

# Social Rental Agency in Warsaw – a programme increasing access to affordable housing run by Habitat for Humanity Poland

Recent trends in the real estate market and its analysis  
5th December 2019



## Housing market structure in Poland

- 60% of Polish households cannot afford mortgage nor renting a flat on an open market,
- **40% of the Polish population falls within „rent gap”,**
- only 15-20% of population with the lowest income is eligible for municipal housing due to income criteria,
- **85% of total housing stock is privately owned,**
- rental market (15%):
  - 9% represents different options of **subsidized (social/municipal) rent** run by municipalities,
  - only 6% of flats offered for **rent by private landlords,**
  - a significant volume of empty properties (often in substandard conditions).

## Social Rental Agency

- innovative tool of housing policy increasing rental market involving private renters as providers of affordable housing units,
- increases the availability of housing and housing standards,
- **a non-profit intermediary** that negotiates between property owners and households in need of housing;
- **guarantees:**
  - regular rent payments and proper use of the housing unit – **to the owners;**
  - long-term and affordable leases, apartments in good conditions and additional (social, employment, debt prevention) support – **to the tenants.**

# Benefits of SRA



## Benefits for tenants

- Affordable and safe rent
- Good quality accommodation
- Ongoing support
- Mediation in case of arrears
- No fees



## Tenants

### What we ask for?

- prompt rent payment
- taking good care of the property
- open communication

## Benefits for landlords

- Guaranteed rent
- All legal documents prepared
- Tenancy management
- Handyman service
- No fees



## Landlords

### What we ask for?

- lowering rent (20% off the commercial value)
- offering good quality property
- being open to all candidate-tenants



affordable  
and safe rent  
long-term  
accommodation  
good quality flats

## Who benefits?

1. **people with unsatisfied housing needs** (e.g. young people who start independent living, families with children, migrants):
  - low-income earners (meeting income criteria for municipal housing),
  - people falling within so-called „rent gap” (income exceeds income criteria for municipal housing but is insufficient for credit or private rent),
2. **private owners** – are offered a set income and a renovation (if needed) and do not have to take on risks associated with letting their property on the market,
3. **public / society.**

# Initiating the Social Rental Agency in Warsaw

<b>04.2013</b>	Habitat Poland learns about Social Rental Agency model at the Housing Forum in Budapest
<b>02.2015 – 01.2017</b>	<p><b>research and advocacy project</b> in partnership with the Warsaw University and the University of Economy in Katowice on implementation of the model in Poland:</p> <ul style="list-style-type: none"> <li>• 28 expert publications,</li> <li>• comparison of social rental agencies models in UK, Be, Fr, Hu,</li> <li>• 4 feasibility studies for 4 Polish cities,</li> <li>• 2 conferences,</li> <li>• final strategic document</li> </ul>
<b>10.2016 – 09.2019</b>	<b>HomeLab: pilot project of a social rental agency in Warsaw</b>
<b>since 09.2019</b>	introduction of the <b>Social Rental Agency as a permanent Habitat Poland's programme</b>

## HomeLab – pilot project

- „*HomeLab - Integrated Housing and Labour Services in the Social Rental Enterprise Model*”
- HomeLab was funded **under EU Programme** for Employment and Social Innovation (**EaSI**)
- **5 pilots** in in four countries: Czech, Poland, Slovakia, Hungary
- lider – Metropolitan Research Institute, supported by Budapest Institute
- **main objective:** to implement the social rental agency model that combines rental housing support, employment services and social work within a single institutional framework, aiming at people in danger of poverty and social exclusion

# Home Lab project overview

PILOT	COUNTRY OF ORIGIN	MAIN ACTIVITIES
Romodrom	Czech	Helps <b>marginalised Roma families to get private rentals in the market</b> . Works together in close cooperation with private real estate agents.
From street to home	Hungary (Budapest)	Makes <b>agreements with several municipalities</b> to gain right of tenant selection. The flats are renewed by the NGO and then <b>offered to homeless people</b> .
Hungarian Charity Service of the order of Malta	Hungary (Veszprem)	Established a <b>joint non-profit company (SRA) with the municipality</b> and took over the <b>management of the municipal housing stock</b> with the aim <b>to reduce arrears</b> in the sector. Helps to provide a more intensive social and employment related services to the disadvantaged households (63 client households).
People in need	Slovakia	Developed a model of <b>Social Employment Agency</b> - not only <b>works with the clients</b> , but provides <b>training to the employees</b> to enable them to employ <b>vulnerable Roma people</b> (undereducated, never worked). Works in villages in illegal settlements.
Habitat for Humanity Poland	Poland	Social Rental Agency was established that serves households in danger of poverty and social exclusion, providing them with possibility of living in private or municipal flats (depending on income).





## Whom do we help?



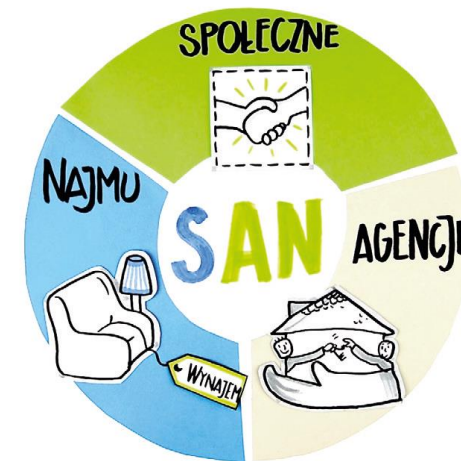
**SPOŁECZNA  
AGENCJA  
NAJMU**

	Home Lab	Społeczna Agencja Najmu
<b>Total number of flats</b>	31	34
<b>Number of municipal flats (lower rent)</b>	14	14
<b>Number of private flats</b>	17	20
<b>Number of multi-person households</b>	26	29
<b>Number of immigrants and refugees households</b>	17	18

# Flats procurement

## 1. **Private flats** – using social and economic strategy:

- referring to the social sensitivity of landlords
- emphasizing the benefits for landlords (guaranteed rent, no interest loan, the possibility of arranging flat renovation)
- using services of letting agents and promotional campaigns



## 2. **Municipal flats** – 14 units:

- agreement signed in November 2017, extended in September 2019 beyond the Home Lab project,
- 12 flats were refurbished by Habitat Poland (7 at its own expense, 5 at Warsaw Municipality's expense)

## Rents and properties sizes

		Municipal flats	Private flats
<b>Rent (EUR)</b>	the highest	181	418
	the smallest	35	232
	average	89	312
<b>Property size (m<sup>2</sup>)</b>	the highest	71,4	64
	the smallest	18	16,26
	average	35	40

# How do we help? – integrated support

## Social Rental Manager – a new profession

### HOUSING SUPPORT

- monitoring rent payments
- help with maintenance
- mediating with the landlords



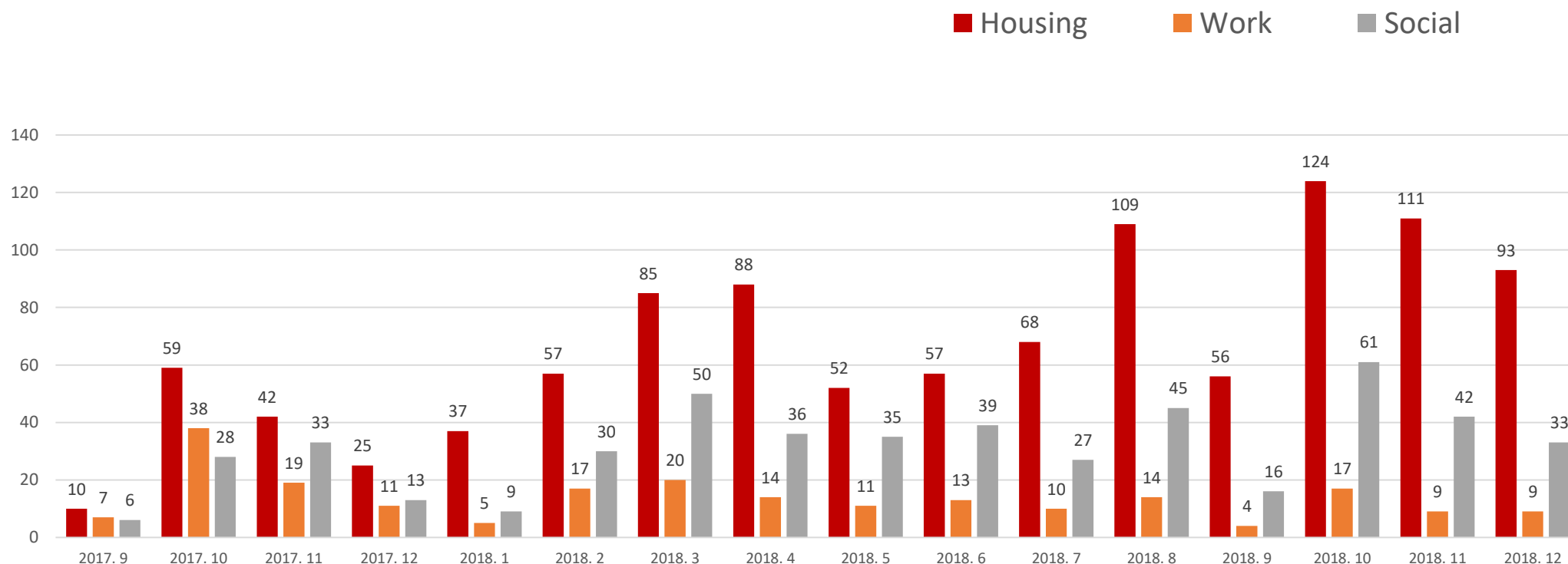
### EMPLOYMENT SERVICES

- individual career counseling, coaching, mentoring
- CV and motivational letter writing
- job matching services
- regular contact with several employers

### SOCIAL INTEGRATION

- providing information on private, social, public providers
- giving direction to specific organizations and contacts
- applying for social benefits

# Number of interventions monthly



Source: Budapest Institute

# How much does it cost?

(current scale)

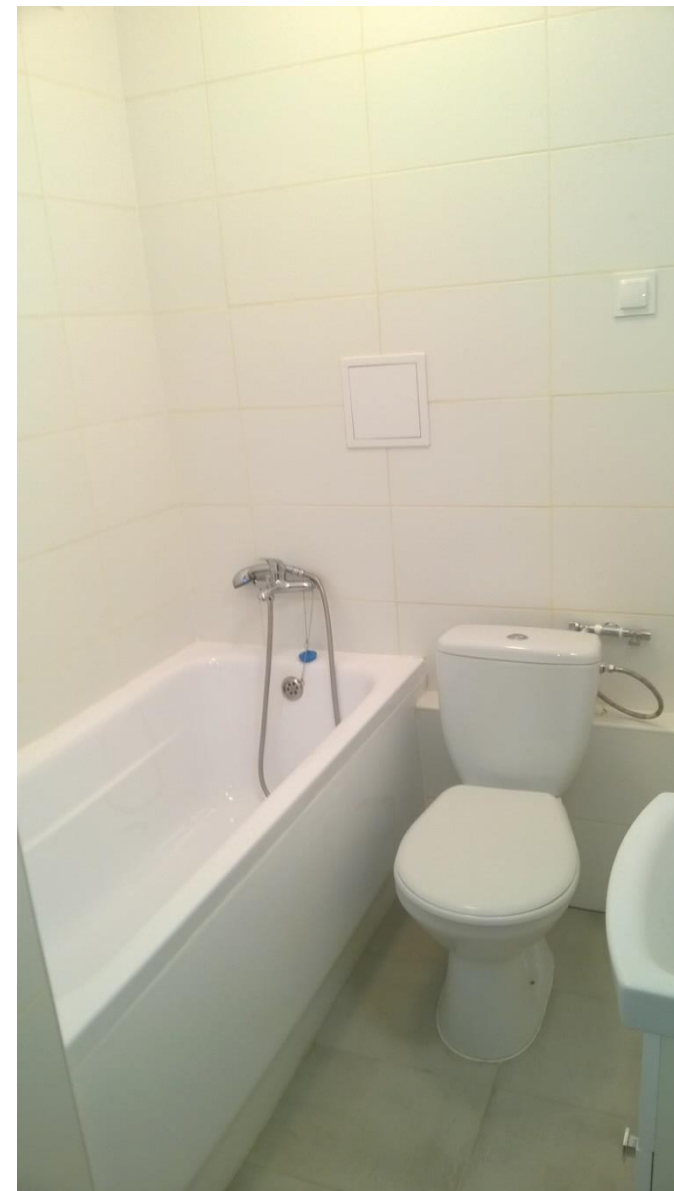
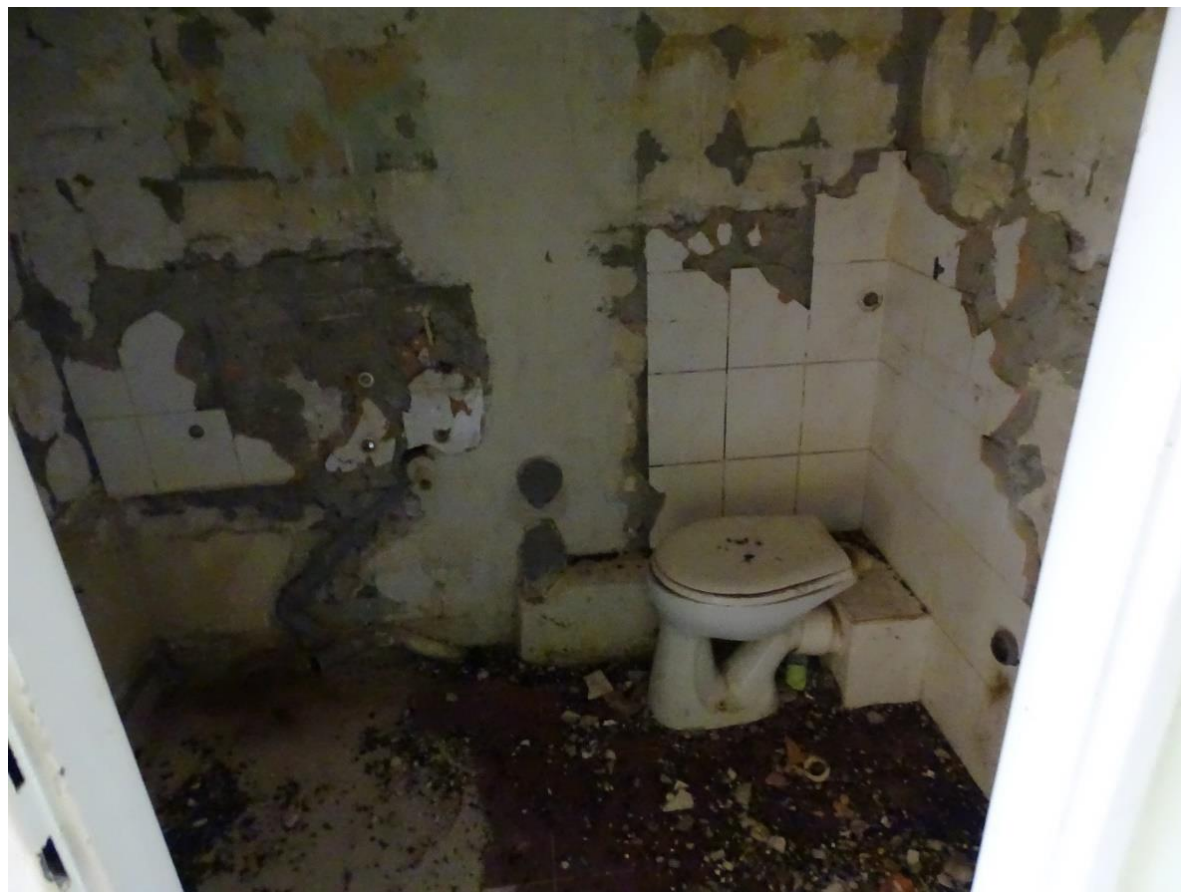
- Fixed monthly costs (incl. staff costs) of social rental agency functioning:  
ca. **42,000 PLN / 10,500 USD / 10,000 EUR**
- The basic cost of monthly service per one household:  
ca. **1360 PLN / 330 USD / 310 EUR**



Does it work?		Housing Security	Housing Affordability	Housing Quality	Employment Status	Income deciles
Treatment	Baseline	1.89	2.00	1.97	2.58	2.38
	Final	2.71	2.45	2.71	3.03	3.37
	Differences between Final and Baseline	0.8	0.45	0.74	0.45	0.99
Control Weighted	Baseline	1.99	2.00	1.70	2.93	3.11
	Final	2.26	1.87	2.11	3.16	2.93
	Differences between Final and Baseline	0.27	-0.13	0.41	0.23	-0.18

# Flats renovation

- December 2017 – September 2018 → 12 flats





# Flats renovation



# Flats renovation



## Average cost of flat renovation, equipping and insurance

Service	Average cost in EUR
Renovation	4 000
<ul style="list-style-type: none"> <li>- Equipment (fridge, washing machine, kitchen furniture),</li> <li>- Transport</li> <li>- Insurance</li> </ul>	780
<b>Total</b>	<b>4 780</b>

## Beneficiaries – Szamil from Chechnya

- Szamil works in the supermarket as a bodyguard
- Before the family of four lived in a moulded 14sqm room paying 400 euro
- Now they pay **380 euro for two rooms**
- Social Rental Agency found the work for the second son and a cousin. The **family income is now 1800 euro**





## Beneficiaries – Justyna

- a victim of domestic violence
- together with her son she spent a long time in a shelter for single moms
- she has just delivered a second baby
- thanks to the HomeLab project she rented affordable flat and has a chance to get back on her feet



- she is involved in supporting other vulnerable mothers.

## Beneficiaries – Barno from Uzbekistan

- she has a husband and five children
- older children go to school
- Said, who is the fourth baby in the family, is 3 years old, and the fifth boy was born a couple of months ago



- Barno's husband used to work as a judge, he writes books, poems and translates from all Turkish languages.

*"You live differently here. You enter a clean, warm staircase, you have a small corridor, a beautiful kitchen and a bathroom. It's twice as big, two rooms which is important because the boys are already grown-up. It's comfortable and peaceful. The flat is light, dry and it's nice..."*



# Benefits of Social Rental Agency

- Providing **good quality accommodation to vulnerable people** (eligible for municipal housing and those falling into the „rent gap”);
- **Educating and training tenants** how to maintain property and keep it in a good shape, so when they go on and live on their own in the social housing / private flats they can sustain a tenancy;
- Providing **additional services** to the clients (in the area of employment and social area);
- **Debts prevention;**
- Utilising unused (empty/abandoned/neglected) housing stock both municipal and private as an alternative to building new dwellings (cost saving).





## ADVOCACY – to promote and popularize social rental agencies in Poland

- **increasing awareness** of housing issues that social rental agency model responds to (e.g. lack of affordable houses for people from rent gap). This includes
  - providing **decision makers** with information on the housing situation and the idea of social rental agency,
  - informing **society** about the issues;
- we advocate for **introducing changes in Polish legal environment** - both on local (municipal) and national level;
- our **approach** is:
  - to define the concept and familiarize decision makers and society with it and
  - later to advocate for long term financing of SRAs on a central and/or local level;

## Goals:

- to regulate social rental agency model in **national level legislation**,
- to convince local government (**municipalities**) to **establish social rental agencies** in cooperation with NGOs – the best model,
- to secure **long-term financing** for social rental agencies (subsidies, guarantee fund),
- to amend **regulation of housing allowances** / provide housing supplement,
- to provide **tax incentives** for landlords, for example tax-free income when renting a flat for a social rental agency;

# Challenges

- procuring **new flats** – mostly private;
- **securing financing** of the Social Rental Agency beyond the EU funding;
- growing the social rental agency – **increasing scale of operation**;
- recruiting a group that will be **diversified** in terms of needs and incomes;
- obtaining **full economic sustainability** of the agency;
- concluding lease agreements for longer periods of time.

THANK YOU !



## Contact information:

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