

HOUSING POLICIES IN ALBANIA

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Presentation outline

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Legal and Institutional framework for Housing in Albania

The Albanian housing sector was directly impacted from the political change in the '90. The big changes in the country came with:

- ▶ **The restitution of property** where 400 state cooperatives that were managing 7,000 land parcels prior to 1990 were privatized into 480.000 family farms managing around 2 million of land parcels.
- ▶ **The privatization of state owned apartments** in 1993 under the law no.7652 "Privatization of State Housing" where 238.700 state owned flats were privatized within a year.
- ▶ **The uncontrolled and massive influx of people into cities and illegal settlements.**

Government programs for construction and allocation of social housing.

In 2004, the law 9232 on "Social Housing Programs for Urban Areas" was passed by the parliament. The law envisions three types of social housing programs:

Program for social rented dwellings.

- ▶ The municipalities can build or buy residences that afterwards are rented to families in need.
- ▶ Families in need can benefit from a rent subsidy that is provided by the municipalities in selected families that rent a house in the market.
- ▶ Buildings whose initial use was not residence and have lost their initial operation are now used as social residences.

Program for low-cost housing. The program started in 2009 based on which the government allocates to each municipality a number of families that can benefit credit support through interest rate subsidy.

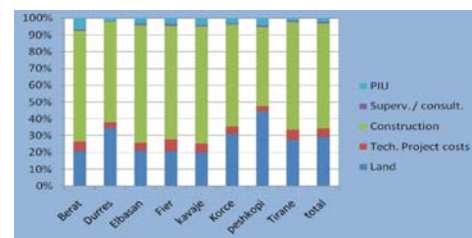
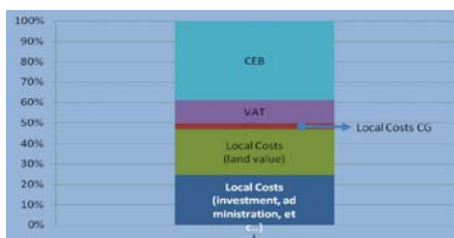
Program of land development for housing purposes. The municipality indicates the public land available for the program and then builds the infrastructure. The developed ground is then sold to the families.

From the three programs so far, only the two first has been used.

Social Rented Dwellings

The program is being implemented under the agreement of the Government of Albania with the Council of Europe Development Bank (CEB).

The CEB provides a loan of 60% of the project cost while municipalities and the government cover 40% of the costs. The program started in 2008 in 8 municipalities. The total value of the program reaches 29 million euros with 15 million being the CEB loan.



Social Rented Dwellings

For better use of the program the municipalities have been divided in three categories according to their population and economic status.

- Large municipalities (Tirana and Durres) where there are 725 social rental dwellings in total. The municipalities have no support from the government for their local needs.
- Medium municipalities (Elbasan, Korçë, Fier) where there are 288 social rental dwellings in total. The municipalities have 8% support from the government for their local needs.
- Small municipalities (Berat, Kavaje, Peshkopi) where there are 120 dwellings in total. The municipalities have government support for 15-20% of their local needs.

Housing bonus for Rented Housing program

The Housing bonus for Rented Housing program is a sub-program of the Social Rented Dwellings program.

The program is financed entirely by the budget of the municipalities and is equal or lower to the 50% of the minimal rent offered by the market.

In order to qualify for support families have to provide all the supporting documents to prove their eligibility.

Low Cost Housing

The program is applied and monitored by National Housing Agency(NHA) and is constituted by three parts.

- ▶ Construction and buying of houses executed by NHA financed by the government budget.
- ▶ Buying of houses in the free market financed by the NHA in cities where the buying cost is lower than the construction cost.
- ▶ Loan subsidy.

Construction and buying of houses executed by NHA and financed by the government budget.

The program was applied from 2005-2008.

In 2005-2006 was built a total number of 491 apartments with a cost of 7.194.516 euro.

In 2007 were built 491 with total cost 7.283.329 euro in the cities Durres, Elbasan, Korce and Kavaje.

In 2008 33 apartments were bought from the free market

Construction and buying of houses financed by NHA.

National Housing Agency based on the large number of homeless families started financing dwellings construction in 2009 in cities where the profit from selling the houses in the free market is higher than the construction costs that NHA has spent from its budget.

Till now there have been built 3 buildings with 105 apartments in the cities Shkoder, Korce, Kavaje. The total cost of buildings construction is 1.834.749 euro.

Criteria for allocation of social housing

Families who benefit from the programs are families that:

- ▶ Doesn't possess a dwelling
- ▶ Possesses a dwelling whose area is below the housing rate, according to the social and economic category where these families are part of
- ▶ Have remained homeless as a result of natural catastrophes

Improvement of living conditions for Roma community

The project is one of the twelve priorities that EC asked Albania in order to join the European Union.

In 2008, the Ministry of Transport and Infrastructure financed for the first time the amount of 212.358 euros to support the work that must be done in Roma communities throughout the country.