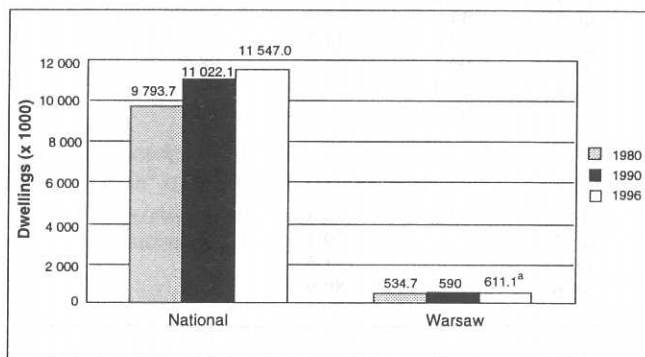


II. EXISTING HOUSING STOCK AND HOUSING DEVELOPMENT

A. The existing housing stock

Poland's total housing stock amounted to about 11.5 million dwellings in 1996. Between 1980 and 1990, the average annual increase was about 1.25 per cent. In the transition period, this rate fell to about 0.8 per cent. In the capital Warsaw, the annual increase in the housing stock was slightly lower (about 1.0 per cent between 1980 and 1990 and 0.8 per cent between 1990 and 1994).

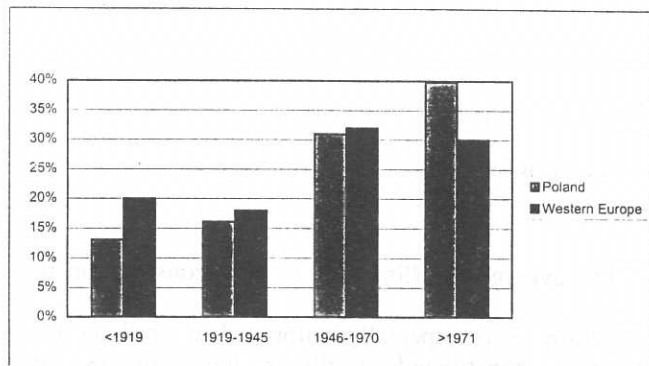
FIGURE III
Number of dwellings



Source: *Trends in Europe and North America 1996/97—The Statistical Yearbook of the Economic Commission for Europe* (United Nations publication, Sales No. E.97.II.E.3).

^a For 1994.

FIGURE IV
Age of the housing stock, 1994



Source: Data supplied by the Housing Research Institute.

The composition of the dwelling stock by number of rooms (1996) is as follows: 18.8 per cent has fewer than three rooms, 71.8 per cent with three to five rooms and 9.4 per cent has six rooms or more.

Poland's dwelling stock is relatively new, in comparison to the west European average. The oldest part of the stock, built before 1919, constitutes only 13 per cent of the total, whereas nearly 40 per cent was built after 1970. Both the share of the dwelling stock built in the inter-war period and in the 1946-1970 period correspond to west European figures. Experience and surveys in other east European countries show that the construction quality of buildings built after 1970 is poor in comparison with those built in earlier years. Another well-known fact is that in the last decades the stock maintenance has been seriously neglected. This implies that the physical condition of the stock in general is rather poor. According to World Bank estimates, 45 per cent of the housing stock needs renovation. About 9 per cent needs to be replaced, 10 per cent needs to be renovated immediately. In addition, about 1.8 million dwellings need renovation for energy-saving purposes. It can therefore be concluded that the housing sector in Poland has a severe qualitative problem.

The dwelling stock has quite a high standard of amenities, like central heating, bathrooms, etc. (see table 4). However, there is a big difference between urban areas and rural areas. In general the level of amenities in rural areas is far lower than in urban areas. However, due to a lack of maintenance, among other things, the low technical quality of infrastructure networks (district heating, water supply) causes large losses of energy and water.

B. New housing construction

In the 1970s, 200,000 to 250,000 housing units were built annually. After the record number of 278,000 new dwellings in 1978, there was a gradual decline in new construction with its collapse in the 1990s. The 1996 figure of newly constructed dwellings amounted to only 27 per cent of the 1980 figure.

In 1980, 75 per cent of the new stock was built by local authorities, State enterprises and the cooperative sector; private individuals constructed the remaining quarter. In 1990, the share of private construction rose to about 35 per cent and in 1996 to about 50 per cent. The cooperative sector built 51 per cent of new construction in 1990 and 39.6 per cent in 1994. The remaining

TABLE 4

Dwelling amenities

Country	Total dwellings (1 000)	Percentage of dwellings equipped with:				
		Piped water	Bath/ shower room	Flush toilet	Central heating	Kitchen/ kitchenette
<i>European Union:</i>						
Austria 1994 ^a	3 072	99.4	94.0	93.4	66.1	..
Belgium 1991	3 748	99.6	87.7	91.9	60.1	94.6
Denmark 1993	2 403	100.0	90.3	96.9	95.2	97.8
Finland 1994	2 352	96.4	89.9	94.3	90.7	98.6
France 1992	26 978	99.9	100.0	95.8	81.6	93.7
Germany 1993	32 886	..	96.5	96.5	77.8	100.0
Ireland 1995	1 107	97.0	94.2	96.5	58.7	..
Luxembourg 1991	139	100.0	100.0	100.0	99.1	100.0
Portugal 1991	3 059	90.6	86.9	91.8	..	99.5
Spain 1991 ^a	11 736	99.3	95.5	97.2	9.1	99.4
Sweden 1993	4 044	100.0	100.0	100.0	100.0	100.0
United Kingdom 1991	23 557	100.0	99.6	94.7	80.6	99.9
<i>Central and eastern Europe:</i>						
Bulgaria 1993	3 406	83.4	44.9	57.7	16.9	..
Croatia 1991	1 585	86.2	75.7	80.4	24.7	98.2
Czech Republic 1990	3 706	96.9	90.0	88.5	59.0	..
Estonia 1993	614	63.3	51.7	59.5	54.0	..
Hungary 1994	3 971	84.1	79.2	..	..	98.9
Latvia 1995	952	78.2	64.1	74.3	63.3	98.5
Lithuania 1994 ^b	1 226	59.5	54.2	..	58.3	..
Poland 1995	11 491	89.6	77.9	77.8	68.4	98.1
Romania 1992	7 744	51.4	46.1	44.9	38.9	89.2
Slovakia 1991	1 618	92.7	89.0	80.0	74.7	..
Slovenia 1994	678	97.5	87.1	90.1	64.0	98.5
The FYR of Macedonia 1991	511	81.8	65.8	61.4	12.1	97.9
Yugoslavia 1993	3 093	..	..	61.2 ^c	..	88.7 ^{c, d}
<i>Commonwealth of Independent States:</i>						
Belarus 1995 ^b	2 498	78.4	73.1	77.0	78.3	..
Kazakhstan 1995	4 710	53.4	41.7	..	49.1	96.2
Republic of Moldova 1995 ^e	1 222	74.8	69.6	..	71.5	..
Ukraine 1990	922	94.3	88.6	..	89.9	..
<i>North America:</i>						
Canada 1990	10 013	96.0	94.0	..	94.6	..
United States 1993	106 611	99.3	99.1 ^f	98.1 ^f	83.0	96.6
<i>Other member countries of ECE:</i>						
Cyprus 1994	248	97.9	90.2	90.8	18.2	..
Iceland 1993	97	100.0	100.0	..	100.0	..
Norway 1990	1 751	..	95.8	96.1	..	99.0
Switzerland 1994	3 340	..	..	..	..	100.0
Turkey 1994	13 341	84.0	84.8	..	8.1	92.1

Source: *Trends in Europe and North America 1996/97—The Statistical Yearbook of the Economic Commission for Europe* (United Nations publication, Sales No. E.97.II.E.5).

^a Data refer to main residences only.

^b Excluding private property in rural areas.

^c Data from March 1991 census.

^d Excluding some dwellings in Kosovo and Metohia not registered in the March 1991 census.

^e Data refer to dwellings in towns only.

^f Excluding living units in which equipment is present but shared among 2 or more households.

share was built by public actors (i.e. local authorities and State enterprises). It should be taken into account that the character and scope of the cooperative sector's activity have changed remarkably. Cooperatives are now part of the private sector, rather than quasi-government agencies. Consequently, in 1996 some 90 per cent of housing production was carried out by the private sector.

The average dwelling size of new construction rose considerably between 1980 and 1996 (see table 6). The transition years especially witnessed a rapid increase. Privately constructed dwellings have always been significantly larger than those built by public actors. It should be noted that the private sector especially accounts for the recorded increase. New dwellings built

TABLE 5
Construction of dwellings

	Poland		Western Europe
	Annual increase	Per 1 000 inhabitants	Per 1 000 inhabitants
1980	217 090	6.07	4.3-8.1
1990	134 215	3.52	3.5-6.6
1994	76 080	1.97	-
1996	59 000	1.50	-

Sources: Central Statistical Office, *Housing in 1996* (Warsaw, 1997). Central Statistical Office, *Statistical Yearbook 1981* (Warsaw, 1982). European Commission, *Statistics on Housing in the European Community* (Brussels, 1993).

TABLE 6
Average floor space of newly constructed dwellings
(In square metres)

	Poland			Western Europe
	Public sector ^a	Private sector	Average	Average
1980	53.0	96.1	64.0	
1990	59.4	109.9	77.2	69-135
1994	61.6	116.9	88.5	
1996	-	-	92.1	

Sources: Data supplied by the Central Statistical Office. Central Statistical Office, *Statistical Yearbook 1981* (Warsaw, 1982). European Commission, *Statistics on Housing in the European Community* (Brussels, 1993).

^a Including the cooperative sector.

by public actors (including the cooperative sector) averaged 59.4 m² of useful floor space in 1990 and 61.6 m² in 1994, whereas the average size of privately built dwellings increased from 109.9 m² in 1990 to 116.9 m² in 1994.

During the first years of the transition, the effectiveness of investment projects in the housebuilding industry decreased significantly. This is illustrated by the longer average construction time, especially for multiple-family houses (see table 7). The average construction time for multi-family housing was 26 months in 1994, i.e. about 7 months longer than in the 1980s and 12 months longer than in the 1970s.

TABLE 7
Average construction time for multi-family housing
(In months)

	1989	1990	1991	1992	1993	1994	1995	1996
Total	19.1	20.6	23.5	23.3	25.4	26.4	22.2	20.7
—Municipal	-	25.1	32.9	30.6	30.8	21.4	20.4	-
—Cooperative	-	19.4	22.9	23.3	24	25.1	21.3	-

Source: W. Dominiak, *Macro-Economic Conditions of Housing Sector Development in Poland* (1997).

Undoubtedly, one of the reasons for the longer average completion period is the lack of funds faced by investors and their reluctance to take out expensive bank loans. During the transition, some improvements in housebuilding technology have been introduced. The

new construction of large-panel prefabricated housing units dropped from 65.7 per cent in 1989 to 15.3 per cent in 1996, while construction of dwellings based on traditional technology increased from 8 per cent to 56.8 per cent over the same period. These changes in building technology happened for different reasons, especially:

- A general concern for efficiency in the national economy;
- Structural and ownership changes in the building industry with the liquidation of large building companies;
- An increased demand for individual houses with investors having a bigger say in the choice of building technology.

C. Housing supply

A quantitative comparison of the number of dwellings per 1,000 inhabitants shows that housing provision in Poland is considerably lower than in western Europe and even lower than the average in other east European countries.

Both the national and the Warsaw statistics indicate an increasing number of dwellings per 1,000 inhabitants

TABLE 8
Dwellings per 1 000 inhabitants

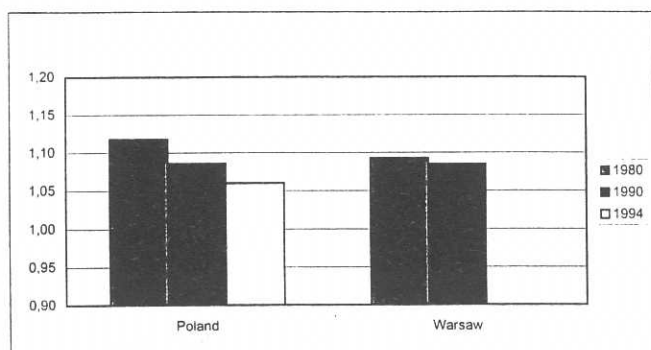
	Poland			Western Europe
	1980	1990	1996	
Poland	274	289	299	350-475
Warsaw	335	356	372	

Sources: Central Statistical Office, *Statistical Yearbook* (1981, 1991, 1997, Warsaw). European Commission, *Statistics on Housing in the European Community* (Brussels, 1993).

(see table 8). Although dwelling construction quickly declined in the transition period, the relative increase in the housing stock exceeded population growth, thus leading to a higher number of dwellings per 1,000 inhabitants. The relative number of dwellings in Warsaw is significantly higher than in Poland as a whole and corresponds to the average in other east European countries; its development over time is also comparable. The apparently rapid increase in Warsaw should, however, be understood in the light of a slight population decrease in the capital.

The 1980-1994 period witnessed a slight dip in the number of households per occupied dwelling, proof of better living conditions (see figure V). Taking into account the decline in construction during the transition and decreasing household sizes in the 1980-1994 period, one would expect an increase in the number of households per occupied dwelling. However, population

FIGURE V
Households per occupied dwelling



Sources: Data supplied by the Housing Research Institute. J. Hegedüs, S. K. Mayo and I. Tosics, *Transition of the Housing Sector in the East-Central European Countries* (Budapest, 1996).

growth slowed from more than 10 per cent in 1976 to 2.6 per cent in 1993. The effect is a slight decrease of the number of households per dwelling during the transition period.

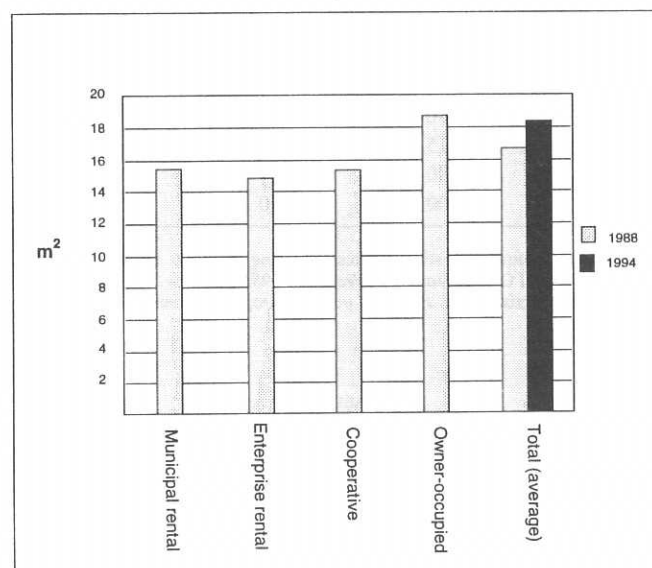
A comparison of the housing quantity and crowdedness between Poland and some other countries in transition leads to the following observations (table 9). Two indicators confirm Poland's housing deficit: the number of dwellings compared to population is very low in Albania (219) and Poland (296); the number of households per dwelling is high in Latvia (1.13), Poland (1.06) and Lithuania (1.06). However, the number of persons per room is comparatively good in Poland (1.02), while in Albania it is 2.70, in Slovenia 1.33, in Lithuania 1.30, and in Latvia 1.21. This stems from the fact that the average number of rooms per dwelling in Poland is higher than in these countries. In terms of floor space per person Poland with 18.2 m²/person is just below the average (21), the highest level is in Hungary (32.1) and the lowest in Albania (8.0). In general, the ratio of

TABLE 9
Housing quantity and crowdedness in selected countries
in transition around 1994

Country	Dwellings per 1 000 population	Households per dwelling	m ² /person	Persons per room
Albania	219	1.00	8.0	2.70
Bulgaria	405	0.88	16.7	1.00
Croatia	336	0.98	..	1.10
Czech Republic	397	1.01	25.5	1.04
Estonia	410	1.03	32.0	1.18
Hungary	385	0.99	32.1	0.92
Latvia	370	1.13	20.9	1.21
Lithuania	329	1.06	19.7	1.30
Poland	296	1.06	18.2	1.02
Romania	341	0.95	17.4	1.19
Slovakia	334	1.00	21.9	1.14
Slovenia	338	0.95	19.0	1.33

Sources: J. Hegedüs, S. K. Mayo and I. Tosics, *Transition of the Housing Sector in the East-Central European Countries* (Budapest, 1996). *Trends in Europe and North America 1996/97—The Statistical Yearbook of the Economic Commission for Europe* (United Nations publication, Sales No. E.97.II.E.5).

FIGURE VI
Residential floor space per person



Source: Data supplied by the Housing Research Institute.

households to dwellings is quite good in all these countries, but the size of the dwellings in terms of number of rooms and floor area is not adequate, resulting in high density in most of these countries.

In comparison to western Europe, where average floor spaces per person range from 26 to 43 m², the Polish figure is low. Between 1988 and 1994, however, it rose slightly. This should be seen in connection with the rapidly growing size of newly constructed dwellings by private actors.

Between 1988 and 1994, the proportion of vacant dwellings fell off slightly, from 1.4 per cent to 1.3 per cent. Increasing tension on the housing market, caused by a number of factors dealt with in this report, has therefore probably led to a somewhat more efficient use of the existing housing stock. In general, the average vacancy rate is too low for the housing market to function properly. A 2 per cent vacancy rate would be more desirable.

D. Forms of tenure and privatization

Data on the tenure structure of the Polish dwelling stock indicate that the tenure forms are not too different from what is usual in western Europe. About a quarter is public rental, whereas some 40 per cent is owner-occupied (see table 10). For both sectors, this corresponds to the lower figures in the west European range. In Poland, a significant part of the dwelling stock is in cooperative tenure, a sector which is not very well developed in western Europe.

The transition period witnessed only a small change in the tenure structure of the housing stock. The public rental sector decreased by about 6 per cent, whereas single-family housing recorded a 9.3 per cent increase. The shares of the other tenure forms did not change

TABLE 10
Tenure structure of the housing stock
(In percentage)

	Poland		Western Europe ^a
	1990	1996	
Public rental	29.7	23.3	23-56
Private rental	5.2	3.4	
Cooperative tenancy	14.2	12.0	
Cooperative ownership	10.7	11.8	
Single-family housing	40.2	49.5	40-70
Other	-	-	4-7

Sources: European Commission, *Statistics on Housing in the European Community* (Brussels, 1993). Data supplied by the Housing Research Institute. W. Dominiak, *Macro-Economic Conditions of Housing Sector Development in Poland* (1997).

^a 1992 figures.

significantly. The fact that there has been only a minor shift in the tenure form also implies that a significant part of the stock (over 30 per cent, and with the cooperative tenancy even over 40 per cent) remains in the rental sector. A reasonable number of rental dwellings is a prerequisite for a properly functioning housing market.

During the transition period, part of the public dwelling stock was restituted to its former rightful owners. The restitution figure is fairly low, accounting for 1 per cent of the housing stock in the public sector, especially when one considers that the public rental stock com-

prises only a quarter of the total housing stock. For Warsaw, the indicator is even lower (0.5 per cent of the public dwelling stock). A more significant part of the dwelling stock was privatized, i.e. sold either to the current tenants or to private individuals. In Poland as a whole, about 8.5 per cent of the public stock was privatized. In Warsaw, privatization figures are lower.

E. Land available for new housing construction

There are no data available on the amount of undeveloped land zoned for residential use, but in general there is a lack of developed land. The shift from high-rise to low-rise and semi-detached housing entails a different way of parcelling, other requirements in respect to the infrastructure and, of course, more space per dwelling.

The provision of developed land at reasonable prices for housing construction is one of the main bottlenecks for new construction. Experience in a housing construction project in Bialystok confirms this. After the municipality had provided developed land at reasonable prices to developers and dwellings had been constructed, it appeared that many buyers could finance the 25 per cent down payment without having to borrow. A policy of providing developed land for housing construction at reasonable prices might therefore lead to a construction boom. Much developable and residentially zoned land had already been granted to housing cooperatives in 1988.