

ANNEXES

Annex I

SOCIAL HOUSING POLICY in central and eastern Europe with particular reference to Bulgaria*

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A. Background

The continuing transition of the countries in central and eastern Europe has proven to be a difficult process, imposing considerable hardships on the economy and on the population in general. The quick and efficient transformation from a centrally planned economy to a market economy once hoped for, has in fact proved to be time-consuming and cumbersome, partly because of the problems of restructuring production to the requirements of both a home and a world market, partly because of the need to create rules and institutions in order to lay the foundations for a market economy and to ensure its continuing stability. A major problem is, in fact, the very sequencing of the transition process. These issues are now generally recognized in the countries of central and eastern Europe; the restructuring of production is well under way and the creation of rules and institutions is progressing at a considerable speed. Yet, in spite of such efforts, the process is a slow one and it will take several years before it is completed. The training of, for instance, business managers, bankers, brokers, solicitors, administrators and policy makers, as well as the population at large will take considerable time. Meanwhile, pressing economic and social problems call for immediate solutions. Also in the housing sector, the legacy of the centrally planned economy tends to create particular difficulties, which have been compounded by other problems.

First, the transition from a centrally planned economy to a market economy calls for a radical decrease in State and municipal subsidies to the housing sector. The costs of housing should be carried mainly by the individual households in proportion to their housing consumption. However, the population's low standard of living and low income make it difficult to carry out such a policy. Traditionally, rents have been kept very low in eastern and central Europe. The raising of rents even to cost

level has in many cases proven impossible. An increase to, by western standards, a "reasonable" level, i.e. 20 to 30 per cent of disposable family income,¹ would perhaps pay for heating and maintenance of the buildings, but would not cover capital costs. Such a move would moreover lead to protest, particularly in view of the simultaneous increase in prices of other, particularly imported, consumer goods, the combined effect of which leaves the citizens with very little money to meet even the bare necessities. In some countries the attempts to increase rents have even led to a mass refusal to pay rents at all. The result of these developments may well be a rapid deterioration of housing and, hence, a risk of ultimate loss of large amounts of capital invested in housing. In many countries of central and eastern Europe this is in fact not a new development. Also under the old regimes very little was spent on maintenance and repairs, leaving the housing stock in a deplorable state.

Second, there has been a decline in housing production, which will most likely create tensions in the housing market. This decline is largely due to the low paying capacity of the population in combination with the abolishment of general production subsidies, which were very large. Few are able to pay the costs of new production and the demand for new production tends to concentrate on the top end of the market. However, there is a need for new production also for the less wealthy. The causes are simple. There is a need for new production for demographic reasons. Without an adequate and continuous flow of new production, family formation will be stifled. Housing production must also continue for labour market reasons. The formation of new enterprises in particular, as well as the expansion of old enterprises, will be hampered unless there is sufficient housing production to provide their employees with decent and affordable housing. Both factors coincide in population

* The views expressed are those of the author and do not necessarily reflect the views of the United Nations Secretariat.

¹ With particular reference to Bulgaria, one should remember that rents do not include services and utilities, such as electricity, heating, hot and cold water, etc. In Bulgaria, average expenditure on housing is currently 8.4 per cent of disposable income. Most of it concerns utilities and services, as the rent is so low and the rental sector so small that it is negligible.

centres. Furthermore, without new production, demand will eventually push the price of decent housing beyond the reach of many people.

Third, a rapid privatization of housing has taken place or is under preparation in most of the countries of central and eastern Europe. Privatization is seen partly as a measure to promote the willingness of households to shoulder responsibility for housing. Mainly, however, privatization is a measure to facilitate the transition to a market economy by providing citizens with some capital, and to compensate them for many years of State ownership. State property is consequently given back to citizens through various privatization schemes (free, through vouchers or cheques, at a reduced price, etc.). Such property includes housing as well as land and enterprises, although it seems that the tendency towards mass privatization of land and enterprises has slowed down in some countries; instead privatization takes place with, for instance, small investors in mind.

Privatization is often preceded by a restitution scheme for housing and other property. Restitution must precede privatization to prevent claims for the restitution of already privatized property. The privatization and restitution schemes will most likely result in a more uneven distribution of wealth. Some citizens will become the tenants of private landlords. Others will have to trade their property for food and other necessities of life. Others again will find their privatized property worthless because of a lack of demand, e.g. for the particular piece of housing they own, or because the formerly State-owned enterprise in which they have bought shares with their vouchers goes bankrupt. Those people will probably also become tenants. Such developments call for some degree of regulation of the tenancy relationship, including tenants' protection and a balancing of the responsibilities of landlord and tenant. It should also be underlined that in central and eastern Europe there is and will continue to be a need for rented accommodation, as is the case in western Europe.

In spite of a much more favourable economic development since the Second World War, the experience of western Europe is that housing problems cannot be solved through market mechanisms alone. There is almost always a need for some degree of State or municipal intervention to secure access to decent housing for the population. In the absence of such interventions, the housing problems of the population remain.

The dilemma of central and eastern Europe as far as housing is concerned is one of finding solutions to social problems in the face of scarce economic resources. Currently, in crude economic terms, the population in many of the countries is overhoused, in spite of crowding and inadequate housing (see fig. X above).² It cannot afford to foot more than a fraction of the housing bill. In developing countries we have already witnessed the growth of shanty towns, and there is a real danger that the same may happen in central and eastern Europe, un-

² The population is "overhoused" in purely economic terms, i.e. it cannot afford the existing stock. Yet, in terms of living floor area per person, the standard of housing in Bulgaria is very low in comparison to most western European countries.

less a certain degree of social housing policy is introduced at this early stage of the transition process.

It is to be hoped, however, that the economic difficulties will not become permanent, and that in the not too distant future economic developments will create sufficient wealth for the population to afford decent housing. Meanwhile, measures must be taken to preserve the housing stock and the invested capital.

B. The cornerstones of a social housing policy

The notion of adequate housing in the Covenant on Economic, Social and Cultural Rights

As noted in the ECE *Housing Policy Guidelines* (ECE/HBP/84), the right to adequate housing belongs to the realm of human rights. Housing is a necessity of life and therefore a fundamental right for all citizens of all countries, regardless of their stage of economic development. According to article 25 of the Universal Declaration of Human Rights, everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services. The right to housing and similar social rights is also expressed in various constitutions all over the world and in other international conventions, such as the United Nations International Covenant on Economic, Social and Cultural Rights. Its article 11 states:

1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.

A primary aim of all Nations is therefore to improve the housing and other living conditions of their citizens. It is also an obligation under international law.

The right to housing is not a right of individuals as against the State in the sense that a homeless person is entitled to adequate housing upon request to the proper authority, although it has under national law sometimes been formulated in such a way. It is rather a political responsibility incumbent upon the public authorities in relation to the individual.

Although each State bears the final responsibility for such obligations, the various States in the ECE region have chosen differing ways of implementing the right to housing as expressed in the Universal Declaration of Human Rights and other international conventions. Some States have chosen a selective approach committing themselves to promoting new construction and subsidizing a portion of the total housing output with the aim of helping certain groups of the population, whereas other States have chosen a more comprehensive approach, involving contributions to the total housing programme in various ways.

It is particularly notable that the notion of housing as the exclusive responsibility of the State, much in the

same way as the right to work which existed in most of central and eastern Europe, has been replaced with a more modest, western type notion; the State will provide assistance, but will not guarantee either work or housing to its citizens.

The Committee on Economic, Social and Cultural Rights, in its General Comment 4 (1991) on the right to adequate housing (art. 11 (1) of the Covenant), discussed the meaning of the Covenant on this point.³ It holds that

the right to housing should not be interpreted in a narrow or restrictive sense which equates it with, for example, the shelter provided by merely having a roof over one's head or views shelter exclusively as a commodity. Rather it should be seen as the right to live somewhere in security, peace and dignity. This is appropriate for at least two reasons. In the first place, the right to housing is integrally linked to other human rights and to the fundamental principles upon which the Covenant is premised. Thus "the inherent dignity of the human person" from which the rights in the Covenant are said to derive requires that the term "housing" be interpreted so as to take account of a variety of other considerations, most importantly that the right to housing should be ensured to all persons irrespective of income or access to economic resources. Secondly, the reference in article 11 (1) must be read as referring not just to housing but to adequate housing. As both the Commission on Human Settlements and the Global Strategy for Shelter to the Year 2000 have stated: "Adequate shelter means . . . adequate privacy, adequate space, adequate security, adequate lighting and ventilation, adequate basic infrastructure and adequate location with regard to work and basic facilities—all at a reasonable cost."⁴

Thus the concept of adequacy is particularly significant in relation to the right to housing since it serves to underline a number of factors which must be taken into account in determining whether particular forms of shelter can be considered to constitute "adequate housing" for the purposes of the Covenant. While adequacy is determined in part by social, economic, cultural, climatic, ecological and other factors, the Committee believes that it is nevertheless possible to identify certain aspects of the right that must be taken into account for this purpose in any particular context. They include the following:

- (a) *Legal security of tenure* (. . .);
- (b) *Availability of services, materials, facilities and infrastructure* (. . .);
- (c) *Affordability* (. . .);
- (d) *Habitability* (. . .);
- (e) *Accessibility* (. . .);
- (f) *Location* (. . .);
- (g) *Cultural adequacy* (. . .).

The Committee on Economic, Social and Cultural Rights goes on to explain the implications for States of the notion of a right to housing:

Regardless of the state of development of any country, there are certain steps which must be taken immediately. As recognized in the Global Strategy for Shelter and in other international analyses, many of the measures required to promote the right to housing would only require the abstention by the Government from certain practices and a commitment to facilitate "self-help" by affected groups. To the extent that any such steps are considered to be beyond the maximum resources available to a State party, it is appropriate that a request be made as soon as possible for international cooperation in accordance

with articles 11 (1), 22 and 23 of the Covenant, and that the Committee be informed thereof.

States parties must give due priority to those social groups living in unfavourable conditions by giving them particular consideration. Policies and legislation should correspondingly not be designed to benefit already advantaged social groups at the expense of others. The Committee is aware that external factors can affect the right to a continuous improvement of living conditions, and that in many States parties overall living conditions declined during the 1980s. However, as noted by the Committee in its general Comment 2, despite externally caused problems, the obligations under the Covenant continue to apply and are perhaps even more pertinent during times of economic contraction. It would thus appear to the Committee that a general decline in living and housing conditions, directly attributable to policy and legislative decisions by States parties, and in the absence of accompanying compensatory measures, would be inconsistent with the obligations under the Covenant.

A social housing policy

The notion of what a social housing policy implies is never constant. It varies between countries and cultures, reflecting differences in beliefs, attitudes, wealth, ambitions and policies. In spite of the great differences it is, however, possible to state briefly what the component parts of a social housing policy are or might be. In this particular instance, the discussion is geared to the situation in the countries of central and eastern Europe, but also takes account of the international experience embodied in the concept of adequate housing discussed above, even if it is rather geared to the situation prevailing in many developing countries.

Clearly, a social housing policy cannot in essence be differentiated from any general housing policy; almost all of the measures involved in a comprehensive housing policy have a bearing on the social side of housing policy. Indeed, social issues tend to form the rationale of a general housing policy. If all groups and individuals in a society were able to find solutions to their housing needs, it seems that no housing policy would be required.

The means of ordinary housing policy include the promotion of housing production, the provision of housing finance, and the allocation of housing. Some of those means, however, have a more direct bearing on social issues, such as the allocation of housing to satisfy the needs of the vulnerable groups in the housing market, ensuring the right to enjoy protection of tenancy, helping out with housing finance, low rents, and, in a more general sense, ensuring that there is a sufficient supply particularly of low-cost dwellings.

Therefore, in particular with regard to what has been said in connection with the Covenant on Social, Economic and Cultural Rights, the constituent parts of a social housing policy may be described in the following terms:

- (a) Help to the homeless and the disadvantaged;
- (b) Ensuring tenure protection;
- (c) Making housing affordable;
- (d) Ensuring housing provision;

³ E/C.12/1991/CRP.2/Add.1. It must be remembered that the text comes from a report from a subcommittee which was never formally adopted by the Committee. Still it can be said to express the policy actually applied.

⁴ A/43/8/Add.1; General Assembly resolution 42/191.

(e) Other aspects of adequate housing—accessibility, availability of services, materials, facilities and infrastructure, location, culturally adequate housing.

Finally, the issues involved in the organization of an efficient social housing policy will be summarized, although the organizational issues will be discussed mainly in connection with the substantive questions. In the following sections these issues will be discussed both in general and with reference to the situation of the countries in transition, particularly Bulgaria.

C. Help to the homeless and the disadvantaged

Homelessness

One of the most simple functions of a market economy welfare State is to provide protection and assistance to the homeless and those who are otherwise disadvantaged in their housing situation, i.e. to the weakest individuals in society, who should also have the right to live somewhere in security, peace and dignity.

The need for housing reflects a basic reality. For housing to be of lasting value to the individual, he should be able to use it for a variety of purposes; housing is an essential component of almost all aspects of life; not only does it provide shelter, but it gives the individual the opportunity to hold down a regular job, to study, to meet his friends, to raise his children and make it possible for them to go to school, etc.

In effect, however, the short-term minimum obligation of any State is to provide services for the homeless in the narrow sense of the word. This involves the setting-up of a social service to which the homeless may turn, at least to find temporary accommodation. This minimum obligation also includes services to the outsiders of society.

More important from an economic point of view is the provision of housing necessary for keeping and finding jobs. When the demand for labour increases, it is unlikely to occur precisely where the potential labour force is to be found. Therefore, in the future, enterprises and job seekers will unite in demanding a functioning housing exchange, and if that is not sufficient, new production.

From a societal point of view, and in the long term, the need for a suitable dwelling which also accommodates the needs of regular families should be recognized, regardless of the "homelessness" concept. It is a matter of promoting basic interests: the formation of families, the raising of the young, education (the work done at schools is, in spite of all pedagogical efforts, just a lesser part of the teaching and training of the young), the care of the elderly (to a very large extent carried out at home and by female relatives) and even the participation in the democratic process require a secure and adequate place to live.

It should be added, with special reference to Bulgaria, that the notion of homelessness lacks legal recognition. There are no legal provisions yet addressing the issue.

Providing housing for the destitute and the homeless

In the countries in transition housing has traditionally been the responsibility of central and local authorities. As these authorities no longer assume responsibility for the total housing situation, there is a growing danger that under the new market conditions a number of people will be made homeless. Those who are homeless or risk becoming homeless in a narrow sense are a heterogeneous group of people whose main common characteristic is that they are vulnerable; they may be poor, out of a job, in difficult family conditions, suffering from handicaps, disease, mental illness, or alcohol or drug addiction. No reasonably advanced society can refrain from assuming some responsibility for these people. They must be housed and sometimes also fed, so that they are able to lead a life with some dignity. There are a number of measures which countries can undertake to deal with this kind of problem.

At a general level some countries have tried to solve part of the problem by establishing municipally-owned social housing estates, where rents are kept low and the tenants must qualify by a low income or some other social criteria (social housing). Furthermore, the local social authorities are charged with the task of providing housing for the homeless, and they may to some extent rely on flats made available in social housing estates. They may also need to find other solutions for those clients with special needs, e.g. in institutions for handicapped or mentally disturbed people.

The rapid privatization of the housing stock in some countries in central and eastern Europe often makes the introduction of social housing in the western sense impracticable. However, there should be a possibility for the social authorities to rent flats in ordinary ownership estates to care for their clients. Most likely, such flats will be made easily available, at least during the next few years. In the present situation, however, the prices in the private market in many countries, including Bulgaria, make such an operation impractical.

Regardless of the solutions chosen, the need to cater for vulnerable people in housing calls for the creation of a social services function or network at the local level. It may consist of public services only, or of public and private (non-governmental) organizations working together.

D. Ensuring tenure protection

Tenure takes a variety of forms, including rental (public and private) accommodation, cooperative housing, lease, owner-occupation, emergency housing and

informal settlements, including occupation of land and property. Tenure protection means protection against forced evictions, harassment and other threats. It also implies an effective protection of ownership rights such as compensation in case of expropriation and similar measures. With regard to squatters and other residents without entitlement, tenure protection implies some kind of protection against mass evictions. In this case it implies that land must be made available for the population.

“Tenancy protection”, on the other hand, is linked to tenancy of buildings and sometimes of land. The core of the concept is the notion of the protection of the home of the tenant against unfair termination of the tenancy agreement.

In a much wider sense, tenancy protection is also concerned with protection against third parties. It deserves protection as a right *in rem*. Particularly the question of whether a tenancy agreement is binding on a new owner is important. There are several reasons why the tenancy agreement should remain in force when the owner sells his property. If this is taken as a starting-point, a rather complex regulation of various details is required, including coordination with the rules on the sale of real property.

The issue of tenancy protection is intimately linked to the other issues inherent in the notion of adequate housing—affordability, accessibility, availability of services, materials, facilities and infrastructure, location and even the issue of culturally adequate housing. An important aspect of tenancy protection therefore concerns the issue of affordability. It is often held that affordability is the very core of tenancy protection, the argument being that tenancy protection is meaningless if the tenants cannot afford to stay on. Tenancy protection is therefore to some extent equated with rent control.⁵

Tenancy protection cannot be made absolute. In a number of situations the interest of the tenant in having the tenancy relationship prolonged must yield to the interest of the landlord in vacating the flat and making the tenant move. Typically, rules on tenancy protection indicate a number of situations in which the tenant has to move.

Moreover, there is a need for tenancy protection in the form of a proper legal framework where ownership flats are concerned. This involves, for instance, setting up an effective corporate organization which provides the individual with sufficient protection as a homeowner and as a member of the corporation.

With particular reference to the problems of Bulgaria, however, the preceding discussion on tenancy protection is, more or less, a moot question. The Bulgarian situation is characterized by an extremely low proportion of rented flats.

This means that the very small rental sector either lacks interest from a social perspective, i.e. the private sector, or is desperately needed to fulfil social needs, i.e.

the publicly owned sector, in particular the municipally-owned part. Under such circumstances, the issue of tenancy protection is overshadowed by the issue of social need and hence eligibility. Currently, Bulgarian legislation requires annual assessment of the situation of public housing tenants. Those who have solved their housing needs in some other way are no longer eligible, and have to give up their municipal flats to those applicants whose need is greater.

In the private sector, on the other hand, it is debatable whether there is currently a need for tenancy protection. It is very likely that the private rental sector will grow rapidly during the next few years. Many of the tenants in the private sector today do not need tenancy protection. However, in the future, there may be a need for closer monitoring. The typical problem with the renting of a single flat owned by a private person, who may own other flats (condominiums or one-family homes), is that the owner is likely to maintain that he has a personal need.

E. Making housing affordable

The current situation in market terms

The traditional discussion on housing affordability starts from the notion of market equilibrium where new production is feasible. The price of housing in the long run reflects the costs of new production; eventually, demand will drive the price up to such a level that building new housing becomes profitable. This implies two things. First, housing is seen as an investment. It has a value and the value of new production also affects the value of the old stock for the same reason, i.e. the demand for the old stock has driven up the price to such an extent that new production is profitable. The value of the old stock and of the new stock can, in a simplified economic model, be calculated as the present value of future profits. Second, there is a real demand for housing, which expresses itself in high prices. This presupposes that the economic position of the country is such that the population can afford new housing.

Much of the discussion in the western countries is concerned with the problems of bridging the gap between current demand and the cost of new production. If new production is to be profitable, at least in a short run, the cost of housing will be high, mainly because of the high interest rates prevailing during the last 20-30 years. Before demand drives the cost of housing up to such levels, the housing situation has, from a political point of view, become unacceptable. The high cost of housing will make production concentrate on small units. Only the wealthy will be able to afford housing according to today's western European standards.

The analysis of this problem also takes into account the fact that high interest rates have traditionally mainly been a reflection of inflation, whereas real rents have remained fairly stable. Various schemes have been set up based on this fact, mainly redistributing the financial

⁵ See *Housing Policy Guidelines* (ECE/HBP/84).

costs over time. Other schemes give direct initial subsidies to housing investment in order to lower the initial costs. Others even give direct subsidies to cover interest payments. Many of those schemes have largely been abandoned because they have proved too costly. Redistribution schemes have also proved inefficient. They are based on increasing mortgage loans, which, at least for some time, tends to wipe out equity and even to make the value of the investment negative. This poses an unacceptable risk to the creditors. Even if the risks may be covered by means of investment insurance, the psychological impediments to such schemes are considerable.

The analysis may also concentrate on the fact that many households cannot afford the cost of "decent" housing. This is in fact the second important line of thought—the consequence of which is the introduction of housing allowance systems. Some such systems have a limited aim and scope, such as helping families with children or retired people with a small income. The main task, however, seems to have been giving general subsidies to low-income households to enable them to pay for decent housing under current conditions. To some extent such subsidies have been necessitated by the modernization of the old stock and the subsequent increase in costs. The great advantage of the housing allowance system is that it can be targeted to help households in real need. So they are, on the whole, less costly than general subsidies, such as production subsidies or interest subsidies. It is mainly for this reason that the housing allowance systems are recommended for central and eastern Europe, rather than a system of general subsidies.

Another "line of defence" is measures to decrease building costs. Therefore, increased competition in the building and building materials market is essential, as are measures to ensure a flow of inexpensive land for development. Reference is here made to the *ECE Housing Policy Guidelines* (ECE/HBP/84).

The main problem with this analysis in relation to central and eastern Europe appears to be that: (a) the income of the population, in general, is too low to make new production affordable; and (b) the resources of the States are too small to afford either general or means-tested subsidies. As noted earlier, some new production is going on, but only for the benefit of the upper income strata of the population. A third problem is very high inflation in many of the countries in transition.

Therefore, the starting-point of the analysis must be that, in the absence of rent or price controls, a market will indeed develop, even where equilibrium is well below the cost of new production. Such a market will impose considerable hardships on the population. Equilibrium will soon be reached, and the sign of this will be housing vacancies in spite of widespread homelessness.

There is, however, an even greater danger in this situation, viz. the fact that the earning capacity of the population may be so low, that "market rents" do not even cover the costs of water, heating, electricity and upkeep, i.e. the running costs of housing. (Again it should be pointed out that in several countries, including Bulgaria, "rents" do not include the cost of heating, water, electricity, etc., which are charged separately.)

Should this be the case, housing, as an investment, is worthless. Were it owned by a private owner, it would be demolished or abandoned, very much like what has occurred in the cities of North America. It should be added that the situation varies in the countries in transition.

Two points may be made in this connection. First, as already indicated, this situation is most likely temporary. It is hoped that within the next few years, economic growth will not only make it possible to pay for the costs of the existing housing stock, but also make new production possible. In most countries in transition, housing production has plummeted, yet the average size of housing units has grown, satisfying demand mainly from the upper income strata. It is intriguing, however, with particular reference to Bulgaria, that the average size of units produced in the public sector is almost as big as that produced in the private sector. Recently, however, there has also been a trend towards building very small flats, as small as 15 m², to satisfy the needs of the average wage-earners. In both sectors, the shrinking production follows a similar pattern of fairly large units, also by western standards. There are no available statistics on the production of small units. Recent observations, however, indicate an increase in the production of such units, although the average size of new units is still large.

Second, the play of economic forces described here will not be left unchallenged by the population. It is well known, for instance, that many households in central and eastern Europe have ceased to pay any rent at all. Political pressure will also be exercised. Quite naturally, the electorate will demand that the politicians "do something". The widespread privatization of housing in central and eastern Europe is a further important factor. As the situation is complex, it is difficult to predict what might happen in the future.

During the communist period rents were kept very low. In some countries, however, there has been a marked reluctance to raise the housing cost level to a level comparable with that in western Europe. The following table gives an indication of the relationships. (See also table 19 in chapter IV.)

The statistical evidence therefore contradicts the notion of dramatically increased housing costs, at least in Bulgaria. The same is true regarding utilities. Data also suggest that housing costs are comparatively low in Bulgaria, primarily because households own their housing, and are thus able to regulate their housing expenditure. In fact, low spending on housing indicates that too little is spent on upkeep and repairs. Although it is not fully satisfactory to use the exchange rate, it gives some indication of the amounts spent in a country, e.g. on housing. For instance, average household income in Bulgaria in 1992 amounted to US\$ 155 per month, of which 7.3 per cent was spent on housing. This means that approximately US\$ 11 per month was spent on housing, which is clearly insufficient. And, as is the case in most countries in transition, capital costs are more or less unheard of. It is evident that, although costs are considerably lower in Bulgaria because of lower wages, and the cost of electricity and heating may be lower for reasons of climate and lesser use of appliances, the sums

paid by Bulgarian households are inadequate. If for Bulgaria the costs indicated here of heating and electricity were reduced by half and other costs by two thirds (real estate tax excluded), we arrive at a figure of US\$ 20.38 per sq m. For a flat of 50 sq m this would amount to US\$ 85 per month, or leva 4,600 per month at the 1994 exchange rate. In fact, the average amount spent on housing was considerably lower, whereas average household income in 1994 was leva 8,788 per month in urban areas. So housing would take up more than 50 per cent of household income, which is clearly impossible.

Table 19 in chapter IV has already shown how rents have increased dramatically in the private sector, whereas in the public sector they are still extremely low. Since the rental sector is very small in Bulgaria, it is, however, difficult to draw any definite conclusions from the data, except that the rental market seems erratic, as it often does in countries in transition.

Rents-to-income in Bulgaria
(in per cent)

	1985	1990	1992	1994
Public	2.7	15.2	3.1	1.3
Private	28.3	106.6	63.6	37.0
Private Sofia	28.3	197.2	121.5	66.0

In many central and east European countries, privatization is not yet in full swing. Housing is still largely in public ownership. As long as this is the case, the public authorities have some kind of responsibility for the consequences of their response to a mass refusal to pay rent. This makes the use of private law sanctions, i.e. evictions, impossible. In Bulgaria, eviction is possible if three months' notice is given. In public housing eviction because of rent arrears is rare. In private rentals, however, it is, slightly incoherently, indicated that compulsory eviction takes place no later than a month after a court decision.

The transfer of the housing ownership to the tenants themselves, either directly in the form of ownership flats, or indirectly, to housing associations of which the tenants are members, implies full occupier responsibility: the occupier cannot easily turn to the government (central or local) and demand lower rents. But while such a transfer of ownership might lessen political tensions, it does not put the occupiers in a better position to shoulder the responsibilities for maintenance, upkeep and rebuilding. As an investment the property is therefore equally worthless to the occupier as it is to any other owner. It does, however, provide a roof over his head.

In Bulgaria, during the period 1985-1992, a large part of the relatively small public housing stock was privatized. Altogether 328,476 units were privatized, i.e. 9.7 per cent of the total stock. In 1993 a total of 6.8 per cent of the stock remained in public hands as public

rental housing, whereas the owner-occupied housing stock amounted to 92.9 per cent. Rental housing owned by other "public bodies" (cooperative, political and religious organizations) constituted 0.3 per cent.

The danger of a deteriorating housing stock

Eventually, lack of maintenance will make the housing units almost inhabitable and even dangerous. Such a negative development is particularly unattractive in multi-storey blocks of flats built on the edge of many cities and towns after the Second World War. First, the technical infrastructure of such buildings is particularly vulnerable and requires continuous upkeep and repairs as well as periodic renovation, e.g. of lifts, ventilation, electrical wiring, pipes and plumbing for heating, water and waste. Second, these installations are so complicated that they cannot be managed on a do-it-yourself basis, as in many small houses. Particularly periodic renovation is also very costly. Those households that can abandon the housing unit will do so already at an early stage of the continuous deterioration. The subsequent development will probably follow the same trends as in the cities of western Europe and North America. The housing unit and probably the whole neighbourhood will deteriorate to a ghetto, which will eventually have to be demolished.

The conclusion is simple. It is obvious that rents cannot be raised to a level that would make large-scale new production feasible. It is even doubtful whether rent levels can be raised to such a level that they will cover the running costs, including the necessary maintenance and repairs. The key goal in this connection is to prevent further decay and destruction of the existing stock. This is probably the most important issue in a social housing policy geared to the needs of the countries in transition of central and eastern Europe.

Acquisition costs

The statistical evidence is far from conclusive, but it seems to support the conclusions reached so far (see fig. XIII above).

The housing price-to-income ratio is quite alarming, indicating that the housing market in Bulgaria is very much off balance. This is, however, typical of the transition in many central and eastern European countries. There are few transactions and most of them tend to be in the upper segments of the market. Price information is unreliable, and does not really reflect a mature market. The lack of an effective financing system contributes to the slightly incoherent picture. The fact that there are few transactions is perhaps more serious. It indicates a lack of mobility in the market with possible serious repercussions for, *inter alia*, the labour market.

Construction costs

Although the house price-to-income ratio is alarming in comparison with that of western Europe, the construc-

tion cost-to-income ratio is even more so. The wild variations during the 1985-1994 period indicate great difficulties, and also perhaps the existence of price controls. Unless there are severe disturbances in the construction labour market, the construction cost-to-income ratio should remain fairly constant. In effect, as is the case in most low-tech industry, most of the costs are labour costs—either directly, or reflected in the prices of materials and services. Of course, the price of energy and financial costs also have a considerable influence on building costs (see below).

It is, however, clear that the rise in building prices from 1992 to 1994 is not merely excessive; it indicates that something is fundamentally wrong with building prices. Probably this, too, is a reflection of market imbalances, due to abnormal production circumstances. This analysis indicates that the high building prices in the transition countries will go down and eventually reach a normal level, reflecting mainly the price of labour. By monitoring and facilitating this process, the governments of central and eastern Europe could help keep house prices down.

Two other factors also influence building prices, viz. the cost of energy and the financial costs during the building period. The financial situation of the countries of central and eastern Europe makes the price of energy comparatively higher than in western Europe, which explains why building costs will be higher as well. One option is, of course, to find building materials with a lower energy content.

High inflation and hence, high interest rates, will push up building costs, and will increase the longer the construction time. Construction time has traditionally been quite long in central and eastern Europe. In Bulgaria, construction time has remained stable for the last 15 years, at 7 months for large panel buildings, 12 months for other industrial buildings and 18 months for traditional buildings. Construction time must be brought down. Also in this respect can Governments contribute efficiently to lowering housing costs.

Financial costs for acquisition

The second important factor determining the price of housing is financial costs for the acquisition of land and buildings. In many central and eastern European countries these financial costs are extremely high—making long-term loan financing of housing in effect impossible. The picture is again slightly inconsistent. It is possible, for instance, for the real interest rate on deposits to be strongly negative, and the interest rate on loans below inflation, making saving a bad deal and taking out loans a much better deal, although the interest rate is still so high that financial costs become prohibitive. In the housing sector the problems are in many countries aggravated by the lack of a developed mortgage system, and also by the lack of financial institutions. This situation severely restricts the sale and purchase of housing units. And as already indicated, people living in housing which is newly privatized usually have no experience of financial costs, and many transactions take place on a cash or barter basis.

Provided that some solution has been found to the institutional problems of the credit market, index-linked loans could, under certain conditions, be made to work also when inflation is high. This, however, presupposes that wages and salaries as well as the prices of real estate keep up with inflation, which is not always the case. It also presupposes that the lender is very stable, e.g. the government or a large financial institution. In Bulgaria, house prices have not kept up with inflation, but household income has. Yet, this situation is not tenable because of falling GDP, unless the drop in GDP has really come to an end. The 1995 GDP was only 76.5 per cent of the 1989 GDP.

General inflation, house price inflation and household income, 1990-1994

	1990	1992	1993	1994
General inflation (a)	100	1 030	1 688	3 745
House price inflation (b)	100	163	231	277
Household income (c)	100	487	718	1 199
Ratio b/a	1	0.16	0.14	0.07
Ratio c/b	1	2.99	3.11	4.33
Ratio c/a	1	0.47	0.42	0.32

Some stability has been reached between household income and house prices. This speaks in favour of indexed-loan systems. However, the relationship between general inflation and house price inflation shows that housing prices are falling in real terms, which might deter investment.

Running costs

The third important component of housing costs is running costs. Whereas "rents" are largely subsidized in central and eastern Europe, housing utilities are mostly not. In particular, the price of electricity, heating and hot water is set according to cost, i.e. according to world market prices, and is charged separately.

One would expect that in a country such as Bulgaria this would mean a considerable increase in household expenditure, as is the case in many other central and eastern European countries. Yet, in Bulgaria, this does not seem to be true. Housing utility expenditure appears to be fairly constant and, although rising in terms of income, still quite normal compared to western European countries. This indicates a high government subsidy of electricity and heating. In most central and eastern European countries, however, lowering household utility expenditure is an important goal of social housing policy so as to lower housing costs in general. Under current economic conditions a number of countries are being forced to lower such subsidies quite dramatically.

Bulgaria: Tenants' housing utility expenditure by income (in per cent)

1984	1990	1992	1993	1994
7.2	7.3	7.3	8.1	8.4

F. Ensuring housing provision

The task of ensuring housing provision includes two different strategies. The first one is to ensure that the existing stock is in good condition, modernized and used for its intended purpose. It encompasses defensive measures in order to ensure housing provision. The second one is to make possible a sufficient flow of new production to meet new demand for housing resulting from demographic factors, labour market circumstances, etc. It encompasses positive measures to ensure housing provision.

Preventing decay in urban areas

In relation to the existing stock, the overriding concern is to prevent further deterioration. How this should be arranged is a very difficult matter. In the short run, most of the housing stock has no or even a negative economic value. Gradually, as the economy picks up, the value will increase. This will, however, not take place uniformly. Some areas will never regain their value, whereas others will become very valuable. This development cannot be predicted with certainty. A radical solution is to write off all value of housing investment immediately. Rents should therefore be set with the aim of covering only maintenance and repairs. Electricity and heating should be charged at cost price. Where this proves too high, some kind of emergency subsidies will have to be given.

So it would seem that most of the housing stock should be privatized at no cost; in attractive areas, however, a price should be charged. There is little hope of doing this in a fair way. Some households will always gain more and others will gain less. Any increase in the value of housing will, however, remain with the households.

In view of the poor financial resources of the population at large, it appears obvious that in the short run the maintenance business cannot be made profitable. The question of whether it can be privatized is therefore uncertain. The need for public subsidies will most likely continue, and with their help, private and efficient maintenance and building-repair firms could exist.

Conversion of the housing stock to commercial stock

The main thrust of any housing policy in the difficult period of transition with little new construction, particularly one with a social aim, must be to prevent the deterioration of housing. It is also particularly important to prevent the unregulated conversion of housing stock to commercial stock. During the period of transition such conversion may appear particularly attractive to investors: the low price of the housing stock makes conversion much more attractive than new construction. The typical structure of cities in countries in transition also makes such conversion particularly attractive.

Such conversion is unavoidable, but there are strong reasons for the municipal authorities to exercise a fairly strict control over the situation. A possible solution is to introduce a zoning requirement for such conversions. The municipal decision on zoning is to be preceded by negotiations with the landowners on the development of the particular area (which may be quite small, e.g. just an individual building). The notion is that the municipal authorities exercise their monopoly on zoning and building permits in order to reach a favourable agreement with the developers whereby the developers undertake to perform other development work too.

New construction: self-help

In a number of towns and villages and even in suburbs much of the new construction is carried out by the owners themselves. There has always been a tradition among farmers to build their homes, stables and barns themselves, perhaps with the help of a skilled carpenter. In some countries this tradition has extended into urban areas. The municipalities as well as voluntary organizations have facilitated self-help for people with a low or medium income to help them build their own homes. The target group is in most cases young couples with steady jobs and regular incomes who need a better home, but cannot afford to buy one in the regular market. This is partly done by providing advice, including blueprints and rented equipment. More importantly, on-site instruction is provided by experienced craftsmen (carpenters, bricklayers, plumbers, etc.) and particularly difficult parts of the building can also be constructed or performed (sometimes even prefabricated, e.g. staircases) by the organization. There is often a certain amount of flexibility involved here.

Such a programme can also offer subsidized prices on building materials, something which has to be monitored closely. Even in western Europe building materials tend to vanish from building sites at an alarming rate.

It is particularly essential to provide for simple buildings which are yet flexible enough to allow for later extensions as well as improvements. A few solutions could be commissioned from skilled architects, something which would also give the prospective builders a choice of models for their future homes.

Self-help programmes can, however, only partly solve the affordability problem. In view of the extremely low paying capability of the population, the buildings erected under such programmes have to be very simple indeed. Therefore, tightly monitored programmes of subsidized building materials are indispensable for their success. Probably they also require interest subsidies since part of the costs for the buildings (and the land) has to be covered by loans.

Self-help can also be an efficient measure for sitting tenants. This measure has not been very much tested in the west, but it is obvious that cooperative housing is to a large extent based on the opportunity for tenants to perform some of the upkeep and repair jobs themselves. This mainly concerns interior decorating, but could be widened to include also exterior parts of buildings and

plots. In such a way savings could be made, making more fundamental repairs and renovations economically feasible.

Ordinary new production: setting priorities

Much new construction is taking place in the countries in transition, most of it geared to the needs of the wealthy. In a number of cases, however, there is a genuine need for "ordinary" new production. In many quarters it is held that housing production could serve as a driving force for economic growth. There is also a need to keep the building industry going. However, the economic resources of these countries do not permit much new production, since it has to be highly subsidized. The question is then what the criteria should be for allowing such production to start. The crucial matter is one of priorities. When resources for new production are scarce, it becomes imperative to put housing policy in a wider societal perspective. Naturally, social policy issues should be taken into consideration, but even more importantly, labour market, industrial and regional policy must be integrated into housing policy decisions. In particular, new production must be used to support the formation of new enterprises on which the success of the transition process relies.

If, however, new housing is used to support the labour market and industrial policy, it is important that such policies are not hampered by particular enterprises being made to pay for housing expenditure over and above normal taxation. The former widespread practice of industrial or service enterprises owning and paying for the housing of their employees is not compatible with modern western-type policies, and would put these enterprises at a disadvantage in relation to their western competitors. The picture is, however, a mixed one. In a number of the newly industrialized countries in eastern Asia, it is common for large enterprises to own housing. Some enterprises might find it to be in their best interest to promote housing for their employees. If this is the case, they should be allowed to do so, provided that proper legislation is introduced to protect the workers/tenants.

G. Other aspects of adequate housing—accessibility, availability of services, materials, facilities and infrastructure, location

The other aspects of adequate housing are here treated jointly, since they often concern the same issues. In particular, however, the accessibility aspect of housing concerns the needs of disadvantaged groups—the physically disabled, children and the elderly, but also the mentally ill, victims of natural disasters, etc., who should enjoy some degree of priority in housing. In this sense access to housing means a right to housing. In a more narrow sense, however, accessibility implies physical access to the home, i.e. housing should be built and equipped in such a way that access for the physically handicapped, children, the elderly, etc., is not made

more difficult or impossible. In this respect much needs to be done in central and eastern European housing.

Availability of services, materials, facilities and infrastructure implies that an adequate house must contain certain facilities essential for health, security, comfort and nutrition. This includes simple amenities such as easy access to drinking-water, energy for cooking, heating and lighting, sanitation, food storage, refuse collection, site drainage and emergency services. Most housing in the countries in transition meets those requirements. However, the transition itself may pose a threat to the availability of those amenities. It is imperative that the infrastructure should be kept intact also during economic hardship—electrical wiring, water and gas pipes, drainage pipes, waste-treatment plants, etc.

The location aspect of housing means that housing must be located so that residents have access to employment, health-care services, schools, child-care centres and other social facilities. The public transport system is well developed in most countries in transition, so the location of housing is in general not a problem. However, the growing financing problems of State and municipal agencies may lead to a considerably lower level of service, or to steeply increased prices for public transport. Similarly, other services may be cut down, and not be replaced by private or community services.

H. The organization of an efficient social housing policy

Integration of social housing policies into regular housing policy schemes

Most of the issues of any housing policy are relevant to social housing policy; in effect the social aspect is one of the most important reasons for making a housing policy. On the other hand, it is more difficult to conceive of a social housing policy in a context where other aspects of housing policy are absent, unless one is restricted to a mere discussion on social welfare and aid. The first observation to be made is that a social housing policy should be effectively integrated in the regular housing policy scheme of any country. However, some aspects of social housing policy are sometimes regarded as purely social issues, such as temporary shelter for the homeless, which may be more efficiently handled by the welfare authorities. Similarly, the housing of the mentally retarded, of drug addicts and alcoholics, might be seen as a combination of medical and social problems. Yet, should homelessness be a widespread phenomenon, the methods of social welfare will prove insufficient to deal with it—it will have to be treated as a part of normal housing policy. Reference is here made to the *ECE Housing Policy Guidelines* (ECE/HBP/84).

Setting the goals for a social housing policy

In a period of transition, traditional principles of goal-setting do not apply in the same way as they would under "normal" conditions in a western European

country. Although western European countries also have to foresee a certain continuous and unavoidable change, the countries of central and eastern Europe must accommodate their goal-setting both to a period of transition and to a final goal of market economy conditions.

The discussion here is mainly concerned with goal-setting during a transition. Quite naturally and also for political reasons, housing policy in general, and social housing policy in particular, must relate mainly to short-term and intermediate goals. The needs of a great part of the population are immediate, and the needs of the rest of the population are seldom perceived as long term.

Any population may accept to postpone their immediate or short-term needs, until there is a period of general economic improvement, when the chance of finding better accommodation is high as a result of higher standards of living, higher wages, etc. It may also occur when chances are offered for improved living conditions through self-help.

The means of a social housing policy and the responsibility for its implementation

The means of a social housing policy are, on the whole, the same as those of an ordinary housing policy. They are discussed here in relation to the fundamental parts of a social housing policy. In this connection the issues linked to the responsibility for implementing a social housing policy will briefly be touched upon. Reference is also made to the *Housing Policy Guidelines*, in particular as concerns the division of responsibilities in the housing sector.

In relation to the *homeless and the disadvantaged*, the first line of help should be municipal or local government social services. A social service agency should provide temporary shelter or financial assistance to prevent people in financial difficulties from losing their homes. Often social services are provided for the elderly and the handicapped through such an organization. However, there may be reasons to create separate organizations or branches within the social services to cater for such groups, as well as for the young. Also the need for assistance of ex-convicts and others with a criminal record may be dealt with separately, sometimes as part of the criminal policy system.

The social services need to keep a stock of flats available on short notice to accommodate people in need. In acute cases, hotel or bed and breakfast accommodation may be sufficient. In the long run, however, such arrangements are not acceptable.

With regard to the needs of *low-income groups*, many countries have created a special social housing organization with its own housing units. Another option is to give private landlords social responsibilities. One might add that social housing is not linked to a specific form of tenure, but might rather be seen as support to low-income households in the form of low housing costs. Other countries have chosen a different solution: they put the stress on housing allowances to make it possible for low-income households to live in ordinary accommodation.

It may well be that many of the countries of central and eastern Europe will decide not to keep housing in public hands, in which case a housing allowance system is to be preferred. In view of the difficulties for the population in general, housing allowances may be the most cost-efficient means of social housing policy for the Governments in those countries. The introduction of social housing as well as of a housing allowance system presupposes the creation of an organization to deal with such matters responsibly and effectively.

Ensuring *tenancy protection* is done through legislation, and has already been achieved in most countries of central and eastern Europe. Tenancy protection is partly linked to the affordability, as well as to the issues of habitability, location and services. Tenancy protection is best handled by judicial authorities, and because of the need for expediency and balancing conflicting interests, a rent tribunal system is sometimes chosen rather than ordinary district courts.

Making housing *affordable* is part of ordinary housing policy as long as it does not concern the very poor and the homeless. In view of the current situation in the countries in transition, it is obvious that the links to general economic policy may even be stronger than in western Europe, e.g. as far as inflation and interest rates are concerned. Also, affordability requires a fairly rapid increase in the purchasing power of the population. This report has presented the issue of affordability as intimately linked to the issue of *ensuring housing provision*. It has been argued here that in the short run, there is a genuine danger of housing units being lost because of a lack of resources for maintenance and repair. It has also been argued that the low paying capacity of the population severely limits the demand for new housing. The result may well be that an equilibrium between supply and demand is established at a level below that of the costs of new production.

It is therefore suggested that short-term measures should be taken by Governments and municipalities to prevent the loss of housing units, for instance by assuming responsibility for repairs, if necessary requiring the owners to pay the costs at some later stage. It has also been suggested that privatizing housing service enterprises may not be feasible because they might not be profitable. Such matters should be dealt with under a system of municipal or local government quality control and building inspection system, which is normally part of an ordinary housing policy scheme.

As far as the cost issue affects housing provision, it has also been suggested that the costs for acquisition of housing as well as building costs may reflect a lack of market maturity, and that after some time conditions will become more normal. Particularly building costs should go down to reflect the costs of labour and energy; improved building techniques will also bring financial costs down, as the production time is shortened. However, short production time should not mean using damp building materials.

I. Conclusions

The essence of a social housing policy in the current situation in central and eastern Europe must be an enabling approach to help people to find, maintain and keep decent housing. The essential feature of such a social housing policy is an attempt to overcome today's economic difficulties in the hope of a rapid improvement during the next 10 to 20 years.

Some segments of the population will always need society's support to solve their housing problems. It is recommended that, in accordance also with international legal obligations, appropriate measures are taken to deal with such problems. At the very least, the needy and vulnerable must be given a roof over their heads. The ambition, however, must be to accommodate the wider housing needs of the population, in relation to the many housing functions.

It is further recommended that tenancy protection should be introduced, if this has not already been done. This recommendation includes commercial tenancies and it also has a bearing on the situation of homeowners. The requirements of social housing and of increased mobility may, however, warrant varying solutions.

The affordability problem is, because of the low paying capacity of the population, for the moment a moot one. A social housing policy must be directed towards helping the poorest segments of the population, mainly with housing allowances. It will probably be impossible in the short run to raise rents to a level where new production will be profitable. It may even be impossible to raise rents to a level where they will cover the costs of necessary maintenance and repairs. The main thrust,

therefore, of a genuine social housing policy at the current stage of the transition process must be to prevent the future loss of housing units because of decay and destruction due to lacking maintenance and repair.

New production will be necessary; perhaps here a self-help approach would appear particularly appropriate. People are given advice, help, materials, etc., in order to build their own homes. It can, however, only work with small houses. In the long run, new production is inevitable. It has been argued here, however, that large-scale new production will have to wait until the general economic situation improves.

In relation to the existing stock, the overriding concern is to prevent further deterioration. It is recommended here that government authorities assume a practical and financial responsibility, if the enabling approach, which must always form the basis of any housing policy, does not work.

Most of the housing stock should be privatized at no cost, if privatization is the choice of the authorities. In attractive areas, however, a price should be charged. There is little hope of doing this in a fair way. Some households will always gain more and others will gain less. Any increase in the value of housing will, however, remain with the households.

A crucial point, open for discussion, is whether State or local authorities should keep a portion of the stock in public ownership to create a social housing sector. It has been argued here that such stock will, in a manner of speaking, create itself—in some districts the authorities will have to accept responsibility for housing because private ownership will not be feasible. However, a rental sector must remain, and part of it should be publicly owned.

Annex II

DIRECTORY OF AUTHORITIES AND PRINCIPAL ORGANIZATIONS RELATED TO THE HOUSING SECTOR

A. Parliament

Social Policy Commission

B. Central committees and similar bodies coordinating government housing policy on the national level

Committee on Energetics
8 Triaditza Str.
Sofia
Tel: +359 2 86 191

C. Government ministries, departments and public authorities related to the housing sector

(a) Direct responsibility:

Ministry of Regional Development and Construction
17-19 Kiril i Metodi Str.
Sofia
Tel: +359 2 83 841
Fax: +359 2 87 25 17
Housing Policy Division
International Relations Division

(b) Indirect responsibility:

Ministry of Finance
102 G.S. Rakovski Str.
Sofia
Tel: +359 2 86 91
Taxation Administration Main Division

Ministry of Justice
1 Slavianska Str.
Sofia
Tel: +359 2 86 01
Legislation Council

Ministry of Labour and Social Care
2 Triadica Str.
Sofia
Tel: +359 2 86 01

Ministry of Environment
67 William Gladstone Str.
Sofia
Tel: +359 2 87 61 51

Ministry of Interior
29 the 6th of September Str.
Sofia
Tel: +359 2 87 75 11

D. Specialized institutions providing services related to the housing sector

National Statistics Institute
2 Panaiot Volov Str.
Sofia
Tel: +359 2 43 401

National Commission on Prices
(at the Council of Ministers)
4 A Slaveikov Sq.
Sofia
Tel: +359 2 88 05 41

Trade Unions' Institute
1 Macedonia Sq.
Sofia
Tel: +359 2 86 61

Agency for Economic Forecasting and Research
(at the Council of Ministers)
Ministry of Economic Development
1 Vasil Levski Str.
Sofia

Bulgarian Construction Chamber
46 Dunav Str.
Sofia
Tel: +359 2 83 38 47 or 88 18 59
Fax: +359 2 83 56 53

The Board of the National Compensations Fund
2 Kniaz Dondukov Str.
Sofia
Tel: +359 2 80 47 35
Fax: +359 2 867 27 67

The National Bank of Bulgaria
1 Kniaz Alexander Batenberg Str.
Sofia
Tel: +359 2 85 51

State Savings Bank
19 Moskovska Str.
Sofia
Tel: +359 2 88 10 41

The United Bulgarian Bank
72 Knyaginya Maria Luiza Blvd.
Sofia
Tel: +359 2 31 81 92

The Post Bank
1 Bulgaria Sq.
Sofia
Tel: +359 2 68 92 51

National Centre for Regional Development
and Housing Policy
14-16 Alabin Str.
Sofia
Tel: +359 2 84 111
Fax: +359 2 54 32 07
Housing Policy Department

National Centre of Environment
and Sustainable Development
7 Industrialna Str.
1202 Sofia
Tel: +359 2 394 725
Fax: +359 2 392 196

**E. Organizations related
to housing development**

National Association of Real Estate Agencies
34 Denkoglu Str.
Sofia
Tel: +359 2 81 65 65 or 80 27 74

Annex III

LEGISLATION RELATED TO HOUSING POLICY IN THE REPUBLIC OF BULGARIA

<i>Legislative act</i>	<i>Published in State Gazette issue/year</i>	<i>Supplemented and amended State Gazette issue/year</i>
Constitution	56/1991	
Ownership law	92/1951	12/1958, 90/1960, 99/1963, 26/1973, 27/1973, 54/1974
Citizens' ownership law	26/1973	
Amnesty and restitution of expropriated properties law	1/1991	21/1991
Restitution of some expropriated real property law pursuant to territorial and urban development law, planned development of human settlements law, urbanization of human settlements law, State real estate law, ownership law	15/1992	
Restitution of nationalized real estate property law	15/1992	28/1992
Restitution of property to persons of Turkish origin who wish to return to Turkey or other countries	66/1992	
Rent relationships law	53/1992	26/1973, 32/1973, 42/1973, 33/1977, 36/1977, 36/1979, 45/1984, 63/1984, 88/1986, 21/1990, 101/1990
Settlement of housing problems of persons with long-term housing saving deposits law	82/1991	62/1992, 94/1992
Housing cooperatives law	63/1991	
Territorial and urban development law	29/1973	32/1973, 87/1974, 30/1977, 102/1977, 36/1979, 3/1980, 45/1984, 19/1985, 36/1986, 14/1988, 31/1990, 32/1990, 15/1991
Obligations and contracts law	275/1950	02/1950, 69/1951, 92/1952, 85/1963, 27/1982, 30/1990, 12/1993

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