC INTEGRATION THROUGH HUMAN SETTLEMENTS DEVELOPMENT

5. The social crisis that has accompanied the globalization of the economy seems to have caught neo-classical economists off guard, as they were convinced that a return to economic growth and large-scale job creation would keep social deterioration in check. But though the majority of industrialized countries, as well as a significant number of countries in transition and developing countries, have experienced economic growth in the past few years, growth now seems incapable of attenuating many social problems or braking the spread of poverty. The return to economic growth shows that growth does not automatically solve social problems.

6. Nowadays, there is a widespread perception that social cohesion is under strain in the UNECE region. This development has been noted in countries of West Europe and South-Eastern Europe (SEE) as well as Eastern Europe, Caucasus and Central Asia (EECCA), although it is caused by a variety of factors and situated within the specific history, traditions and backgrounds of individual countries. Comprehensive urban development, housing and land administration policies are seen as means to promote social and economic integration. The overall goal remains the creation of an inclusive society that provides adequate socio-economic and living conditions for all groups; the failure to do that would have considerable societal costs for the public sector, political instability and urban insecurity.

Social and economic integration as a political challenge

7. All of the following heterogeneous social groups tend to be prevalently located in urban areas:

- Ethnic minorities, immigrants, refugees, displaced persons, migrants and asylum seekers
- Low-income households, particularly female-headed single households and big or young families with dependent children
- The unemployed, especially the long-term unemployed
- The young and the elderly
- Disabled people
- Homeless people.

8. In recent decades, however, in West European countries modernization, globalization and structural changes have led to urban disintegration. Tightening public budgets and economic pressures have strained social security systems and resulted in decreasing investment in new social programmes, including housing. Results include societal polarization, increasing marginalization of vulnerable population groups and, in urban areas, the emergence of social ghettos and fragmented areas of high deprivation. Isolation in suburbs and difficult access to

jobs, transport, education, health, administration and other public or private services pose serious challenges to residents. Distressed areas by definition adapt to new conditions more slowly than others, and perhaps in unexpected ways. Social tensions arise and public security decreases as young residents in particular resort to violence. Recently, this led to unrest and protest in some countries of the UNECE region, which came as a shock to many decision-makers.

9. In South-East European and EECCA countries the move to a market-based economy has led to specific constraints in urban and rural living conditions. Since housing privatization, the role of the state in housing policy has decreased sharply. The housing needs of the poor and vulnerable are often addressed inadequately. The deficiencies of unregulated land and housing markets, together with decreases in social services like education and health care, the degradation of infrastructure and housing and living conditions, and increased poverty have considerably widened the scope of social exclusion. Large income gaps between rich people and the majority of the population have created sharp disparities in living standards and even resulted in the creation of special neighbourhoods where the rich live under high-security protection. In addition, the management of multi-family housing estates with mixed ownership, where the majority of the urban population lives, is a major problem. The management of condominiums is very problematic and investment in maintenance is insufficient or non-existing. Weak institutional, legal and financial frameworks and the lack of an overall strategy have aggravated the situation. During the transition period, urban and spatial planning was neglected. Although many countries are adopting new policies and legislation, many implementation problems remain.

10. In many countries in transition, for households coping with economic hardship, the choice of a survival strategy has depended largely on human capital. In particular, households with low levels of human capital, those headed by pensioners, and those with low levels of education are especially likely to suffer social exclusion. To prevent poverty from becoming entrenched, the impoverishment of these households needs to be monitored, and targeted policy interventions need to be undertaken, particularly in housing policies.

11. One of the most significant measures of decentralization was the “removal” of the social infrastructure and its passage under the responsibility of local authorities, which was quite legitimate in the transition from centrally planned to market economies. The problem lay in the execution. Local authorities were not ready to accept this responsibility, since they often had no money to support this social infrastructure. The result was a complete disorganization of the housing and utilities complex and other elements of the social infrastructure (kindergartens, medical institutions, youth camps, etc.).

12. Thus the UNECE region faces new policy challenges. Which are the best strategies for responding to these challenges? Which policy instruments should be applied? A comprehensive approach would combine urban development and planning, instruments of social housing, civic participation, systems of land ownership and land use, and integrated policies to alleviate urban problems.

Urban planning and spatial inclusion

13. A planning approach that ensures mixed occupancy in residential buildings composed partly of social (rental) housing and partly of private housing could promote social cohesion and improve the social mix. The inclusion of a minimum proportion of social housing in new residential construction is a possible solution. Legal restrictions and effective social programmes can also contribute to an improved urban mix. Adequate spatial planning enhances access to jobs, goods and services and thus reduces spatial segregation. It is therefore advisable to create more compact cities or urban cores with equal access to services and proximity of communal facilities. This can be accompanied by integrative architecture, including places for community meetings, common gardens and shared facilities like laundry, childcare and libraries, which encourages individual interaction and creates mutual support. At the neighbourhood level, facilities like green spaces, playgrounds and shops should be provided. At the city level, urban planning has to ensure that communities are well integrated into urban structures, including public transport networks, and have access to schools and hospitals.

Social housing

14. The concept of social housing is difficult to define, and its content varies to some extent from one country to another. Usually the term “social rental housing” is used as a synonym, even though there are countries in which cooperative housing and even certain parts of the owner-occupied housing stock meet the criteria for “social housing”. Social housing has historically been a key element of what has been called the “European social model”, devised to maintain a cohesive society by supporting low-income families. Since the mid-1970s in Western Europe, and starting in the 1990s in countries in transition, housing has become increasingly market-oriented, competitive and open to economic pressures. In most UNECE countries, investment in new social housing has decreased in real terms. In addition, many countries have implemented mass privatization of social housing, which has reduced the share of social housing in the total housing stock.

15. These developments could be one reason for an increase in social exclusion and urban decline, since social (rental) housing plays an important role in the following:

- Reducing social exclusion
- Preventing social polarization
- Fostering solidarity and civic responsibility
- Instilling a feeling of belonging in communities
- Reducing disparities in wealth and income.

16. Social housing providers operate within a wide social and political framework. Therefore, their ability to fulfil their potential to achieve social cohesion will depend on a number of structural measures, such as the best combination of housing policies (housing provision, targeting, home ownership, housing allowances/subsidies) and the design and implementation of integrated policies (synergies between housing, employment, urban planning, land administration, health and education).

Institutional set-up and participation

17. Among central government's main roles are to guarantee a wide range of services and functions in urban problem areas and to address structural problems of socio-economic exclusion.

18. Municipalities play a leading role in formulating and implementing social housing and urban development strategies and policies. Setting up an effective institutional structure and a clear distribution of tasks and resources are prerequisites for success. The distribution of competencies among the national, regional and local levels varies in UNECE countries, depending on cultural traditions, government structures and the capacity and maturity of institutions at different levels. Within this division of responsibilities, it is up to the central government to provide a national framework for housing, urban and land policies. In addition to the government authorities, other stakeholders and groups of actors like the private sector (developers, investors, private owners) and civil-society organizations should be involved.

19. Recent years have seen the emergence of a new political emphasis. This has focused on re-examining the role of government, reducing bureaucracy and the tax burden, tapping into the expertise of the private sector and introducing competition for the delivery of services. Public/private partnerships recognize that responsibility and accountability remain within the purview of government institutions, while service delivery can be enhanced by engaging the private sector's expertise.

20. An important goal in the context of social integration is the participation of citizens and residents in community development and urban management. Their active involvement increases their responsibility and their sense of belonging to the community. Public participation in redevelopment of neighbourhoods and urban renewal projects is crucial for achieving broad acceptance of and commitment to these undertakings. Including residents in the decision-making process also ensures that the needs of different household types are addressed adequately.

21. Information and communication technologies (ICT) and e-governance can be applied to organize and implement public participation and social integration, promote transparency and fight corruption. However, users should have adequate education and training to work with such technology. Without the decisive support of the various parties concerned and leadership from public authorities, ICT will not lead to greater openness and democratization but rather become just another form of exclusion.

Land management in support of social cohesion and dispute resolution

22. Land, poverty and social exclusion are complex but interrelated issues. Effective control of productive resources, especially land, is important for the capacity to earn a livelihood and overcome poverty. Since in many agrarian societies a significant portion of the income of the rural poor still comes from farming, access to land is strongly related to poverty alleviation. Moreover, land has a multidimensional character: in addition to being an economic resource, it is a focal point of communities in their self-identification, their cultural life, their political power and their social cohesion. As a consequence, lack of access to and loss of land can foster social

exclusion and diminution of human capabilities, promote migration of the poor and of young people to urban areas, and cultivate violence and conflict.

23. Some of the many causes of conflicts and violence are ethnic envy, nationalistic tendencies, class conflicts, disputed frontiers and economic interests. During such conflicts people are killed, housing destroyed, legal frameworks set aside, properties taken and lands occupied. In many cases a substantial part of the governance restoration process consists of the (re-)introduction of secure land tenure, land allocation and restitution, transparent land markets and land development. Land administration plays an essential role as a provider of secure property rights, as a facilitator for the land and real property market, and as an information source for various public tasks.

Informal settlements

24. Informal settlements are usually dense settlements comprising communities housed in self-constructed shelters under conditions of informal or traditional land tenure. They are typically the product of an urgent need for shelter by the urban poor, refugees and displaced persons. As such they are characterized by a dense proliferation of small houses built from diverse materials, by degradation of the local ecosystem and by severe social problems. Informal settlements develop when the prevailing land administration and planning fails to address the needs of the whole community. Illegal housing construction (sometimes involving very expensive houses) is also a result of deficient spatial planning systems and corruption.

25. On a European scale, in view of ongoing conflicts and disintegration of states, accompanied by an increase in refugees, displaced persons, immigrants and internal migration, the improvement of living conditions in informal settlements and the social integration of their inhabitants are among the most complex and pressing challenges facing many countries of the UNECE region today. A prerequisite to improvement is a framework of up-to-date spatial information. Common scenarios for supporting efforts to improve basic living conditions include, among others, (a) monitoring and predicting expansion; (b) relocation of residents to formal housing; (c) upgrading of settlements (e.g. through provision of basic infrastructure); (d) management of natural disasters, flooding and fires; and (e) environment and resource management. A crucial requirement of effective planning is ready access to accurate and up-to-date spatial data. As informal settlements grow and change quite rapidly, traditional mapping techniques are not economic or practical. Aerial imagery is often the best source of spatial information on informal settlements.

Issues for discussion

1. How can housing policy, land administration and urban planning contribute to social and economic integration?
2. What are the most effective ways to prevent spatial segregation and re-establish proximity to jobs and services through urban policies?
3. What instruments for social housing development are applied in your country (case studies)?

4. Which institutional and legal changes have proved most effective in strengthening local governments and involving other stakeholders?
5. How can the continuous participation of residents in community development be organized?
6. How can land policy contribute to social inclusion?
7. What are ways to raise the political awareness of governments regarding the importance of the urban decision-making and land administration sector for social and economic integration and disaster mitigation?
8. Why is it so difficult to achieve agreements, partnerships and trust between different ministries and different levels of governments?

II. THE MULTI-FAMILY HOUSING SECTOR: OWNERSHIP, MAINTENANCE, RENEWAL AND MANAGEMENT

26. Over the past 15 years or so, the issue of distressed urban areas caused by structural social and economic problems related to multi-family residential buildings (including high-rise buildings) has become one of the most intractable problems in countries of the UNECE region. Areas of concentrated deprivation in cities impede sustainable economic development, weaken social cohesion and bring high environmental costs. The problem of sustainable refurbishment and restructuring of multi-family housing stock built between the 1960s and the 1980s is a crucial issue affecting a large proportion of the population. No country is immune from the emergence and growth of distressed urban areas associated with multi-family housing blocks, or from social problems related to the concentration of lower-income inhabitants and immigrants, such as urban violence and human insecurity. No one can be confident that such problems can be contained. Because of the low property value of districts with old multi-family residential buildings, the first sphere where these areas hurt the metropolitan and national economy is the real estate market. Although vacant land and office space are abundant in many deprived areas, much of it is derelict and/or contaminated, entailing expensive reclamation, infrastructure and clean-up, which reduce the overall usefulness and profitability of redeveloping unused land.

27. The UNECE Committee on Housing and Land Administration addresses the issue of multi-family housing through its core activities, such as the country profiles on the housing sector, the land administration reviews, and the guidelines on housing condominiums and social housing. These activities are aimed at helping UNECE member countries to improve their housing and land administration policies by providing a comprehensive analysis of the housing sector with a particular focus on the existing housing stock of multi-family housing and the related land administration issues. A few years ago, the EU housing ministers placed the subject of the refurbishment of multi-family, high-rise buildings on their agenda, partly because of the accession of new member countries from Central and Eastern Europe, where this issue is very pressing. The Dutch Ministry of Housing, Spatial Planning and the Environment has prepared a study focusing on the high-rise housing sector in 28 countries of the UNECE region.

Main social and economic problems with respect to multi-family residential buildings

28. The construction of multi-family housing, including high-rise buildings, was a mega-trend in the UNECE region from the late 1940s until the 1990s. There was an enormous housing

shortage after the Second World War, and panel-housing construction was a new urban design concept. More recently, in Western Europe this type of housing became a second choice for residents, and many buildings were demolished even though their quality was high. At the same time, these countries have gained years of experience in the management of low-cost multi-family housing estates by housing associations and private companies. While the physical situation of this housing stock is generally not a major problem today, its position in the housing market is a problem. The governments of the concerned countries are mainly preoccupied with social and economic problems related to concentration of low-income population, immigrants, urban safety and education facilities in urban areas, which are dominated by multi-family housing.

29. In countries of EECCA the situation is different. In view of the existing housing shortage and the general preference for having one's main residence in a major city, multi-family housing and high-rise buildings are still being built, but the dwellings are more spacious and of better quality. The major problem is the physical condition of multi-family housing built in the period 1960–1980. The reasons for the poor technical condition of this part of the housing stock are (a) low-quality construction, (b) withdrawal of the state from maintenance and repair works as a result of mass privatization of the housing stock, and (c) a lack of institutions and homeowner associations which could effectively take responsibility for ongoing maintenance. Currently authorities, preoccupied with the lack of housing and/or its poor technical condition, often do not view social aspects as a problem. From the 1960s through the 1980s the concept of multi-family construction in these countries was based on egalitarianism, and housing was allocated by the state free of charge, while in recent years, with prices rising for land and housing construction (in many cases because of speculation) and higher-quality housing and equipment, mainly rich households could afford new flats in modern multi-family housing buildings. Social problems related to this development could emerge on the political agenda in the near future.

30. The Dutch study on sustainable refurbishment of high-rise residential buildings and restructuring of surrounding areas (see para. 4 of this note) specified problems common to all UNECE member countries as (a) housing affordability (b) income and unemployment segregation and (c) quality of architecture and urban design.

31. In 15 countries which are long-time EU members (EU-15), the most crucial problem related to multi-family high rises is (a) ethnic/cultural segregation, accompanied by (b) lack of business opportunities in the area and (c) safety.

32. In the new EU member countries (EU-10) and countries of EECCA the main problems are (a) the physical condition and maintenance of these residential buildings, (b) the need for modernization and refurbishment, (c) management, (d) energy efficiency, (e) payment arrears and (f) parking lots. Some estimates indicate that management problems are associated with the high percentage of mixed ownership in multi-family buildings.

Physical condition of multi-family housing, investment needs, labour opportunities and human safety

33. In some countries of EECCA and SEE, many experts have even questioned the physical stability of many multi-family buildings. It is only a question of time until the first blocks

become unsuitable and dangerous for habitation. Since most of these residential buildings were constructed in the same period, using similar technologies, the physical stability problems are bound to arise simultaneously and on a large scale. Thus, these problems pose a very significant political, economic and social challenge in the short and medium terms.

34. The investments needs for refurbishment of multi-family housing in EU-15 countries are estimated at 251 billion euros (about 15% of the total stock of multi-family housing). In EU-10 countries, some 60 per cent of the multi-family stock is in need of refurbishment, which will require investments of 86 billion euros. In other countries of the UNECE, 60 to 80 per cent of the multi-family housing needs modernization and refurbishment, and many buildings need urgent actions, while in EU-15 countries (in general) the situation is not so urgent, due to the fact that long-term programmes are in place to implement renovation of the housing stock.

35. Based on information from the Czech Republic, Slovakia, Slovenia and Poland, which are the most advanced among countries in Central Europe in housing renovation programmes, it is estimated that based on the current efforts it would take more than 40 years to meet current renovation needs. In view of considerable underinvestment in renovation and repairs of housing in countries of EECCA and SEE, the need for investments is steadily increasing. The conclusion is that these countries need to urgently intensify their renovation and modernization programmes for the multi-family housing stock.

36. The demand on housing and new housing construction also affects the existing housing stock. Mass demolition of multi-family housing estates while there is a consistent demand for housing is not a realistic option. It would be contrary to sustainability considerations and very costly in social and economic terms. It means that the existing multi-family housing stock will continue to play a major role in housing provision in countries of EECCA and SEE. In the Russian Federation, the government is undertaking measures to revitalize the building industry for prefabricated large-scale panel housing construction, which was almost eliminated in the 1990s.

37. A separate problem is mass new construction of high-rise residential buildings (of more than 20 storeys) in big cities of these countries. This development is caused by market pressures resulting from the high cost of land. Problems may arise from lack of experience in using building technology for such types of construction, lack of related norms and standards, an ill-qualified labour force and weakening of state control over the design and construction process. Many households buy dwellings in these buildings because it is fashionable, without knowledge of the potential problems associated with living in such buildings. Many experts have questioned the safety and the quality of living in such residential construction.

38. According to the 2005 annual report of the World Fire Statistics Centre, fire safety is often taken for granted in the case of new residential construction and refurbishment (70%–90% of fire deaths occur in dwellings). For the UNECE region the annual toll from fire deaths is measured in tens of thousands, and the problem is particularly acute in countries in EECCA and SEE (as high as 8 or more per 100,000 people, compared with 0.5–1.5 for Western Europe). The most effective way to minimize this toll is better fire protection, coupled with consumer education. To coordinate such efforts, urgent actions by governments are needed, which should include: (a) collecting fire statistical data and analysis, and (b) developing a national fire safety

strategy, which could reflect the current situation regarding the existing multi-family housing stock and new housing construction, particularly of high-rise housing.

Home ownership and the tenure structure of the housing stock

39. During the transition process in Central and Eastern Europe and the ensuing process of privatization, in most cases the privatization took place in the absence of an appropriate legislative and institutional framework and functioning land administration and taxation systems and housing markets. Due to this mass privatization, only a small percentage of the housing stock remains public (on average 5%–8 %). (In the Czech Republic and Latvia the rate of housing privatization was not as high as elsewhere.) Measures to make owners in multi-family buildings aware of their responsibilities with regard to the shared property in such buildings were lacking. The main consequences of housing privatization in multi-family housing are mixtures of different types of ownership under one roof and the lack of experience and management skills.

40. Today the homeowner sector dominates the tenure structure in the UNECE region, representing an average of 60 to 70 per cent of the housing stock. In EU-15 countries, 50 per cent of multi-family housing is owner occupied. In EU-10 countries this share is 35 per cent, while cooperatives represent 26 per cent of the stock. In other UNECE countries the share of owner occupation in multi-family housing is 70 to 80 per cent, except in Switzerland, where rental housing predominates.

Financing for refurbishment of multi-family housing

41. In general, West European countries spend over 2 per cent of the annual national budget on housing, while other UNECE countries spend less than 2 per cent. Subsidies are the most common instrument of state support in the UNECE countries. Other instruments are tax exemption, interest subsidies, loans and guarantees.

42. The percentage of household income used for housing expenditures is about 20 to 25 per cent in all countries. However, in West European countries approximately 70 per cent of housing expenditures are on rent or mortgage, while in countries of EECCA and SEE 70 per cent of the expenditures go to covering the cost of energy and other utilities.

43. In most countries it is possible to obtain loans (mortgages and personal loans from banks) for housing upkeep. In several countries (Austria, France, Germany, the Czech Republic, Poland, Slovakia) it is also possible to apply for “Bausparkassen loans”. However, in EECCA and SEE a number of bottlenecks make it difficult to obtain loans for modernization and renovation of multi-family buildings:

Institutional: Most such housing estates are (or should be) managed by homeowners’ associations, and seeking a loan for renovation requires a decision by the general assembly. In many countries with mixed ownership in combination with low income, it is difficult to establish such associations, and in some cases it is not easy to call a meeting of the general assembly. A lack of well-functioning homeowners’ associations results in a considerable underinvestment in maintenance and repair.

Financial: Many owners do not have the financial means to obtain direct investments or loans.

Legal: In many countries membership in a homeowners' association is not compulsory for homeowners. Where the establishment of an association is voluntary, it is often difficult to manage multi-family housing stock. Furthermore, individual members of homeowners' associations may be reluctant to offer their own dwellings as collateral for loans to refurbish common areas/parts of the building.

Psychological: In some countries there is a lack of awareness among homeowners that the major responsibility of a homeowners' association is to protect and increase the value of the owners' property and that an owner is responsible for the upkeep of his or her own dwelling and the common spaces.

Institutional and legal environment for multi-family buildings

44. The poor management of multi-family buildings in many UNECE countries is related to an ineffective use of housing assets and the inappropriate attitude of households towards their property. The privatization of housing to sitting tenants preceded the adoption of relevant legislation on condominiums and homeowners' associations. The new owners became responsible for maintenance without there being proper laws governing the legal rights and duties.

45. Individual units were not registered in the land registration system. The privatization of millions of housing units put a substantial burden on countries' land registration. By increasing transaction risk, uncertain property registration becomes an obstacle to the development of the housing finance system, rehabilitation, the creation of condominiums and the development of an efficient housing market.

46. The primary objective of these countries is to develop housing cooperatives and/or functioning condominium associations as effective housing delivery and management systems. Determining what are appropriate ways for multiple partners to interact, designing efficient and cost-effective mechanisms of producing housing affordable to homeowners, and developing efficient, transparent and accountable management systems applicable to a housing sector in transition often constitute struggle. There are several barriers to the implementation of the laws. First, some owners are not interested in setting up new organizations, as they expect to pay much more than before for the services without having any guarantee of quality. Second, with uncertain land registration systems, administrative procedures and agreements are complicated and unclear.

47. The development of modern management systems supported by effective land registration could also have an overall positive impact on local communities by helping change people's attitudes and behaviour.

Improving energy efficiency in the renovation of multi-family housing

48. Multifamily housing has long been identified as a particularly challenging area for energy conservation. Due to higher quality standards, energy consumption per household in multi-

family dwellings in Western countries is on average 50 to 60 per cent higher than in other countries of the UNECE region, which are trying to reach modern comfort standards. At the same time, in Western countries energy efficiency measures in multi-family buildings can reduce energy consumption by around 20 to 40 per cent, while in other UNECE countries the total energy savings potential is enormous – 50 to 60 per cent – as a result of the poor condition of the housing stock and the lack of modern equipment for controlling the level of indoor comfort.

49. Heating and hot water account for two thirds to three quarters of total residential energy consumption. The main factors that influence heating demand are climate, heating area per household, household income, energy prices, the quality of the building shell, the heating system and ownership.

National policy instruments and good practices

50. The policy instruments used by different UNECE countries reflect the ways in which the countries perceive the problems associated with multi-family buildings. In Western countries, problems are considered to be of a complex social and economic nature, and technical aspects are not perceived as a major issue. For that reason, policy instruments are designed for a comprehensive approach to raise the level of public participation, to improve education and training, to build a sense of community identity and solidarity, to create viable local businesses and to increase public security.

51. West European experiences have shown that complex problems (e.g. overlapping technical and social problems in a housing area) can be solved only through more comprehensive action – moving gradually from renovation of single buildings to an area-based approach. At the administrative level, this implies interdisciplinary planning and budgeting rather than fragmentary planning.

52. Countries with chronic maintenance and repair backlogs, low energy efficiency and a lack of professional housing management expertise are focusing mainly on financial incentives for homeowners as well as other ways to increase investment and know-how related to the refurbishment of multi-family housing. A more balanced and comprehensive approach based on a combination of financial instruments with legal and institutional measures is needed. It is essential to strengthen the capacity of the housing sector actors through improved education and training, increased public awareness, and a sustainable system of multi-family building management, with different types of home ownership, including poor owners.

Issues for discussion

1. What is your country's experience in establishing homeowners' associations for managing multi-family housing stock? What are the results?
2. What are the predominant policies in your country regarding existing housing stock? What are the needs? Is there an adequate legal framework for urban renewal and housing refurbishment? How can such refurbishment be financed? Is the private sector involved?

3. What institutional and legal conditions are needed to develop and implement integrated strategies for multi-family housing estates with regard to management, maintenance, energy efficiency and social policies?
4. What role should the state play in an area-based approach to modernize and refurbish multi-family housing? What are the criteria for the definition of renewal areas?
5. How could public/private partnerships contribute to refurbishment of multi-family residential buildings?
6. How to avoid a concentration of low-income socially disadvantaged groups in specific urban areas? Does your country have experience in improving such areas through urban renewal policies? What kinds of interventions were carried out? Were these dominated by a physical orientation or did they also involve socially oriented policies?