Country profile in the housing sector – Moldova 2013

Workshop 8-9 September 2015

Chisinau
CHARACTERISTICS OF THE HOUSING SECTOR IN MOLDOVA
Housing stock is relatively new
(60% is provided between 1976 and 1993)

11% of Moldovan families live in overcrowding housing while ...
the vacancy rate in Moldova is high

Housing is characterised by low access to water and sanitation
42.1% of the population (68.9% urban and 22.7% rural) – access to public water supply

OVERVIEW OF THE SITUATION
Trends in housing typology
Housing availability

housing/1000 inhabitants

Spain, Greece, Estonia, Italy, EU average, Latvia, Austria, Hungary, Czech Republic, Montenegro, Serbia, Lithuania, Romania, Albania, Slovenia, Poland, Moldova, Slovak Republic
Housing sector consumes almost 30% of energy
Households spend for heating between 15% up to 50% of their total spending
Moldova imports 95% of its energy demand

ENERGY EFFICIENCY OF HOUSING
The average market prices for housing is equivalent to 10 years’ salary of a Moldovan average earner. Buying a home through a mortgage is unaffordable for an average income earner family. Rental market is also unaffordable and rent consumes 60-80% of the HH income.

HOUSING AFFORDABILITY AND HOUSING FINANCE
Housing is financed by:
- mortgage loans
- remittances
- state budget, including IFI loans

Unaffordable mortgage loans
Remittances have declined
State budget insignificant

HOUSING AFFORDABILITY AND HOUSING FINANCE
RECOMMENDATIONS

WHAT SHOULD BE DONE?
Recommendations

SUPPORT THE IMPROVEMENT OF HOUSING CONDITIONS, WITH PARTICULAR ATTENTION TO THE PRIVATISED HOUSING STOCK
How?

• First scenario: Do Not Act
  – Possible outcomes:
    • devaluation of the property
    • increased housing problems
    • individual and not unified solutions
    • private developers may get interested

• Second scenario: Act
  – Demand driven approach – bottom-up
  – Urban regeneration – top-down approach
MoREEFF project is a good example that can be extended
Encourage homeowners to organise
Reform the legislation on registration of land for condominium
Land and common property to be used as collateral
Establish a state guaranty fund to cover part of the risk for the banks
Implement gradual improvements
Metering for the common consumption of water and electricity should be separated from individual consumption

SUPPORT THE IMPLEMENTATION OF PROJECTS
Develop a national strategy for awareness raising, capacity building and training for homeowners on the management of the common properties.

Develop vocational training for condominium managers

Develop curricula for different levels of education

**AWARENESS, CAPACITY BUILDING, TRAINING**
Increase the availability of the housing stock and its provision

Better management of state-owned land
Transfer of state and public-owned land to local government with clear rules and regulation for its use
Local government to develop urban plans and enter into partnership with private developers for affordable housing provision

INCREASE THE AVAILABILITY OF THE HOUSING STOCK AND ITS PROVISION
DEVELOP POLICIES AND REGULATIONS TO IMPROVE THE LIVING CONDITIONS OF THE POPULATION

Ensure Security of tenure
Improve Access to water and sanitation
Reduce Overcrowding
Eliminate physical barriers for the disabled
Develop specific legislation for non-for-profit housing associations (example provided from Austria)
Establish incentives for those that provide affordable housing

SET UP A REGULATED NON-FOR-PROFIT HOUSING SECTOR
Enable people to find their own housing solution
Stimulate bank deposits to increase banking activity and housing loans

Develop a policy to regulate / formalise the “dacha sector”