

CONCLUSIONS AND RECOMMENDATIONS

Before the transition, the Polish housing sector was under State control. State institutions, organizations and building enterprises played a key role in the planning and execution of housing projects. State monopoly in the housing sector meant a highly centralized institutional, administrative and financial system, where access to housing was strictly controlled by local authorities and housing was distributed according to need, rather than market demand. As a result, most recently built housing estates in Poland are monotonous and the standards of their dwellings low. They also overlook environmental concerns. There are chronic housing shortages and clear evidence that households are inadequately housed.

Following the political changes in 1989, various reforms were carried out in Poland's housing sector. Housing reform was guided by a twofold objective: to reduce the budget deficit and move from a housing system based on general subsidies to a market-based housing sector. Efforts to re-establish the local self-government institutions were successful. The authorities responsible for housing have succeeded in developing a new legal framework for the housing sector. However, the stagnant trend of the housing sector has continued during the transition period, and unless it is addressed effectively, it will contribute to a number of social and economic problems, such as:

- (a) Lack of supply of housing to new households leading to an increasing housing crisis;
- (b) Constraint on mobility of labour, particularly to and within the major urban areas;
- (c) Low economic and employment growth in construction, construction-related economic activities and multiplier sectors; and
- (d) Slowdown of environmental improvement and energy efficiency.

The causes of this stagnation are complex and cannot be attributed to a single factor. However, two major reasons for the present situation are the very slowly emerging possibilities for housing finance in the private financial markets, and the massive transfer of responsibilities for housing provision from central government to the local authority level, where the ability to handle the new responsibilities has not been sufficiently developed.

Although macroeconomic development, including growth in real income, is important for the further development of housing, accelerating the transition of this sector requires changes in policy and instruments at all administrative levels.

1. National housing objectives

As part of its preparation for the United Nations Conference on Human Settlements (Habitat II), the Government of Poland worked out the National Plan of Action as an outline for its policy on human settlements for the period 1996-2000. According to the Government, the overall objective of the National Plan of Action is to "improve the social, economic and environmental quality of human settlements and, hence, the quality of the living and working environment of all their inhabitants." This general objective is divided into the following specific goals:

- (a) *Creating opportunities in human settlements for improving people's material status, thereby reducing poverty and unemployment;*
- (b) *Improving housing conditions and arresting the deterioration of the housing stock;*
- (c) *Improving the state of the environment; and*
- (d) *Improving the management of human settlements.*

The Government has drawn up strategies to achieve these goals:

- (a) *Supporting the occupational mobility of the population;*
- (b) *Improving the social and communal infrastructure;*
- (c) *Creating conditions for increasing the volume of housing construction;*
- (d) *Settling ownership disputes and introducing changes in the management of the housing stock;*
- (e) *Introducing economically sound principles of housing management, combined with obligatory public assistance to the poorest families;*
- (f) *Developing various systems of housing construction financing in the private and public sectors;*
- (g) *Developing new institutions, a legal framework and organizational structures;*

(h) *Reducing demand for energy by expanding the use of energy-saving building technology and improving thermal insulation in the existing building stock;*

(i) *Improving the instruments for the management of human settlements;*

(j) *Creating institutions and organizations, appropriate to a market economy, to take on some of the tasks of governmental administrations and local authorities;*

(k) *Formulating strategies for sustainable city development by local authorities; and*

(l) *Training local government staff.*

This set of general objectives, specific goals and strategies of the National Plan of Action constitutes a comprehensive approach to the housing sector's development. Nevertheless, there is also a need to develop a clear national housing policy. In this policy the Government should state its overall view on the problems and challenges within the housing sector, set out priorities and objectives with regard to these challenges, and harmonize its present and new policy instruments to reach these objectives. The national housing policy should also provide a framework for all other participants in Poland's housing sector.

Box 1

Accelerating the transition of Poland's housing sector requires a clearly stated national housing policy. The Government should give priority to the development of this policy by defining:

(a) *Crucial problems, challenges and strategies;*

(b) *Priorities and objectives;*

(c) *The existing policy instruments and their intended effects;*

(d) *Proposed new policy instruments and their expected effects;*

(e) *Expected results and a time-frame*

2. Housing as a political priority

During the first years of transition housing was not a political priority, neither at the national nor the local level. This lack of political commitment, combined with drastic macroeconomic changes contributed to the negative development of the housing sector during those early years.

In 1993-1994 there was a significant shift in political priority in favour of the housing sector. During 1994-1997 the framework conditions of housing development improved dramatically, particularly at the national level, and in 1997 the housing sector was put under the Prime Minister's responsibility.

However, the main tool for housing provision to be organized at the national level - adequate financial instruments - is still missing, or rather insufficiently developed, to make the housing sector a real contributor to economic and social development in Poland. In particular, there is a need to provide financial instruments and assistance for three major tasks:

(a) Investment in maintenance and repair of the existing housing stock;

(b) Financing of new municipal rental housing; and

(c) A more efficiently targeted housing allowance system, bringing about greater rental flexibility.

Out of these three tasks the most urgent is the first. The need for an effective, substantial national investment fund for the existing housing stock is considered to be the most pressing. Investment in the existing stock will also directly and effectively contribute to energy conservation and environmental improvements.

Although housing has also moved up the municipal agenda during the latter stage of the transition period, this has not yet resulted in practical changes within the local structures responsible for housing in municipalities. There is still an enormous lack of municipal housing development strategies, and of political and administrative structures necessary to work out and support such strategies. Due to the massive transfer of housing responsibilities from the State to the municipal level, which has already taken place, the bottleneck arising from the lack of municipal capacity for housing development and related structures must be considered as critical. Thus, in addition to the need for new housing finance instruments, the Polish housing sector's further development is crucially dependent on a speedy and

efficient transformation at the municipal level (see also the recommendations in boxes 2 to 4).

3. Existing housing stock and new construction

As noted above, the housing sector has not, so far, contributed to the generally successful transition process in Poland. An illustration of this is the dramatic fall in production of new housing. In 1989 total new construction stood at 150,000 housing units; in 1996 it was down to 55,000 units. This decline in production is accompanied by a significant change in the shares of the public and private sector construction, in favour of the private sector. Since the share of cooperative housing construction in Poland today could also be included in the private sector, the public sector's share in new construction fell from 65 per cent in 1990 (including cooperatives) to 10 per cent in 1994 (excluding cooperatives). Although other statistics and time series can be used to quantify or partly explain the above trends, there is a sound basis for drawing some major conclusions on housing construction and supply in Poland.

Concerning the construction of new housing:

(a) The gap resulting from the withdrawal by the State of its direct involvement in the construction of new housing has, so far, not been bridged by local authorities or the private sector;

(b) The sharp decline in the construction of new housing contributes to the degradation of housing standards;

(c) The low rate of new construction means that Poland loses employment and growth potential, including multiplier effects, which could be realized; and

(d) The continuous low rate of new supply of housing severely restricts household mobility to and within the urban areas. This represents serious obstacles to labour mobility, and reduces the potential for accelerated economic growth.

Concerning the existing housing stock:

Irrespective of what can be achieved in the short and medium term in the area of new housing construction, the major part of Poland's future housing stock already exists. The capacity and quality of the future housing stock therefore depends on how the existing housing stock is

maintained and upgraded. Concern for the standard and improvements of the existing housing stock must be central in housing policy. It is estimated that some 800,000 housing units should be demolished, whilst some 500,000 to 600,000 housing units are in need of major renovation work. Although these estimates are debatable, the fact remains that the existing housing stock represents a major and urgent challenge. The reasons for this are:

(a) The political system before transition concentrated on quantity rather than quality in the housing sector. This led to:

- (i) Low-standard construction techniques and materials;
- (ii) Little expenditure on maintenance and repair; and
- (iii) High concentration of housing in new areas with little concern for the quality of their environment;

(b) The developments during the transition period have further aggravated these problems:

- (i) The State no longer participates financially in the upgrading of the existing housing stock;
- (ii) Municipalities, mainly due to financial constraints, have not been able to arrest the continuous decline in housing sector performance. Moreover, municipal rental policy is too restrictive;
- (iii) The new form of private ownership in multi-flat buildings (condominiums) has not been able to address the maintenance and repair problem due to legal and functional problems, as well as the lack of finance; and
- (iv) Private owners lack access to finance for major renovation projects.

A new act on renovation and rehabilitation of urban buildings with its renovation fund is presently being debated in Poland. The act addresses the problems of the existing housing stock. It is important to ensure that it contains adequate and practical implementation instruments, including financial ones, and that it is enforced. Renovation and rehabilitation activities, as well as many other practical aspects of housing policy implementation, will have to be managed at the local level, so local authorities must be able to meet new challenges.

Box 2

1. *The need for more housing construction must be met by the private sector and non-governmental organizations in cooperation with local authorities. In order for the private sector to fulfil this task, framework conditions must be established:*
 - (a) *Access to capital for construction purposes and for long-term financing based on mortgages must be ensured (see box 3);*
 - (b) *Local authorities must be transformed as quickly as possible into efficient providers and partners for the private sector. To achieve this role, local authorities must:*
 - *Set up political and administrative structures and routines to meet the challenges (see box 4).*
 - *Develop local housing policies, strategies and action plans.*
 - *Develop and implement a strategic land policy for new housing development.*
 - *Be given assistance and guidance on the financing of infrastructure needed for new housing development. This includes new financial instruments and access to capital markets*
2. *Local authorities should be engaged in new construction to provide satisfactory social housing for population groups in need of social assistance. Such projects should be realized by:*
 - (a) *Own construction projects:*
 - *For such projects the national housing fund should offer specially favourable financing conditions;*
 - (b) *Construction by TBS (non-profit housing associations):*
 - *Such projects should be integrated in ordinary TBS projects. The local authority contribution could be provided in kind by means of land and infrastructure;*
 - (c) *New units with local authority ownership and/or allocation rights integrated in private sector projects.**Contribution of local authorities could be arranged as under (b).*
3. *Urgently needed repair and renovation of the existing housing stock must be given high priority both by the State and by local authorities. Practical steps should include:*
 - (a) *Urgent finalization of the act on renovation and its policy instruments;*
 - (b) *Securing coordinated use of available State funding (through the renovation fund and the national housing fund);*
 - (c) *Establishing clear, effective and non-bureaucratic procedures for applying for State funding;*
 - (d) *Local authorities should, as part of their housing policy and action plans draw up programmes for the existing housing stock and cooperate with the private sector to implement them. The question of rent levels should be considered from a cost recovery perspective (see box 4).*

4. Housing economics and affordability

As noted above, one of the main reasons for the slow pace of transition of the Polish housing sector is the lack

of efficient financial instruments. Several key factors hinder the emergence of such instruments:

- (a) The high cost of credit;

(b) The commitment of the State to previous subsidy policies, thus limiting State funding for new, market-oriented initiatives. Presently about 75-80 per cent of the State housing funding is spent on these "historical" problems; and

(c) The slow emergence of mortgage financing, with lending dominated by the PKO PB bank.

New residential development will remain low as long as financing is based on private savings. However, the following significant new policies and instruments are being developed :

(a) A draft law on mortgage banking is under consideration;

(b) A number of banks are slowly beginning to offer mortgage loans;

(c) Establishing the national housing fund would provide a channel of financing;

(d) The State's preferential lending to TBS (non-profit housing associations) is an important step in the right direction;

(e) The proposed national renovation fund with its element of grant financing will be an important instrument; and

(f) The existing Mortgage Fund already plays an important role.

Although all these factors represent positive developments, the main critical element to secure private sector involvement in housing is the establishment of an effective, competitive mortgage banking system, which requires a clear legal framework. To that end, the following measures are recommended:

(a) The statutory tax lien which gives the authorities precedence in cases of default should be reconsidered;

(b) The present problematic nature of registration of titles and deeds under the Act on Perpetual Books and Mortgages must be solved; and

(c) Procedures for obtaining formal information from local authorities on titles and deeds are pres-

ently time-consuming and costly, and should be streamlined.

At present, financing major repair and renovation with mortgages faces several legal obstacles:

(a) The new Condominium Law does not define the legal status of owners' associations. This bars the associations from formally acting as borrowers and offering securities;

(b) The Law on Cooperative Housing contains vague provisions with regard to the legal status of owners/tenants, which complicates mortgage lending.

The above legal issues should be addressed urgently in order to remove major obstacles to an effective mortgage lending system and increase the participation of the private sector.

State subsidy for housing takes two main forms in Poland:

(a) Loans with subsidized interest rates; and

(b) Fiscal incentives.

It can be argued that these traditional tools do not meet their objectives effectively. This choice of instruments must, however, be understood in the light of the present economic circumstances in the countries in transition. A gradual transfer of general State housing subsidies towards direct State funding in preferential projects, for example in the form of grants, should be tested. Grant funding would effectively target housing projects that have overall political priority, such as:

(a) Low-cost housing for young families/first-time homebuyers;

(b) Renovation and renewal projects that promote energy efficiency;

(c) Social housing projects by local authorities; and

(d) Rent-controlled projects by TBS (non-profit housing associations).

For external funding local authorities should be given preferential access to the national housing fund and other

State financial instruments. Local authorities should take more responsibility for financing repair and renovation of the existing housing stock. This requires policy changes in different areas:

- The State should relax its strict rent control, which stands at 3 per cent and 4 per cent (TBS projects) of new construction costs. These maximum rents do not cover the costs in the existing stock.
- Local authorities should make the most of existing and possible future relaxed rent control by combining flexible rents with housing allowances.
- All income from the present local authority-owned building stock should be earmarked for the local repair and renovation fund.

The recommended relaxation and greater flexibility of the Polish rent regulating systems must be accompanied by a revision of the present Housing Allowance System.

There are some doubts about the targeting effectiveness of the present Housing Allowance System. The State determines the criteria and allowance levels, thereby deciding the level of total payment, but it does not guarantee State funding for such payment. Since an effective housing allowance system is particularly important to ensure that disadvantaged groups can afford to house themselves, the present system should be reconsidered. As in many west European countries, the system should be based on "standard cost" of an appropriate dwelling, not the actual rent charged.

Box 3

1. *To make private sector demand for new housing possible a competitive mortgage lending system should be urgently established. To this end:*
 - (a) *The law on mortgage banking should be passed as quickly as possible;*
 - (b) *It should ensure that the emerging mortgage banking system is genuinely competitive;*
 - (c) *The existing statutory tax lien should be reconsidered to ensure that property can be a real security for mortgage lending;*
 - (d) *Registration of titles and deeds under the Act on Perpetual Books and Mortgages must be made efficient as a prerequisite for mortgage lending;*
 - (e) *Provision of formal documentation on property by local authorities must be made efficient with regard to time and costs;*
 - (f) *Legal changes are required:*
 - *The Condominium Law must be amended to give clear legal status to the owners' associations;*
 - *The Law on Cooperative Housing must be clarified with regard to the legal status of owners and tenants.*
2. *State financing is central to accelerating new housing construction:*
 - (a) *The State's present practice of funding "historical" housing commitments should be terminated as quickly as possible;*
 - (b) *State funding should gradually move from the present system of interest-rate subsidies, to grant-based financing. This system should be based on projects targeted for State assistance.*

3. *Financing of new housing projects by local authorities requires new solutions:*
 - (a) *Projects in partnership with the private sector and non-governmental organizations (TBS) should be promoted (see box 2);*
 - (b) *To ensure necessary external financing, local authority projects should be given preferential treatment by the housing financing institutions established by the State.*
4. *Financing of major repair and renovation requires new instruments and policies:*
 - (a) *The proposed renovation fund should be established as soon as possible;*
 - (b) *Private sector engagement in renovation is dependent on the legal changes recommended under 1 (b) above. In addition, the voting rules on major renovation projects in condominiums should be re-examined;*
 - (c) *Local authorities should take greater practical responsibility for repair and renovation of their housing stock. Consequently:*
 - *The State must relax its present strict rent control of local authority (the 3 per cent rule), and for TBS housing (the 4 per cent rule);*
 - *Local authorities must use the maximum allowed rent levels, in combination with housing allowances, to effectively address the maintenance backlog;*
 - *Local authorities should earmark income from their building stock for a local maintenance fund.*
5. *Affordability of housing, particularly for lower income households, is dependent on efficiently targeted housing allowances:*
 - (a) *The present system of allowances should be re-examined in terms of targeting, transparency and accountability;*
 - (b) *The State should ensure that the allowance system is also sufficiently financed;*
 - (c) *Allowance criteria should be based on the "standard costs" of appropriate dwellings, not real costs.*

5. Legal framework

An adequate legal system is one of the absolute prerequisites for transition from a centrally planned to a market economy. Providing a legal framework for economic development is a top priority for countries in transition. The emergence of a market-oriented housing sector largely depends on legal changes in several areas that are either directly or indirectly related to housing. During the transition, particularly in 1993-1997, Poland paid particular attention and devoted resources to legal issues. As a result, it made considerable progress in developing its general legal framework. However, the new legal system is not yet fully in place.

As part of the overall legal restructuring, the Government has laid the foundations for the legal framework for housing development. It is, however, important to finalize this work as quickly as possible and to address bottlenecks and clear up uncertainties in the acts already adopted (see also sections 1, 3 and 6).

6. Institutional framework

Transition from a centrally planned to a market economy requires far-reaching and comprehensive changes throughout the institutional framework, from central government structures through to the private

sector. This is particularly important for the housing sector, which had a special political and social place under the previous socio-economic system. Transforming the institutional structures necessary for effective housing development in Poland is one of the major bottlenecks within the housing sector. This is particularly true for local authorities, non-governmental organizations, and the private sector.

At the parliamentary level, housing issues are the responsibility of the Commission on Spatial Planning and Housing Policy. The Commission, in consultation with the Commission on Economy, Budget and Financial Policy, is responsible for presenting housing and spatial planning legislation proposals to the Parliament. Given the considerable amount of legal acts adopted by the Parliament with regard to housing in 1993-97, it could be concluded that the Parliament and its Commissions have proved able to make the necessary decisions to change the fundamental legislative framework of the housing sector.

At the governmental level, until the end of 1996, primary responsibility for housing issues lay with the former Ministry for Physical Planning and Construction, which cooperated with the Ministry of Labour and Social Welfare, the Ministry of Justice and the Central Planning Office. At the beginning of 1997, the Ministry for Physical Planning and Construction was abolished. Its responsibilities for the housing sector and housing-related activities were transferred to the Housing and Urban Development Office under the Prime Minister. This institutional change is expected to strengthen the priority of housing issues at the governmental level.

The regional level is a component of the administrative structure where coordination and restructuring is particularly required. The establishment in 1995 of the Sub-Committee for Regional Policy and Rural Areas Development and the setting-up in the same year of an Extraordinary Parliamentary Committee to review governmental regional policies clearly indicated the political awareness of the regional coordination problem. The regional administrator - the governor of a *voivodeship* - has little executive power. In addition, it seems that at present this level does not have enough coordinating powers to deal with the many governmental institutions and bodies operating independently at the regional level. The lack of coordinating power is particularly important, since the *voivodeship* is designed as the principal institu-

tion for interregional policy, which could in future have a significant impact on infrastructure and housing development projects across community boundaries. The regional administration controls and approves the local authorities' rental policy, and maintains the regional statistical database on housing construction costs as a basis for funding new rental housing through the national housing fund. The present strict governmental control of these issues through *voivodeships* should be reconsidered.

The regional assemblies (*sejmiks*), established in accordance with the Act on Self-Government, are not constituted as elected representative bodies at regional level. At present, a number of special-purpose governmental units, some with considerable resources, operate at the regional level. Most of these units represent different State institutions. However, it should be noted that there is a lack of cooperation and coordination between the different institutions, and that there is no effective cooperation between *voivodeships* and these institutions.

As developing an effective regional policy is important for future housing development, this coordination and cooperation at regional level should be improved by making appropriate changes to the structure and functioning of regional institutions representing governmental units and regional elected bodies.

It is at the local level that the housing policy has to be implemented and there that an effective, operational housing sector framework needs to be established. The structure and procedures of political and administrative bodies at the local level are therefore paramount. Today, this area could be considered as the weakest link in the housing sector's transformation. The Act on Self-Government places clear responsibility on local authorities for meeting the housing needs of the population. The legal changes which have taken place, particularly during 1994-1997, have strengthened this responsibility and specified the obligations of local authorities concerning housing. It should be taken into account, however, that introducing an independent local government in a country which for decades had had a centralized legal and administrative system takes time and faces formidable problems.

Local authorities' lack of general experience to act as independent operators in a market system (in particular the lack of political and administrative structures, proc-

dures and skilled staff) slows-down the transformation in the housing sector.

Although different municipalities are developing their own creative solutions to particular housing problems, there is a serious lack of general guidelines for strategic and organizational changes in the housing sector at the municipal level. Best practices, successes and failures of experimental solutions in individual municipalities are not systematically disseminated.

Local policies concerning the allocation of land for future housing development will significantly influence the housing situation in Poland. The rapid sale of land at low prices by local authorities to the private sector, which is common practice now, could, at best, lead to inflated landprices for housing and, at worst, restrict housing development in the future. It is important that local authorities in their long-term housing policies integrate the availability and cost of land for housing development at an early stage.

The private sector is becoming the decisive force for economic growth in Poland. It should, and undoubtedly will, increasingly take on this role of driving force in the housing sector. Due to its increasing strength and influence, the private sector might, however, dominate in local development activities of individual municipalities. In view of the absence of municipal policies and strategies on spatial development and land use, related decisions are often taken on an ad hoc basic, under strong private-sector pressure, or based on vested interests. The need for expertise within local authorities so that they can become a real and equal partner for the private sector must therefore be underlined.

The housing cooperative movement has undergone considerable change during the transition period. Today, housing cooperatives could be considered as the main

private-sector operator in Poland's housing sector with considerable tasks both in the existing housing stock and in new construction. Non-governmental housing organizations representing special interest groups are increasing rapidly. They cover both property owners' and tenants' interests. Both types of organizations try to take an active part in the debate on the further development of housing in Poland.

The lack of experience and of a culture of cooperation and dialogue in Polish society over the last 50 years complicates effective partnership between central, regional and local authorities, on the one hand, and non-governmental organizations, the private sector and the general public, on the other. This problem should be addressed urgently to provide the necessary legal and organizational framework for such dialogue and cooperation so that the transition can move forward and conflicts between the parties concerned can be avoided. The local level is the most important in this respect and needs the most urgent action.

The banking system, which is crucial to the further development of housing, is rapidly undergoing major structural changes. The key elements of these changes are: concentration and consolidation of major banks, absorption of small banks by large financial institutions, and privatization of State banks.

The development in the building and construction industry illustrates the rapid transition of the Polish economy to the market system. In 1995 more than 85 per cent of all construction was carried out by the private sector, employing 80 per cent of the sector's total work force. In consultancy services on legal, economic, architectural design and construction issues, a vibrant private sector is now emerging, after the turbulent period of disintegration of large State-owned companies in the construction sector.

Box 4

- 1. The regional level is the most appropriate for coordination of policies and activities related to housing, infrastructure development and land use. In such coordination the governor of the voivodeship should be given greater overall responsibility.*
- 2. The need for obligatory local authority consultation and cooperation on housing policy questions and physical development of regional importance should be addressed. Solutions require assistance from the national level, but should be based strictly on local authority participation, if necessary under the guidance of the governor of the voivodeship.*

3. *Practical steps should be taken to enable local authorities to become effective central partners in the housing sector:*
 - (a) *All local authorities should work out a housing strategy/policy. As a first step, all towns with a population above 100,000 should be required to develop such policy documents within a specified time;*
 - (b) *Political and administrative structures in the urban local authorities should be re-organized in order to address effectively the problems and opportunities in the housing sector;*
 - (c) *Procedures and practices in decision-making and administration in the local housing sector should be adapted to the need of a market-oriented, open, and communicative housing policy. In particular this applies to the management and administration of the municipal housing stock;*
 - (d) *The local authority housing units urgently need practical programmes for staff training, support systems (computers, operating manuals, quality control systems), etc;*
 - (e) *A land policy/strategy should be developed by each urban local authority as part of, and as a basis for, its housing policy.*
4. *To carry out the recommendations, the Government should provide advice to local authorities and their organizations in the form of handbooks, manuals, training programmes, etc. with a view to disseminating possible standard organizational solutions, operational procedures, and recommended transition policies.*
5. *To improve the general public's understanding of, and participation in the local housing sector, local authorities should have in place a public information campaign and a dialogue with the public as part of their housing strategy/policy.*

7. Profile graph on Poland's housing sector

The following profile graph is a visual aggregated representation of the housing sector in Poland as of mid-1997. The graph should be considered as the expert team's subjective value judgement on the main elements of the Polish housing sector. Its main purpose is to highlight the areas in the housing sector where the main bottlenecks are and where remedial action should be concentrated.

As the profile illustrates, the main impediments to the further transition of the Polish housing sector concern:

the Institutional Framework, and the Economic Framework.

The main problems in the housing sector are the standard of the existing stock and the need to upgrade it, and the low rate of new construction.

It is necessary to solve these problems to move the transition of Poland's housing sector forward. Progress in this area is a prerequisite for socio-economic stability in the country.