



**every  
one**

deserves a decent  
place to live.

**Empty Spaces full of possibilities: how Social  
Rental Agencies will impact on the real estate  
market**

**30.11.2023**

# Outline

1. Understanding the housing market in Poland
2. Social Rental Agencies: an innovative solution
3. Case studies from Poland
4. Challenges and considerations
5. Future outlook



# Understanding the housing market in Poland







**EMPTY SPACES**



# OCCUPANCY OF BUILDINGS

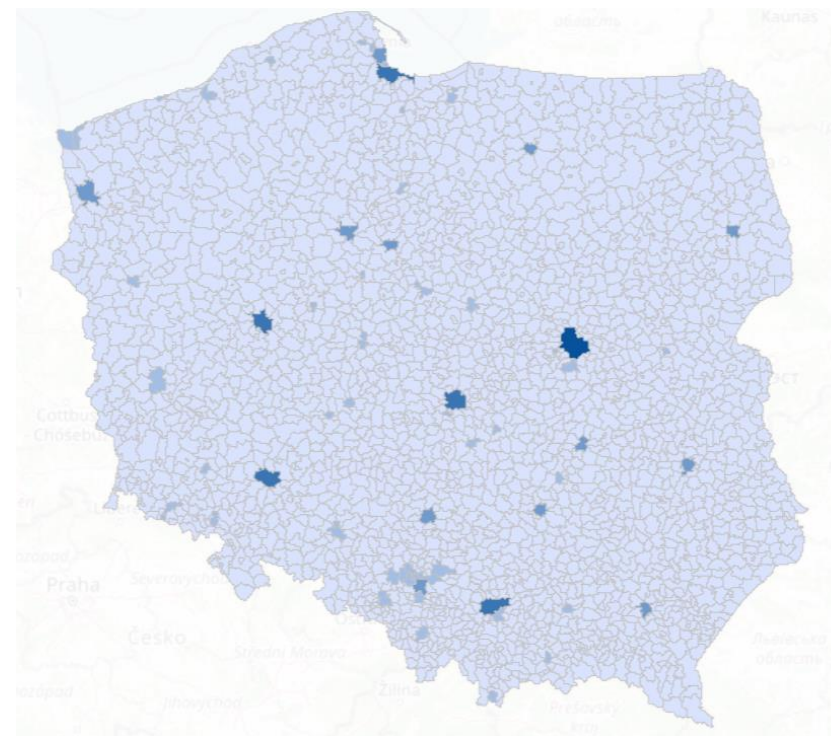


**781 480** BUILDINGS (**9,66%**)  
WITH **847 232** APARTMENTS  
ARE UNOCCUPIED

# OCCUPANCY OF APARTMENTS

VOIVODESHIP	TOTAL NUMBER OF APARTMENTS	UNOCCUPIED APARTMENTS	
DOLNOŚLĄSKIE	1 260 423	<b>130 750</b>	10,37%
KUJAWSKO-POMORSKIE	778 325	<b>83 720</b>	10,76%
LUBELSKIE	787 813	<b>85 755</b>	10,89%
LUBUSKIE	391 756	<b>33 427</b>	8,53%
ŁÓDZKIE	1 041 795	<b>127 062</b>	12,20%
MAŁOPOLSKIE	1 288 017	<b>166 504</b>	12,93%
MAZOWIECKIE	2 419 081	<b>371 000</b>	15,34%
OPOLSKIE	360 972	<b>32 980</b>	9,14%
PODKARPACKIE	697 871	<b>63 563</b>	9,11%
PODLASKIE	460 930	<b>50 960</b>	11,06%
POMORSKIE	937 670	<b>130 343</b>	13,90%
ŚLĄSKIE	1 815 709	<b>184 794</b>	10,18%
ŚWIĘTOKRZYSKIE	453 065	<b>55 662</b>	12,29%
WARMIŃSKO-MAZURSKIE	531 444	<b>59 085</b>	11,12%
WIELKOPOLSKIE	1 311 580	<b>135 121</b>	10,30%
ZACHODNIOPOMORSKIE	691 476	<b>78 279</b>	11,32%

**1 789 005 (11,75%)** out of **15 227 927** APARTMENTS ARE UNOCCUPIED



# Social Rental Agencies: an innovative solution







## SOCIAL RENTAL AGENCIES

rent inexpensive  
private and public-  
owned apartments  
and then they sublet  
them to those in need



# Guarantee package for property owners

- Long-term and safe tenancy
- Guarantee of prompt payment of rent and bills
- Careful verification of potential tenants
- Monitoring the housing use
- After the lease ends, the housing will be returned in a condition no worse than at the beginning of the lease

# History of SRAs in Poland

- 2017** first Social Rental Agency launched in Warsaw (currently called Social Rental Programme)
- 2021** The adoption of the Act on SRAs
- 2023** The first SRAs launched according to the current legal definition

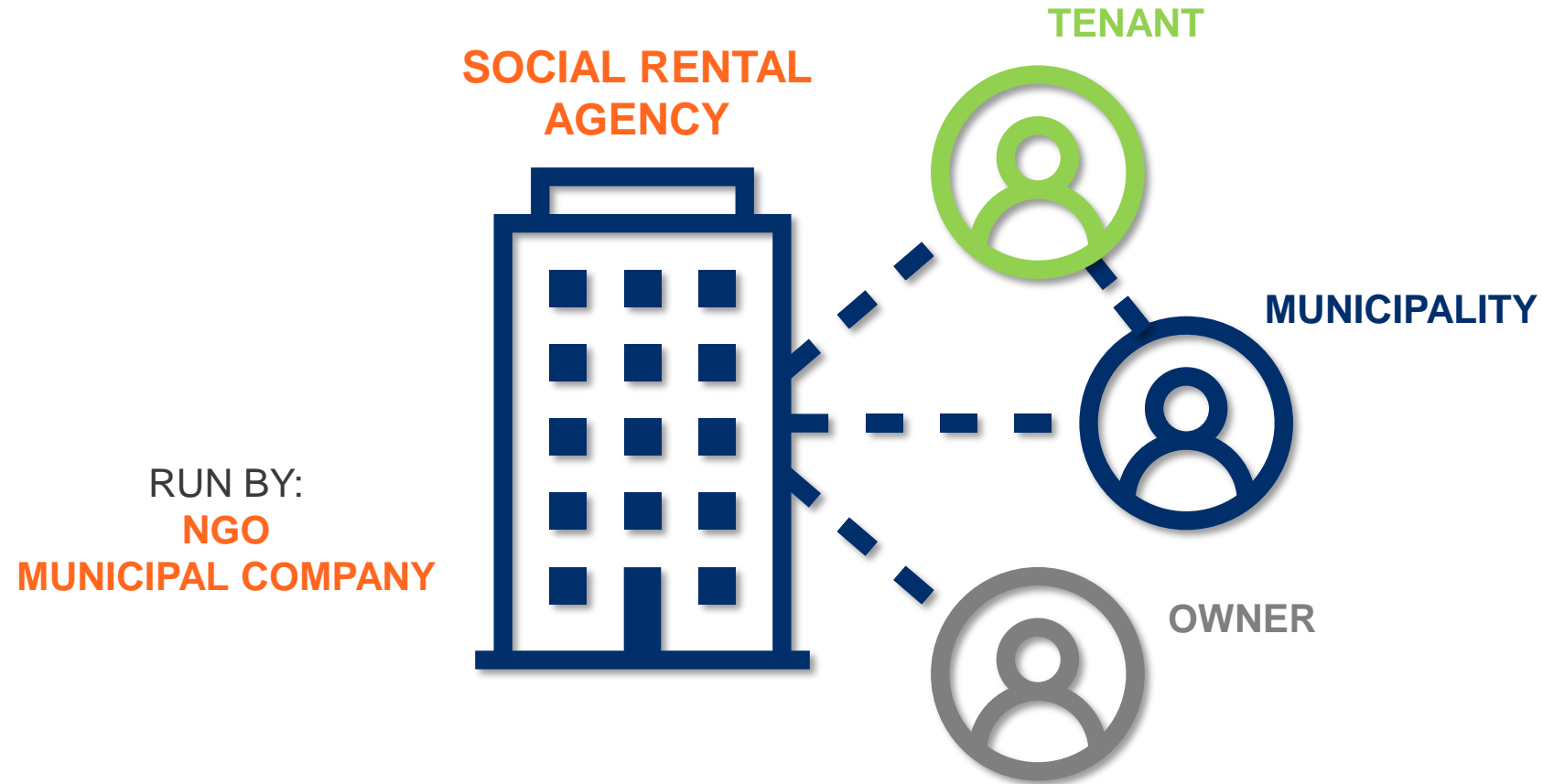


# Act on social forms of housing development

## Art. 22a

A **social rental agency** shall be an entity carrying out, for the purpose of creating conditions for meeting the housing needs of the local community, the activity of leasing dwellings or single-family buildings from their owners and renting such dwellings or buildings to individuals designated by the municipality under the terms of this chapter.

# How does the SRA work?





# Who, in particular, can be interested in leasing their flat to the SRA?

- people who want to invest in housing, for whom the social effect is also important
- first-time renters
- persons with negative experience with private estate agents
- people who have moved abroad
- people who have inherited housing that does not meet their needs

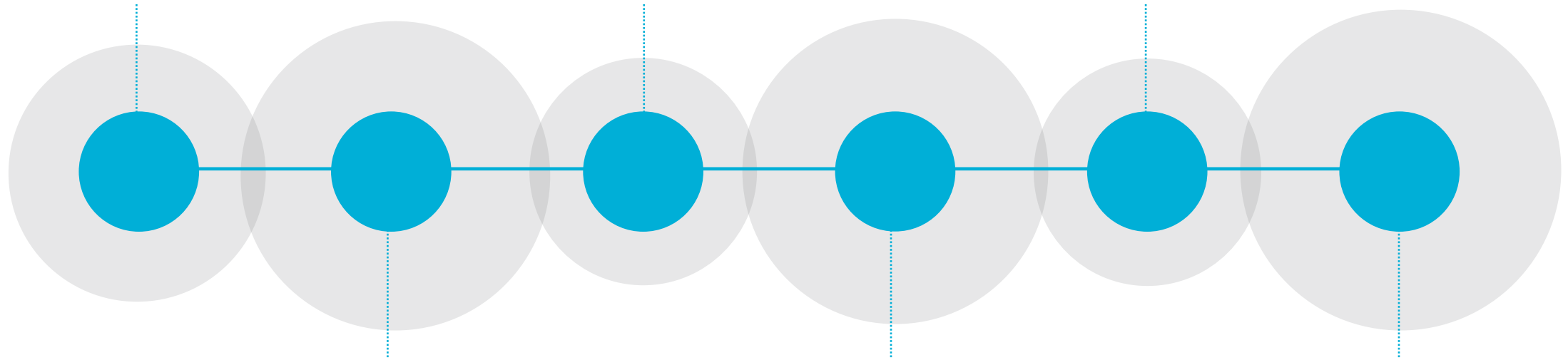


# How to launch a SRA in Poland?

Consultations of the SRA resolution with NGOs

Open tender for NGOs (only when launched in cooperation with an NGO)

Leasing of premises by the SRA from public and private owners



Adoption of the SRA resolution by the Municipal Council

Cooperation agreement between the municipality and SRA

Signing of contracts with tenants



# SRAs versus other forms of tenancy

rental subsidies for tenants from the Polish Development Bank

2 PLN/m<sup>2</sup>

10 PLN/m<sup>2</sup>

20 PLN/m<sup>2</sup>

**RENT  
GAP**

40 PLN/m<sup>2</sup>

**SOCIAL  
RENT**

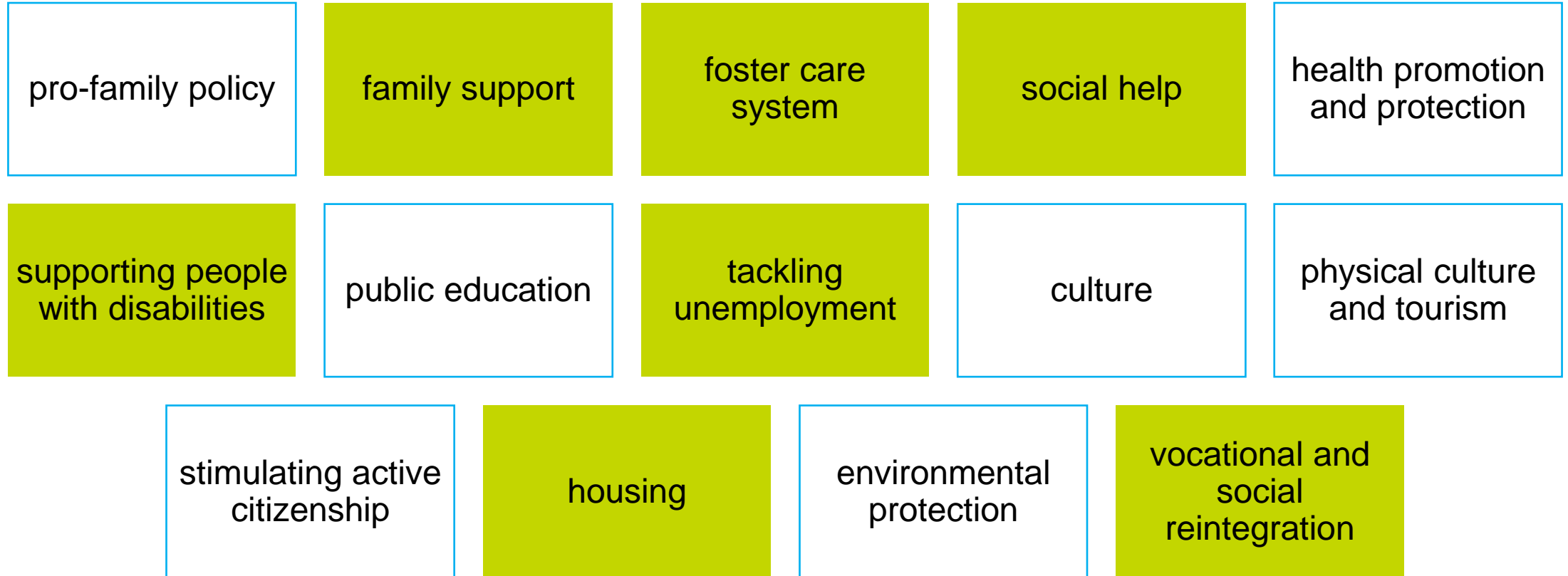
**COMMUNAL  
RENT**

**TBS / SIM**

**SOCIAL  
RENTAL  
AGENCIES**

**PRIVATE  
MARKET RENT**

# Additional social services for the tenants





# Benefits for municipalities

- use of SRA as part of local housing policy
- possibility to provide housing at below market prices
- Possibility to use SRA to support other local policies
- Possibility to benefit from external sources of co-financing of SRA



# Benefits for the private owners

- guaranteed monthly rental income from the property
- the income from the lease of the premise to the SRA is exempt from property rental tax
- possibility of renovating the premises in return for a reduction in the income from leasing the property
- reliable public entity guaranteeing the continuity of the contract and regular rent payments





# How to finance a SRA?





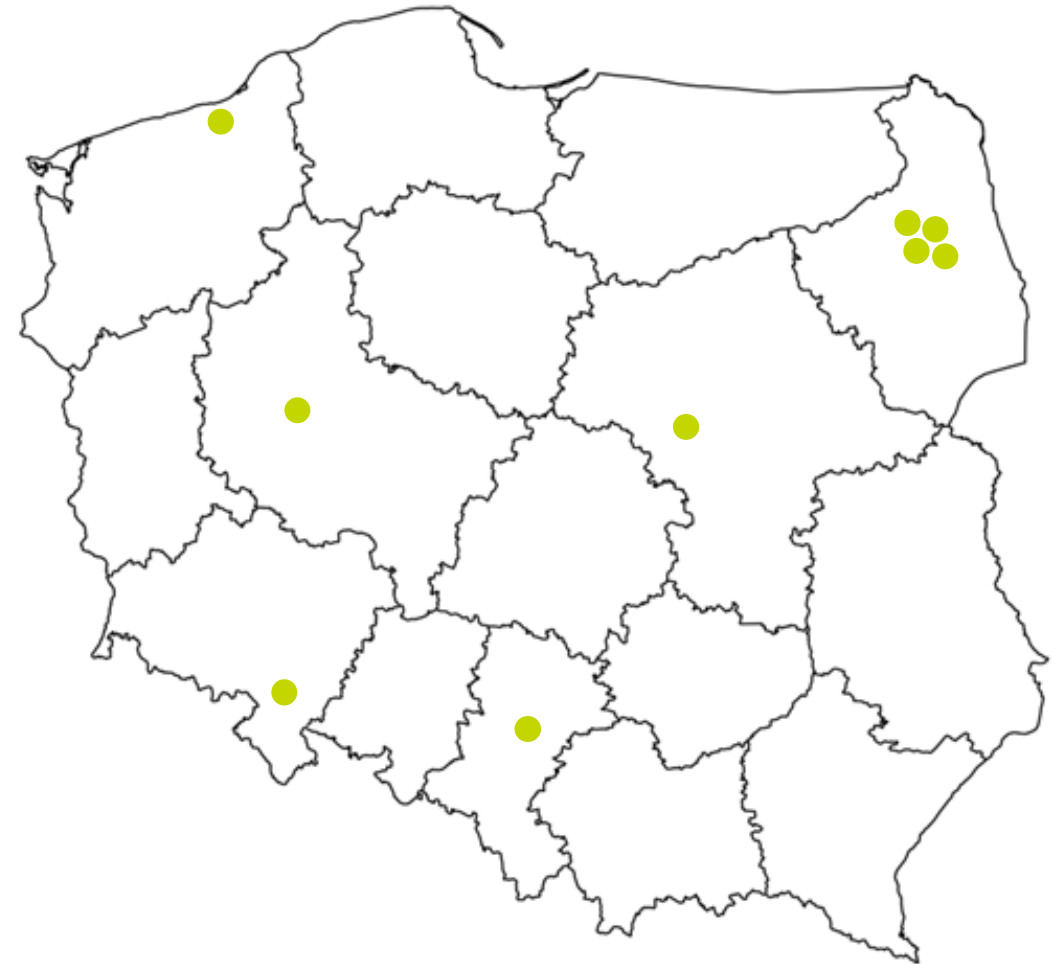
# Case studies from Poland



# 9 municipalities launched a SRA

Municipality	Number of inhabitants	Planned number of apartments in SRA (first phase)	Legal form
Jasionówka	2 456	21	NGO
Goniądz	4 655		NGO
Jaświły	4 345		NGO
Mońki	14 070		NGO
Będzino	8 511	26	NGO
Bielawa	28 344	40	NGO
Żyrardów	38 784	26	NGO
Dąbrowa Górnicza	114 765	30	NGO
Poznań	541 316	120	MUNICIPAL COMPANY

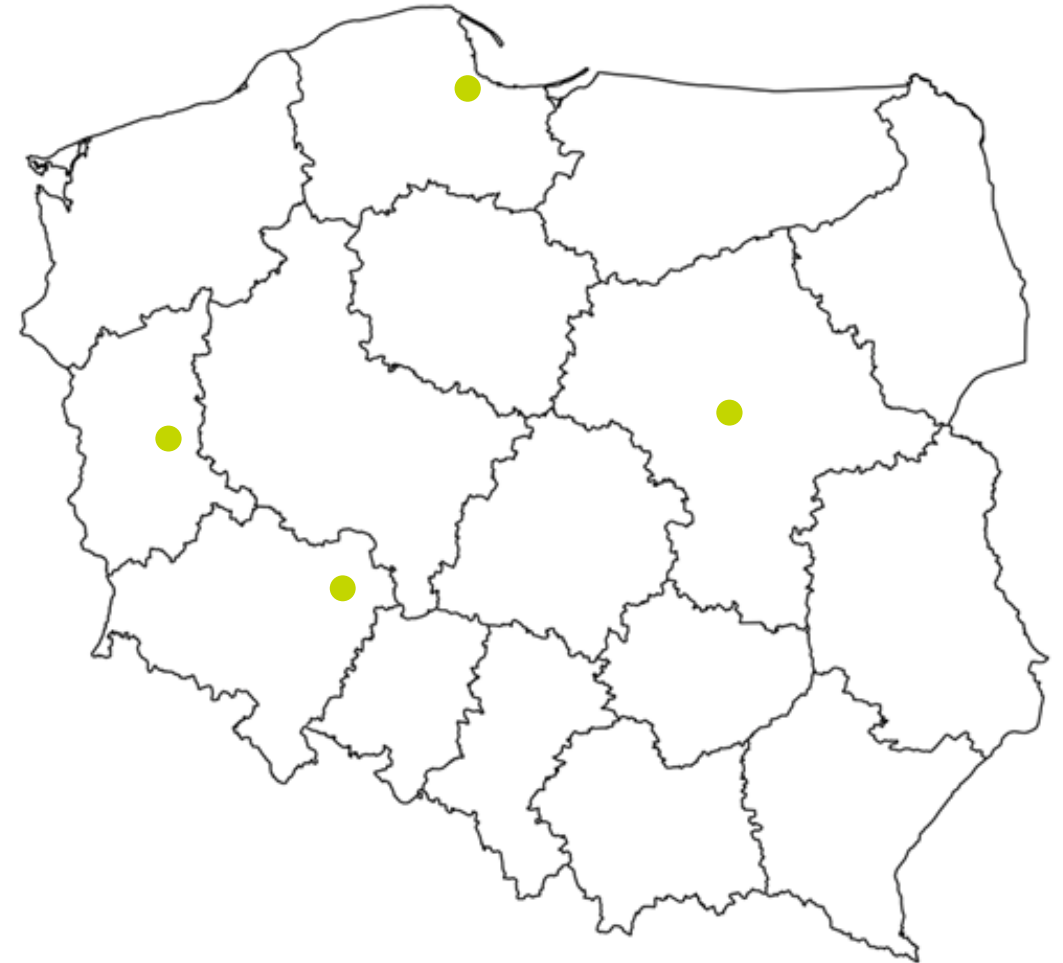
**263 apartments**



# 4 municipalities adopted a SRA resolution

Municipality	Number of inhabitants	Planned number of apartments in SRA (first phase)	Planned legal form
Świebodzin	29 074	8	MUNICIPAL COMPANY
Sopot	32 276	unknown	NGO
Wrocław	674 079	unknown	NGO
Warszawa	1 861 975	50	NGO

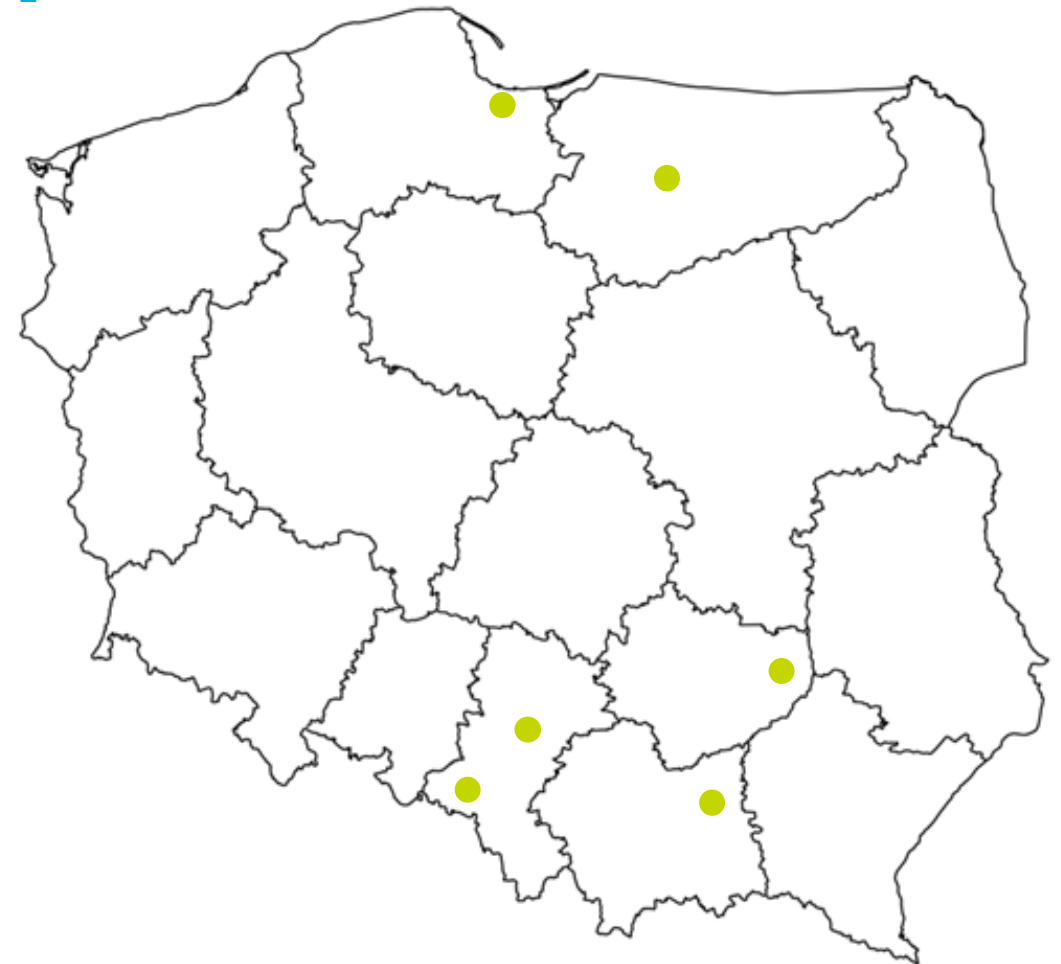
**58 apartments**





# (at least) 6 municipalities are analysing or preparing a launch of SRA

Municipality	Number of inhabitants	Planned number of apartments in SRA (first phase)*	Planned legal form*
Ćmielów	6 778	10-20	NGO
Będzin	54 322	7	UNKNOWN
Tarnów	103 960	20-30	MUNICIPAL COMPANY
Rybnik	131 744	UNKNOWN	UNKNOWN
Olsztyn	168 212	UNKNOWN	NGO
Gdańsk	486 345	UNKNOWN	UNKNOWN



\* The numbers and legal forms may change

# Warsaw and Gliwice – Social Rental Programme (not SRA)

- 179 apartments (most from the private market)
- Rent subsidies only for ukrainian refugees (partial subsidies for ca. 80% of the beneficiaries, full for ca. 20% of the beneficiaries)
- 12 months leases
- No subsidies from the city, fully dependent on external financing from grants and donations





PRZED/PO

PRZED/PO





# Dąbrowa Górnicza

- 26 apartments from the municipality, 4 from the market
- extra rent subsidies, especially for those renting the apartments that are from the market
- 12 months lease
- Apartments especially for:
  - people in the homelessness crisis
  - refugees and repatriates
  - locals with housing needs
- Many social services
- Example costs of a 30 m2 flat renovated under the programme: 1st to 3rd month: 600PLN + utilities, 4th to 6th month: 800PLN + utilities, 7th to 12th month: 1200 zł + utilities





# Ćmielów

- In the 5% of the poorest municipalities in Poland
- The city is known for its porcelain factory
- 10-20 apartments (possibly even houses)
- Looking for an NGO to run the SRA
- Apartments especially for:
  - Families with young children
  - People who used to live in Ćmielów before but moved out to a different municipality



# Challenges and considerations







**Financial  
sustainability  
of SRAs**

# Challenges and considerations

- Financial sustainability of SRAs - developing financial models that allow local authorities to contribute as little as possible to their operations
- Developing models that can work in small and medium-sized towns and rural municipalities
- Political changes at central level and support for SRA implementation together with ensuring predictability of subsidies from the Polish Development Bank
- Upcoming local elections
- Leasing of housing from the private market to SRA stock
- Preparing NGOs to run SRAs, especially in smaller communities



# Future outlook



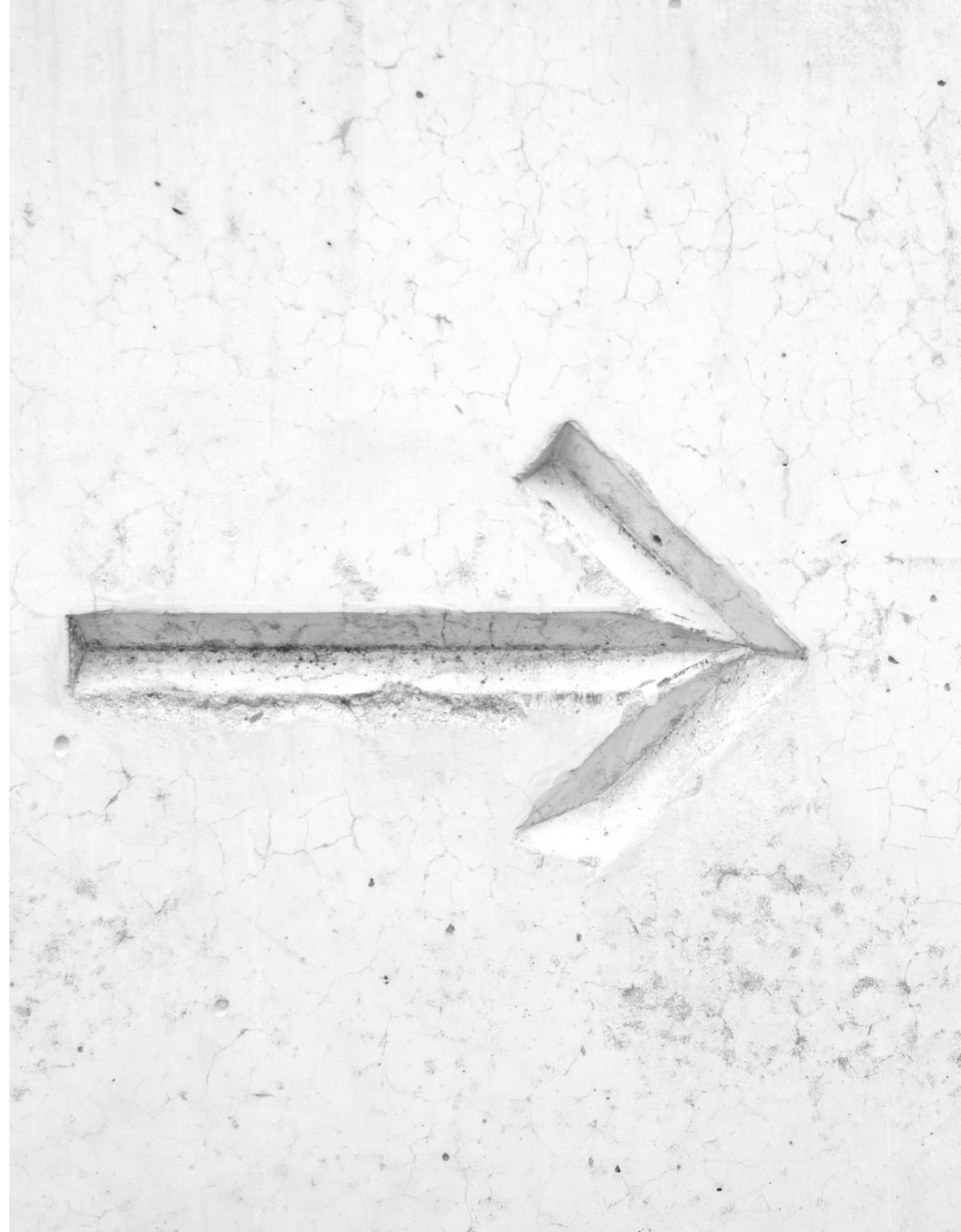


**Increase in the  
number of SRAs in  
Poland while  
mechanisms are  
available to support  
their launch**



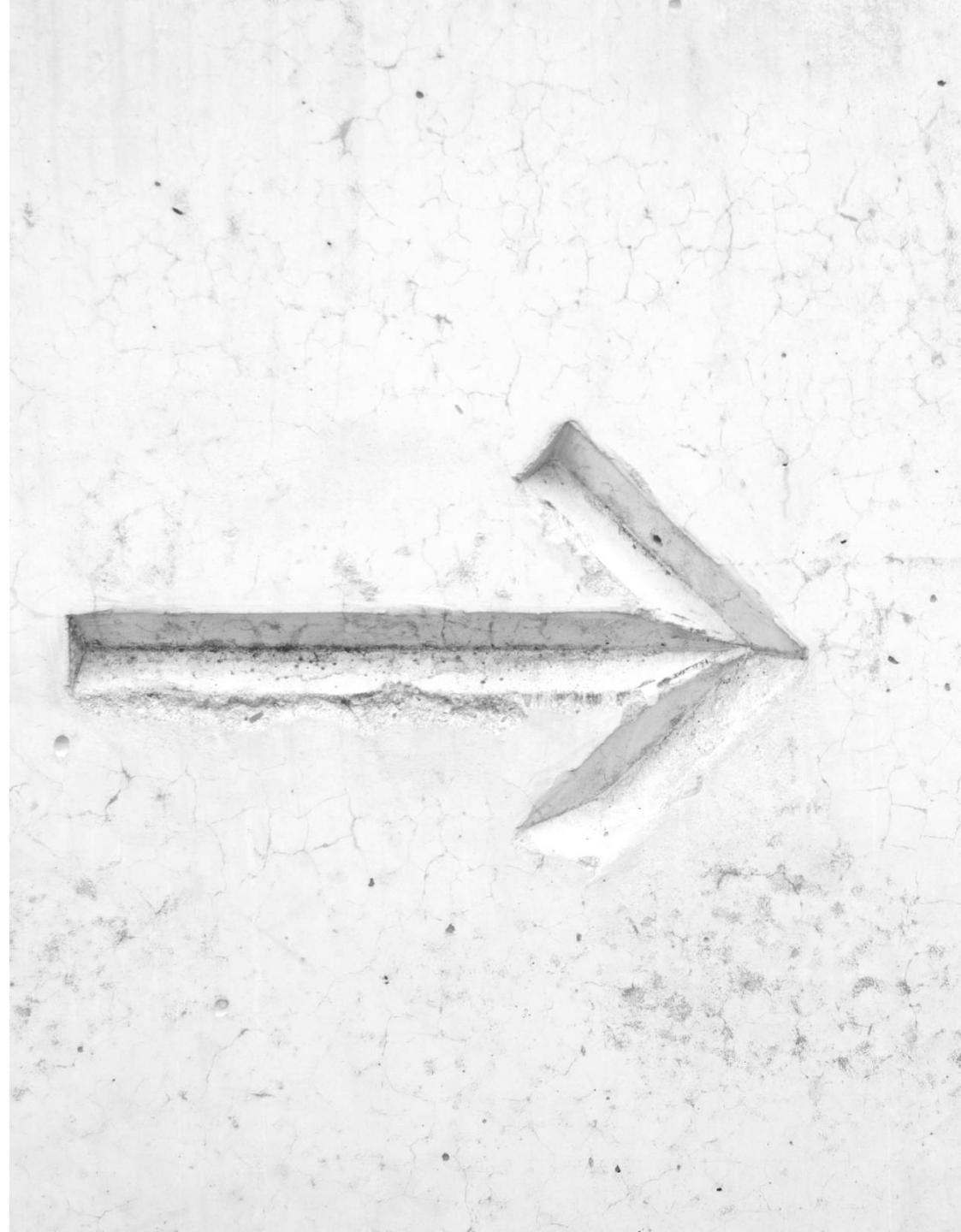
# Our predictions (1)

- The success (or failure) of the **pioneers** launching SRAs will influence the pace of their development in Poland
- SRAs will grow fastest to scale in **large cities** because of their capacity and large stock of vacant properties, yet they will only be one of many housing solutions
- The SRAs in **small- and medium-sized cities** will have a big impact on affordable housing and transforming their housing situation
- External **financial support** for the SRA launch is crucial to encourage local governments



# Our predictions (2)

- The majority of SRAs will be launched by **municipal companies** and will be poor in terms of additional **social support**, unless project requirements favour otherwise
- Increase in the **number of insurance products** against non-payment of rents by the tenants
- The Polish **Private Rented Sector (PRS)** might get involved in SRAs
- SRAs will not have a significant influence on the prices of rents in the **private sector** in the upcoming years
- SRAs as a new topic of housing **research** in Poland





# Necessary steps

- Mid-term (after approx. 2,5 years) evaluation of the implementation of SRAs in Poland
- Gather experience regarding the current legal environment and develop suggestions for legislative changes
- Education and promotion of the SRA among residents, local authorities and housing experts
- Technical support for municipalities





# How we can help?

- Consultancy for local authorities
- Trainings
- Support in refurbishing vacant premises
- Expert knowledge



# Thank you!

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