A. DEMOGRAPHIC SITUATION

The number of households in Ukraine is around 17 million. A selective survey of households’ living conditions in 2013 (as of 1 January) showed that 69.3% of Ukraine’s households live in urban areas and 30.7% in rural areas. The average size of households is 2.58 persons.\(^39\) Households in Ukraine have the following sizes:

- One-person households – 22.9%
- Two-person households – 29.6%
- Three-person households – 25.8%
- Four-person households – 13.2%
- Five- and more person households – 8.5%

Households with children under 18 years account for 37.9% of Ukrainian families, of which 14.1% have children aged 16-17 years. This determines housing needs, such as the adequate number of rooms and social amenities.

More than 40% of households are headed by persons aged 55 years and older. These families may have low propensity to move, especially to apartments located in busy commercial districts. In contrast, younger families (9% of the total) may have more flexibility.

B. HOUSING CONSUMPTION

According to a news article in the Research & Branding Group website, the national average level of housing consumption in Ukraine in 2010 is 23.3 m\(^2\) of floor space per person or 15.1 m\(^2\) of living space.\(^40\) While this is comparable to other Commonwealth of Independent States countries like Belarus (23.6) and the Russian Federation (22.6), and to some EU former socialist countries like the Czech Republic (28.7), Hungary (28.0) and Poland (22.9), it is far less than in other EU countries such as Germany (41.9), the Netherlands (41.0) and Switzerland (44.5).\(^41\)

Ukraine’s number of apartments per 1,000 inhabitants (425 apartments) is close to EU levels. However, its average dwelling size (55.5 m\(^2\)) is much less than the average for EU countries (75 to 100+ m\(^2\)).

Table 8 summarizes the rates of change for some population and housing indicators in Ukraine in the recent decade. While the data demonstrate some improvements in Ukraine’s housing situation, many challenges remain such as space-constrained and

| Table 8. Rates of change for selected population and housing indicators, 2001-2011 |
|---------------------------------|---------|---------|
|                                | 2001    | 2011    |
| Total population, thousand     | 48 663.6| 45 598.2|
| Urban                          | 32 290.7| 31 186.0|
| Rural                          | 15 950.2| 14 412.2|
| Total households, thousand     | 18 200.6| 17 022.7|
| Urban                          | 12 471.2| 11 779.7|
| Rural                          | 5 729.4 | 5 243.0 |
| Total housing stock, millions of m\(^2\)| 1 015.0 | 1 079.5 |
| Urban                          | 643.2   | 693.0   |
| Rural                          | 371.8   | 386.5   |
| Per person total residential floor area, m\(^2\)| 21.0   | 23.7   |
| Urban                          | 19.9    | 22.2    |
| Rural                          | 23.3    | 26.8    |
| Apartments per 1000 people     | 390.0   | 424.0   |
| Total number of apartments, thousand | 18 960 | 19 322.3 |
| Urban                          | 12 909.5|
| Rural                          | 6 412.8 |
| Total owner-occupied housing units | 14 814 | 17 970 |
| Occupancy, people per dwelling | 2.6     | 2.4     |
| Total floor area per dwelling, m\(^2\)| 54   | 56   |

Source: Calculations based on statistics of SSSU..
deteriorating dwellings, deteriorating residential areas and a growing disparity of access to better housing.

The table shows that there is a considerable (more than 12%) difference between the total number of housing units (19.4 million) and that of households (17 million) which cannot be explained by the magnitude of unoccupied housing (0.6 million units). The explanation may be the unequal distribution of housing consumption, which means that some households have more than one housing unit. According to expert estimates, about 13% of housing units in the private sector are rented out without proper registration.

The statistics on housing and population should be elaborated and enriched with data from different sources to further illuminate the nature of housing needs. To base discussions on housing needs on only local government data can be misleading and lead to misguided recommendations on housing policy.

**Crumpled living space and housing disparities**

Differences in housing consumption are quite substantial; 9.1% of total households have less than half the national average level of living space per capita (7.5 m²). The highest level of overcrowding is in Kyiv where 16.5% of households have less than 7.5 m² of living space.

About 650,000 households, or 28.4% of the 2.3 million households living in one-room housing units, consist of three or more household members and there are approximately 974,000 households with four or more members living in two-room housing units.42

Many people are affected by cramped living spaces and worsening residential conditions. One in three Ukrainians lives in substandard conditions, with several generations living in the same dwelling.43 This kind of housing deprivation is particularly noticeable among families with several children and single parent-led households. In 2013, around 6.6 million (39%) of the country’s households have less than 13 m² per capita living space, of which 2.6 million families (15.2%) occupy less than 9 m² per capita living space and 1.5 million families (8.8%) have less than 7.5 m² per capita living space.44

Table 9 shows that for households in one room dwellings in 2013, 43.5% were occupied by single person households, 28.1% by two-person households and the remaining 28.4% by more than three-person households. These families had only 9.2 m² per capita residential floor space on average.

<table>
<thead>
<tr>
<th></th>
<th>All households living in one-room dwellings</th>
<th>Including urban settlements</th>
<th>Rural settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Big cities</td>
<td>Small cities</td>
<td>Urban Total</td>
</tr>
<tr>
<td>1-person</td>
<td>43.5</td>
<td>42.1</td>
<td>40.8</td>
</tr>
<tr>
<td>2-person</td>
<td>28.1</td>
<td>28.9</td>
<td>30.4</td>
</tr>
<tr>
<td>3-person</td>
<td>22</td>
<td>22.7</td>
<td>21.7</td>
</tr>
<tr>
<td>4-and more person</td>
<td>6.4</td>
<td>6.3</td>
<td>7.1</td>
</tr>
</tbody>
</table>

**Table 9. Percentage of Ukraine’s households living in one-room dwellings in 2013**

Source: SSSU, Social and Demographic Characteristics of Households in Ukraine in 2013 (Kyiv, 2013), Table 1.22, p. 34.

Income-based variations in housing conditions are common. In 2013, 8.8% of all households in Ukraine had less than 7.5 m² per capita residential space; this was the case for 25.3% of the lowest 10% income group households and for only 3.3% of the highest 10% income group. Households with more than 13.65 m² per capita residential space accounted for about 61% of Ukraine’s households, but only 30% of the lowest 10% income group families had such housing conditions, while this was the case for 77% of the highest 10% income group households.

**Housing need**

There is no official record of housing need in the country. In this section the two concepts of housing need will be analysed:

- The officially recognized housing need which is reflected in the waiting list system and assumes public obligations towards improving living conditions of citizens put on such a list
- The analytical concept of housing need based on investigations of housing conditions and housing allocation

This officially recognized housing need is based on a set of eligibility criteria that include households:

- With housing space below the established norm
- In substandard and unsafe housing

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42 Calculations based on SSSU, Social and Demographic Characteristics of Households in Ukraine in 2013 (Kyiv, 2013), Tables 1.17 and 1.22.
44 SSSU, Social and Demographic Characteristics of Households in Ukraine in 2013 (Kyiv, 2013), p. 35.
Chapter III: Housing allocations, needs, demand and supply

- In overcrowded housing (two and more household sharing accommodation)
- In hostels
- With sublease contracts in state and municipal housing
- Renting private accommodation for more than five years
- Who suffer from severe forms of chronic diseases

The system for the housing waiting list is somewhat complex: it includes “first priority” households (28% of the waiting list) and preferred (extra-priority) households (9.9%). In reality, such a categorization does not reflect the real priorities of the state housing policy: in 2010, housing was provided to 0.9% of households on the housing waiting list, 1.5% to the first priority category and 2.4% to the preferred category.\(^45\) In addition, judging by the dynamics of housing provision, the households which are allocated housing as a result of resolutions by legislative authorities and executive authorities have a greater chance to obtain housing than other categories of households referred to in the law.

Table 10 summarizes the housing provision to people on the waiting list for the two recent decades, including the latest available data (2011). According to 2010 data, 1.139 million Ukrainian households were identified as needing housing, of which 779,700 (68%) have already been in the housing queue for more than 10 years. Less than 1% of households in the waiting list were provided with housing in 2010, which is much lower than the 9% in 1990.

The use of eligibility criteria is often open to the discretion of local registration entities, making it difficult to obtain the kind of consistent picture of needs across the country vital for housing policy formulation.

Households on a waiting list could either wait for free public housing (Table 10 shows that the average waiting period currently exceeds 100 years,\(^46\) making this procedure practically useless) or participate in state-supported programmes using their own means.

Nowadays, additional criteria are used in defining households on waiting lists who are eligible for the “State Affordable Housing Programme”. In essence, eligibility is based on average monthly per capita income. The logic is that the Programme should not support either “very rich” households who could acquire housing themselves (even if they are on the waiting list) or “very poor” households who clearly would not be able to meet their financial obligations. A household average monthly per capita income should not exceed five times the monthly average wage in the relevant region, calculated according to criteria of SSSU and should not be below the cost of 1 m² of social housing, which is established and annually revised by the State.

MinRegion is currently developing a Unified State Register of citizens needing improvements to their housing conditions;\(^47\) its launch is planned for 2013. The register will serve as an important instrument to support national housing initiatives: it will not only stimulate the integration of housing needs assessment and housing need information, but also establish firm eligibility criteria. The circumstances mentioned above make this initiative important and timely.

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45 Calculated based data from SSSU.
46 Under the assumption that the trend of 1% annually for housing provision for households in the waiting list continues.
An analysis of housing conditions shows that there are groups of households with inadequate housing conditions deserving special attention within the framework of national housing policy implementation. These include:

- Households that have neither the financial means to improve their housing conditions nor access to government-supported programmes, including waiting lists
- Households living in overcrowded units (1.5 million households with housing consumption less than half of the national average or the 2.6 million households with housing consumption less than 60% of the national average)
- Households living in hostels or flats with shared facilities (425,000 and 85,000 households, respectively)
- Households living in residential buildings constructed more than 50 years ago, which have never undergone capital repairs (1.3 million households)
- Households lacking access to basic amenities

Public opinion supports statistical data on housing condition. Statistics show that 3.6% households (about 611,000) are deeply dissatisfied with their housing condition. 15.9% (2.7 million) are not satisfied at all. According to SSSU data, the average income in 2011 was UAH 1.788 per month per capita. Assuming that average household size is 3, average household income is UAH 5,363 per month.

Housing affordability

There are no housing affordability indicators at the national level that could be used to devise a mechanism to promote affordable housing. The ratio of average house prices to average household annual income ranges from 13.6 in Kyiv to 6.4 in Dnipropetrovsk. Affordable housing markets are usually recognized as those with ratios ranging from 3 to 5.51 Clearly, there is a mismatch between current housing prices and household income in Ukraine.

The housing affordability index, which takes into account the possibility to partly finance a purchase through mortgage, varies from 54% in Lviv to 63% in Kyiv. This means that the income of a typical household who wants to purchase a 42 m² unit through a typical mortgage52 is only about 54-63% of the required amount.

The ratio of annual rent to income varies significantly from 0.42 in Kharkiv to 0.9 in Kyiv. Such high shares are also evidence that demand for rental housing exceeds supply.

Housing affordability in Ukraine is affected by the rapid increase in housing prices since the 2000s and fluctuations in household income and mortgage interest rates and loan periods. Ukraine’s housing market performance has been also seriously affected by the post-2008 economic crisis (for further details on Ukraine’s housing market performance see Chapter VI).

The policies attempting to charge for utilities and housing-related services are to a large extent driven by political concerns and concerns about the ability to pay. However, data on the share of household housing and utilities expenditures, on the housing allowance programme and on collection rates suggest that, despite the need for additional protection for low-income groups, there is a room for further tariff increase to cover the real economic costs of services.

C. HOUSING SUPPLY

The transition to a market economy in Ukraine was marked by a sharp decline in the volume of new housing construction. Private investment in housing construction did rise to replace public investment, which almost disappeared. The decline in housing output reached its bottom in 2000 at 5.5 million m² (compared to 19.2 million m² in 1985) with only 1.5% of total housing built at public sector expense. The period between 2003 and 2007 was marked by a steady growth in housing construction, followed by another serious slump in 2008 and 2009 when the output reached its bottom in 2000 at 5.5 million m² (compared to 19.2 million m² in 1985) with only 1.5% of total housing built at public sector expense. The period between 2003 and 2007 was marked by a steady growth in housing construction, followed by another serious slump in 2008 and 2009 when the

48 A household may belong to several groups simultaneously.
49 SSSU, Social and Demographic Characteristics of Households in Ukraine in 2013 (Kyiv, 2013), Table I.29, p. 41.
50 The average dwelling size is 55.6 m² in 2010 (SSSU, “Housing Stock in Ukraine in 2010”). The average price is calculated as an average of prices of 1.2 and 2-room flats. According to SSSU data, the average income in 2011 was UAH 1.788 per month per capita. Assuming that average household size is 3, average household income is UAH 5,363 per month.
52 Ukrainian National Mortgage Association (UNIA) methodology assumes that the average dwelling is a 42 m² 2-room flat. A typical mortgage is a 20-year loan at 18% rate with 65% loan-to-value ratio and 50% payment to income ratio.
annual housing output dropped from 10.5 million m² to 6.4 million m². The public sector involvement in housing supply has been low since 2000 (see Figure 4).

Despite recent improvement in new housing construction output, it has remained far below the Soviet era housing output. There has been growth in total housing space output since the 2000s (except for the crisis-related 39% slump in 2008-2009) but the increased space did not translate into more dwellings (see Figure 5).

Figure 4. Public sector share in the overall housing output in Ukraine, 2000-2009 (%)


Figure 5. Housing output in Ukraine, 1985-2011


In contrast to the average annual output of about 200,000 dwellings in the early 1990s, since 1997, only about 74,000 dwellings per annum have been delivered. This means that that there are around 1.7 units per 1,000 people or 0.4 new units per 100 existing dwellings. Compared to other countries in 2007-2008 (such as Belarus [5.5-6.2/1,000 people], Kazakhstan [3.7/1,000 people] and the Russian Federation [5.1-5.4/1,000 people]) and some EU countries (on average, 5/1,000 people), the rate of new construction in Ukraine is very low.

The average size of a new dwelling has become twice as large as in the Soviet period, increasing from 56 m² to 110 m²; this indicates a trend to meet demand from wealthy customers.

Most new housing (67% of the total) is built in urban areas. Although in 2012 there was twice as much finished housing in cities as in rural areas (7.5 million and 3.2 million m², respectively), the amount of new housing per person has practically levelled: 242 m² per 1000 people in urban areas and 225 in rural areas. Ukraine’s housing suppliers have focused not only on the wealthy in society but also on particular geographical regions. Half of the total housing commissioned in 2012 was concentrated in six urban areas: Kyiv city (14%), Kyiv oblast (10.9%), Odessa oblast (7.2%), the Autonomous Republic of Crimea (6.8%), Lviv oblast (6.8%) and Ivano-Frankivsk oblast (5%).

Volumes of housing construction appear to be lowest in areas with the lowest demand for homes and that have a significant portion of uninhabited housing stock (Cherkassy, Poltava, Kirovohrad, Mykolaiv and Zhytomyr oblasts).

53 Federal Service for State Statistics, Россия и страны мира (Russia and Countries Worldwide) (Moscow); SSSU, Housing Construction in Ukraine in 2000-2009 (Kyiv, 2010).
54 Calculations based on SSSU, Commissioning of Dwellings in Ukraine in 2012 (Kyiv, 2013) page 10.
The construction of new dwellings has not been sufficient to replace deteriorated housing stock nor has it addressed housing need in a reasonable period of time. If the housing conditions of the 1.139 million households on the waiting list are to be improved within a 10-year period, an annual affordable housing output of approximately 4 million m² (43% of the current total production level) should be targeted for this group alone.55

An unresponsive housing supply, housing market volatility, high housing prices, slumps in housing output and wider economic instability have reinforced each other. This led to the shock of 2009, when there was a 39% decrease in housing output throughout Ukraine, which involved an almost 61% reduction in individual housing construction. The share of individual housing construction dropped from 55.6% in 2008 to 35.7% in 2009.

Following the 2008 economic crisis and the reduction in construction lending (especially for housing) in Ukraine, unfinished construction became another serious problem for Ukraine’s house-building industry. As of January 2010, the share of housing development projects which were either suspended or frozen constituted 66.4% of the total number of unfinished residential buildings.56

A closer look at commencement dates of unfinished construction projects (Figure 6) shows that half were launched long before 2000. These are the long-delayed projects of the Soviet era and transitional period that must be either completed or abandoned.

D. STATE SUPPORTED HOUSING PROGRAMMES

While commercial housing construction is an important driver of Ukraine’s economic development, its social impact remains negligible, as it has largely focused on meeting the housing requirements of high-income households. The social contribution of private house-builders in Ukraine is limited to transferring 5 to 10% of their completed housing stock to the Government. The Government then distributes this stock among the needy population (those on the waiting list).57 The transfer is done through negotiations with private builders and taking into account the circumstances of each particular housing construction project. Private builders may instead make a monetary contribution or bear other public expenses like the construction of social infrastructure. State assistance to Ukrainians who are registered as being in need of housing has remained an important socio-political matter. A number of public initiatives target certain social groups; among these are:

- A comprehensive programme on housing provision (purchase) until 2017 for military servants, ranks and officers of interior affairs authorities and the correctional system, customs officials and members of their families, the judiciary, orphans, disabled veterans of World War II (group I) and visually and hearing impaired people, academics of the Ukrainian Academy of Agrarian Sciences and public sector workers with 20-year contracts
- Research and teaching employees and civil servants (mostly aided by subsidized loans)

55 2.59 (average household size)*13.65 m² per capita (statutory per capita residential space)*1.1319 million (Ukraine’s households)/10 years.
56 SSSU, Housing Construction in Ukraine in 2000-2009 (Kyiv, 2010).
However, the actual outcome of these initiatives has been limited, probably due to high housing prices and the limited capacity of the Government to accommodate these groups through the private housing market.

Supporting the construction of individual houses in Ukraine’s villages has been on the government agenda since at least 1998 (decree of CMU No. 1211 of 3 August; decree of CMU No. 1597 of 5 October; decree of the President No. 222 of 27 March). This was further reinforced when in 2007, the programme “My Own Home” was integrated into the State Programme on the Socioeconomic Development of Ukrainian Villages till 2015 (decree of CMU No. 1158 of 19 September). This initiative aims to increase the quality and quantity of individual residential developments in rural areas, including the construction of houses and infrastructure. The key delivery mechanism provides preferential long-term government loans to individual house-builders for a 20-year period (30-year period for youth) at 3% per annum. There is a limit of UAH 200,000 (USD 25,000) per person and it exclusively targets village residents registered on the housing waiting list. The borrowers can also use agricultural products to repay loans. With the establishment of state funds in almost all Ukrainian villages to assist individual housing construction, some 76,000 rural house-builders have received these preferential state loans, creating a housing output of 1.2 million m² [5] or more than 6% of the total rural housing output. The initiative aims to contribute to the wider objectives of the Government for rural areas, including:

- Retention of employees;
- Reduction of the rate of migration;
- Stabilization of the demographic situation;
- Creation of new jobs.

Needs-based housing provision for the youth

Improving the housing conditions of Ukrainian youth is part of the framework of the 2002-2012 government programme (decree of CMU No. 1089 of 29 July 2002). This initiative relies on the following mechanisms:

- The provision of state-subsidized long-term mortgage loans at 3% per annum for a 30-year period (with loan write-offs of up to 50% with the birth of children)
- The State Fund for Assistance to Youth Housing Construction to mediate state loans
- A partial state compensation of interest rates on loans from commercial banks

The targeted social groups are young families and single people registered on the waiting list: households with two persons not older than 35; single-parent households with a mother or father not older than 35 with dependent children; and young singles not older than 35.

The Fund originates from a successful Soviet-era social movement of youth housing complexes, which was very strong in Ukraine before the Soviet Union collapsed. During that time there was mass construction of comprehensive youth housing complexes (including multifamily and single family housing, nurseries, schools, sport, entertainment and social amenities) in almost all regions of Ukraine. Reinventing this positive experience is considered as an important step in improving an affordable housing supply for youth in the country. Recently, the equity capital of the Fund was further increased which is seen by its management as a good step towards encouraging private investors to further develop affordable mortgage schemes that could compete with commercial banks.

Despite this progress, further developments to sustain the initiative are required. Some steps were already taken in 2010 when the youth housing construction initiative was integrated into the national Affordable Housing Programme (see discussion in the following section). During its nine years of operations the Fund has managed to accommodate only a limited number of families, especially in rural areas. Affordable mortgage schemes remain out of reach for many young people. Some sources have highlighted the underfunding of the programme, linking it with high housing prices, limited public funds and an unstable and limited housing supply.

Needs-based affordable housing provision

In 2009, Ukraine launched the affordable housing initiative “State Socioeconomic Programme for the Construction (Purchase) of Affordable Housing for 2010-2012”. The programme is seen as a key driver in mitigating the influence of the global crisis on construction and house-building activities in the country (law No. 800 of 25 December 2008 and resolution of the Cabinet of Ukraine No. 1035 of 9 September 2009). Affordable housing is defined as “residential buildings (complexes) and apartments that have been built or are being built with the support of the State”. Improvement in the provision of affordable housing is being supported by the State through a number of mechanisms. On the demand side, government support at both the national and local levels includes compensation equal to 30% of the cost of purchase of affordable housing, the

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provision of subsidized mortgage loans or both (see Chapter VI for details). The Government also buys out risky mortgage loans that were taken by individuals for housing construction and purchase prior to the commencement of the programme. This state assistance is granted to citizens registered on the housing waiting list with gross monthly family income of up to five times the average gross monthly income for a given region.

Compensation is determined by standard per capita residential floor space and housing cost. A household is entitled to 10.5 m² plus 21 m² per person plus. For example, a two person household is entitled to 52.5 m² (10.5 m² + 2*21 m²), a three person household to 73.5 m² and so forth. The housing cost per m² is set by MinRegion for each oblast of Ukraine (decrees of the Cabinet of Ukraine No. 193 of 29 February 2012). For example, with the lowest cost of UAH 4,934 per m² (USD 613) set in February 2012 for some oblasts, including Chernivtsi, Luhansk and Vinnytsia, the state compensation to a three-person household for the purchase of an apartment of 73.5 m² will be UAH 108,800 (73.5 m² * 4934*30%) or USD 13,500. Housing can only be bought from housing developments approved by MinRegion. Most housing projects that are more than 70% completed have already been considered. Another way to improve the access of households to mortgage loans is through the provision of 30-year subsidized loans by authorized banks at an annual rate not more than the rate of the National Bank of Ukraine (approximately 2%).

While the economic efficiency of the affordable housing initiative can be praised, given its positive impact on Ukraine’s house-building industry and on middle class housing demand, doubts have been raised about its social efficiency. The programme is seen to be more beneficial for relatively wealthy families, so, since April 2012, the affordable housing programme has undergone further improvements. A household can now take a government-subsidized loan at 3% per annum with a 25% down payment. After having a first child, the family is exempt from paying the interest; 25% and 50% of the loan are written off for having a second and third, respectively. For example, a young family without children that wants to buy a 1-room apartment of 45 m² from a large developer in Kyiv will need to pay about UAH 405,00 (UAH 9,000 per m² [as declared by one of the large developers in Kyiv]* 45 m²) or USD 49,938. The family can obtain a mortgage loan of up to UAH 303,750 (or 75% of the cost) at 16% per annum for 15 years; of this interest, the Government will pay 13% and the family 3%. For the year 2012, the Government has allocated about UAH 1 billion (USD 125 million), the estimated cost to construct 30,000 dwellings. The income eligibility limits have also

Picture 6. Multi-apartment buildings constructed under the State’s housing programmes
been specified based on Ukraine national incomes: households must earn less than UAH 400,000 or USD 50,000 annually and more than UAH 55,000 or USD 6,785 annually. This new initiative targets households who are on the housing waiting list.

**Housing supply through residential regeneration**

As Western countries’ experiences demonstrate, housing regeneration activities can not only make a substantial contribution to improving housing supply and demand but can also ensure more balanced and resilient urban development and growth.

From 2009 to 2011, the share of reconstruction activities in the total housing output was only 3.5 to 4% of the total. Yet housing regeneration has been on the national government agenda as early as 2005. In 2006, mechanisms of residential regeneration were approved by the Verkhovna Rada, which took into account the interests of investors and developers. They also provided legal guarantees to residents, for example, guaranteeing resettlement without additional pay to an apartment with no more than a 50% increase of the living area, in the case of compulsory resettlement. However, further developments in housing regeneration initiatives have been slow, partly due to lack of clarity in the sequence of regeneration activities. This has led to various disagreements between the participants, such as resident frustration over resettlement, insufficient public financing, lack of general plans, high risks for investors and lack of a single registry of individuals badly in need of housing. To address the lack of a single registry, a concept design and terms of reference were prepared for the creation of the electronic registry.

Some municipalities (e.g., the cities of Kyiv and Lviv) have also adopted or attempted to initiate housing regeneration programmes since about 2000. For example, in 2008, Kyiv approved a city-wide programme which included demolition of 6.9 million m² within a 1,500 hectare area and new housing construction of about 30 million m². Activities involved sequential demolition of old, poor-quality buildings, but each demolition involved new housing development to resettle the residents. This regeneration project generated up to 60% profit for investors (even more with additional public funding). Some foreign investors have shown interest in this project, but currently no agreement between them and the Kyiv authorities has been established. In other cities, like Lviv, the residential regeneration initiative has been very difficult to promote, largely for social reasons. Many residents are unhappy about the prospects of changing their residences and a community life that is already established.

The attempts of the national and local governments at residential regeneration have been postponed due to political changes, recent financial difficulties in the house-building industry and the backlog of unfinished housing projects. Some attempts to put housing regeneration back on the national agenda have been made more recently, including plans by MinRegion for the reconstruction of “khrushchevki”, and the preparation of a new draft law on the reconstruction of decrepit housing stock by the Association of Builders of Ukraine.

**Legalizing unauthorised housing**

Since 2009, the government has established a procedure to legalize unauthorised individual housing construction completed between 1992 and 2009 (i.e. individual and country houses, utility buildings and structures) (CMU Resolution No. 1035 dated 9 September 2009, CMU Resolution No. 91 dated 24 June 2011, MinRegion Order No. 94 dated 24 June 2011). This involves inviting a competent organization to undertake a technical survey of the building(s) and utilities by the individual house-builder. The survey can advise the house-builder on how to improve construction. This survey serves as a key document in subsequent applications of the house-builder to the local office of the Inspectorate of State Architectural and Construction Control to formally bring the structure(s) into operation and obtain a certificate confirming that the structure(s) meets building standards. This procedure is straightforward if the owner has a document certifying the ownership or right of use of land under the building/structure. After the certificate is received, the owner must register ownership at the relevant state registration office. While the authorization of the buildings/structures is free-of-charge, the cost of the technical survey is covered by the owner and it varies in different regions (e.g. UAH 7-15 per sq. meter in Kharkov region). An administrative penalty for failing to seek authorization is also imposed, which is between 10 and 50 non-taxable minimum incomes or UAH 170-850.


61 A type of low-cost three to five story cement-paneled or brick apartment building, which was developed in the Soviet Union during the early 1960s and named after Nikita Khrushchev. These buildings were planned with a life span of 25 years.
