



106,835 Refugees from
Ukraine on January 21,
2023

Housing policy

In Romania, the former rate of public housing privatisation was exceptionally high: in 2021, only 2.6% of the population were living in municipal housing. According to official data, the private rental sector is negligible, with only 1.3% of the population living in privately rented accommodation. The share of the owner-occupied sector is 95%. Within this sector, ninety-five percent of inhabitants do not have a mortgage, which is a sign of an underdeveloped housing finance system in which the majority of transactions are cash-based. Romania has 8.33 million housing units, and because of the population decline, housing availability is the best among the NMS.

Key features

- ✓ The housing investment and housing finance system in Romania lag behind those of other NMS, although after the 2008 GFC, Romania's housing market performed well. Housing construction increased, and the mortgage market grew from 4.6% of GDP to 9.1%.
- ✓ An important milestone in housing policy in Romania was the creation of the National Housing Agency in 1999. This operates under the authority of the Ministry of Regional Development and Public Administration (MRDPA).
- ✓ Housing programs run by NHA target a large variety of groups through the construction of social rental housing without a privatisation option, youth housing programs (rental housing for young people under 35 years with a privatisation option, a construction mortgage loan), a "first house" program associated with a reduced mortgage interest rate and guarantee, and the *bausparkasse* schemes, along with a non-targeted VAT rebate scheme.

Challenges

- ⚠ According to the Gini index that measures social inequality, society in Romania is more unequal than in PL, HU, CZ and DE. In addition, Romania's outmigration figures are stark, with a population decrease of 2.2 million between 2000 and 2021 due to net migration.
- ⚠ The quality of the housing stock is very poor; around one-fifth of all homes do not have a bathroom or indoor toilet, and floor space per person is much less than in other NMS.
- ⚠ Housing transactions are largely cash-based, hindering housing mobility for multiple social groups.
- ⚠ Condominiums and multi-story buildings, including prefabricated housing estates from the socialist era, have serious problems, partly because of the quality of the housing stock (energy efficiency) and partly because of the weak financial capacity of the new owners of privatized housing to maintain the physical quality of the stock.
- ⚠ A significant proportion of low-income (urban) families have been pushed out of the social rented sector and can only find accommodation in the private rented sector or settlements further from urban centres.
- ⚠ Much of the private rental market is informal. Liberal legal regulation has created severe risks for both owners and tenants. The supply side is dominated by casual landlords, and property is increasingly becoming a desirable investment among upper-income families.
- ⚠ Housing costs have risen rapidly because of utility and energy price liberalization.

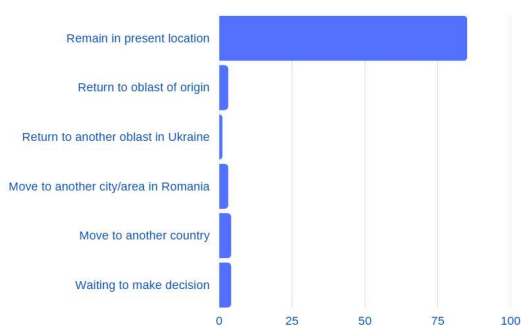
Main legal regulations concerning migrants and refugees

There are three types of legal entitlement that allow Ukrainians to stay in Romania. First, anybody possessing a valid Ukrainian passport is allowed **short-term stay**, meaning a maximum of 90 days (during a half-year period). **Temporary protection** is granted for a period of one year and can be automatically extended for periods of six months, for a maximum of three years. Further, Ukrainians can also apply for **refugee status** through the standard process for asylum seekers.

The Romanian government has scaled up its efforts to provide a **wide range of humanitarian assistance and integration services**. However, the provision of long-term affordable accommodation remains a challenging issue. People in need of long-term housing can submit their request on an online platform called 'A Roof / Un Acoperiș' that aims to link accommodation offers and needs in a safe and validated manner (the Ministry of Interior now maintains the website). Food and accommodation expenses incurred due to hosting refugees may be reimbursed. The beneficiaries of temporary protection can receive food, clothes, hygiene and other products at reception centres. However, they do not have taken-for-granted access to cash provided by public authorities. Several NGOs disburse cash subsidies to refugees. In addition, there is unequal access to health services.

The "National Plan of Measures for the Protection and Inclusion of Displaced Persons from Ukraine" (NP), adopted at the end of June 2022, defines measures for responding to the needs of refugees. On the one hand, the system is highly centralized, as local branches of central bodies coordinate county-level activities based on putatively uniform rules. On the other hand, institutional mechanisms and measures are loosely regulated, leaving room for different local-level solutions and innovation. In addition, international organizations (most notably UNCHR) play an important role by coordinating the efforts of Romanian state authorities and NGOs.

Current refugee situation



The **profile** of UAR households is characterised by the presence of vulnerable individuals (women and children). Thirty-eight percent are less than 18 years old, and 64 percent are women. Territorially, almost one-third reside in the capital city. Further, there are three areas with a concentration of refugees: at the eastern border (Constanța, Galați, Iași and Tulcea counties), at the northern border (Maramureș and Suceava counties) and in

Transylvania (Brașov, Cluj, Sibiu, Timiș and Covasna counties). There is a clear tendency for Ukrainians to reside in larger urban centres. Based on data collected in the summer of 2022, well-off Ukrainians are hugely overrepresented among refugees, with their (initial) social status generally higher than the host society average.

Short-term plans have been dynamic: whereas in summer 2022, approximately half of the households wanted to return to Ukraine, in autumn, with the prolongation of the war, close to 80% planned to stay in their present location. The majority that are staying in places other than collective centres responded that they would remain until the end of the 50/20 programme (37%), while those in collective centres believed they could stay 'until the end of the war' (36%). Most refugees are building up a dual lifestyle in both countries – e.g., entering jobs and putting children into education, but are open to returning at any time.

Accommodation

The accommodation solutions offered to people fleeing the war on Ukraine **combine host-based and institution-based solutions**. Given that the response is centralised, but implementation coordination remains loose at the local level, Ukrainians who find accommodation in different parts of the country receive quite different housing services. The general approach is to channel Ukrainian refugees toward housing solutions and integration projects that are available to asylum seekers. Asylum seekers and refugees are allowed to stay in one of the six refugee centres run by the General Inspectorate for Immigration (IGI) for twelve months after receiving refugee or subsidiary protection status. Refugee housing and other types of assistance are conditioned on attending social integration programs at which the Romanian language is taught, and other activities are carried out.

Immediate programs

The so-called “**50/20 program**” is of central importance in relation to the short-term accommodation of Ukrainians. Based on this program, homeowners who host Ukrainians receive 50 lei per day per person for accommodation and utilities and 20 lei per person per day for meals. The total amount receivable for one hosted Ukrainian is thus 70 lei (or approximately 15 euros). These incomes are tax-free and need not be declared to fiscal authorities. Consequently, accommodating Ukrainians under the 50/20 program is more profitable for private persons than earning an income from any other form of rent, including Airbnb. However, the program lacks adequate monitoring and leaves ample room for abuse by private homeowners. For example, the majority of households with such arrangements (66%) did not have a written agreement with a landlord for their accommodation.

The scheme enables Ukrainians to reside in large urban centres, but it is financially not sustainable, and accommodation options in more affordable rural areas are needed. Nevertheless, given the deficiencies of public transportation in Romania, such a solution would create barriers to refugees’ access to the labour market and, consequently, their long-term prospects of integration into Romanian society.

Long-term solutions

The “National Plan of Measures for the Protection and Inclusion of Displaced Persons from Ukraine” distinguishes between four sets of measures, all of which revolve around the **allocation of real estate owned by the state or by local governments**: this includes ensuring access to unallocated housing, incorporation into the framework of the National Housing Agency’s (NHA) Youth Housing Program and Social- and Necessity Housing programs; ensuring access to unallocated housing owned by local public authorities and deconcentrated branches of central authorities and available private housing units; the rehabilitation and reconstruction of unused buildings in public property; and the construction of necessity housing through the Social Housing program.

However, these long-term visions of housing solutions for Ukrainian refugees as they appear in the National Plan are not only roughly sketched out but are **problematic and unrealistic** due to the lack of an appropriate regulatory framework and finances, the relatively small public housing sector that cannot meet the huge demand of Romanian citizens either, and the inappropriateness of tackling the housing needs of better off and middle-class-background Ukrainian refugees through social- and necessity housing solutions. We find that, due to the implicit perception of Ukrainians as being marginal, the National Plan targets the use of housing schemes for the lower strata but not those that target middle-income households.

Gaps

- ⚠ **Locational problems and mismatches:** whereas the current '50/20' program enables hosting families in large urban centres, termination of the program would mean pushing refugee families into more remote/rural areas with affordable vacant housing where transportation and other services are less developed.
- ⚠ **Legislative system:** identity documents provided for temporarily protected people do not contain an address. Lacking an address, the latter do not have access to social benefits (such as the Minimum Guaranteed Wage) and several housing solutions, such as the Youth Housing Program and the social and necessity houses.
- ⚠ **Financial framework:** the short-term 50/20 hosting program is unsustainable, and the long-term scaling up of programs' financial frameworks to meet increased demand is uncertain.
- ⚠ **Main housing regime framework and feasibility of long-term solutions:** the National Strategy revolves around the allocation of real estate owned by the state or local governments, including houses built within the framework of the National Housing Agency's (NHA) Youth Housing Program and Social- and Necessity Housing programs. It also prescribes the construction of necessity houses. However, this vision is problematic and unrealistic given the lack of regulatory framework, funding and the differences between the mainstream target groups and the needs of Ukrainian refugees.
- ⚠ **Inadequacy of the physical composition of the housing stock:** the general housing quality of the stock needs upgrading, and low standards of rural housing and poor accessibility make potential non-urban solutions very unattractive.
- ⚠ **Cultural acceptance issues:** the planned social and necessity housing solutions will not reach Ukrainian middle-class target groups and, on the other hand, may reinforce stigmatisation and socio-spatial segregation. Ukrainians are perceived as marginalized, but in fact, the average social status of the refugees is higher than that of the hosts.
- ⚠ **Lack of needed social assistance and other services:** there is a lack of cash-based financial aid and a general lack of information concerning the opportunity to obtain financial aid. Healthcare, medical assistance, employment, and education also seem to be more problematic domains than accommodation concerning the accessibility of information and satisfaction of urgent needs.
- ⚠ **Information gaps in effective decision-making and organisational settings:** the measures of state authorities are coordinated in a centralised manner by the Department for Emergency Situations (DSU), a permanent body under the Ministry of Interior. At the county level, activities are coordinated by County Committees for Emergency Situations (CJSU), headed by the prefect (the county representative of the central government). Centralization means that local elected bodies play a limited role while local branches of central bodies coordinate county-level activities based on putatively uniform rules. However, institutional mechanisms and measures are loosely regulated, leaving ample room for different local-level solutions that are ad hoc and unaccountable.

Future perspectives

As the war and destitution continue to be prolonged, there is a **need to provide more sustainable solutions** and improve access to social, health, and education services. For this, defining the role of local authorities and promoting more transparent coordination across various levels of governance and sectors and among national and international organisations needs to be ensured so that county-level authorities are effective 'engines' in dealing with the situation on the ground.

Lessons and Recommendations

Coordination of measures that target Ukrainian refugees

- If the centralized structure for coordination, composed of the Department for Emergency Situations (DSU) and County Committees for Emergency Situations (CJSU), remains in charge of services provided for Ukrainians, its functioning should be more tightly regulated.
- The role of international organizations should be rethought. Although they play an important and innovative role in coordinating the efforts of Romanian state-territorial (county) level and national-level authorities, the same services should be provided to each Ukrainian citizen that benefits from temporary protection irrespective of their place of accommodation.

Accommodation and housing provided for Ukrainian refugees

Short-term solutions for accommodation should be better monitored and regulated, and, in parallel, Romania should work on delivering long-term solutions for accommodating Ukrainian refugees.

- The “50/20 program” should be adequately monitored to prevent its abuse by private homeowners. Adequate mechanisms should be put in place to monitor housing conditions, while compensation payments for food should be transferred directly to Ukrainians. Complaint and verification mechanisms should also be clarified.
- More sustainable solutions should be found, even for the short-term accommodation of Ukrainian citizens.
- Long-term housing solutions should be elaborated more realistically and include consideration of pre-existing mainstream housing solutions.
 - The proposed solutions should include measurable target indicators, a description of the methodology, and the timespan of allocation.
 - Access to the proposed housing solutions should be ensured. For instance, ID cards with an address should first be issued to facilitate access to NHA Youth Housing, Necessity Housing, and Social Housing programs.
 - More emphasis should be put on culturally and socially adequate housing solutions, mainly those that target the middle and upper-middle strata. Prima Case, for instance, could be a good solution for some Ukrainian families.

Other services

- Identity documents with an address should be provided to facilitate access to social benefits such as the Minimum Guaranteed Wage and several housing solutions, such as the Youth Housing Program and social and necessity houses mentioned in the NP.
- There is no nationwide distribution network for cash provided by public authorities, NGOs and international organizations.
- Practical problems that hinder access to medical care should be solved. For example, Ukrainians might be included on the general health insurance register, facilitating real access to healthcare services.

*source of the chart data and near future dynamics: <https://reliefweb.int/report/romania/romania-multi-sector-needs-assessment-december-2022>. Please note that the country case study contains data from an earlier survey.