# Housing of Ukrainian Refugees in Europe Options for Long-Term Solutions

## Comparative Study

Study commissioned by Habitat for Humanity International

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# Acknowledgments

# Abbreviations

| | |
|---|---|
| AGU | Alliance for Ukraine |
| AMIF | Asylum Migration and Integration Fund |
| BMVI | Border Monitoring and Visa Instrument |
| BOC | Brussels Orientation Center |
| CARE | Cohesion's Action for Refugees in Europe |
| CEB | Council of Europe Development Bank |
| CNNR | Romanian National Council for Refugees |
| CPAS | Public Center for Social Action in Brussels |
| CSO | Civil Society Organizations |
| CSOK | Családok Otthonteremtési Kedvezménye (lump sum subsidy for home ownership for families in Hungary) |
| EC | European Commission |
| EIB | European Investment Bank |
| EMU | European Monetary Union |
| ESF | European Social Fund |
| EU | European Union |
| EUAA | European Union Agency for Asylum |
| EUR | Euro |
| EU-SILC | European Survey of Income and Living Conditions |
| FAS | Federation of Solidarity Actors France |
| FAST CARE | Flexible Assistance to Territories |
| FEAD | Fund for European Aid to the Most Deprived |
| GBV | Gender-Based Violence |
| GCR | Global Compact on Refugees |
| GDP | Gross Domestic Product |
| GFC | Great Financial Crisis |
| IARCF | Inter-Agency Refugee Coordination Forum |
| IDP | Internally Displaced Person |
| INGO | International Non-Governmental Organization |
| IOM | International Organisation for Migration |
| ISF | Internal Security Fund |
| MHPSS | Mental Health and Psycho-Social Support |
| NGO | Non-Governmental Organization |
| NMS | New Member States |
| NRPF | people who have no recourse to public funds, France |
| PSEA | Protection from Sexual Exploitation and Abuse |
| RBE | UNHCR Regional Bureau for Europe |
| RRRP or RRP | Regional Refugee Response Plan |
| TBS | Towarzystwo Budownictwa Społecznego (non-profit housing enterprises in Poland) |
| TCN | Third-Country Nationals |
| TP | Temporary Protection |
| TPD | Temporary Protection Directive |
| UA | Ukrainian |
| UAR | Ukrainian Refugee |
| UNHCR | United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |

# Executive summary

This report was commissioned by Habitat for Humanity International and summarises the housing interventions developed in response to the Ukrainian refugee crisis across five countries (Germany, Hungary, Poland, Romania and Slovakia) and their broader housing policy frameworks. The report is the sixth output of the research and builds on the findings of five independent country case studies. The process of country-level data collection, including numerous interviews and document analyses, was launched in the summer of 2022 and concluded in early December 2022.

**The context**

After a short post-COVID-19 recovery year, on February 24th 2022, Russia invaded Ukraine, devastating cities, destroying critical infrastructure, and forcing millions of people to leave their homes. According to data provided by host governments to UNHCR, between February 24th and December 6th, 2022, more than 7.8 million individuals fleeing Ukraine were registered across Europe.

The social situation of refugees is very diverse, ranging from Roma families in extreme poverty to upper-middle-class families with very different housing expectations and the ability to bear the related costs and integrate into local job markets.

To provide immediate and effective protection for such a large displaced population, the Council of the European Union activated the 2001 Temporary Protection Directive. As the primary responsibility of refugee protection lies with states, the Directive specifies a number of duties of governments in relation to the reception and residence of beneficiaries of temporary protection. As a result, Ukrainians are treated more favourably than recognized refugees and beneficiaries of subsidiary protection who arrive from other third countries.

The refugee crisis in Ukraine represents an unprecedented burden for Europe: 7.8 million people face incredible challenges finding housing, health, education and social services that correspond to their social composition (gender, age, education, etc.). Moreover, the four Central-Eastern European countries were not primary destination or transit countries for asylum seekers before the war, thus, were not prepared to provide for such a large number of refugees. Besides establishing reception centres and collective sites, the first step in providing humanitarian assistance was to use existing housing stock as temporary solutions and service capacity (such as emergency education and social care), partly on a voluntary (solidarity) basis. This was followed by their scaling up using funding from various public and private resources with the participation of various NGOs. Setting up a reception and provision system for such a large number of refugees in a very short time led to many difficulties, tensions and even conflicts, as will be discussed in this document. The main question that drives our research is what housing solutions may be considered for those who are expected to stay for the long term or permanently in EU countries and how these housing arrangements fit into the housing systems of the respective countries.

The scale of the humanitarian response and inclusion opportunities available for members of the newly arrived displaced population are different in each country included in this study. Obtaining access to

information related to rights, obligations and inclusion prospects is one of the most pressing issues. Another urgent need is accessing financial support and providing sufficient help for people displaced by Russia's war on Ukraine. There are serious concerns about access to long-term treatment and care for elderly people, people with severe mental health conditions, and people with disabilities. Access to employment is one of the refugees' immediate needs, which is hampered by the limited availability of jobs, recognition of certificates, care obligations, and the regional mismatch of available housing and labour market demand. There are serious concerns about potential violations of the right to education of refugee children. Accessing affordable accommodation is especially problematic in urban hubs. Access to social services is often obstructed by underfunded delivery systems and administrative barriers.

## Gaps at the level of the housing systems

The research first analysed the five countries' housing systems to define their main characteristics and strengths in terms of affordable housing provision on which longer-term housing solutions for Ukrainian refugees can be built. In the analysis, the German housing system was used as a benchmark.

Housing subsidies ideally help households unable to find housing solutions on the market. Ideally, the size of subsidies is proportional to the need. Experts consider the German housing system to be one of the best in Europe. It has (1) a relatively large affordable housing sector although with unclear boundaries among different forms of tenure (for historical and institutional reasons) and (2) efficient market segments (a rent-neutral tax and subsidy system). However, the problem of affordability has been exacerbated in recent years, especially in big urban centres with booming labour markets, which housing policy has tried to address through new approaches such as rent control and the Federal Government's housing supply subsidies to Federal States.

The housing systems of the four New European Member States analysed in the report followed a more or less similar path after the regime change in the 1990s. What they have in common is a distorted ownership structure in which the home-ownership sector prevails, an underdeveloped private rental market and a weak social sector, which makes housing an affordability problem for many in society. Despite these similarities, there are significant differences between countries in the solutions they experiment with, especially since the 2008 financial crisis. The analysis shows that the Slovak system appears to be the most efficient, where the financing of private housing is not distorted by non-targeted subsidy schemes, and the State Housing Development Fund effectively integrates EU funds for housing renovation. Polish housing policy is associated with a relatively effective central organisation (that awards a key role to the state-owned BGK bank) and has recently seen a greater focus on the affordable rental housing sector. However, related programmes are still in their early stages. Hungarian housing policy since 2015 has used substantial funding, applied in large part through a family-policy-driven program, to support the home-ownership sector, but the ad hoc nature of the programmes has yet to achieve any tangible results. On the other hand, in Hungary the experiences with the social housing agency model initiated by some non-profit organisations and municipalities (albeit not supported by the central government) point in a positive direction. The programmes of the National Housing Agency in Romania were not of significant scale and did not bring about lasting change due to privatisation

pressures. However, the loan guarantee programme launched after 2010 has proved to be a progressive element.

## Gaps in the level of responses to the housing needs of refugees

Some countries have limited experience accommodating refugees in general because there was very little demand to accommodate larger groups of refugees – either temporarily or in the long term – even during the Yugoslav Wars or the recent 2015 humanitarian crisis.

Little data is available about the actual housing situation of refugees across the EU, partly due to a combination of people making use of private ad hoc housing solutions and the lack of tracking of people with temporary protection, in addition to the massive inflow of refugees that has changed the housing landscape dynamically.

Over the last ten months, several initiatives have been launched to accommodate people fleeing Ukraine. However, the heterogeneity of the solutions shows that, beyond solidarity-based private responses and public solutions, institutional responses and private market options were equally crucial in addressing immediate housing needs. Moreover, while short-term responses initially played the dominant role during the summer of 2022, longer-term solutions started to emerge, but only on a smaller scale.

**Housing solutions for accommodating Ukrainian refugees across Europe**

ad hoc solutions
• emergency housing
• collective sites
• solidarity solutions

short term solutions
• municipal/public housing
• private rental sector
• NGOs/faith based organisations

Housing solutions

long term solutions
• rental programs for the private and NGO sector
• supply side subsidies for public bodies
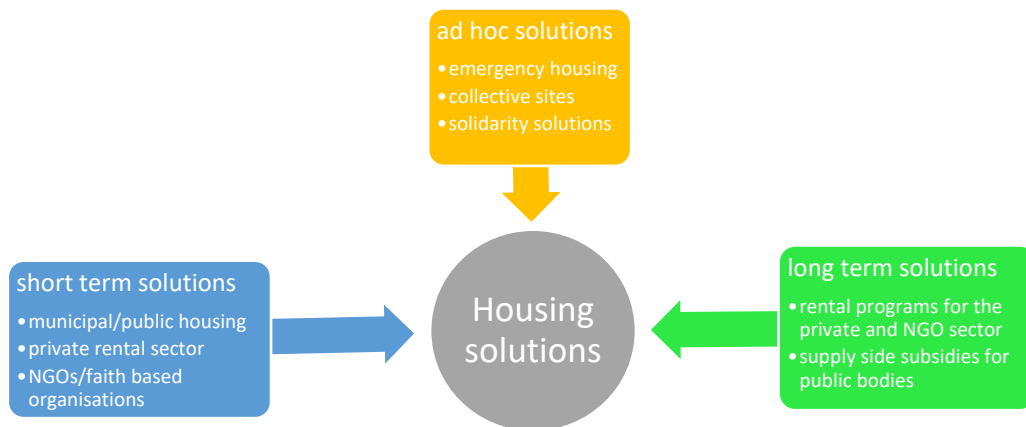
Ad hoc solutions predominated during the first phase of the reception of refugees after the invasion of Ukraine by Russia: emergency accommodation in reception centres and collective sites and solidarity housing offered by private persons played a key role. Collective centres and reception hubs were initially volunteer-based; later on, professional coordination helped people move on to private (rented) accommodation, along with minor NGO or public/municipal housing programs, depending on what support schemes were made available or what resources families had. Although collective sites are designed to house refugees for the short term, they have increasingly become longer-term forms of accommodation. On the one hand, there is not enough rental housing in big cities, and refugees must compete with the host population. On the other hand, refugees may be hesitant to move out of large-capacity accommodation units, given that they offer access to in-kind donations, social support, peer

community support, and safety. Alternatives to moving to more remote areas without any plug-in options are insecure and risky. Accordingly, parts of collective sites are now being transformed into longer-term housing options associated with more substantial social support work.

Towards the end of summer, the emphasis slowly started to shift to more systematic solutions. The amount of solidarity housing seems to be declining, along with the resources of the hosting families (affected by the energy crisis) and the interest and solidarity of members of the receiving countries' populations.

Although the legal regulations enable refugees to access public housing solutions, there is usually a severe shortage of affordable public housing. Long waiting lists, strict eligibility criteria, and rules about needing prior contact with the locality dominate most allocation systems. Therefore, public housing solutions rarely cover present or emerging housing needs.

Private rental solutions have dominated housing responses throughout the past months among all countries. While solidarity – pro bono – housing options were typically offered by private persons initially, private landlords made more rental options available to refugees as time progressed. However, this development has varied among countries due to changing regulations, the availability of vacant rentals, and price levels within the private rental sector.

First, compensation schemes appeared within the private rental sector to incentivise landlords to put vacant real estate on the market and specifically accommodate refugees from Ukraine. In some countries, additional services (e.g., meals, layperson assistance accessing public administration) are expected from landlords in return for the compensation; in others, there is no such obligation.

NGOs played a pivotal role in organising, coordinating and developing effective responses for refugees arriving from Ukraine. Their primary role typically goes beyond offering housing or accommodation directly; instead, it involves coordination, collecting and distributing in-kind donations, looking up accommodation options, sharing information, offering translation in hubs, and organising recreational and schooling activities with the help of volunteers, etc. In addition, NGOs in all countries provide social support, education and training and enable access to health services. For example, the Ukrainian diaspora plays an important role in Poland. Here, NGOs are involved in converting office spaces and retail buildings into housing (no building permits are needed, but spatial plans must be fully respected). This initiative is now being copied by big NGOs, but only temporarily: this involves the adaptation of office buildings that need additional bathrooms and kitchens but which are structurally appropriate for people to stay in, with all technical requirements being fulfilled.

The cost of providing housing and services for refugees is highest in urban areas, thus, the countries concerned seek to use the capacity of less developed and less costly areas. In this respect, the proportion of those who wish to stay in the country of destination in the longer term will be critical. For the latter, integration into the labour market will be essential. It is also important to ensure that the labour force resettled in the destination countries as a result of the refugee crisis contributes in the most efficient way to the growth of the European economy.

Among all countries, especially urban centres, the pressure on the affordable housing market segment has been exacerbated by the demand from refugee families. This has encouraged some countries to speed up or extend supply-side programs to improve the (social) affordable rental housing portfolio. For example, a subsidised loan program for municipalities was extended in Germany. In Poland, local governments are trying to accelerate all housing programmes that had been planned for the forthcoming three or four years independently of the refugee crisis. In addition, to extend funding options, the Polish government has created a so-called National Aid Fund that refunds the cost of any measures related to serving refugees arriving from Ukraine.

In most countries, sector-neutral-rent-allowance or housing-cost-compensation schemes were launched very soon after the invasion of Ukraine and the arrival of the first waves of refugees, technically serving as a form of compensation or specific rent allowances for landlords. The scheme in Poland is time-limited (four months), while in Slovakia and Romania, there is no such limit. In Hungary, the scheme is only available to commercial or municipal landlords who can house over twenty refugees at one time. The IOM-Airbnb program is also available across the region. The amount of compensation significantly varies among the countries, and many changes have been made to schemes in recent months.

In terms of organising the best responses for refugees and efficiently using various stakeholders' resources, effective coordination mechanisms are critical. Within the five countries, various organisational solutions have been designed, amended, and adjusted on the go, in addition to private initiatives and international cooperation and coordination efforts (including the IOM-Airbnb program). In terms of institutional/state/regional-level coordination, countries have developed different models. However, in most countries, international organizations (most notably, UNHCR) play a central role in coordinating the efforts of respective states and NGOs/other organisations.

Various horizontal challenges hamper integration pathways among the five countries: these include decreasing interest in accommodating refugees, discrimination against some refugee groups such as the Roma, the insecurity and violation of the human rights of women, children and people with physical or mental disabilities, and problems accessing service provision and issues of territorial allocation.

Eight key gaps can be identified between the housing interventions that have been offered and the integration-related needs of refugees. The main gaps that have emerged in the case of the New Member States so far, and some of which are equally present in Germany, are briefly summarised below.

> 1. Locational problems: There has been a significant mismatch between housing availability and employment and services. Refugees tend to concentrate in big urban centres where they can access employment and services. However, there is a severe shortage of affordable housing in these locations, but in smaller towns and rural areas where there is enough housing, jobs are harder to find, transport is expensive, and services are scarce.

> 2. The current legislative system: schemes for compensating housing and accommodation providers (quasi-rent supplement subsidies) were created by national legislation at the beginning of the war. However, the legislation only ensured funding for several months, which was later extended. Apart from in Hungary, private landlords and hosts are entitled to

reimbursement. Therefore, monitoring the quality of private housing and even public collective sites is a primary challenge.

3. The financial framework/schemes/realities: the amount of financial compensation awarded to private landlords is substantial and affects the local housing markets of cities, crowding out local demand for rental housing. However, by the autumn of 2022, private landlords' attitudes towards renting to refugees had changed negatively as it became very uncertain how long the refugees would need such dwellings and how long subsidies would last.

4. The lack of feasibility of long-term schemes: countries generally lack a vision of how to provide long-term housing for refugees, mainly because nobody knows when the war will end, and it is very uncertain how significant demand will be. Poland plans to accelerate the implementation of already planned affordable housing development programs with municipalities and developers, but in other countries, there are no such plans to use pre-existing schemes to support refugees.

5. The main housing regime framework: Generally, the underdevelopment and inadequate regulation of the private rental market hinder the use of the private rental sector as a safe and long-term housing solution for refugees. In addition, municipal housing is scarce. There are smaller-scale schemes in three New Member States for increasing municipal housing (apart from in Hungary), but in some countries (e.g., Slovakia), the municipalities of larger cities have refused to develop their housing stock, even when subsidies have been available.

6. Issues with cultural expectations: There is discrimination against more vulnerable groups in the private rental market, especially against Roma families. Concerns about safety and exploitation have also emerged, as most refugees are women with children.

7. The lack of needed social assistance: This problem has mainly emerged in smaller localities; social services are available in cities. However, there is a significant problem with service coordination and funding. Moreover, funding is short-term and very unpredictable even in the mid-term, hindering social providers, especially NGOs, from capacity and activity planning. Access to cash based assistance is also limited.

8. The lack of other services and their link to housing measures: The main gaps here appear in integrating Ukrainian children into the local school system, refugees' access to a broader range of healthcare services beyond emergency provisions, and the provision of language courses.

Among the four new European Member States, Poland's refugee programme deserves more attention. Poland is the leading destination for Ukrainian refugees, with 1.5 million refugees in a country with 38 million inhabitants. Germany, the other main destination for refugees, has 83 million inhabitants but a GDP per capita almost three times that of Poland. Therefore, Poland faces a very big challenge: it will have to house around half a million families in the short term. In the long term (if 20% of households decide to stay permanently in Poland), it will have to provide housing for around 100,000 households (roughly the same number as the number of households on the municipal waiting list for social housing). This extra housing will have to be provided in the rental sector, where significant reforms are needed in

all the New Member States. The Polish "housing plus" programme has already started to develop in this direction, but the scale needs to be significantly increased.

### EU-level policy responses

The primary objective of the EU was to encourage Member States to cover the cost of the reception, accommodation and integration of people from Ukraine using unspent resources from the 2014-2020 budgetary period. Additional resources were allocated by advancing payments from already assigned tranches of REACT-EU money and a smaller amount through emergency assistance under the current AMIF and Border Monitoring and Visa Instrument (BMVI) programmes. Furthermore, material aid, education and infrastructure can be provided through the Asylum and Migration Fund (similar to ESF and ERDF). The framework will also allow Member States to request 100% financing for programmes supported by the ERDF+, ESF+, the Cohesion Fund and the FEAD. Nevertheless, there is little room to encourage Member States to make effective use of these resources.

### Recommendations

### Refugee reception-related recommendations

So far, the main focus of public and private action has been reception and temporary accommodation, with a vital role for private households and the private rental sector, and specific temporary facilities. Many good initiatives have been implemented, and significant experience has been developed; lessons have been identified on the basis of which the following main recommendations are made to improve countries' reception policies:

- Place more emphasis on the community integration of refugees and involve host communities in this process, for which purpose governments should allocate funding.
- Address discrimination and safety-related risks associated with housing/accommodation and employment.
- More systematically integrate children into national education and kindergarten systems. Also, encourage the development of more systematic solutions for mothers with smaller children (such as day-care services) to enable them to work.
- Introduce a simplified, rapid process for recognising qualifications to improve the employability of refugees.
- Prioritize the dispersal of refugees as much as possible, even at the early stage of reception, instead of collective solutions. Better national distribution systems may be needed as the housing and educational capacity of urban centres is limited. However, when distributing refugees to smaller places, attention should be paid to employment and transportation opportunities, the availability of services, and the refugees' personal support networks.
- Whereas dispersed accommodation should be prioritised, the use of large-capacity temporary solutions to accommodate new arrivals may be unavoidable. These temporary solutions should be of higher quality. They should target vulnerable groups who need more complex and longer-term help to integrate, such as marginalised groups or people with disabilities or permanent health problems. Newly created temporary capacity should take advantage of rapid and cost-efficient solutions such as (a) using pre-existing unused residential buildings or (b) converting

non-residential buildings into higher quality accommodation centres with shared facilities but private rooms for families, or (c) using modular housing techniques.

- Make financing schemes for accommodation and housing-related subsidies and refugee-related services long-term and more predictable to allow housing/accommodation and service providers to plan and organise the necessary capacity on the supply side.
- More efficiently coordinate housing, accommodation and service provision. Coordination must be led by the state but should include all the relevant stakeholders, such as municipalities and NGOs. In addition, governments should set up systematic data collection systems to improve planning and coordination.

**Housing policy framework-related recommendations**

It is very uncertain what proportion of Ukrainian refugees will return to Ukraine after the war ends and what proportion will stay. For those who remain, the provision of stable rental housing solutions seems to be the best option, of which the German housing system has proved to be a good example.

One of the main findings of the gap analysis is that the rental housing sector, both public and private, needs to be developed and better regulated in the four New European Member States. Strengthening the rental housing model will improve not only the situation of Ukrainian refugees but also that of households for whom the biased subsidy system linked to home ownership makes housing unaffordable.

In order to provide more stable housing solutions for refugees, three basic long-term rental housing models are identified, for which concrete schemes can be developed. The main factor that distinguishes the three models is which actor receives funding for intervention, as the latter will be responsible for designing and arranging the specific interventions within the framework of dedicated housing programs. Therefore, we distinguish three types of actors: (1) landlords, (2) tenants, and (3) intermediary organisations.

1. Landlord-based models

This model aims to increase the supply of affordable and social housing by refurbishing pre-existing stock and creating new housing. The subsidies target landlords regardless of which sector they belong to – public, private, cooperative or non-profit (German tenure-neutrality model). The form of subsidy can be preferential loans and grants; it may be granted for purchase, renovation or/and operation, the exact combination of the latter will depend on the social status of future tenants. Landlords should be required to comply with the following predefined factors to be eligible for subsidies:

- specification of the social composition of tenants to be hosted, including refugees,
- length of time for which the activated stock (or part thereof) must be used for hosting refugees,
- method of calculating the level of rent.

To substantially increase the social and affordable housing stock in the long term, privatisation should not be an option for public or non-profit landlords.

2. Tenant-based model

According to this model, the tenants (refugees) receive a housing allowance or rent supplement and are responsible for finding the appropriate dwelling to rent. The subsidy technically may have three different forms: the tenant can receive it in the form of (1) cash or (2) a voucher, or it can be paid to the landlord (in-kind support). Policymakers prefer the voucher system because it is a close-ended subsidy, and directly tied to the housing services. Many programs specify a maximum limit for rent above which tenants are not entitled to the subsidy. The scheme can contribute to the whitening of the private rental stock.

3. Intermediary-based model

Many NGOs play an intermediary role in the rental market by mediating between supply and demand, reducing the effect of discrimination against vulnerable groups and mitigating risk for landlords and tenants. Typical intermediary organisations are (municipal or non-profit) social rental agencies and (public or non-profit) development agencies; both can play substantial, although different, roles in the implementation of affordable housing programs. In the longer term, we expect that institutions entrenched in intermediary-based models will be the dominant players in the affordable housing sector.

Many affordable or social housing programs currently use a combination of these three models.

**The first steps to implementation**

It is important to design and implement affordable housing programs for refugees to address the main gaps and barriers that hinder them from obtaining affordable housing solutions in the private rental sector and, longer term, in other areas of the mainstream housing sector. The rationale for using the private rental sector is that the municipal sector is of minimal size and already overburdened while entering the owner-occupied sector is not possible for refugees as the majority are only staying temporarily and do not have sufficient financial resources. The solutions that are proposed should be partly made available to households in need in the host countries or should be gradually extended to them.

- **Improve the regulation of the private rental sector**: the latter is currently not a safe option for landlords or tenants in New Member States. Regulation should clearly stipulate procedures related to non-payment, length of contracts, and conditions of rent increases. However, changing legal regulations can be a lengthy process. In the interim, governments can provide standardized contract forms that increase the security of refugees (tenants) and landlords. Furthermore, mechanisms for monitoring housing quality and protecting refugees from exploitation and abuse should be put in place. To this end, a registration system for landlords who provide housing to refugees and a notification system for refugees (e.g. helplines) could be established.

- **Set up an early intervention social response system to stabilize the situation of tenants at risk of losing their rental housing**: such an early intervention mechanism should involve tailor-made solutions to the individual-level problems behind non-payment through the provision of a

complex set of social, employment and debt management-related services. In addition, notification of non-payment events should come not only from tenants but also from landlords.

- **Introduce a rent supplement (housing allowance) scheme:** To enable the smooth transition from refugee accommodation to mainstream housing, a rent supplement should be introduced. Many refugees find work, and their income increases after the initial phase of reception. Providing them with a means-tested rent supplement to enable them to rent on the market rather than a higher lump-sum subsidy within the refugee reception system would be less costly and increase their independence and chance of integration into the local community. The subsidy could be provided in the form of vouchers, which have the advantage that the government can control the impact on the budget, but this can also stimulate the more even distribution of refugees if vouchers for rentals in cities, towns, and smaller localities are adequately distributed. The value of vouchers should be differentiated according to the locality.

- **Introduce financial measures to increase affordable housing supply:** Supply can be increased by providing preferential loans and grants to (potential) landlords, such as private property owners, municipalities and NGOs.

  o To rapidly increase supply, the existing stock should be mobilised by supporting owners (private entities, municipalities, and NGOs) of unused properties to renovate them and, in the case of non-residential buildings, convert them into housing and then rent them out to refugees.

  o To permanently increase the supply of affordable housing, new construction is needed. However, this should be concentrated in urban areas (cities and their surroundings) associated with suitable employment opportunities where there is long-term demand for affordable housing.

- **Use of intermediary organisations like social rental agencies:** Based on pre-existing non-profit and municipal initiatives, social rental agencies can play an essential role in mitigating the risk for landlords and tenants, especially in the case of vulnerable groups. Public, non-profit development agencies can stimulate the implementation of affordable housing projects through coordinating between stakeholders. Governments should support the establishment and operation of such intermediary organisations.

- **Ensure an integrated approach to providing affordable housing solutions to refugees:** The exact content of these measures will depend on refugees' vulnerability and the composition of households (e.g., the presence of children and the elderly).

  o All groups of refugees need assistance integrating into local communities, finding employment, getting access to healthcare services (including mental health), language courses, and in the case of children, integrating into local school systems.

  o Vulnerable groups who need longer-term, complex social and other specific forms of support (e.g., those with disabilities) should be settled in cities and towns where the needed services are available.

- **Use EU funding on a larger scale to support affordable housing schemes and integration-related services for refugees:** the New Member States included in this study should use EU funding on a larger scale to expand affordable housing solutions for refugees. For example, ESF+ can be used to finance rent-supplement measures and develop service provision. In addition, ERDF+ and the Cohesion Fund can support the renovation of the unused building stock in an energy-efficient way and the construction of municipal and non-profit housing for refugees (and other vulnerable groups). To develop the affordable and social housing sector, EIB and CEB loans should also be used. In addition, governments and municipalities can make agreements with financial institutions to obtain financing for pre-established schemes.

**EU-level recommendations**

The EU is an important facilitator in terms of policy exchange but, more importantly, an excellent source of financial instruments that can support the long-term integration of UARs. Therefore…

- The EU should initiate the development of a long-term regional housing strategy that brings together all relevant stakeholders – the EU, OSCE, UNHCR, CEB, governments of neighbouring countries, and other countries – to create a multi-donor housing initiative.
- It is very probable that the affected New Member States without significant affordable housing stock that want to increase the latter to house refugees will need additional resources beyond the EU funding that is currently available. Therefore, the financial contribution of the EU should be proportionate to the additional burden/costs incurred by countries in relation to their long-term refugee housing programmes.
- The EU should develop methodological guidance concerning what type of affordable and social housing developments the relevant EU funds (ERDF+, ESF+, Cohesion Fund) can be used for and should effectively promote them to Member States. Moreover, the EU should efficiently help affected countries to re-design their operational programmes.
- The EU's communication with the international civil sector and national civil organisations should be more intensive. In addition, ongoing initiatives should be communicated more intensively to ensure they achieve their targets.

# 1   Introduction

After a short post-COVID recovery year, on February 24, 2022, Russia invaded Ukraine, devastating cities, destroying critical infrastructure and forcing millions of people to leave their homes. According to data provided by host governments to UNHCR, between February 24 and December 6, 2022, more than 7.8 million individuals who had fled Ukraine were registered across Europe. Due to the imposition of martial law, men between 18 and 60 are not allowed to leave Ukraine. Thus, 90% of those in need of international protection are women and children. By the beginning of December, more than 4.8 million people had registered for Temporary Protection or other legal status provided by the host countries' protection regimes in Europe. The war is still ongoing at the beginning of January 2023, leading to further refugee flows and the destruction of more than half of Ukraine's energy infrastructure, and making millions of people homeless, forced to leave their homes and country. Their prospects of returning and starting reconstruction are increasingly delayed, and the aspirations of refugees are becoming more precarious.

The social situation of refugees is very diverse, ranging from Roma families in extreme poverty to upper-middle-class families with very different housing expectations and the ability to cover costs and integrate into local job markets. The migration strategy of the refugees is influenced by the applicable EU asylum legislation and related social entitlements and political and public attitude towards them in different countries. As the invasion of Ukraine continues, refugees arrive in neighbouring countries in worse mental and physical health, with fewer financial resources and more protection-related needs.

The report summarises responses to the diverse housing needs of people fleeing the conflict offered by civil society, the private sector, local authorities, and humanitarian actors in five EU countries: Hungary, Romania, Slovakia, Poland and Germany. These responses are contextualised through reference to the given countries' housing policies and social welfare settings. Moreover, the report explores the differences between a well-functioning ('ideal') affordable and human rights-based housing system and the forms of housing provision in the five countries, most of which were experiencing significant pressure on affordable housing provision even before the refugee crisis.

This report is the sixth output of the research commissioned by Habitat for Humanity International and builds on the findings of five independent country case studies. On the one hand, the country case studies were prepared based on secondary data analysis about key features and challenges of the respective national housing systems. On the other hand, based on numerous interviews, document analyses, and fact-collection, relevant short-term and long-term housing responses to Ukrainian refugees were mapped. A critical review of these responses was used to define response-related gaps and put forward related proposals for each country, as summarised in each country's case study. Further, a more general and an EU policy approach is suggested, which are the themes of this report.

The country-level phase of data collection, including numerous interviews and document analyses, was launched in the summer of 2022 and concluded in early December 2022. In addition, several interviews were carried out with international organisations and NGOs. Various Directorates-General of the European Commission were approached to develop a better understanding about the EU-level

responses to the crisis, but only a few responded to inquiries about their actual activities and the effectiveness of measures implemented. The country case studies were prepared by an interdisciplinary team of urban geographers, anthropologists, political scientists, lawyers, economists and sociologists. The Metropolitan Research Institute expert group teamed up with Adrienn Kiss and Steffen Wetzstein, independent experts, and professionals from FEANTSA, to deliver this comparative report.

This report is structured as follows. Chapter 2 summarises the facts and prospects of the Ukrainian refugees in the five countries (Hungary, Romania, Slovakia, Poland and Germany). Chapter 3 deals with the legal framework of the reception of the people fleeing the war on Ukraine. Chapter 4 contains a comparative analysis of the general housing system and policy frameworks in Germany and the four New Member States. Chapter 5 summarises the models for refugee housing solutions and contains the key findings of the gap analyses of the respective countries. Chapters 6 and 7 deliver a snapshot of the EU policy and funding opportunities that respond to the Ukraine refugee crisis. In the concluding Chapter 8, recommendations for supporting Habitat for Humanity International advocacy activities are listed.

# 2  The Ukrainian refugee crisis: facts and prospects

## 2.1  Global and European statistics and trends about forced displacement

Following the eight-year-long war in eastern Ukraine and the annexation of the Crimean Peninsula, the Russian Federation launched a full-fledged military invasion of Ukraine on 24 February 2022, triggering the most rapidly growing and one of the largest forced displacement flows since World War II.[i] Due to the intensity of the hostilities, during certain periods of 2022, more than 200,000 people were fleeing to neighbouring countries on a daily basis.[ii]
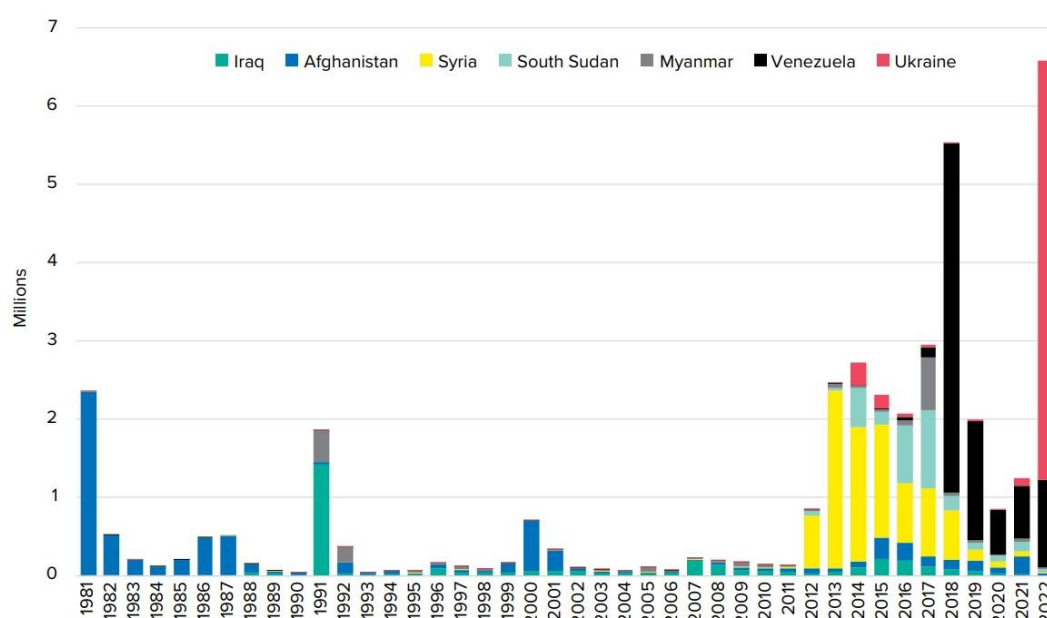


*Figure 1 Largest forced displacement flows across borders between 1980 and mid-2022*

Source: UNHCR's Mid-Year Trends Report 2022[iii]

By the end of June 2022, 76% of all refugees and other people in need of international protection worldwide originated from six countries only – the Syrian Arab Republic (6.8 million), Venezuela (5.6 million), Ukraine (5.4 million), Afghanistan (2.8 million), South Sudan (2.4 million) and Myanmar (1.2 million).[iv]

According to IOM, approximately 6.5 million people were internally displaced (IDPs) in Ukraine as of 27 October 2022, an increase compared to the 6.2 million one month earlier.[v] At the time of the October 2022 survey, 27% of the internally displaced population (approximately 1.76 million persons) intended to change their current location during the upcoming weeks (a decline compared to the 31% as of 26 September 2022). Thirteen percent of the 27% (857,000 people) were considering returning to their original habitual residence, and 14% intended to relocate to a third place but did not return. Twenty-three percent of those intending to move but not return were considering leaving Ukraine (the figure

was 19% in September 2022). In general, there was no increase in the likelihood of mass outflow of IDPs from Ukraine.[vi]

ACAPS reports a sharp rise in the number of people in need of humanitarian aid in the country, from 2.9 million prior to Russia's full-fledged military invasion of Ukraine to a staggering 17.7 million by the end of October 2022, which will likely increase during the winter period.[vii]

Based on data provided by national authorities, UNHCR estimates that there were 15.4 million refugee movements out of Ukraine between 24 February and 22 November 2022 (referring to intense pendular cross-border movement, not one-off individual crossings).[viii] Within the same timeframe, 7,867,219 people were recorded as having arrived in a European country due to Russia's war on Ukraine, 90% women and children.[ix] Seven countries bordering Ukraine had received 4,699,148 displaced people, with the Russian Federation being the top country for refuge, hosting 2,852,395 individuals fleeing the war (as of 3 October 2022).[x] In order to illustrate the scale of the current Ukrainian refugee population, it is worth remembering that during the so-called 2015 European "refugee crisis", EU+ countries (i.e. the then 28 Member States of the EU, Norway and Switzerland) received 1,349,648 asylum applications.[xi] This is less than the number of Ukrainians who have found safety in Poland alone, as indicated in the following table.

*Table 1 Individuals who have fled Ukraine, registered for protection statuses and cross-border movements from/to Ukraine in relation to seven countries neighbouring Ukraine, and Germany*

| Country | People who have fled Ukraine recorded in country | People having fled Ukraine and registered for temporary protection or other national protection scheme | Border crossings from Ukraine | Border crossings to Ukraine | Date (2022) |
|---|---|---|---|---|---|
| Russian Federation | 2,852,395 | Not applicable | 2,852,395 | Data not available | 3 October |
| Poland | 1,507,893 | 1,507,893 | 7,583,850 | 5,528,491 | 22 November |
| Slovakia | 101,434 | 101,236 | 953,910 | 689,521 | 22 November |
| Republic of Moldova | 96,646 | Not applicable | 697,937 | 340,836 | 22 November |
| Romania | 92,076 | 87,885 | 1,556,746 | 1,237,151 | 20 November |
| Hungary | 32,271 | 32,271 | 1,781,852 | Data not available | 22 November |
| Belarus | 16,433 | Not applicable | 16,705 | Data not available | 22 November |
| **Total in 7 neighbouring countries** | **4,699,148** | **1,729,285** | **15,443,395** | **7,795,999** | |
| Germany | 1,021,667 | 1,021,667 | Not applicable | Not applicable | 22 November |

Source: UNHCR Operational Data Portal – Ukraine Refugee Situation[xii]

The situation in four of these seven neighbouring countries is described in this research report, namely that of Poland, Slovakia, Romania and Hungary (besides Germany, which is not close to Ukraine). As the above table indicates, Poland witnessed an outstanding number of border crossings from Ukraine (more than 7.5 million) and individuals registering for temporary protection or another type of national protection status (more than 1.5 million) by the end of November 2022. Germany has also become one of the top destination countries, with 1,021,667 people registered for temporary protection (as of 22 November 2022).[xiii] Other countries included in the research, such as Slovakia and Romania, are also hosting a significant number of recipients of temporary protection (101,236 and 87,885, respectively). Hungary, the fifth country included in the research, has documented 32,271 people fleeing Ukraine who are now beneficiaries of temporary protection.

Compared with other refugee movements in the region, 106,900 people from other countries lodged an asylum claim in the 27 Member States of the EU, Norway and Switzerland between January and October 2022.[xiv] Most asylum-seekers arrived from Syria, Afghanistan, Türkiye, Venezuela and Colombia.

In order to respond to the needs of the population forcibly displaced by Russia's war, European countries, especially those bordering Ukraine, immediately opened their borders and organized large-scale humanitarian assistance.[xv] They triggered their disaster response schemes and emergency protocols, relaxed border entry requirements, set up coordination mechanisms, arranged emergency shelters, provided humanitarian aid, organized transportation from border areas, provided information via social media channels, websites, brochures, hotlines, coordinated volunteers, and mobilized medical, psychiatric, psychosocial and legal assistance.[xvi] In addition, a few EU+ countries, such as Iceland and Italy, removed Ukraine from their list of safe countries of origin so that Ukrainians with pending deportation orders could not be forcibly sent back to Ukraine.[xvii]

In order to provide immediate and effective protection for such a large-scale displaced population, the Council of the European Union activated the 2001 Temporary Protection Directive, an exceptional measure that will be further described later in the chapter entitled "Legal regulation of the current Ukrainian refugee situation".[xviii] As a result, by 22 November 2022, the number of people registered for temporary protection or similar national protection status due to Russia's war against Ukraine in Europe was 4,751,065 in total.[xix]

## 2.2  Profile of people fleeing Russia's war on Ukraine

The Regional Protection Profiling and Monitoring Factsheet published by UNHCR in partnership with national authorities, local civil society organizations and international non-governmental organizations surveyed 34,145 individuals fleeing Ukraine in seven countries between May and November 2022.[xx] Most of the respondents were residing in Poland (18,626), the Republic of Moldova (5036), Romania (4517) and Slovakia (3909). In addition, 1390 interviewees were based in Belarus, 540 in Hungary and 127 in Bulgaria. Almost all (99%) of the respondents were Ukrainian, 86% were women, and almost half (46%) had university degrees. More than half of the surveyed population (48% women, 6% men) were between 35 and 59 years old, and almost three-quarters of them (73%) had been in employment prior to their forced displacement from Ukraine. In addition, 17% were above 60 years old (13% women, 4% men), and 13% had retired before they left their home country.[xxi]

Most respondents were residing in hosting (34%) and rented (32%) accommodation, 14% were staying at collective sites, and 9% were living in reception centers, planned sites (4%) and transit centers (3%). Cash assistance, employment and accommodation were the three most immediate needs mentioned by the interviewees.

Sixty-three percent of the respondents intended to remain in the host country for safety reasons (49%), due to family relations (15%), asylum procedures (7%) and employment opportunities (7%). Fourteen percent were uncertain about their near future intentions, and 10% mentioned plans for secondary movement towards another host country due to family ties (29%), safety reasons (23%) and employment prospects (18%). Germany (27%), Canada (10%) and Norway (5%) were mentioned as the top three destinations, followed by Poland (4%) and France (3%). Thirteen percent were considering returning to Ukraine, but 70% were unsure about the date of their relocation. Only 17% of the respondents had been internally displaced prior to moving out of Ukraine.[xxii]

# 3 Legal regulation of the current Ukrainian refugee situation

## 3.1 Activation and implementation of the 2001 Temporary Protection Directive (2001/55/EC)

Due to the unprecedented scale and intensity of the inflow of people displaced by Russia's military invasion of Ukraine, the Council of the European Union convened an emergency meeting on 27 February 2022, where the activation of the exceptional temporary protection scheme was discussed.[xxiii] On 2 March 2022, the European Commission proposed that the Temporary Protection Directive (2001/55/EC) should be triggered in order to immediately and effectively respond to the needs of people fleeing Ukraine.[xxiv] According to the Temporary Protection Directive, the existence of a mass arrival of displaced people shall be determined by a Council Decision.[xxv] On 4 March 2022, the Council unanimously adopted its 2022/382 Implementing Decision that established the ongoing mass influx of people fleeing Ukraine, thereby triggering the Temporary Protection Directive for the first time since its adoption following the conflicts in former Yugoslavia.[xxvi] The Temporary Protection Directive, which is legally binding on all EU Member States except Denmark, delineates the minimum standards of an exceptional and immediate protection scheme to States to help manage cases of mass arrivals of members of a displaced population fleeing any third countries who are not able to return to their country of origin.[xxvii]

Protection can be granted by the international community to persons or groups of people who are outside of the territory of their country of origin and cannot return as this would transgress the principle of *non-refoulement* as their country of origin is unable or unwilling to provide protection for them.[xxviii] The principle of non-refoulement is the core element of the global refugee protection regime stipulated by Article 33(1) of the 1951 Convention Relating to the Status of Refugees (Geneva Convention) and its 1967 Protocol which prohibits the expulsion or forced return of refugees.[xxix]

> (…) No Contracting State shall expel or return ("refouler") a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion.[xxx]

Temporary protection is part of an emergency scheme regarded as complementary to the international refugee protection system that grants protection against *refoulement* via group-based recognition instead of through individual asylum procedures.[xxxi] Article 4(1)-(2) of the Directive (2001/55/EC) sets out that temporary protection shall last for one year, which may be prolonged automatically by six months for a maximum period of one year. If the causes triggering the emergency situation continue to exist after two years, the Council, following the Commission's proposal, may determine upon a qualified majority whether to prolong the temporary protection by a maximum of one year.[xxxii]

In October 2022, the European Commission extended the temporary protection until March 2024, which was a positive step towards ensuring people's access to safety.[xxxiii] However, it is crucial to arrange high-level policy dialogue about what other types of legal channels the EU Member States might be able to provide for the displaced population currently holding temporary protection status in the case that Russia's military aggression against Ukraine continues following March 2025.

As the primary responsibility of refugee protection lies with the state, the Directive sets out a number of duties of governments in relation to the reception and residence of beneficiaries of temporary protection that "should be fair and offer an adequate level of protection to those concerned".[xxxiv] Systematically tracking the application of the Temporary Protection Directive in each country would be essential for better understanding service provision and gaps and how states are fulfilling their obligations that arise due to it. The current report aims to contribute to a knowledge base about issues related to housing and services that supports the inclusion of beneficiaries of temporary protection in the countries under analysis.

## 3.2 Entitlements and provisions available to beneficiaries of temporary protection

The 2022/382 Council Implementing Decision defines the following categories as beneficiaries of temporary protection.[xxxv]

- Ukrainian nationals living in Ukraine who were displaced on or after 24 February 2022;
- Non-Ukrainian third-country nationals residing in Ukraine who were displaced on or after 24 February 2022 and who were recognized as refugees or beneficiaries of other protection schemes before 24 February 2022;
- Family members of these categories of persons if living in Ukraine before or on 24 February 2022.

According to Directive 2001/55/EC, Member States may provide temporary protection to:

- Stateless persons;
- Non-Ukrainian third-country nationals legally residing in Ukraine before 24 February 2022 who are unable to return to their country of origin in a safe and durable manner.

Member States are encouraged to extend the temporary protection to include the following categories of people:

- Persons who fled Ukraine shortly before 24 February 2022 to the territory of the European Union;
- Ukrainian tourists;
- Ukrainian nationals with work permits who are unable to return to Ukraine;
- Other categories of persons.

UNHCR welcomes the German legislation that explicitly states that Ukrainian citizens who were already living in Germany prior to 24 February 2022 could be eligible for temporary protection if their residence permit expires and they are unable to renew it due to the hostilities in Ukraine.[xxxvi] This remarkable clause promotes the safety and human rights of those Ukrainian migrants who moved to Germany for reasons not related to the consequences of the war against Ukraine. Compared with the national legislations on temporary protection in Poland, Slovakia, Romania and Hungary, German law is the only one to grant protection to this category of Ukrainian migrants who would otherwise become irregular migrants, probably facing the threat of deportation.

Migrants with short-term residence permits issued by Ukraine must be allowed to enter the territory of the European Union on humanitarian grounds without being required to fulfil any further visa requirements to access safe passage and "with a view to returning to their country or region of origin".[xxxvii]

According to the Temporary Protection Directive, Member States have the following obligations in relation to beneficiaries of temporary protection.[xxxviii]

- Provision of documents (Article 8(1));
- Access to employment and self-employment (with limitations and preferential treatment of citizens of any EU Member States, EEA citizens and third-country nationals legally residing in the host country and receiving unemployment benefits) (Article 12);
- Access to education and vocational training for adults (Article 12);
- Access to suitable accommodation or receiving the means to obtain housing (Article 13(1));
- Access to social welfare and means of subsistence (Article 13(2));
- Access to medical care (at least emergency care and essential treatment of illness) (Article 13(2));
- Access to medical or other assistance to persons with special needs (unaccompanied minors, survivors of torture, rape or other serious forms of psychological, physical or sexual violence) (Article 13(4));
- Access to education for children under the same conditions as nationals (Article 14(1)).

## 3.3 Preferential treatment of people fleeing Ukraine compared to people in need of international protection arriving from other countries

Ukrainians are exempt from visa requirements when entering the territory of the EU and are allowed to stay in the bloc for a maximum of 90 days within a 180-day period.[xxxix] According to the Council Implementing Decision, Ukrainian nationals are allowed to choose the Member State where they want to reside and "enjoy the rights attached to temporary protection and to join their family and friends across the significant diaspora networks currently exist across the Union".[xl] Ukrainians are treated more favourably than recognized refugees and beneficiaries of subsidiary protection who arrive from other third countries who have no freedom to decide in which Member State they wish to reside. According to the Dublin III Regulation, asylum-seekers are obliged to lodge their asylum claim in the Member State where they first entered the territory of the European Union.[xli] If they move to other countries where the Dublin Procedure is applicable, they can be forcibly removed and deported back to the country responsible for assessing their asylum application.

In the case of short-term return to Ukraine, beneficiaries of temporary protection do not need to notify the authorities of the host country.[xlii] Even if they relocate for a longer period of time, their legal status can be reactivated.[xliii] This also indicates the preferential treatment of Ukrainians, as recognized refugees and beneficiaries of subsidiary protection would lose their status and related rights and entitlements provided to them by the host country in such a case. This is another example of how Ukrainians are treated more favourably than people of other nationalities in need of international protection.

This is also corroborated by the judgment delivered by the Court of Appeal in The Hague on 20 December 2022 concerning the reception of asylum-seekers in the Netherlands.[xliv] The Court ruled that the Dutch State had unlawfully distinguished between people fleeing Ukraine and asylum applicants from other countries by, in general, providing better reception conditions to the former, while certain asylum-seekers were compelled to sleep outside of asylum facilities due to insufficient accommodation capacity. The Court stated that as both categories of people fleeing war and violence, there should be no difference in the provision of reception as this would be counter to the principle of equality and have no objective justification.

## 3.4  Main service providers and coordination mechanisms in the research countries

The mass arrival of people displaced by Russia's war against Ukraine in need of safety and protection has prompted enormous solidarity in host countries, including the five research countries. Individuals, local authorities, local and national NGOs, Ukrainian diaspora communities, refugee and migrant-led organizations, and private companies have mobilized their own resources and stopped their everyday activities to provide immediate and effective support to people fleeing Ukraine. The rapidly organized large-scale and generous humanitarian assistance delivered mainly by the local population, including people opening their own homes to offer sanctuary to refugees, was critical, especially during the first weeks following 24 February 2022. Without this, host countries would have been unable to handle the situation and faced a humanitarian catastrophe. This is especially the case with Hungary, where the asylum reception and refugee inclusion system has been systematically abolished in recent years.

As this report shows, the scale of humanitarian response and level of inclusion opportunities available for the newly arrived displaced population are different in each country in the research. However, the multi-stakeholder, multi-sectorial and whole-of-society approach has evoked the spirit of the Global Compact on Refugees (GCR).[xlv] The GCR is an ambitious, legally non-binding and non-political framework that is designed to reinforce responsibility-sharing and solidarity among governments, international organizations and other stakeholders to create more equitable and predictable protection and assistance for refugees and their host communities.[xlvi] Additionally, the GCR also serves as a reminder that the primary responsibility for ensuring an effective refugee protection architecture lies with States.[xlvii] In the European context, the humanitarian dimension associated with any mass arrival of displaced populations is intertwined with the necessity of developing systems for their long-term inclusion. This requires strong State ownership and leadership in terms of providing the sustainable legal, policy, institutional and programmatic solutions capable of upholding the fundamental rights of all people in need of international protection.

The UNHCR, in partnership with governments, set up a coordination mechanism in Poland, Slovakia, Romania, Hungary and the Republic of Moldova, complementing each country's national humanitarian response strategy. The Regional Refugee Response Plan (RRRP or RRP), originally launched in March 2022 (and later recalibrated in October 2022), involves 142 humanitarian partners, including other UN agencies, international non-governmental organizations (INGOs), local and national civil society organizations (CSOs), Ukrainian diaspora organizations, refugee and migrant-led organizations.[xlviii] The RRP is a fundraising tool that local and national NGOs that respond to the needs of refugees in each

country may utilize in their fundraising strategy and donor relations and does not provide direct funds to them. The Inter-Agency Refugee Coordination Forum established by UNHCR represents a coordination and information-sharing platform led by the UNHCR Regional Bureau for Europe (RBE).[xlix] It has a specific Working Group structure in each country, covering areas such as Protection, Child Protection, Education, Counter-Trafficking, Gender-Based Violence (GBV), Third-Country Nationals (TCN), Basic Needs/Livelihoods, Health, Mental Health and Psycho-Social Support (MHPSS), Protection from Sexual Exploitation and Abuse (PSEA), Logistics and Shelter, tailored to the needs of pre-existing national-level coordination structures.

## 3.5   Identified service gaps in the research countries

### 3.5.1   Information provision and State leadership

In a survey conducted in Romania with people fleeing Ukraine, respondents mentioned access to information related to rights, obligations and inclusion prospects as some of the most concerning issues. The lack of engagement and possibility of open dialogue with the Hungarian government is one of the greatest challenges for humanitarian actors and service providers working in the field of refugee protection in the country.

### 3.5.2   Social benefits

Obtaining access to financial support that would provide sufficient help to people displaced by Russia's war against Ukraine was mentioned as one of the most urgent needs by interviewees in Romania. There is also an urgent need to increase the social benefits (monthly subsistence allowance) available to people who have fled to Hungary.

### 3.5.3   Healthcare and medical assistance

Polish NGOs received several reports about communication problems that hindered some Ukrainians from accessing healthcare services due to the lack of translation services at healthcare institutions. In addition, the abortion ban has aggravated the situation of Ukrainian women in need of reproductive healthcare in Poland. A piece of research for UNHCR – CNNR identified that, in Romania, 27% of the interviewees declared that accessing healthcare services was difficult, and 35% of them mentioned the need for more information on how to access medical assistance.[l] In addition, there are serious concerns about access to long-term treatment and care for elderly people, people living with severe mental health conditions and people living with disabilities in the country. Different categories of people fleeing Ukraine have been able to access different types of Romanian healthcare services. Those with short-term legal status or beneficiaries of temporary protection have higher-level access to medical assistance, equivalent to what Romanian citizens with medical insurance can obtain. However, people with long-term status, such as recognized refugees, are entitled to only limited access to medical services on an equal basis with Romanians without medical insurance. This paradoxical situation might raise issues related to the application of the principles of equality and non-discrimination.

### 3.5.4   Employment

In a survey conducted by UNHCR and CNNR in Romania, 28% of respondents stated that access to employment was one of their immediate needs, and 32% needed more information about job opportunities.

### 3.5.5   Childcare services and education

In Poland, a significant number of children under 18 years of age (approximately 312,000) were not enrolled in any school or daycare institution in October 2022. Further, there may be many teenagers who are presently completely outside the education system who face challenges with becoming integrated into the Polish one. In larger Polish cities, the capacity of many schools has been fully exhausted, and there are multiple cases of children dropping out of school. Government funding is not available for educational integration, and education-related assistance is financed exclusively by local NGOs or INGOs. There is a lack of bilateral agreement between the Polish and Ukrainian governments concerning whether Ukrainian children should attend Ukrainian online classes or be enrolled in in-person education in Poland. The lack of a clear mandate concerning which State is in charge of supervising and monitoring the school attendance of Ukrainian children raises serious concerns related to the duties of both States arising from the United Nations Convention on the Rights of the Child to which they are signatories. According to Article 28(1) and (3) of the Convention, the former should seek to strengthen international cooperation centered around the issue of schooling in order to uphold the right to education of children "with a view to achieving this right progressively and based on equal opportunity".[li] There are no structured integration programs for immigrant students in Poland, and parents do not receive additional assistance related to the enrollment process or arranging consultations with teachers. The Polish government lacks leadership in respect of coordinating or enhancing integration programs for immigrants. In Germany, early childcare facilities, kindergartens and schools are also overstretched, and there is a strong demand to increase the capacity of the school system, including hiring more teachers. In large cities in Slovakia, pre-schools and schools do not have sufficient capacity to accommodate Ukrainian children. UNHCR – CNNR research conducted in Romania found that 25% of the interviewees considered education to be one of their most pressing concerns, and 23% required more information about education opportunities. Due to the lack of a sufficient number of regional school coordinators at the beginning of the school year in 2022, issues arose concerning expenses related to school supplies allocated to Ukrainian children. As a result, numerous children did not get any school supplies. In Hungary, the educational situation of Hungarian-speaking Roma children is especially worrying. Due to their severe marginalization and discrimination in Ukraine, many did not have access to preschool and school. The Hungarian school system, which has many dysfunctions and a shortage of teachers, does not seem to be capable of providing quality education to children in general, not to mention those who are illiterate. This raises serious concerns related to the potential violations of the right to education of refugee children in Hungary.

### 3.5.6   Language learning

The state might need to provide Slovak language lessons in Slovakia, as the latter have only been arranged by NGOs and INGOs.

### 3.5.7   Accommodation

One-fifth of the respondents in the Romanian survey had serious issues obtaining access to accommodation, and 10% needed more information related to this area in autumn 2022.

### 3.5.8   Documentation, addresses, and the equivalency of professional certificates

In Slovakia, legislation related to the equivalence of diplomas and certificates might need to be revised in order to better facilitate the employment of Ukrainian medical professionals and teachers. The lack of addresses on identity documents issued to the beneficiaries of temporary protection by the Romanian authorities obstructs their access to the minimum guaranteed wage and other welfare benefits provided by local municipalities.

# 4 A comparative analysis of the general housing system and policy frameworks in Germany and four New Member States

The gap analysis is based on comparing the German housing system (as a benchmark) and the housing systems of four selected post-socialist countries. The German housing system is (according to most analysts) one of the most efficient housing systems in Europe. The German housing system is thus approached as a kind of ideal system, but it should be borne in mind that (1) it is the result of a conflict-laden development process; and (2) it is not free of (re-)emerging housing-related conflicts.

## 4.1 The German housing system as a benchmark for the four New Member States

### 4.1.1 Macroeconomics and demography

Germany has the largest national economy in Europe and the fourth largest economy by nominal GDP in the world, with a total average income of 35,480 EUR (December 2021)[lii]. The country accounts for 28% of the euro area economy. Its GDP per capita was 4.8 times higher in 2001 than the average GDP of the other four benchmark countries in this project. This gap has narrowed to 2.8 times in 20 years. In addition, Germany is one of the largest exporters globally, with $1810.93 billion worth of goods and services exported in 2019.[liii]

| | |
|---|---|
|  |  |
| ***Figure 2 GDP per capita in EUR**[liv]* | ***Figure 3 Population change (1990=100)**[lv]* |
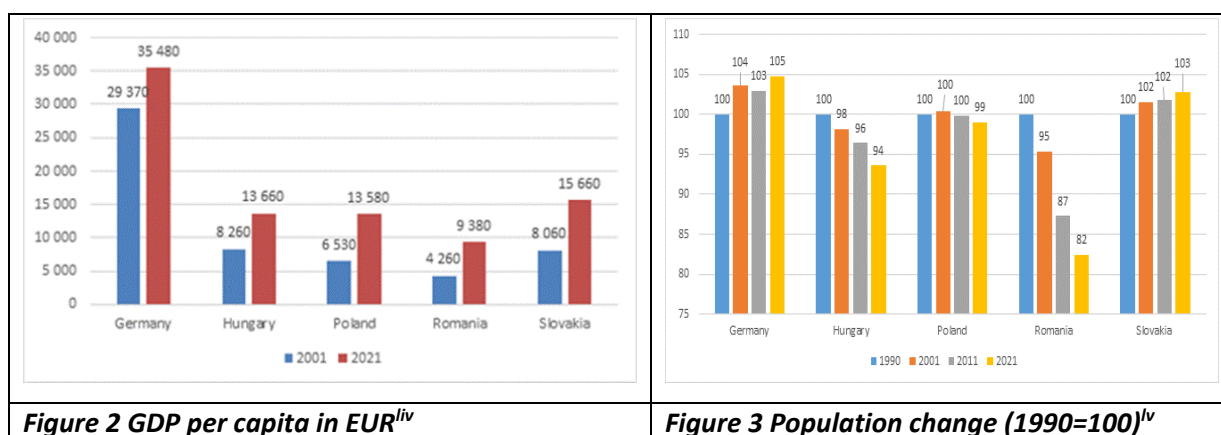
With a population of around 84 million, Germany is the most populous country in the five-country comparative project.[lvi] After years of a stagnating population trend, Germany's population has grown since 2014. On 30 June 2022, 2,882,000 more people lived in Germany than at the end of 2014. This increase was mainly due to forced migration in connection with war and violence in Syria, Afghanistan and Iraq in 2015/2016 and after Russia's attack on Ukraine. Germany is one of the largest receiving countries in terms of migration in Europe, with a net migration surplus of six million people between 2000 and 2021; or 7% of its population. Population growth has been strongly concentrated in cities and metropolitan regions. Despite overall population gain, however, the proportion of the working-age population has decreased.

The four New Member States are similar in terms of GDP per capita, but over the past 20 years, Slovakia and Poland have become economically stronger than Hungary and Romania. When interpreting the GDP per capita figures, it should be noted that Hungary's population has fallen by 5% and Romania's by 14% over the 20 years, while the populations of Slovakia and Poland have remained essentially unchanged. The share of the shadow economy in Hungary and Romania is above 20%; in Poland and Slovakia, it is below 20%; and in Germany under 10%. <sup>lvii</sup> Slovakia is a member of the EMU, and the value of HUF fell by the most between 2012 and 2020 (39%), while the Romanian lei and the Polish zloty fell in value by around 10%. <sup>lviii</sup>

### 4.1.2   Milestones in housing policy

The housing policy of Germany may be viewed within the paradigm of the traditional German 'social market economy', where the idea is that the state only intervenes in the market if the market does not work properly. Until the end of the 1970s, the German housing subsidy system was dominated by supply-side subsidies, but from the 1980s, there was a gradual shift to using demand-side subsidies after the end of the quantitative housing shortage, with the turning point being the change in the position of housing cooperatives in 1990.

This meant an increased role for the market. In addition, a change to the law in 1990 abolished the special status of housing in the public interest (*Wohnungsgemeinnützigkei*t). As a result, social housing companies (mainly factory-related and public housing cooperatives) lost their tax benefits but became free from constraints. (This is probably why Germany has not developed a stable social housing sector, unlike, for example, the Netherlands.) Thus, there are no longer 'social landlords' in Germany, but only profit-oriented public landlords who provide and control a part of the social housing stock (Kofner, 2017).

Since 1990, Germany's main housing-related challenge has been the country's unification. The management of the related social conflicts caused extreme economic, political and cultural differences. The government's strategy, basically, was to integrate the East German housing system into the well-operating West German system. In evaluations of the programs, observers have stated that the fiscal impact of the housing investment into the East German housing stock, accompanied by substantial outmigration from East to West, caused particular problems. The literature indicates how disequilibrium was caused by the 'post-reunification' housing policy that channelled large subsidies into housing stock. As a consequence of this over-investment and stable migration from East Germany to West Germany, many housing vacancies were created in the 1990s and the 2000s.

Since 2000, housing policy has been based on tenure neutrality and substantially reduced tax support for owner-occupied housing, but at the same time, the supply-side subsidies for the rental housing sector – which previously created a large rental housing stock through a combination of extensive housing subsidies and generous taxation – have been abolished (Kofner, 2017).

The 2006 constitutional reform transferred powers in the area of social housing from the Federal Government level to the Federal States. During the transition period, the Federal Government's transitional housing funds continued to operate, leaving the Federal States time to develop their own housing policies. Thanks to the reform, the Federal States now have complete control over the

development, financing and implementation of social housing policy. At the same time, the Federal Government provides financial support for the housing programmes of the Federal States through an intergovernmental fiscal system. The German economy weathered the GFC without major shocks, although this required an effective state rescue programme (Kofner, 2017).

For all the New Member States, the 1980s were a period of economic decline, partly because of the oil crisis and partly because of the Soviet Union's economic difficulties. Housing investment fell everywhere, but Poland was hardest hit by the crisis. The change of regime in 1990 shook these economies, resulting in the collapse of the housing finance system and a decline in housebuilding. Housing privatization (as a "shock absorber") occurred in all Member States. In 2000, countries emerging from the transitional recession built up a new market-based housing finance system, and housing investment started but was reversed by the 2008 GFC.
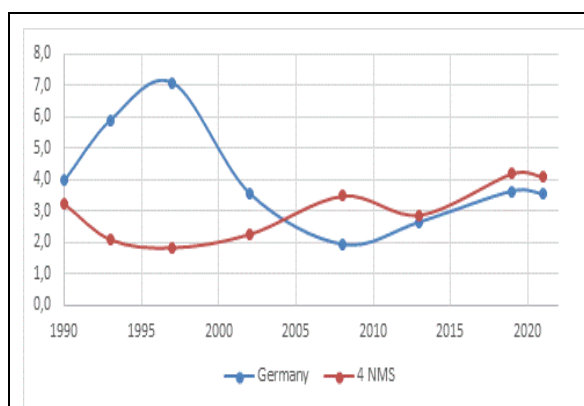
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| *Figure 4 New housing completions per 1000 people 1990, 2021[lix]* | *Figure 5 Total Outstanding Residential Loans to GDP Ratio (%) between 2000 and 2021[lx]* |
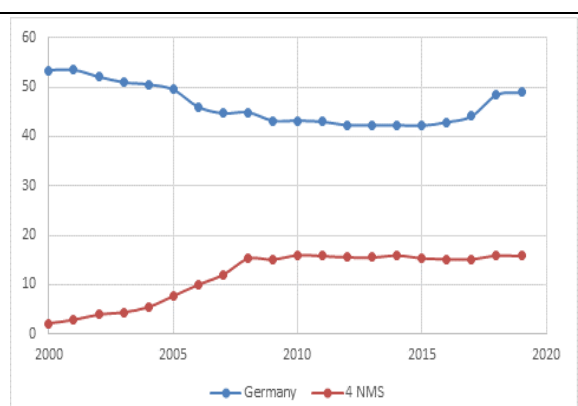
The housing policy trend in Germany and the four New Member States can be illustrated by the number of housing starts and the role of mortgage loans (housing-loan-to-GDP ratio) (see Figures 4 and 5). At the time of reunification, Germany was associated with a high level of investment in housing (in the 1990s), with a decline in the 2000s and a resumption after 2013. The role of housing credit is essentially stable, ranging between 52% and 42% of GDP. Housing investment in the New Member States started in the 2000s and, after the post-crisis downturn, followed and even overtook that of Germany, with the role of lending increasing in the 2000s but remaining within a range of 15-17%.

### 4.1.3   Tenure structure -- different contexts

The structure of tenure is of particular importance in the housing literature, with most comparative analyses classifying housing systems according to tenure. However, this information does not provide a complete picture of Germany and the New Member States. In the case of Germany, the ownership structure is balanced in terms of the share of ownership and renting, in contrast to the private home ownership structure that prevails in the New Member States. Moreover, Germany has a small social sector (3%) with different types of landlords (cooperatives, municipal housing companies and other

landlords).[lxi] This represents only the part of stock still subject to legal restrictions in terms of rent and access. A further 10% of the housing stock is owned by municipalities and cooperatives as if it were social housing (Droste and Knorr-Siedow, 2014). A similar view is expressed by Kofner (2017), who argues that the sector should be defined functionally as social housing currently subsidised through a social housing programme associated with specific subsidies, rent ceilings and housing obligations. Therefore, reference to ownership structures does not make sense in the German case, as around three-fifths of the social rental housing stock is privately owned (Kofner, 2017). With these caveats, it is true that the German housing system is characterized by a balanced tenure structure, with a very significant private rented sector and a social sector that is probably close to the European average (if the social sector is defined as a subsidized sector). In two-thirds of the social sector, the landlord is not a municipal or housing association but a private landlord.

For the new Member States, we see systematic underestimation due to tax-related reasons and the general under-regulation of the private rental sector. But with these qualifications, the EU-SILC database is an important starting point for analysing changes in the tenure structure. A striking difference between Germany and the new Member States is found in the share of homeownership, which is a direct consequence of privatization, and the share of homes with mortgages. The low share of ownership with mortgage reflects the underdeveloped housing finance system in the new Member States, and the difference in private rentals (even including the unreported private rentals in the four NMS) is striking. The low level of private rentals in NMS is explained by the one-sided ownership-biased subsidy system.

*Table 2 Tenure structure in 2012 and 2020 in selected countries*

| | Owner with mortgage | Own outright | Rent (private) | Rent (subsidized) | Total | Owner with mortgage | Own outright | Rent (private) | Rent (subsidized) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2012** | | | | | **2020** | | | | |
| **Germany** | 28 | 25.2 | 38.7 | 8.1 | 100 | 31.4 | 19 | 43.3 | 6.3 | 100 |
| **Hungary** | 20.9 | 68.9 | 3.1 | 7.1 | 100 | 15.5 | 75.8 | 4.3 | 4.4 | 100 |
| **Poland** | 9.6 | 72.8 | 4 | 13.6 | 100 | 13.1 | 72.5 | 3.3 | 11.1 | 100 |
| **Romania** | 0.9 | 95.4 | 0.8 | 2.9 | 100 | 1.1 | 95 | 1.3 | 2.6 | 100 |
| **Slovakia** | 9,6 | 80,8 | 7,8 | 1,8 | 100 | 23,3 | 69 | 6,1 | 1,6 | 100 |

Source: Distribution of population by tenure status- EU-SILC survey [ILC_LVHO02__custom_3360359]

In Germany, the important element of the public and the large private rental sector is the balanced consideration of tenants' and owners' interests in the legal regulation of property rights, including termination and price fixing. The neutrality of tenancy in terms of the tax and subsidy system is one of the most important explanatory factors of a large and stable private rental sector. This does not mean that there are no conflicts of interest between tenants and owners, but that these are manageable and do not lead to the disappearance of the sector, as has happened in some countries (for example, in Italy);

nor that unresolved, recurring conflicts hinder the emergence of a stable private rented sector (like in NMS).

### 4.1.4 Housing stock, quality

There is a significant difference in the size and quality of the housing stock between Germany and the new Member States, which can obviously be explained by differences in economic development. This can be clearly seen in the number of dwellings per 1000 inhabitants, the proportion of overcrowded dwellings and the number of rooms per inhabitant (see Figures below).

The number of unoccupied dwellings is the lowest in Poland, but this indicator is a measure of housing market pressure and can vary widely between regions and cities. In any case, the indicator in Romania, Hungary and Slovakia is higher than the European average.

Among the New Member States, Hungarian housing stock is relatively decent. The number of dwellings per 1000 inhabitants is good (similar to Romania), but this indicator is strongly influenced by the population decline, which is significant in both countries, especially Romania. Hungary is the best performer in terms of overcrowding (19% of the population live in overcrowded housing, compared to 30% in Slovakia, 37% in Poland and 45% in Romania).
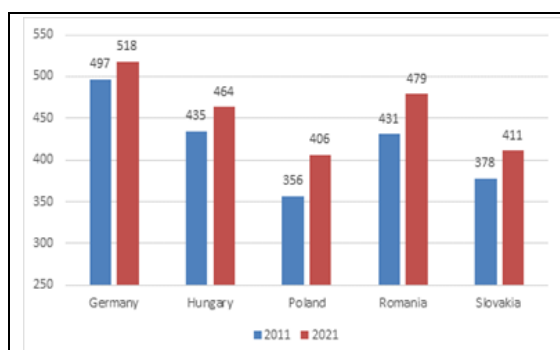
| | |
|---|---|
|  |  |
| ***Figure 6 Number of housing units per 1000 inhabitants in 2011 and 2021[lxii]*** | ***Figure 7 Vacant homes 2001, 2011[lxiii] (%)*** |
|  |  |
| ***Figure 8 Overcrowded housing ratio, 2020[lxiv] (%)*** | ***Figure 9 Average number of rooms per person[lxv]*** |
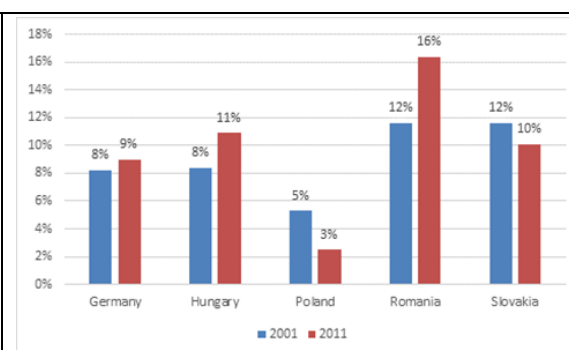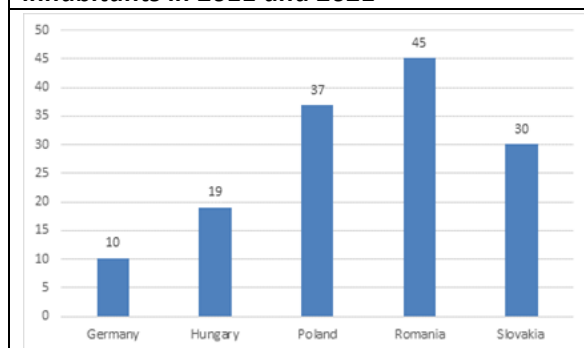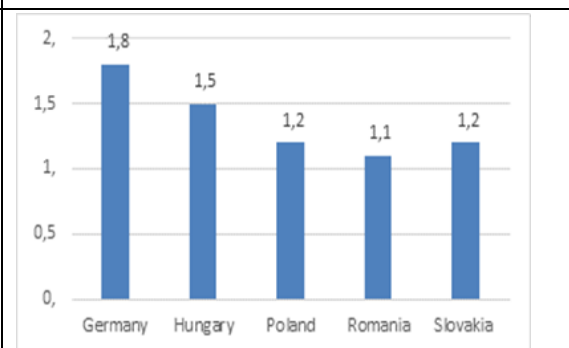
We can conclude that Slovakia's housing stock is a little bit better than that of Romania and Poland but worse than that of Hungary and, like all New Member States, significantly worse than that of Germany. This claim is supported by data for Slovakia:

- number of persons per room, 1.2 (same as the Polish figure, but below the Hungarian figure);
- the number of dwellings per 1000 persons is just below the Polish figure;
- For the overcrowding rate, only Romania and Poland are ahead;
- Average floor space per person was 26 m$^2$ in 2010, much less than in Hungary (31.2 m$^2$) but close to the amount in Poland (24.2 m$^2$) and much higher than in Romania (15 m$^2$)[lxvi]

### 4.1.5  Affordability issues

The Great Financial Crisis affected countries in different ways but typically led to a decline or stagnation in housing investment, transactions and house prices in almost all countries. However, after 2013, house prices rose rapidly, much faster than inflation and wages, leading to an affordability crisis in most countries (See Figures below).

Housing construction has grown in parallel in Germany, Slovakia and Romania at broadly the same rate, but in Poland and Hungary at different rates. Polish housebuilding figures are substantially above the EU average, while Hungarian figures are substantially below.
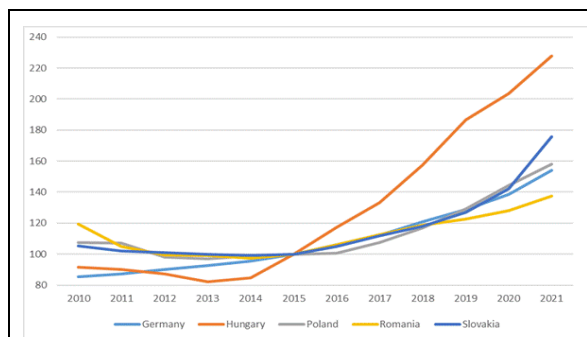


**Figure 10 Nominal House Price Indices (2015=100)[lxvii]**
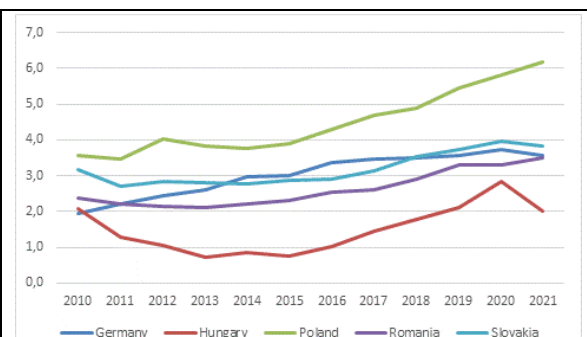
**Figure 11 New constructions per 1000 inhabitants[lxviii]**

A critical indicator of housing affordability is the level of house prices and rents relative to family income. According to data from Deloitte, house prices in Germany are more than double compared to those in the New Member States, while the differences in rents are much smaller. The rent/value ratio is highest in Poland and most favourable in Germany, probably due to Germany's soft rent control. The data show that the greatest pressure on the rental housing market is in Poland, while Hungary and Slovakia have the same level.

*Table 3 Average prices and rents 2020*

|  | Average transaction price of new dwellings (EUR/sqm) | Average monthly rent (capital cities) EUR/sqm | Rent-to-price ratio[lxix] |
|---|---|---|---|
| **Germany** | 4100 | 10.1 | 3.0% |
| **Hungary** | 1657 | 9,8 | 7.1% |
| **Poland** | 1581 | 15.1 | 11.5% |
| **Romania** | 1332 | n.a. | n.a |
| **Slovakia** | 1941 | 10.7 | 6.6% |

Source: Deloitte's Property Index Overview of European Residential Markets 10th edition, July 2021

The ratio of rent to income shows the affordability of short-term housing. The data for the capital cities of the five examined countries are consistent with the table included above: Berlin has the most affordable rents, and Warsaw has the highest demand-related pressure in the housing market for both one- and three-bedroom apartments. Bucharest is in the most favourable position, but the differences are not so striking. Similar conclusions can be drawn from the relationship between house prices and incomes. Berlin and Bucharest are the most affordable cities in terms of price and income.

*Table 4 Rent-to-income ratio and price-to-income ratios in capital cities[lxx]*

|  | Rent-to-income (3 rooms) | Rent-to-income (1 room) | Price-to-income |
|---|---|---|---|
| **Berlin** | 52.5 | 29.1 | 11.5 |
| **Budapest** | 72.8 | 40.9 | 16.2 |
| **Warsaw** | 93.9 | 58.4 | 19.4 |
| **Bucharest** | 75.6 | 45.3 | 13.0 |
| **Bratislava** | 92.8 | 53.6 | 23.1 |

Source: Housing Market Report Hungarian National Bank 2022 Q1

Deloitte's analysis points out another interesting fact, essentially confirming what was said earlier. The difference in house prices between cities seems to be the most significant in Hungary and Slovakia compared to the other countries. The table also indicates that Berlin does not have the highest house prices, despite being the country's capital.

*Table 5 Price differences among cities, 2021*

| | Price of new dwelling (EUR/m2) | | Annual change | | | | | Lowest | Highest |
|---|---|---|---|---|---|---|---|---|---|
| | Lowest | Highest | Lowest | Highest | ratio (h/l) | | | | |
| **Germany** | 6 200 | 8 700 | 1,6 | 4,8 | 140 | | Germany | Berlin | Munich |
| **Hungary** | 1 281 | 2 207 | 1,2 | 4,8 | 172 | | Hungary | Debrecen | Budapest |
| **Poland** | 1 426 | 2 233 | 4,9 | 5,6 | 157 | | Poland | Lodz | Warsaw |
| **Romania** | 1 270 | 1 800 | 2,4 | 6,5 | 142 | | Romania | Timisoara | Cluj |
| **Slovakia** | 1 720 | 2 805 | 2,2 | 13 | 163 | | Slovakia | Kosice | Bratislava |

Source: Property Index Overview of European Residential Markets 10th edition, July 2021, https://www2.deloitte.com/content/dam/Deloitte/at/Documents/real-estate/at-property-index-2021.pdf

These indicators are revealing, but they should be treated with caution because average prices and average incomes do not reflect the actual situation of marginalised groups, even when measured in terms of income, education, location of housing, etc. In addition, statistics on house prices and rents should also be treated with caution, as they often show the asking price rather than the transaction price.
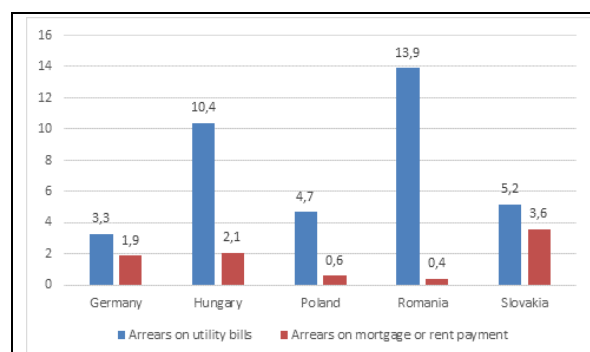


| *Figure 12 Indicators of housing affordability (2021)lxxi* | *Figure 13 Share of young adults aged 18-34 living with their parents lxxii* |
|---|---|
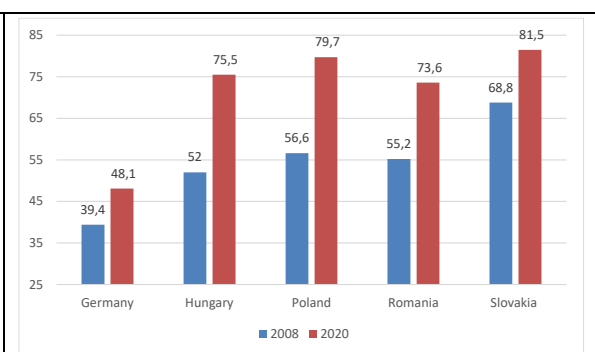
An indirect indicator of housing affordability is households' arrears on utility bills, loan repayments, and rent (see graph). Again, Germany has the most stable performance with the smallest average utility arrears, and Hungary and Romania are the worst performers (with more than 10% of the population in arrears in 2021). The level of arrears is highest in Slovakia, where housing credit has grown very dynamically over the last ten years. In the case of Germany, it should be noted that 1.9% of households in arrears are living in owner-occupied accommodation with a mortgage or rented housing (in Germany, this is 81% of the population, compared to 24% in Hungary and 31% in Slovakia).

Another indirect indicator of affordability is the 'Share of young adults aged 18-34 living with their parents'. This indicator increased in all countries between 2008 and 2021, but in the New Member States, it was much higher and increased at a faster rate.

## 4.2 Housing policies – a gap analysis

The gap analysis is based on the assumption that housing is embedded in the socioeconomic system and that housing policy can be meaningfully analysed through the interaction between housing position and social position.

The gap analysis compares the characteristics of each housing system with those in an "ideal" housing system. We start from the simplest formulation of the "ideal" housing system, which is that housing for households in an economically secure position is provided by an efficient market system, where regulations are basically designed to ensure market stability while avoiding major distortions. Housing subsidies ideally help households who are unable to find a housing solution within the market segment. The optimal ratio of market housing to subsidised housing depends on the structure of society, with strong middle-class households finding their place in the market housing sector and vulnerable, lower-middle-class, and particularly low-income households being offered the opportunity of subsidised housing. In the ideal housing system, the size of the subsidy is proportional to the need.

In the specification of our task, the German housing system was chosen as the benchmark as it approximates the basic characteristics of an ideal housing system well. In detailed country case studies and earlier sections of this paper, the main features of the German housing system are analysed in comparison with those of four New European Member States. In the following, we highlight the main features of the German housing system and examine the extent to which these features are present in the housing systems of the four former socialist countries. The review focuses on four core dimensions.

| Market sector regulations | Subsidized sector regulation | Homeownership subsidies | Governance |
|---|---|---|---|
| •Tenure neutrality<br>•Housing finance and subsidy system<br>•Private rental sector regulations | •Landlords (social and others)<br>•Demand-side subsidies<br>•Supply-side subsidies -- rental sector | •Construction<br>•Buying<br>•Renovation | •Decentralised schemes<br>•Central government responsibilities |

*Figure 14 Dimensions of the gap analysis*

1. **Market-sector regulations**

   1.1. *Tenure neutrality*

   **Germany**

   German housing policy consciously strives for tenure neutrality and, in this respect, is the most successful country in Europe alongside Switzerland, where almost 50% of housing is rented. This situation is based on tenancy law and a neutral subsidy system.

   **Four New Member States**

   In all four New Member States, radical privatisation took place in the 1990s (and, to a lesser extent, is still ongoing). Tenancy law is very liberal, enforcement is unpredictable, and the subsidy system is clearly pro-home ownership. There have been tentative experiments to change this, both in legal terms and in subsidy policy, but these are still on a very small scale.

   1.2. *Housing finance and subsidy system*

   **Germany**

   Germany has a stable housing finance system; the housing-loan-to-GDP ratio has been between 40 and 55% over the longer term. In contrast to the general increase in developed countries (financialisation), house price growth has also been less extreme, and financial regulatory standards are stable.

   **Four New Member States**

   Housing finance in the New Member States is slowly starting to converge with more developed countries' systems of financialisation, which make housing construction and purchases cash-based and thus based on transfers between family members and generations. The Slovak housing finance system is the fastest developing one of the four countries; the Polish one is stable, Hungarian housing finance is heavily reliant on demand subsidy, and the Romanian is underdeveloped.

   1.3. *Private rental sector regulations*

   **Germany**

   On the one hand, tenancy law provides tenants with strong protection against temporary tenancies, frequent rent increases and terminations, and tax breaks, while on the other hand, it limits fluctuation in rent in relation to market rents and guarantees landlords' financial security. The system is characterised as balanced, with a slightly pro-tenant inclination (Klopp and Schmid, 2018).

**Four New Member States**

Typically, in the New Member States, both renting and letting in the private market is a risky business, and these risks are managed by the parties through informal conflict management techniques. As both parties are mutually dependent, conflict in the private rental sector is typically handled out of court, and the sector as a whole is fairly self-regulating. Much of the private rental market is informal. However, this also limits its growth, even though the sector is larger than the statistical data suggests. The supply side is dominated by casual landlords as property for rent is increasingly becoming a desirable investment among upper-income families. (Hegedüs and Horváth, 2018)

2. **Subsidized sector regulation**
   2.1. *Landlords (social and others)*

   **Germany**

   According to the German definition, "social" housing is housing built with state financial support in return for which the owners are obliged to collect a legally defined rent from low and middle-income households that is below the market price. According to this definition, there are about 1.1 million social dwellings in Germany, 2.7% of the total housing stock (2021). The size of the social housing stock defined this way is constantly changing (it has decreased over the last decade) because when social landlords repay the subsidy (or the subsidy expires), the dwelling ceases to be legally 'social' and the owner can rent it out at market prices. However, cooperative or municipal landlords typically rent out such apartments at below-market rents even after the subsidies expire. There are currently nearly four million such municipal and cooperative dwellings, 9.6% of the housing stock. In addition, privately rented dwellings for which tenants receive housing benefit or social assistance[lxxiii] can be added to this.

   **Four New Member States**

   In the four New Member States, public housing has been taken over by municipalities, but privatisation has resulted in a small share of municipal housing (below 3% in all countries but Poland). As a result, municipalities have been left with smaller, poorer-quality housing, with no resources to renovate the stock. The majority of municipal housing is occupied by low-income families. Housing cooperatives are functionally part of the owner-occupied sector. Non-profit landlords also appear in innovative but small-scale programmes.

   2.2. *Demand-side subsidies*

   **Germany**

   In Germany, there are two important demand support schemes: housing benefit (*Wohngeld*) and compensation for housing costs as part of the social benefit scheme (KdU). Housing benefit is a means-tested subsidy for households with limited income

(tenants and homeowners) who would otherwise qualify for the basic benefit scheme because of their housing costs. The amount of housing benefit is calculated according to a fixed formula and depends negatively on income and positively on the level of rent and household size. (Around 600,000 households received housing allowance in 2020-2021, 1.5% of all households.) On the other hand, compensation for the housing cost programme (part of the social welfare benefit) is designed for households with no income or assets. Recipients of basic benefits are legally entitled to have their housing costs reimbursed within defined housing-budget limits. However, those who receive housing cost compensation are not entitled to housing benefit.

### Four New Member States

Almost all the New Member States have an income-related housing benefit scheme, but this does not cover private market rents. Rather, these subsidies are intended to 'compensate' for failures of public expenditure to provide a decent level of housing consumption. In these countries, welfare systems do not guarantee to cover the cost of standard housing for low-income families.

### 2.3. Supply-side subsidies -- rental sector

### Germany

In 2006, constitutional reform transferred social housing powers from the Federal Government to the Federal States. As a result, the provision of housing subsidies became the responsibility of the Federal States and the municipalities. Municipalities supported housing construction through land policies and interest-free loans in order to increase the stock of affordable housing. (Hamburg, Berlin, and Munich had substantial programs for the construction of new social housing.)[lxxiv] In April 2019, the constitution was amended to increase the supply of social housing, giving new powers to the Federal Government. The Federal Government provides targeted financial support to Federal States for the construction of social housing.

### Four New Member States

All the countries included in the study have tried to financially support the growth of the social rented sector. In Slovakia, a loan subsidy programme for the construction of municipal housing has been in place since the State Housing Development Fund was established. Poland has had a programme to support TBS (social housing companies) since the mid-1990s. Hungary had a programme between 2000 and 2004, after which the construction of social housing was entirely in the hands of underfunded municipalities. In Romania, there are ad hoc central programmes. In Poland, the "apartment plus" program is a complex supply-side subsidy scheme for housing agencies owned by municipalities and other local stakeholders. It is a new initiative.

3. **Homeownership subsidies – for construction, buying and renovations**

   **Germany**

   In Germany, home ownership benefits from limited support. There are high transfer taxes on property purchases and no tax relief on mortgage-related interest paid by homeowners. In 2006, the homeownership subsidy (*Eigenheimzulage*) was abolished but reintroduced in 2018 as a construction benefit for families with children (*Baukindergeld*). The construction benefit for families with children offers financial support to families with children and single parents for their first purchase of owner-occupied residential property. The subsidy is means-tested; there is a maximum income limit under which one is eligible. At the federal level, the KfW-group (a German government-owned development bank) has promoted energy-efficient construction and refurbishments as well as age-appropriate home conversions by providing loans with repayment subsidies.

   **Four New Member States**

   The four New Member States are following significantly different strategies in this respect. Hungary has extensive home-ownership subsidies, typically non-targeted (except for the village "CSOK" programme). However, housing renovation in Hungary has not been a priority of the subsidy system, while the Slovak support system focuses on housing renovation schemes and is associated with minimal property subsidies (*Bausparkasse* and interest subsidies for young people). In Poland, the "Housing for Young+" program and the "Family's Own Home" program are the main homeownership programs. Again, subsidies are typically not targeted.

4. **Governance**

   **Germany**

   From 2006 onwards, the German housing system delegated the responsibility for housing policy to the Federal States, but the Federal Government provided funding for local social housing programmes through the fiscal system. A very effective fiscal equalisation mechanism is in place between the Federal States. From time to time, the central government has launched specific housing programmes for the Federal States to support important housing policy objectives. In recent years, the critical housing situation has led to a modification of the constitution, and the Federal Government can initiate major social housing programmes.

   **Four New Member States**

   In the four New Member States, social housing is legally the responsibility of local governments, but in practice, central governments have played the most important role in housing policy due to the underfunding of local governments. Three countries have institutions responsible for housing policy at the central government level. The Slovak state's Housing Development Fund appears to be the most effective. It has operated as a revolving

fund since 1996 and manages government housing policy programmes. In Poland, a state bank (BGK bank) and its affiliated organisations are responsible for housing policy coordination, while in Romania the National Housing Agency was set up in 1996, but due to pressure from different governments, it has not played a progressive role. Finally, various ministries have launched housing programmes in Hungary, as the former coordinating organisation has been abolished.

## 4.3  Conclusion

The German housing system is considered by experts to be one of the best in Europe. It has (1) a relatively large affordable housing sector with unclear boundaries (for historical and institutional reasons), and (2) efficient market segments (due to a rent-neutral tax and subsidy system). However, affordability-related problems have increased in recent years, which housing policy has tried to address through new solutions for rent control and the Federal Government's housing supply subsidies to Federal States.

The housing systems of the four New European Member States analysed in the report have followed a more or less similar path after reorganisation. What they have in common is a distorted ownership structure, an underdeveloped private rental market, and a reduced social sector, which makes housing an affordability problem for many sectors of society. Despite some similarities, there are significant differences between the countries in the solutions they have experimented with, especially since the 2008 crisis. The analysis shows that the Slovak system appears to be the most efficient, wherein the financing of private housing is not distorted by non-targeted subsidy schemes, and the State Housing Development Fund effectively integrates the EU funds for housing renovation. Polish housing policy is associated with a relatively effective central organisation (due to giving a key role to BGK bank) and has, in recent years, focused more on the affordable rental housing sector, but programmes are still in their early stages. Hungarian housing policy after 2015 used substantial funding, alongside a family policy-driven program, to support the home-ownership sector, but the ad hoc nature of the programmes has led to no tangible results. Experience with the social housing agency model points in a positive direction. The programmes of the National Housing Agency in Romania were not of significant scale and did not lead to lasting change due to the pressures of privatisation. However, the loan guarantee programme launched after 2010 has proved to be a progressive element.

# 5   Models for refugee housing solutions: a gap analysis

In some countries, there is limited recent experience with accommodating refugees in general because, in the course of the Yugoslav Wars or the recent 2015 humanitarian crisis, there was very little demand to accommodate larger groups of refugees – either temporarily or in the long term. This was, for example, the case in Slovakia and Hungary. Furthermore, Ukrainians have a right to move into the EU and are 'not camp based', meaning that they are able to find their own accommodation, which makes collecting updated evidence and tracking challenges and developments quite difficult.

Whereas some countries' primary role is to act as a transit country, like Hungary and Romania, others are target countries, like Poland and Germany. Therefore, very different levels of demand need to be addressed. In addition, there is a strong push factor in the case of Hungary because the provisioning system for asylum seekers was abolished in 2015, and the country was completely unprepared for the mass arrival of Ukrainian refugees. Therefore, setting up effective responses was delayed and remained in the hands of volunteers and NGOs for a relatively long time, which made staying in the country even less attractive, despite its proximity to Ukraine.

There is a dearth of data about the actual housing situation of refugees across the EU, which is due to a combination of people making use of private ad hoc housing solutions, the lack of tracking of people with temporary protection, and the massive inflow of refugees into the countries that has changed the housing landscape dynamically. Therefore, this chapter summarises the main types of housing and service options people may have used without quantifying specific models. The section also discusses the funding mechanisms behind the schemes and the gaps in the solutions that the research team identified during the fact-finding phase during the summer and autumn of 2022.

Over the last ten months, several initiatives have been launched to accommodate people fleeing Ukraine. However, the heterogeneity of the solutions shows that beyond solidarity-based private responses and public solutions, institutional responses and private market options were equally important in addressing immediate housing needs. Moreover, rent and energy costs have been supported by several schemes, and the allocation of families and coordination of supply by various types of landlords and organisations played a key role.

While short-term responses initially played a dominant role, in summer longer-term solutions started to emerge, but only at a smaller scale. Both supply and demand are affected by a lack of information, and as the war progresses, flexible combinations of temporary and long-term solutions may need to be developed in the coming months to address fluctuation and integration needs at the same time. Legal adjustment and financial products may need to be added to the current portfolio of schemes across the European countries.

## 5.1   A typology of housing programs according to stakeholders and terms

In the past months, the five countries under investigation witnessed the creation of an abundance of short and long(er) term responses by various stakeholders. Most of the interventions started as ad hoc solutions; some included innovative components, whereas others applied simple solutions. However, a common feature of the initiatives that were identified is that they build on various stakeholders and funding opportunities or a combination of the latter elements.

In this section, we describe ad hoc immediate, short-term and long-term responses developed by private landlords, NGOs, and public bodies that built on institutional social service delivery or the refugee service system – both national and international – in relation to vacancies in local housing markets. We also report on solidarity initiatives implemented by altruistic private individuals and public housing and state-funded programs.



**ad hoc solutions**
- emergency housing
- collective sites
- solidarity solutions

**short- term solutions**
- municipal/public housing
- private rental sector
- NGOs/faith-based organisations

**Housing solutions**

**long-term solutions**
- rental programs for the private and NGO sector
- supply side subsidies for public bodies
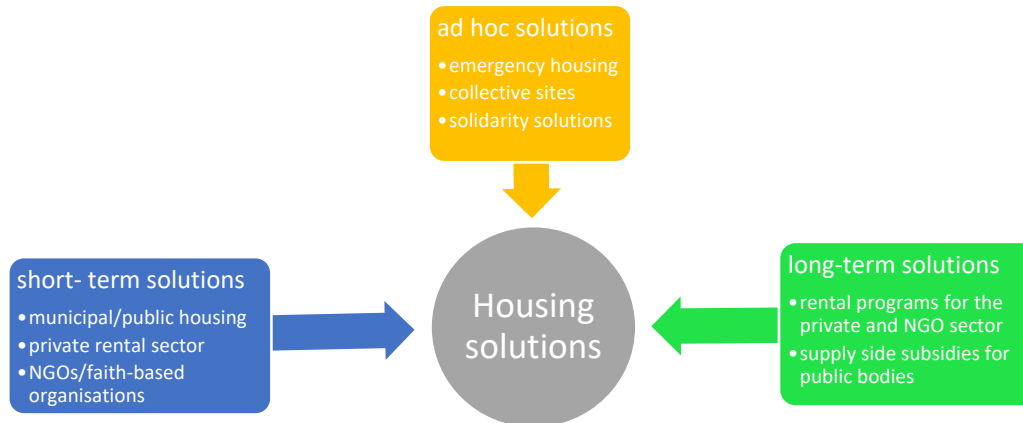
*Figure 15 A typology of housing solutions*

Soon after the invasion of Ukraine by Russia (i.e. during the first phase), ad hoc solutions were most prevalent: emergency accommodation in reception centres and collective sites and solidarity housing offered by private persons played the key role. Collective centres and reception hubs were locations where first volunteer-based, and later on, professional coordination was provided so that people could move on to private (rented) accommodation and benefit from small-scale NGO support programs (funded by international organisations of states), depending on what support schemes were made available and what resources refugees had. In some countries, these small-scale schemes were in line with general housing policy or social support programs; however (for example, in Romania), longer-term solutions seem to be decoupled from mainstream housing schemes and more strongly connected with housing solutions and integration projects available for asylum seekers in general. In general, public/municipal housing schemes cannot be used for housing refugees as the latter sector is very limited in all countries.

Towards the end of summer, the emphasis slowly started to shift to more systematic solutions. Solidarity housing appeared to decline in relevance, along with the resources of the hosting families (also affected by the energy crisis) and the interest and solidarity of the receiving countries' populations decreased. Crisis management and ad hoc coordination were replaced by more institutional solutions, such as in Germany, where municipalities and mainstream service provision now play a key role. Despite the demand for a more systemic shift in Poland, state funding lagged; therefore, international/donor funding has been channelled towards more structural solutions for various forms of homelessness prevention and support, as well as family and social care structures. This is generally the case across the three further NMSs in this study, too.

In most countries, the first lessons from applying these ad hoc solutions are available and can be channelled into designing flexible short-term interventions and developing long-term systems of response. Conversely, room for long-term responses seems to be limited, and housing solutions are liable to mainly be based on private rental options, as large-scale affordable housing investment programs are scarce across the region, except for ongoing and re-targeted programs in Germany and Poland (at a smaller scale). The following two sub-sections summarise sets of immediate, short and long(er) term initiatives across Slovakia, Romania, Poland, Germany and Hungary.

### 5.1.1    Ad hoc immediate responses

#### 5.1.1.1    Emergency solutions

After February 24, 2022, the respective countries developed immediate emergency responses for thousands of refugees who were crossing the borders. These emergency responses included in-kind humanitarian aid like food, heated rooms, transportation, interpretation, accommodation, and health and legal services that were mostly offered at the borders, train stations and major transportation hubs.

Emergency accommodation was initially planned for very short periods because it could not be foreseen when the war would end. For example, in Slovakia, large-capacity reception centres were first set up to host refugees for up to ten days. However, it turned out that some families could not move on due to lack of accommodation, so stays were extended to two or three months. Therefore, emergency housing or short-term housing has become a longer-term reality for many.

In Romania, a few days after the invasion, authorities created shared accommodation centres in public spaces (sports halls, cultural institutions, dormitories of schools and universities), reaching a capacity of approximately 30,000 beds within a few weeks. In Poland, reception centre capacity was extended by beds offered by hotels and other providers. In Hungary, six reception centres were set up at the border crossing points operated by big church charity organisations to provide information, interpretation, food, clothes and one to three nights of accommodation. These were established in local institutions provided by local governments. A month later, the state established a central reception centre in Budapest for use by people arriving by train who were directly transferred to this sports hall. In addition, a "sleeping corner" with pop-up beds was installed in the hall so that people could rest before moving

on to other countries or attempting to get assistance with medium- or long-term accommodation in Hungary.

### 5.1.1.2    Collective sites

The use of collective sites to accommodate arrivals for shorter periods has been a widespread approach. Most typically, institutions that offered residential services were repurposed temporarily, such as homeless shelters, temporary shelters, homes for the elderly, hostels and dorms, but in extreme cases, other solutions were created. For example, in Slovakia, a transformed prison was used as a collective accommodation option. In Hungary, in the warmer months, the summer camps of various public authorities or charities in recreation areas were used for hosting refugees. However, the quality of such sites was reported to be mixed. In Germany, one state-support scheme (interest rate deduction) was launched for municipalities to help them invest in communal centres (see later).

In Hungary, refugees who intend to stay only for a couple of days are referred to a Budapest refugee shelter operated by volunteers of an NGO, whereas individuals (or families) who seek to remain for longer are allocated services through the government-organised / Budapest-run shelter system. According to this allocation system, one of the 19 counties is made responsible each day, meaning that counties must receive and accommodate refugees on given days to ensure the balanced regional allocation of new arrivals. In addition to using the collective accommodation schemes offered by large charities, the authority sends refugees to providers that have free capacity, including private businesses that can house at least 20 people (e.g. small hotels, pensions, apartment houses) that are eligible for some compensation.

In Poland, to save money, some of the smaller reception points were closed down during the summer and people were steered to larger reception facilities and hubs with additional services.

Although collective accommodation is designed to house refugees only for the short term, refugees may be hesitant to move out of these large-capacity accommodation units, given that such facilities offer in-kind donations, social support, peer community support and safety. Alternatives to moving to more remote areas without any plug-in options may appear to be insecure and risky (in addition to a general fear of lack of infrastructure, jobs, and support from NGOs and peers, as reported in the Polish and Slovak cases). As a result, refugees who are "just waiting" for the war to end, without plans to build a new life in the host country or take up employment or schooling for children, often stay on in the centres. Leaving these sites is sometimes also hampered by the lack of affordable rental options and income-generation capacity of families (in connection with the lack of activation / labour support services). In response, parts of collective sites are now being transformed into mid/longer-term housing options associated with more substantial social support.

Families and people with special needs who are unable to function without assistance or support or are in need of regular medical help or other treatment are also more likely to stay in collective facilities where at least some social work or support is available. In Poland, refugees in this situation are now being transferred to the Polish social care system operated by the municipalities because the time of operating under a system of crisis management is passing. However, municipalities have not received additional funding to help them handle this increase in their responsibilities.

### 5.1.1.3    Solidarity initiatives

Immediately after the first refugee arrivals, private persons started offering free accommodation to support families fleeing the war. Initially, people went to hubs/border areas/collective centres to pick up families for a few days/nights until they travelled on. Then, within a few days of the end of February, coordination platforms, internet-based data-sharing options and informal databases were established to match refugees with hosts. This was the main scheme in Poland and Hungary, and was similar in Romania.

Some solidarity-based initiatives were later transformed into rental options associated with compensation schemes across all countries (see later).

### 5.1.2    Short-term and longer-term solutions

While the initial responses to the refugees' immediate housing needs and the general humanitarian crisis were dominated by ad hoc solutions, as the war has continued along with the influx of refugees, alternative schemes that offer more stability have grown in importance.

Such shorter and longer-term solutions are being offered in various sub-segments of housing systems by a variety of stakeholders. The following paragraphs summarize some of these solutions.

### 5.1.2.1    Public-housing-based solutions

Although legal regulations enable refugees to access public housing, there is generally a severe shortage of affordable public housing. Long waiting lists, strict eligibility criteria, and rules specifying the need for a local connection (residency or job) dominate most allocation systems. Therefore, actual and emergent housing needs are hardly covered by public housing solutions.

Whereas some countries have ongoing social housing construction and refurbishment (funding) programs, albeit at different scales (Poland, Romania, Slovakia, Germany), in Hungary, there has been no such investment for a long time. Regarding the four New Member States, Poland has the most ambitious plans to expand the affordable and municipal rental housing sector, for which concrete schemes were put in place in 2020, and measures have been taken to accelerate these investments. National-level funding for renovating municipal housing is also available. However, new developments and renovation take time, and it is also uncertain to what extent the new housing options will be available for housing refugees as, in principle, they can access supported housing schemes on the same basis as Poles, and waiting lists for municipal housing are long (several years). In Romania, four sets of measures are planned to enhance access through increasing housing supply, including ensuring access to unallocated housing built within the framework of the National Housing Agency's (NHA) Youth Housing Program and Social- and Necessity Housing programs, respectively, as well as by ensuring access to unallocated housing owned by local public authorities and deconcentrated branches of central authorities and, additionally, available private housing units. Further, through the rehabilitation and reconstruction of unused public property; and the construction of necessity housing through the Social Housing program. Some of these plans will become effective only later. Nevertheless, some measures

appear to be inadequate for managing refugees' housing needs. For example, investment into social and necessity housing programs is often planned next to or within Roma neighbourhoods, and such segregated housing options are not attractive to middle-class Ukrainian refugees. In Slovakia, there is no plan to use the scarce municipal housing to house refugees from Ukraine.

With the emphasis shifting to more systemic solutions, in Germany, municipalities are taking over responsibility and mainstream service delivery for refugees. It is under this framework that subsidised loans for municipalities are made available for upgrading and supply-side investment.

### 5.1.2.2   *Private rental sector-based solutions*

Private rental solutions have dominated housing responses throughout the past months in all countries. While largely solidarity – pro bono – housing options were initially offered by private persons, with time, private landlords have been making more and more rental options available to refugees. This development, however, has also been different across the countries, given the varying regulations, availability of vacant rentals, and differences in price levels within the private rental sector.

First, compensation schemes also appeared within the private rental sector to incentivise landlords to put their vacant real estate on the market and specifically accommodate refugees from Ukraine. In some countries, additional services (e.g., meals, layperson assistance with accessing public administration) are expected from landlords in return for compensation; in others, there is no such obligation.

IOM and Airbnb cooperated to quickly enable refugees to move into rentals by operating an online platform for connecting refugee tenants and landlords and through the "cash for rent" scheme. Rentals under this scheme are mainly short-term ones (up to 30 days) but may be prolonged for members of vulnerable groups (elderly, people with disabilities).

In Romania, the IOM-Airbnb scheme has been an important though relatively minor solution (it housed 1,500 people) and compared to the national 50/20 LEU co-funding scheme (see later), it appeared to be a safer option, as landlords are rated according to their services. The state is also prepared to dedicate further funding to refugees to help them rent private apartments (longer term) if the capacity of regional reception centres exceeds 90%.

In Germany, the private rental sector dominates the housing system. This was also crucial for housing refugees from previous refugee waves. However, a few weeks after the massive arrivals began, on June 1, a so-called *Rechtskreiswechsel* (Legal Circle Change) was implemented to enable Ukrainian refugees to access their rights under the Social Act instead of the Asylum Law. Through this mainstreaming process, the social agencies of municipalities/communities are now responsible for supporting refugees. One of the local institutional innovations was the establishment of individual accommodation contracts – basically, 'private accommodation permits'. Within the financial limits of state support, refugees can now search for housing and sign contracts. Furthermore, Federal States have created specific support schemes (e.g., Baden-Württemberg introduced a one-off payment of up to 2,000 EUR that is offered to private landlords who rent out empty flats to refugees). Another scheme is similar to the widespread IOM-Airbnb compensation regime: landlords who offer accommodation for free receive a lump sum payment. However, it has been reported that because refugees do not know how long they may stay in

Germany, landlords are less willing to rent out flats short-term or only under insecure conditions. Thus, in addition to the high level of demand due to the shortage of affordable rentals for families in urban areas, landlords' reluctance to flexibly meet housing needs is also a challenge in the German context.

The IOM-Airbnb scheme also operates in Poland. Moreover, coordinators at reception centres support refugees to find accommodation in the private rental sector. However, given the strict regulation of the private rental sector (in order to make sure that private landlords can evict non-paying tenants), the regulation had to be amended to ensure that refugees can access private rentals (normally, tenants must provide a document proving that they have an alternative place to stay in Poland, otherwise landlords are reluctant to rent their properties because they would not be able to terminate contracts and make tenants move out). As reported in the case study, this new legislation provides more protection for private landlords, thus, there is more incentive to house refugees, but the change is not well integrated into the legal system yet.

In Slovakia, the private rental sector supplies the vast majority of housing for Ukrainian refugees. A positive development is that the state has created a unified rental form that specifies that the state will compensate the cost of accommodating refugees and that no further money should be requested by owners from refugees. However, Slovakia's private rental sector is limited and expensive, especially in big cities. In addition, the uncertainty associated with the length of refugees' stay and the duration of the period of compensation provided to owners by the state further enhance owners' reluctance to rent out their flats to refugees. The state also pays compensation to SMEs (hotels, hostels etc.); according to data from the relevant ministry,[lxxv] 7,100-7,800 refugees were accommodated by the latter on a monthly basis between July and September 2022.

In Hungary, short and longer-term accommodation for Ukrainian refugees can be provided only via the private rental market as the public housing sector is very limited. However, such a solution can only be used by those who can maintain independent housing on the private rental market (i.e., those who have sufficient income), as there is basically no adequate system for providing housing or a rent allowance. However, earning a regular income does not guarantee that Ukrainians can afford independent housing, as rents in cities are high compared to salaries. Furthermore, no compensation scheme was made available in the private rental sector for landlords who house refugees.

### 5.1.2.3    NGO sector

NGOs have played a pivotal role in organising, coordinating and developing effective responses for refugees arriving from Ukraine. Their primary role generally goes beyond offering housing or accommodation directly; instead, it typically involves coordination, collecting and distributing in-kind donations, looking up accommodation options, sharing information, offering translation in hubs, and organising recreational and schooling activities with the help of volunteers, etc. Social support, education and training, and facilitating access to health services are also often offered by NGOs across all countries. For example, the Ukrainian diaspora plays an important role in Poland.

One exception is found in Hungary in the form of a major collective housing site that was set up using private donations and run by an NGO (Migration Aid) for those transiting to other countries. During the summer months, the NGO realised that newer arrivals could not continue further to other countries and

had difficulty finding other longer-term accommodation in Hungary. As a result, around one-third of the shelter's capacity was converted into longer-term accommodation. In addition, services such as community building and programs for children were launched (previously, the shelter just offered beds, run mainly by non-professional volunteers). Adults staying for longer periods are also involved in the running of the hostel.

Besides private donations, UNHCR support allowed further NGOs and church charity organisations to host refugees through integrated programs. For example, the Hungarian Charity Service of the Order of Malta runs a 12-month-long integration program for refugees (a so-called 'development aid program' that distinguishes it from the prompt 'humanitarian aid program' for refugees), which can be extended for six months in exceptional cases. The charity service utilizes the same program that it launched in 2018. So far, around 2,000 refugees have participated in it, apart from the Ukrainian refugees – mainly individuals from Venezuela and Afghans who were rescued by the Hungarian troops after the Taliban took over the country in the summer of 2021. The Ukrainian refugees entered the program at the beginning of the summer of 2022 after it became evident that the war would not end soon. The program uses a mix of resources; government-distributed AMIF funding and UNHCR funding. In addition, the UNHCR provides financial support for those Ukrainians who rent on the private rental market; this support is distributed by several NGOs and charities.

In Slovakia, similarly to most countries, NGOs have played a role in coordinating housing needs – that is, helping to connect refugees with landlords. However, there is uncertainty concerning how long funding for assistance may last (within the private rental sector – see later), so there is no realistic framework for planning by either party – landlords or tenants. The association of NGOs under the umbrella organisation "Who Will Help Ukraine" proposed a strategy for solving accommodation needs (e.g. creating shared kitchens or bedrooms, as it is practical to have families located close to each other as there are no schools for kids to go to. This would mean that childcare can be shared, allowing parents to go to work. It would also permit the application of a municipality-level grant scheme, the use of supply-side subsidies, etc.), but this initiative was not taken up by politicians.

In Poland, NGOs are involved in converting office spaces and retail buildings into housing (no building permits are needed, but spatial plans must be fully respected). This initiative is now being implemented by big NGOs, but only in a temporary form: it involves the adaptation of office buildings that need additional bathrooms and kitchens but which are structurally appropriate for people to stay in, and all technical requirements are fulfilled. This is still the only proposal for temporary housing and is usually applies to families and shared spaces (e.g., shared bathrooms and/or kitchens), but in good locations where all social services, jobs, and social city infrastructure are already in place.

In all countries, international organisations and NGOs (e.g., via their local branches) have organised the disbursement of housing/rent allowances and cash or voucher subsidies that families may use to cover their daily expenses, including housing costs.

## 5.2   Funding of housing solutions

### 5.2.1   Funding for the supply side

Across all countries, especially urban centres, the pressure on affordable housing market segments has been exacerbated by the high level of demand from refugee families. This pressure has caused some countries to speed up or extend supply-side programs to improve the portfolio of (social) affordable rental housing.

For example, a subsidised loan program for municipalities was extended in Germany. In the context of this scheme, the German Development Bank (KfW) launched and expanded a special programme for investing in services and accommodation for refugees (backed by 500 million EUR) to support German municipalities that are hosting refugees.

In Slovakia, access to funds for smaller municipalities is prioritised to help them upgrade infrastructure that could be used (temporarily) to serve refugees. This scheme is in line with ongoing programs and could promote local development in general, too.

In Poland, a "housing package bill" was introduced in 2020 by the government to stimulate the building of new and affordable housing for rent and subsidize the renovation of housing stock owned by municipalities. In 2021, all local governments started to use funds from that renovation programme. Through amendments introduced in July 2022, some procedural simplifications were made, so the municipalities may use the fund on a larger scale, renovating more (usually empty) housing stock and adapting empty buildings for housing purposes. The fund is designed to help provide access to more (relatively short-term availability) flats in cities and good locations. Local governments are trying to accelerate all housing programmes (renovations, municipal housing, and not-for-profit rental housing, usually implemented by municipal companies but now in the form of Social Housing Initiatives - SIM) that were planned for the forthcoming three or four years. This may be possible because of access to financing from governmental housing programmes in the form of subsidies and credits – covering up to 80% of investment costs.

In order to extend funding options, the Polish government has created a so-called National Aid Fund that refunds the cost of measures related to supporting refugees who arrive from Ukraine. Almost all emergency and sectoral interventions have been supported through this fund (e.g., the cost of emergency and social aid, health services, and social benefits). In addition to national sources, the Aid Fund is financed from EU funds and loans from international financial organisations, namely CEB and EIB. Besides funding social services and benefits, the loan will also finance the development of social and health infrastructure.

### 5.2.2    Funding for landlords – in-kind demand-side subsidies

In most countries, sector-neutral schemes were launched very soon after the invasion of Ukraine, and the first waves of refugees arrived, technically serving as forms of compensation or specific allowances for rent directed to landlords. Whereas the scheme in Poland is time-limited (four months), in Slovakia and Romania, there is no such limit. In Hungary, the scheme is only available to commercial or municipal landlords who can house over 20 refugees at one time. The IOM – Airbnb program is also available across the region.

In Slovakia, although only confirmed in March, the accommodation subsidy for individuals with temporary protection was retroactively applied to make it available from February. Based on the number of beds provided and the age of the individuals under temporary protection (above or below 15), between 570 and 1,430 EUR was offered to accommodation providers on a monthly basis, the sum depending on whether the housing is provided by private individuals, companies, or is government-owned.

As reported, the schemes are not easily administered due to the fluctuation in refugee families, the lack of information about the number of nights actually spent in these tenancies, the lack of registration of refugees in general, and how responsibility is shared between the refugee tenants and the landlord (e.g. in Slovakia, refugees should report about the accommodation they stay in on a monthly basis). Quality checks are also seldom done systematically, which may exacerbate vulnerabilities and bad service quality.

The amount of compensation that is provided varies significantly among the countries, and several changes have been introduced to each scheme in past months (for details, see the national cases). However, as reported, the compensation schemes are generous in Poland, Romania, and Slovakia, making housing refugees attractive (even though not particularly predictable in the long term). Moreover, in most countries, the schemes are being extended as the war continues.

In contrast to the Slovakian case, where the scheme explicitly covers housing expenses, in Romania, the compensation program includes food and accommodation expenses that arise due to hosting those who have fled Russia's war on Ukraine. In addition, municipalities reimburse landlords based on self-reporting, irrespective of whether refugees are registered (reimbursement schemes have been available – e.g. in Bucharest for hotels, community centres, and NGOs). The scheme makes it possible to collect more than 400 EUR for one person and 1,700 EUR for a group/family of four per month. These incomes are tax-free and need not be declared to fiscal authorities. However, there are no standardized checks on this or the expected quality.

In Germany, compensatory payments are made to private landlords who offer refugee accommodation for free. These payments and the modalities associated with them differ from Federal State to Federal State and from locality to locality. Besides administrative gaps, no accurate database provides an overview of where Ukrainian refugees are currently housed. Delays in reimbursement cause insecurity.

In Poland, the reimbursement scheme has been made available to various landlords. Smaller accommodation units were funded by local authorities, and from March, a special fund was established

to provide for accommodation, offering "40 złotys a day" benefits. This compensation is directly paid to Polish landlords for a maximum of 120 days (with options for an extension for the elderly, people with specific health issues or disabilities, guardians of minors or people in need of constant assistance). A special feature of the scheme is that the host is obliged to provide not only a place to live and sleep but also food, other items, and support that is needed: information, transport, help with procedures or searching for a job. The scheme has been crucial in making many flats available for refugees that were previously rented in the long and short-term; in addition, summer homes, flats used as offices, additional apartments, parts of houses, etc., were mobilised.

Hungary has not launched any national compensation programs nor used other available funding sources from international donor organisations. The UNHCR, IOM, and others have funded NGOs and church charity organisations via tendering. The government reimburses the costs of accommodating refugees only to municipalities and private entities that are able to accommodate more than 20 people (there are no schemes for private landlords). However, it is not transparent what organisations the government has contracted. The daily fee has been raised to cover (a part) of the significant recent increase in energy costs. Claims are collected at the county level, which justifies and, in the case of any concerns, checks the validity of reports, but it is the ministry that gives the final approval for reimbursement. The six large church charities in Hungary received a one-off grant of 500 million HUF (1.22 million EUR) each at the beginning of the refugee crisis to support refugees with the necessary services, but they are not entitled to state-funded compensation based on government decree 104/2022 that covers the costs of accommodation for refugees.

## 5.3   Coordination mechanisms

Effective coordination mechanisms are the core of organising the best responses for refugees and making the most efficient use of various stakeholders' resources. Within the five countries, various organisational settings have been designed, amended and adjusted on the go, in addition to private initiatives and international cooperation and coordination efforts (including the IOM-Airbnb program).

In Slovakia, two large platforms were launched, and there are smaller initiatives. As early as in the first few weeks of the war against Ukraine, the Ministry of Transport and Construction set up a system through which details of private accommodation, state facilities and hotels, and guesthouses could be uploaded. However, as the system had a few difficulties at the start, *#KtoPomozeUkrajine* (Who will Help Ukraine)[lxxvi] (a joint initiative that answered the call to action, made up of over 40 Slovak non-governmental and civic organisations and individuals) also set up their own collection system to help manage the large numbers of refugees. One estimate is that 26,000 beds were available via this system.

In Romania, people in need of long-term housing can submit their requests on an online platform called *'A Roof / Un Acoperiş'* that aims to link accommodation offers and needs in a safe and validated manner. The website, available in the Ukrainian, Russian, English and Romanian languages, was developed by the Code for Romania community and is maintained by the Department for Emergency Situations of the Ministry of Interior.

Countries have developed different models in terms of institutional, state, and regional-level coordination. For example, in Romania, the measures of state authorities are coordinated by the Department for Emergency Situations (DSU), a permanent body under the Ministry of Interior. The county and municipality (mayoral) levels are also involved; despite centralisation, the counties have some room for manoeuvre. In Germany (Berlin), many civil society organisations (480 entities just in Berlin) are grouped under the Alliance4Ukraine (A4U) model that links civil society groupings with the local and regional state. This was initially seen as an ad hoc response but turned out to be an effective initiative.

In Poland, international and local organizations created the Refugee Coordination Forum, now led by UNHCR. Having close contact with the Polish government, local authorities, and the private sector, and a strong ability to organize volunteers, its role is to share information, provide quick and efficient responses to issues that emerge locally or on a wider scale, and provide support to organizations that are delivering humanitarian and protection- and integration-focused assistance. The Forum is open to any entity seeking information, guidance, or examples of good practice. Accommodation has been coordinated by local authorities and city officers with the help of many volunteers. Some groups even created, verified and redirected incoming Ukrainians to private homes, not only the accommodation provided by the government. After the first few weeks, coordination was taken over by professional organizations (international NGOs and agencies) with the support of local NGOs.

In Hungary, the government set up the National Humanitarian Coordination Council, directed by the Head of the Prime Minister's Office. The Council consists of the member organizations of the Charity Board, the National Directorate General for Disaster Management under the Ministry of the Interior, senior officials appointed by the ministers in charge of disaster risk reduction and social policy, as well as the President of the Council, who is responsible for coordinating with the churches. The organisation created emergency cells called defence committees at the central and county level to facilitate humanitarian activities. They coordinate the reception of people newly arriving from Ukraine and their transfer to shelters and government-designated collective sites across the country. In March 2022, the Government activated a 24/7 hotline available in multiple languages and an official email address to which information requests could be sent. However, these two channels were not able to facilitate the circulation of reliable, updated and officially checked information that is vital for people fleeing their homes. Due to the lack of a government website designated to the coordination of humanitarian efforts and an online platform where information could be shared, a Facebook group called Hungary Refugee Help Digital Network (Ukraine, Zakarpattia) was created by volunteers in February 2022 and is to date the most important up-to-date platform for information. Apart from the six faith-based members of the Charity Board, the Hungarian government does not provide a platform for local and national NGOs to engage with policy processes. As a result of the lack of meaningful state ownership of refugee reception and inclusion, there is no nationwide coordination mechanism involving relevant actors in Hungary. The Municipality of Budapest created the help.budapest.hu website in order to coordinate accommodation needs with those offering a place to stay.

In most countries, international organizations (most importantly UNHCR) play a central role in coordinating the efforts of respective states and NGOs/other organisations. In March 2022, UNHCR set up a coordination mechanism in neighbouring countries of Ukraine, including Hungary, Poland, Slovakia,

Romania and the Republic of Moldova. The Inter-Agency Refugee Coordination Forum (IARCF) aims to provide a space for local, national and international non-governmental organizations and other stakeholders to share information and workload, and to develop referral pathways and partnerships. In Romania, for example, regular thematic sectorial meetings are organized by UNCHR, which effectively coordinates activities, at least at the national level. In addition, various task forces engage with sectoral gaps and programs in other countries: UNHCR and UNICEF have jointly established a 'Blue Dots' system across Bulgaria, Hungary, Italy, Moldova, Poland, Romania, Slovakia and Slovenia. Documented in early October 2022, e.g. Slovakia had three 'blue dots' for receiving refugees fleeing Ukraine. These 'blue dots' represent safe spaces in the form of Hubs where refugees can receive support and information, including psychological support, education, and health care, all in one location (see also later).

## 5.4 Horizontal challenges

### 5.4.1 Decreasing interest in accommodating refugees

The war keeps pushing more and more families to flee Ukraine and look for safety and support elsewhere. As of late December 2022, close to 7.9 million people had left the country, and 4.9 had received temporary protection (or similar) status in European countries. However, local populations are reported to be becoming exhausted after the first intense months of offering support and solidarity, and this is also tangible in the level of donations and offers of accommodation. State schemes are hence becoming increasingly important for maintaining engagement and interest at an appropriate level in terms of housing refugees safely for the length of time they need.

In Slovakia, the allowance was increased, and the deadline for accessing the rent allowance scheme was extended until the end of March 2023, partly to encourage renewed interest in renting to Ukrainian refugees. However, this may not be enough in high-demand cities, with decreasing levels of sympathy, the prolongation of the war, uncertainty regarding future demand and funding opportunities, and an increase in energy prices.

As rents started to climb in Poland, renting to Ukrainian refugees declined. The "40 złoty a day" benefit is reported to have contributed to the sharp increase in demand in the private rental market. However, high rents affect both the domestic population and the refugees and result in the situation that young people cannot leave their parents' houses, and refugees cannot move out from temporary shelters.

In Germany, a shift seems to be occurring from the 'whole-of-society'-solidarity response prevalent in the first half year of the crisis, with ad-hoc measures based on welcoming refugees and working in partnerships, towards more structurally embedded and permanent housing and integration solutions for UA refugees. This is also in order to tackle the decline in the dedication and interest of society in supporting refugees at the intensity that occurred in the first months of the crisis. New structural responses are reframing refugee-related issues into a social integration agenda, while the spirit of the crisis response period is being maintained through deliberate communication activities – e.g., by the state.

### 5.4.2 Discrimination

In all countries, there seems to be a different response to Ukrainian refugees compared to the 2015 humanitarian crisis when masses of people fled Syria, Iraq, Afghanistan, and other north African countries, and refugee groups were primarily dominated by young men. Refugees arriving from Ukraine are typically mothers with children, the elderly, or people with disabilities whose male family members must not leave Ukraine. Thus, beyond the sentiment that the refugees come from a European country nearby, with a common cultural and religious background, and that they are primarily women caring for their children, the practical needs of the refugees are different, and they have been embraced with more empathy and sympathy.

Experiences of discrimination against Ukrainian Roma refugees have been registered in neighbouring countries such as Romania, the Czech Republic, Poland[lxxvii] and Hungary. This happened within the reception centres due to other Ukrainian refugees (an expression of the high levels of anti-Roma racism present in Ukraine)[lxxviii] as well as among the staff of the railways and border crossings where refugees entered/arrived to ask for asylum. Roma arriving from Ukraine were not given food, were rejected when trying to obtain more information, and in some situations, were left homeless while waiting for an answer to their requests.[lxxix] In Romania, two Roma organisations were present in Bucharest at the railway station where people arrived from Ukraine (or other parts of Romania where they entered the country) that made sure that staff and volunteers would not discriminate against and reject those who were Roma. Besides the presence of Roma employees of the two organisations, they also hired a Ukrainian Roma activist who had arrived as a refugee herself who accompanied people to obtain temporary protection status and find accommodation. They also monitor and report instances of discrimination against Roma from Ukraine.[lxxx]

Despite more robust 'solidarity' resources in general, actual housing options also seem to have been different for some sub-groups. For example, in Slovakia, beyond general discrimination against foreigners in the rental market, there are some discrepancies regarding the type of help that is offered that appear to be racially grounded, identifiable in the variability in the approach to Ukrainian nationals and the Roma population from Ukraine. A similar situation was reported in Hungary, leading to larger (Hungarian-speaking) Roma families being pushed into the shelter system. Moreover, families with disabled members and families with pets also have faced difficulty finding accommodation.

### 5.4.3 Insecurity and violation of human rights

According to UNHCR data,[lxxxi] 85% of refugees are women. Moreover, they often accompany children, thus, these families are especially vulnerable as concerns the safety of accommodation options and violation of human rights in general. Moreover, given that in some countries, child protection measures and asylum systems show some discrepancies, and accommodation options are not governed under either of these frameworks, the situation of children is especially complicated.

The risk of trafficking and sexual exploitation has been noted in relation to private housing offers and due to the threat of traffickers and organised networks who may try to take advantage of this situation to "recruit" vulnerable girls and women. Especially at the beginning of the war, because of a lack of

coordination and safeguards regarding accommodation offers, women were faced with such situations after crossing the borders to neighbouring countries or through social media. These situations must be urgently addressed by ensuring that accommodation offers are safe and providing women and children with adequate protection.

In situations of crisis or conflict, girls and women with disabilities face a disproportionate risk of abandonment, violence, death, and a lack of access to safety, relief, and recovery support. Roma women and girls, part of the minorities among the people fleeing Ukraine, are being discriminated against in the receiving countries – discrimination varies from postponing their registrations for temporary protection status to refusing to provide them with housing or other forms of support. Several support measures for this area have been identified: increasing public-service provision and community-based care to guarantee capacity for children; supporting schools and kindergartens to integrate these children as quickly as possible; supporting women who have to take care of their children in their new homes and cannot join the labour market instantly; and supporting women's rights organisations with funding and resources to enable them to carry out their missions. In addition, UNHCR has implemented awareness-raising campaigns on sexual exploitation, including informing victims where they can find help.

Unaccompanied children or separated children (accompanied by adults other than their parents) also need specific forms of housing support. However, accommodation for unaccompanied children is coordinated differently in different countries owing to the need for additional oversight and the occasional involvement of the court system in declaring guardianship for separated children who may be in the care of distant relatives.

In this humanitarian crisis that is so closely linked to the phenomenon of homelessness, there is an acute risk of many people with intellectual disabilities being left without care or being forced to go into "care homes" because they have lost relatives and have nowhere to go.[lxxxii] Alongside this, there will be huge psychological impacts on people who face unimaginable suffering and trauma. This will impact all aspects of their daily lives, including finding and maintaining suitable housing or employment. All of this needs to be considered when providing housing to people with disabilities who face a variety of new challenges during troubling times of war.[lxxxiii] They may not be able to use shelters because they are inaccessible or too crowded. They may lack daily supplies, including food and medicine.

In Slovakia, women's safety at work and in terms of housing was raised during the fact-finding process, particularly regarding employment. Additionally, in other countries, refugees may try to find jobs, but their lack of knowledge of labour laws often means that they are unable to get formal contracts, are not paid well, or not at all. NGOs have implemented UNHCR-funded campaigns to inform refugees about their rights and national legal regulations about employment (e.g., in Hungary).

In Poland, to make it easier to find accommodation in the private rental market, the protection of landlords has been fostered at the expense of the protection of refugee tenants against eviction. This makes it easier to find rentals; on the other hand, the latter are in a more insecure housing situation in the private rental market. Furthermore, most of the lease agreements, including with Ukrainians, are of the "basic" type, with no additional requirements and guarantees for the landlord. Therefore, some landlords prefer to rent to Poles (and even state this in published advertisements) or demand deposits

of three times the monthly rent (deposits are usually the equivalent of a single month's rent or a multiple of 1.5), which disfavours Ukrainian refugees.

In Germany, Ukrainian refugees with temporary protection receive differentiated treatment compared to other asylum seekers or refugees in general. Reportedly, this causes tension in reception centres and may deter people from making use of services in such centres – a situation which has to be tackled by staff and volunteers.

### 5.4.4   *Problems accessing service provision and issues of territorial allocation*

Offering the complexity of service provision needed by refugees after their transit paths and helping with finding places to settle for the mid- or long-term have been a great challenge for all countries. Although people with temporary protection have the right to access the same services as any other citizens, the actual take-up of such services is scarce and burdensome for various reasons, including locational mismatch, language barriers, and the lack of information. Moreover, before any mainstreaming of organising access to services takes place (like in Germany), volunteers and NGOs are usually involved, along with partners that coordinate such services.

In order to ensure access to validated information, UNHCR has developed a "Blue Dots" register system. These 'blue dots' represent safe spaces in the form of Hubs where refugees can receive support and information, including psychological support, education, health care, referral to services, and child protection, all in one location. In addition, the addresses and information for accessing these hubs are available in all countries.

Moreover, in all countries, other NGOs are helping with access and legal support; organisations have created dedicated job portals and offer personal support with job searching and language courses (additional to that provided by the state).

Despite the effort to address issues of access and coverage, the gravitation of refugees to urban hubs is overburdening services in cities (vs. the under-utilised opportunities in smaller cities and rural areas). Beyond the issue of the lack of information on refugees, local realities may reinforce the desire to stay in an urban centre as many rural areas lack infrastructure and transportation, while the infrastructure outside cities is less well-designed to serve a working population with care obligations. Moreover, jobs and services may be more readily available in cities. Systems for the transparent territorial allocation of refugees are missing (the German case is an exception, but due to different legal settings, the system needs revision).

With the continuation of the war, tens of thousands of children from Ukraine had to be enrolled in local education systems. Enrolment-related challenges were exacerbated by a lack of infrastructure, trained staff, and a shortage of places in schools across various countries. Therefore (for example, in Slovakia), regional coordinators were hired (in cooperation with UNICEF) to support schools in the regions by offering help on a daily basis and methodical support for integrating children from Ukraine into the Slovak education system. In addition, Slovak language courses and certificates for Ukrainian teachers and the printing and distribution of teaching materials for teaching Slovak as a second language to children and pupils in schools are planned. However, one significant barrier to effective participation in

the school system is the cost: for a parent with multiple children, schooling-related expenses (books, equipment, food) add up, and if it is too expensive to send children to local schools they may decide not to 'integrate' but prefer to continue online schooling in Ukraine, as this is a cheaper alternative.

In Romania, a key challenge to accessing services is directly linked to the status of the refugees. Unlike asylum seekers and refugees during the first twelve months following the recognition of their status, refugees from Ukraine who have temporary protection status do not directly receive any social benefits in cash. Additionally, identity documents provided for temporarily protected people do not contain an address, unlike those of asylum seekers and refugees. This means they cannot obtain access to the minimum guaranteed wage or any other social benefit distributed by local municipalities to those residing in the given administrative unit. Moreover, different categories of Ukrainian refugees receive various types of medical assistance. Those staying for short term or receiving temporary protection are eligible – at least theoretically – for the same medical assistance as Romanian citizens with medical insurance. However, asylum seekers and refugees have limited access to medical services, similar to Romanian citizens without medical insurance. In other words, neither the status of asylum seeker nor that of refugee ensures automatic medical insurance, while the status of temporary protection does.

Germany is now witnessing a shift from a self-organised, grass-roots humanitarian assistance/crisis response based on solidarity to more systemic housing-led solutions for Ukrainian refugees. Accordingly, humanitarian interventions, basic social security access, language and cultural orientation, labour market and training access, childcare and schooling, and social and cultural integration are on the agenda.

In Poland, there is a diversity of local-level solutions that offer services in an integrated manner. For example, substantial and complex support is provided by international organisations (IOM, UNICEF) to the City of Warsaw for programmes for the integration and education of youth and their families. Furthermore, international organizations provide training, counselling, and financial support for smaller, local and specialized NGOs contracted by the city, and all the Warsaw social-support institutions are involved in attempts to clarify the best ways to integrate Ukrainians into Polish social care and labour support systems. In addition, special employment services have been established to assist Ukrainian refugees living in the main cities.

The Hungarian state has not been engaged in coordinating social service implementation. At the end of 2022, the Inter-Agency Refugee Coordination Forum organized by UNHCR was the only platform on which local, national and international actors involved in the refugee response could share information and workload with each other. The varied needs of different groups of refugees are clearly reflected in the structure of the work of civil organisations. Several NGOs provide individually tailored social work to refugees, and other organisations can refer their clients. For example, Shelter – the Hungarian Association for Migrants (Menedék Egyesület) is an NGO that provides diverse social, legal, and psychological help to refugees and is in contact with many other organisations, both civil and municipal. Regarding territorial coverage, social and other specialized services are available to a larger extent in Budapest than in other bigger cities. However, access to such services is insufficient in the countryside, especially in smaller localities.

## 5.5   Gap analysis of housing options – a summary

The following table summarises critical gaps identified across the five countries in terms of access to housing (and supporting services). We have reviewed the solutions that are available vs. the actual needs that Ukrainian refugees have in individual countries over the past few months.

The dimensions under investigation were as follows:

1.      locational problems (e.g., access to services and transportation);
2.      the legislative system (e.g. is the family/host/stakeholder involved in the scheme being pushed into the grey/black market; does the scheme involve a lack of transparency or insecurity?);
3.      financial framework/schemes/realities (for providers/landlords and refugees; unaffordable solutions?);
4.       lack of feasibility of schemes as long-term options (e.g., is there co-funding for it, can the groups that are using it afford it, is it only an ad hoc/short-term solution? etc.);
5.      the main housing regime framework (does it fit, do schemes overlap, are they new solutions, are new institutions emerging to run them, have previously established institutions broadened their portfolios?);
6.      issues concerning cultural expectations (do schemes fit the expectations of the hosted and the hosting families, organisations, institutions, etc.?);
7.      lack of social assistance;
8.      lack of other services (employment, education, etc.) efficiently linked with housing measures.

| Dimension | Slovakia | Romania | Germany | Poland | Hungary |
|---|---|---|---|---|---|
| **locational problems (e.g., access to services and transportation)** | - housing is available in rural areas, but services are less available outside urban centres | - lack of effective coordination leads to different accommodation services; <br>- concentration in urban areas and near borders, inadequate transportation hinders accommodation in smaller towns/rural areas | - lack of services such as employment, transport, childcare, and plug-in community in areas with available housing; <br>- use-readiness of the non-urban housing stock is lacking | - too much pressure on large cities, whereas middle-sized cities also have services available and more affordable rental housing | - allocation system mainly through hubs (HU is primarily a transit country); <br>- poor service accessibility in rural areas |
| **the legislative system (e.g. is the family/host/stakeholder involved in the scheme being pushed into the grey/black market; does the scheme involve a lack of transparency or insecurity?)** | - material support is available, but there is no security in the housing market | - decentralised accommodation should be offered, however, locally different collective solutions are widespread; <br>- no legal or quality control for accommodation for private landlords | - general gaps in legal interpretation; <br>- only guest apartments and empty apartments can be considered for temporary acquisition, and otherwise under-used private property is excluded; <br>- the German private rental market is generally set up for long-term leases | - subsidy expires after 120 days, and no new schemes are planned, resulting in insecurity; <br>- legal arrangements adjusted to enable easier access to private rentals, in return, less protection against eviction | - no incentive for private landlords to host refugees for the longer term; <br>- informality is the rule |
| **financial framework/ schemes/ realities (for providers/landlords and refugees; unaffordable solutions?)** | - no clear planning by refugees; <br>- unclear terms of support schemes for landlords; <br>- social housing schemes are only planned but not launched | - attractive scheme for landlords, but it seems that landlords are 'overpaid' – rents have increased in markets under pressure and absorbed the allowance | - ongoing support schemes; <br>- "squeeze in the middle" – no products/market niches for social groups arriving | - solutions provided for the mid-term: lease agreements are for a year, accommodation-related benefits financed by the government for a few months, and financing for NGOs for integration for about a year. | - Govt program for municipal and commercial hosts housing over 20 people, municipalities must reimburse them. Govt (AMIF-funded) integration program by HU Maltese Charity. Beyond this, six large charities receive funding from the govt. IOM program for shorter-term housing, UNHCR rent support through NGOs and charities. |

| Dimension | Slovakia | Romania | Germany | Poland | Hungary |
|---|---|---|---|---|---|
| **lack of feasibility of schemes as long-term options (e.g., is there co-funding for it, can the groups that are using it afford it, is it only an ad hoc/short-term solution? etc.)** | - no long-term plans, only accommodation support scheme, NGOs are at work | - long term plans include public/municipal housing schemes, but plans are at the initial phase | - no clear plans for refugees; therefore, no intention to invest in non-usable rural housing stock; <br> - state support for long-term investment in the form of credits for municipalities for conditional targeting | - high rents cause risk of rent arrears when support expires; <br> - schemes need to be extended: Social Rental Agencies, cooperatives and Social Housing Initiatives providing rental housing, renovation and revitalisation programmes | - no information about any long-term programs; <br> - no housing schemes in place |
| **the main housing regime framework (does it fit, do schemes overlap, are they new solutions, are new institutions emerging to run them, have previously established institutions broadened their portfolios?)** | - planned schemes may not suit the needs of middle-class arrivals from Ukraine in terms of locational choice; <br> - potential investments may take longer than responses require | - access to central programs is hampered by administrative rules (registered address); <br> - generally, there is a considerable shortage of housing <br> - emphasis on middle-class homeownership programs or emergency housing and low-quality social housing | - substantial subsidies only result in a relatively small share of proper social housing. Municipal housing is usually cross-subsidised and often requires profits to be paid back to municipalities and communities. | - Social Rental Agencies may play a role, but additional rent subsidies are needed <br> - government-run programs get increased funding, but there is too much emphasis on ownership programs | - no low-income or short-term state programs available; only home-ownership schemes that do not serve the needs of refugees |
| **issues concerning cultural expectations (do schemes fit the expectations of the hosted and the hosting families, organisations, institutions, etc.?)** | - vulnerable groups (women and children) are prone to insecure housing situations <br> - Roma are discriminated against | - affordable housing schemes are not attractive to refugees (e.g., low-quality investments in segregated neighbourhoods) | - needs of mothers with children are for bigger apartments that are suitable for families and of at least moderate quality, but these are scarce; <br> - a large share of disabled people amongst the UARs -- combined with unmet demand in the host population result in competition and tension; <br> - behavioural issues: lack of information about trash collection and rules about noise; <br> - expectations about living in rural areas – German reality vs Ukrainian reality | - no real issues, except that services of NGOs targeting only Ukrainians have to be better communicated to avoid public protests | - discrimination against large families and Roma in the housing market |

| Dimension | Slovakia | Romania | Germany | Poland | Hungary |
|---|---|---|---|---|---|
| **lack of social assistance** | - accessing broadly offered services requires support/accompaniment | - mismatch and long waiting lists, including within the Romanian system;<br>- lack of registered address hinders access | - early arrivals connected more easily to diaspora and were more wealthy and resilient vs. later arrivals who seem to need more complex assistance | - access to education and healthcare are vital gaps;<br>- special needs must be addressed by municipalities, but there is no additional funding available | - NGOs coordinate voluntarily;<br>- only small-scale NGO-based integrated service programs are available |
| **lack of other services (employment, education, etc.) efficiently linked with housing measures** | - housing is basically missing at the core of other schemes | - services are available only to people with registered addresses and only in hubs /communal centres | - for people with complex needs, access to services seems to be difficult | - services offered by NGOs, but there is no real integration policy | - on paper, services are accessible, but there is no government program for operating/facilitating access to these services |

# 6 Further national and local level promising initiatives

In this chapter, some promising initiatives are summarised that help in the integration and housing of refugees. There is a particular focus on housing-led integration programmes. We use examples from beyond the five countries under investigation, such as:

- The Bruss'Help referral system for Ukrainian beneficiaries of temporary protection to collective accommodation schemes
- France's Federation of Solidarity Actors and Salvation Army initiatives
- Ireland's Peter McVerry Trust activities
- The Hosting Programmes in the UK
- Programmes outside the European area

## 6.1 Brussels: Bruss'Help referral system for Ukrainian beneficiaries of temporary protection to collective accommodation schemes

In Brussels, a system of referral to specialised institutions has been set up via the health and protection mechanisms of the Brussels Orientation Centre (BOC) to assist with the specific needs of the most vulnerable beneficiaries of temporary protection (reception centres for the disabled, victims of violence, people affected by psychological disorders, etc.). Furthermore, Bruss'help has been entrusted by the regional government with the task of dispatching to communal facilities and, with the support of the BOC, to specialized institutions, as part of an extension of its initial mandate concerning the coordination of emergency assistance and integration of homeless people. The Region's objective is, therefore, clearly to prevent any risk of additional homelessness due to the arrival and rehousing of the Ukrainian beneficiaries of TP.

Bruss'help is coordinating an orientation process[lxxxiv] for beneficiaries of temporary protection who remain without accommodation as a second-line actor that does not deal with requests from individuals but can be contacted by the communes, Public Centres for Social Action (CPAS), homeless services or community support structures. This method was previously used in Brussels from 2015-2016; therefore, it was easy to implement for Ukrainians and progressively won the support of regional authorities. Institutional support at this stage is defined through a type of contract between the host and the hosted person. This contract foresees fees being paid by the guest and includes a code of conduct because it is essential to define hosting conditions. A community approach is also used, which is built up with the Ukrainian refugees. For each area (e.g., education, health, etc.), a person from the community is employed in a mediating role. The latter come in and discuss details and communicate with the Ukrainian people residing in Brussels. To complement this, Ukrainian refugees are directly surveyed about their needs and situation. Through the hosts, longer-term solutions are being identified to maximise access to the private housing market.

## 6.2 France

The Federation of Solidarity Actors (La Fédération des Acteurs de la Solidarité [FAS]), with members in France, has played a major part in the essential and remarkable mobilization of the whole of French society since the beginning of the aggression against Ukraine. On the basis of this experience and group consultations with most of the actors involved in the various forms of reception, the FAS formulated these common points for reflection[lxxxv] to help ensure similar support to all exiled persons:

*Using welcoming as a state of mind – reception first.* The unconditional reception of the people present on the territory as a prerequisite has constituted a welcome and necessary paradigm shift. The reception of people from Ukraine has demonstrated the benefit of an approach centered on reception, which allows for the examination of individual situations, the provision of support, and identifying appropriate solutions while guaranteeing respect for rights and the adequate care of people's needs.

*Expanding the rights of foreigners* regarding access to health services; direct access to the labour market; access to welfare benefits; free transport and free inter-regional rail transport; access to language courses financed by authorities.

*Strengthening the effectiveness of access to rights:* the unprecedented mobilization of the administrations to guarantee rapid and effective access to rights established through the TPD has been witnessed. The organizational methods of the public services responsible for guaranteeing this access to rights should evolve based on the strength of this experience, in particular via (depending on the territories and the needs identified) the establishment of multi-service counters and mobile intervention teams, interpreting services, the development of online process modules in conjunction with the persons concerned, volunteers, and professionals who accompany them, and the establishment of partnership links between support structures and administrations, etc.

*Building cooperation based on trust to guarantee efficient responses to people's needs:* this involves the coordination of work among actors of different natures – state services and administrations, housing actors, actors specialized in supporting foreign people (whether professionals or volunteers), local authorities, as well as non-specialized citizens and those engaged sustainably or spontaneously in mobilization related to reception.

The Salvation Army has also produced a series of reflections on the French response to the Ukrainian refugees after considering the overall response to the reception of refugees in the country.[lxxxvi] They highlight that the French voluntary sector, of its own accord, as well as in response to calls from the government, has put in place many initiatives to welcome refugees properly and unconditionally, whether through accommodation or food aid. Dedicated offices have been set up to process applications in the places where people entered the country. This has considerably sped up processing times, which is considered a great achievement. One solution for helping solve the housing issue was dispersing people to areas where it is easier to find housing than in big cities. However, this raised questions about the resources available to help people learn the language to the level necessary for entering the labour market. Likewise, children have to be able to go to school. Public authorities have been flexible and adaptable in terms of responding to the high number of people entering France. The situation is much simpler for

people fleeing from Ukraine who have Ukrainian nationality, given that there is, for the most part, a direct route for them to enter the EU and obtain access to rights.

The Salvation Army reminds us that "the resources put in place and the way they were rolled out to welcome people coming from Ukraine should be the norm all the time and not the exception. France has shown it can fully uphold the values of the republic, in particular, the value of Fraternité (fraternity)".

## 6.3   Ireland

The Peter McVerry Trust is working to identify suitable accommodation that has been pledged and matching refugees with accommodation to suit their needs. Support is offered for these arrangements, including transfer to the property and ensuring that the Ukrainian households are supported in their new accommodation.[lxxxvii]

Several options were made available to ensure a positive response to the high number of people searching for protection in Ireland: *Direct Accommodation Options* (Private Sector – hotels, guesthouses; procuring through statutory mechanisms – housing agencies; Emergency Provision through Local Authorities – rest centres and military camps; Establishing Implementation Partners associated with pledged accommodation) and *Indirect Accommodation Options* (Pledged Accommodation, whereby citizens sign up to pledge property, either standalone or shared, which is vetted by local authorities). An initially strong community response occurred, with thousands of people pledging accommodation online. In time, however, some retracted their pledges or were not deemed appropriate, so the number of offers has declined.

## 6.4   The UK: Hosting Programmes

Hosting programmes across the UK have been accommodating people from many different countries across the world; they involve households offering shelter to destitute persons with fragile immigration status. These are benevolent acts; volunteer hosts are not paid, and their guests are not expected to work in return for shelter. The Hosting programmes accommodate people who have no recourse to public funds (NRPF) and are therefore not eligible for local authority accommodation. They also have no right to rent, no permission to work, and no benefits; no discrimination occurs based on nationality (as opposed to the 'Homes for Ukraine' scheme). Some Hosting projects offer hosts expenses or a standard payment towards expenses, but not on the scale of the £350 per month which was offered to the 'Homes for Ukraine' hosts. In addition, some hosts forego the single person's council tax discount because their local authority does not recognise the accommodation solution they are providing. Guests with NRPF manage on payments from charities, not Universal Credit or wages.

*'Homes for Ukraine'* in the UK[lxxxviii] is fundamentally different in that it is limited to people from Ukraine. Hosts are offered a payment of £350 per month, and Ukrainian guests have permission to work and are eligible for Universal Credit. The £350 payment does not affect a person's council tax discount or benefits.

## 6.5 Programmes outside Europe/EU: Sponsorship-based model for receiving Ukrainians[lxxxix]

Typically, sponsorship is arranged prior to entry, and new arrivals are housed in private homes in most cases (the costs associated with this housing are covered by the sponsor). For example, families have been able to use sponsorship under the United States' "Uniting for Ukraine" policy and the UK's "Ukraine Family Scheme" to bring in family members who could not obtain a tourist visa. Canada and New Zealand have also pursued sponsorship programmes that foresee sponsor responsibility for housing, though arrivals may be eligible for alternative status that entitles them to some benefits. For example, in the United States, refugees are eligible for housing support, and in Canada, arrivals with the newly created temporary protection status may be housed for two weeks in emergency accommodation. However, in the United Kingdom, for example, where sponsors and beneficiaries are first supposed to make contact (often through informal channels) before applying under the Ukraine Sponsorship Scheme, reports of difficulty have emerged with successfully making matches. There is sometimes a risk of refugees becoming homeless as they may have to leave the host after a short time.[xc]

# 7   EU-level funding and policies

## 7.1   The Cohesion's Action for Refugees in Europe (CARE)

The latest proposal was presented by the European Commission at the end of June 2022 within the Flexible Assistance to Territories (FAST CARE) package[xci]; this was approved by the Council in July and endorsed by the European Parliament in October 2022.

CARE facilitates the flexible use of funding that is still available from the 2014-20 programmes. Specifically, it has allowed more flexible and interchangeable use of the European Regional Development Fund and the European Social Fund. All expenditure associated with those fleeing the war will be retrospectively eligible, dating back to the Russian invasion of Ukraine on 24 February 2022. The primary objective was to encourage Member States to cover the reception, accommodation, and integration costs of hosting people from Ukraine using the unspent resources from the 2014-2020 budgetary period. Additional resources were allocated by advancing payments from the already assigned tranches of REACT-EU money and a smaller amount through emergency assistance under the current AMIF and Border Monitoring and Visa Instrument (BMVI) programmes. In addition, material aid, education and infrastructure can be provided through the Asylum and Migration Fund (this is therefore similar to ESF and ERDF). It will also allow Member States to request 100% financing for programmes supported by the ERDF, ESF, the cohesion fund and the FEAD.

## 7.2   ESF+

ESF+ has a broader scope than the ESF: several of the objectives of ESF+ involve targeting people without access to the labour market. Moreover, ESF+ also includes a specific objective concerning the socioeconomic integration of third-country nationals. Third-country nationals will still need access to the labour market to benefit from some of the measures of the ESF, but those of the latter that are associated with social integration and access to services will be open to all. Unlike ESF, through ESF+, it is possible to provide support to third-country nationals who were not regularly residing in the EU: this provision is designed to guarantee access to services and social integration and reduce material deprivation.

## 7.3   Funding in numbers

- The Commission announced that CARE and AMIF packages would release over 17 billion euros to finance Member States' support for those displaced from Ukraine.

- A Commission communication from June 2022[xcii] announced that only 1 billion euros of cohesion funds have been indicatively re-programmed by 10 Member States as a result of CARE initiatives.

- Funding available under REACT-EU, in particular its 2022 tranche of up to €10 billion, can be used if in line with the objective of ensuring recovery after the pandemic. To support Member States, particularly those closest to the EU border with Ukraine, 3.5 billion euros in pre-financing was distributed, and 248 million euros (of a total of 400 million) was disbursed to Member States in the form of Emergency Assistance.

There are many overlaps between the ESF, the AMIF and the ERDF. Nevertheless, the three focus on different categories: the ESF on measures linked to integration into the labour market and society, the AMIF on measures linked to reception (through activities such as language training, civic orientation, and the development of national strategy), and the ERDF on investment into infrastructure, the development of equipment, and supporting access to services. Erasmus+ can support staff to work temporarily where there are concentrations of displaced persons, and the Commission is supporting efforts to find suitable staff and expertise through Erasmus+ National Agencies.

Key amendments to Home Affairs funds have been made. The rules governing the Asylum Migration and Integration Fund (AMIF) and Internal Security Fund (ISF) for the 2014-2020 budgetary period have also been modified, allowing Member States to use unspent resources from the previous budgetary period and, second, to revise their national programmes to include activities related to the Ukraine response for the remainder of the programming period. In addition, to avoid funding gaps between the previous and new budget cycles, the project eligibility and implementation period can be extended until 2024.

Through modifying the General Budget for 2022, the Commission made available 400 million euros for AMIF and the BMVI from the 2021-2027 budget, to be disbursed in the form of Emergency Assistance (EMAS). By June 2022, 248 million euros had been identified, of which more than 150 million had been disbursed to support Poland, Hungary, Slovakia, Czechia and Romania via the AMIF and BMVI Emergency Assistance channels.

## 7.4   Civil society & EU funding

One of the most interesting novelties for the civil society and local authority sector has been introduced by FAST CARE. The measure creates the possibility of creating a new priority axis for activities that promote the socioeconomic inclusion of all third-country nationals and stateless persons under the new budget 2021-2027 and until 2024. Such activities will be covered by a co-financing rate of up to 100%, and at least 30% of the funding will have to be allocated to local authorities and civil society organisations.

Additionally, for the 2014-2020 programming period, a similar 30% requirement will apply to all activities benefitting from the cross-financing possibility of using ERDF and ESF programmes.

## 7.5   Safe Homes Initiative

In June 2022, the EC issued Safe Homes Guidance to consolidate experience, considerations, guidance and good practices from the EU Member States, the European Union Agency for Asylum (EUAA), regions, cities, civil society, foundations, entrepreneurs and individuals involved in these efforts. The Safe Homes Guidance aims to support Member States, regional and local authorities, and civil society actors that are organising private housing initiatives and all those who are making their homes available. The Safe Homes Guidance summarises and references good practices across EU Member States, looking at challenges and opportunities for the future. In addition, some good practices have been highlighted in an effort to encourage MS and other stakeholders to transfer such initiatives. These include:

- Support measures for hosts: hosts who offer their houses either for sharing or independent use need practical and financial support systems. These can include: establishing a question-and-answer guide for hosts and guests; capacity building and mentoring sessions for sponsors with intermediate entities; signing a written contract between the parties to increase transparency and clarity; defining a minimum accommodation period; hotlines that hosts and hosted persons can contact; subsidies for hosts or hosted people who pay 'rent' (several Member States have been providing private hosts with a small subsidy); setting up peer-to-peer exchanges and structures that can help share experiences and lessons learned at the local level; and information on the accommodation arrangements should be provided in the language of the host Member State, in the language of the host and, to the extent possible, in a format that can be used when interacting with other service providers.

- Effective matching of hosts and refugees: offers of private housing for displaced people in each Member State are often centralised through a trusted website that gathers the relevant information, including in terms of specific needs and preferences, in a timely, safe, effective and transparent way. The EUAA recommends that matching platforms should provide a real-time view of the number and profiles of individuals seeking accommodation, as well as of all available places (i.e., size, location, accessibility). Displaced persons should be able to indicate their specific needs, such as preferred location, schooling of children, etc. Member States can plan the allocation of places efficiently by organising housing offers using a contingency plan from the beginning. For example, some Member States first activated only half of the private offers that were received to maintain some capacity in case hosting was required for longer. Catering for the specific needs of vulnerable people needs to be factored in at the time of the matching procedure: for example, people with reduced mobility and elderly people need to find accommodation in homes where accessibility is guaranteed (e.g., through a lift or the absence of stairs). People with other disabilities should be able to access the necessary equipment.

- Suitable and safe private housing: Standardised criteria and procedures are to be used to check the safety and adequacy of housing – including ensuring privacy and the secure stay of displaced people – in line with the EUAA recommendations and guidance on this point – while making sure that families are not separated. EUAA provides a specific checklist for ensuring suitable housing: there needs to be sufficient sleeping and sanitary facilities, the possibility to prepare meals, and secure utilities. A minimum level of privacy should be guaranteed (e.g., a lockable bedroom door).

The specific needs of the persons to be hosted (for example, minors, pregnant women, elderly, disabled people, and people with mental health problems) need to be taken into account before placing them in private homes. The adequate screening of specific needs should be done in advance and then again regularly: some hosted people may suffer from trauma that is difficult to detect on arrival or may only emerge later.

Vetting, monitoring, and supervision also need to be undertaken: background checks of hosts are recommended prior to or as a precondition of accepting housing offers. Checking criminal records should be mandatory to prevent trafficking and exploitation. Whenever possible, house visits can be organised, including on-site checks and visits by relevant officials (reception authority, social services, law enforcement) and/or the staff of appointed civil society organisations. Solid mechanisms for vetting, screening and monitoring accommodation placements are essential: it is important to match the expectations of hosts and hosted persons and mitigate the risk of conflict and abuse/sexual exploitation. Civil society organisations active in the field could help vet accommodation offers. Regular visits of relevant persons such as social workers, medical personnel, police officers, and faith-based organisations are also recommended to ensure that displaced people – including children and unaccompanied minors – are well settled and not exploited. Hosted persons should receive information about national emergency helplines that they can call in case of concerns about exploitation and the trafficking of human beings.

In addition to formulating guidance and presenting good practices, the EC Safe Homes Initiative also examines solutions and opportunities for the future. The development of innovative partnerships is mentioned in the form of a) Involving cities and regions in receiving displaced people and 'twinning' opportunities; b) Exchanges between Member States, Ukrainian authorities, and the private sector; c) Partnering with architects, designers and urban planners (n.b. the experience of the New European Bauhaus), and d) Partnerships at the grassroots level: From individual hosts to community engagement. Finally, the Guidance puts forward considerations for 'Sustainable solutions for the future' and describes how EU Funding can be engaged to improve access to housing.

# 8 Policy recommendations

The analysis of the housing policy gaps has shown the extent to which the housing policies of the four new Member States differ from the German housing system, which was chosen as a basis for comparison. The German housing system is indeed one of the best-performing housing systems in Europe, but it is far from ideal, as growing problems with affordability in the German urban housing markets show. Consequently, when proposing long-term refugee housing programmes, one should think about innovative solutions that fit into the legal, institutional and financing framework of the respective housing systems but also confront the critical issues with current housing systems and provide guidance for correcting mainstream affordability policies. It is essential that larger-scale refugee housing programmes facilitate the necessary institutional changes and reinforce the commitment to affordable housing programmes among the major actors of the housing system.

## 8.1 Refugee reception-related recommendations

So far, the main focus of public and private action has been reception and temporary accommodation, with a vital role for private households and the private rental sector, and specific temporary facilities. There have been many good initiatives and significant experiences; lessons have been collected, on the basis of which the following main recommendations can be made in order to improve countries' reception policies:

- Private initiatives are part of the solution, and community involvement must be recognised as a resource; NGOs must be recognised and involved as equal partners in administering and implementing accommodation and housing programmes, which fact needs to be reflected when allocating funding and budgets.
- Implement financial support programmes through which citizens can voluntarily commit to activities that help integrate refugees into local communities. The programmes could cover citizens' fixed and targeted contributions contracted for a specified number of months.
- Consider intersecting forms of discrimination and gender and age-specific solutions while involving members of the communities at all stages (refugees themselves and the host communities).
- Safety risks and the risks of exploitation that remain pertinent due to the nature of the refugee flows must be addressed in connection to housing.
- Address education-related challenges, as the majority of refugees are women with children. Nationally coordinated programmes should ensure the integration of children from Ukraine into the kindergarten and school system and the provision of the necessary extracurricular and community activities and language courses.
- Challenges associated with dispersal should be addressed as several metropolitan areas are much more overwhelmed than other areas. Countries need to think of different dispersal systems that should be built around employment, the availability of services (e.g., transportation, social support systems, and education).

- To improve the employability of refugees, a simplified and faster procedure for the recognition of qualifications should be introduced.
- The dispersed placement of refugees should be prioritised as much as possible, even at the early stages of reception, instead of collective solutions (camps and collective sites). However, even in the case of dispersed solutions, connections to refugees' support networks should be considered when moving refugees to the proximity of existing diaspora or creating local support networks.
- Whereas dispersed accommodation should be prioritized, using large-capacity temporary solutions for accommodating new arrivals may be unavoidable. These should be of higher quality. They should target vulnerable groups who need more complex and extended help integrating, such as marginalised groups or people with disabilities or permanent health problems. Newly created temporary capacities should make use of rapid and cost-efficient solutions such as (a) pre-existing unused residential buildings or (b) converting non-residential buildings into higher quality accommodation centers with shared facilities but private rooms for families, or (c) using modular housing techniques.
- Rapid communication is needed regarding the financial support hosts can receive from the government or the EU, as many people are at risk of having to leave their accommodation if the state has not announced that payouts will be extended.
- Financing schemes for accommodation and housing-related subsidies, and refugee-related services should be long-term and more predictable to help housing/accommodation and service providers plan and organise the necessary capacity on the supply side.
- Cooperation and coordination are needed on the national level and on the ground to ensure that approaches that are implemented are more systemic, target the most vulnerable groups, and support those who need help. Coordination must be led by the state but should include all relevant stakeholders, municipalities, and NGOs.

## 8.2   National-level policy recommendations

In order to increase the number of long-term housing solutions for Ukrainian refugees, the gaps in countries' housing and housing subsidy systems must be addressed using specific schemes. As the analyses have revealed, all the countries that were examined (to some extent, even Germany) had substantial structural problems that hindered the absorption of the large amount of resources that the EU provided to ensure that refugees were promptly accommodated at the time of their arrival, then moved to housing and offered the comprehensive services that could enable them to integrate into the receiving communities. In other words, emergency solutions for accommodating refugees need to be replaced by more institutionalised and financially sustainable schemes that take into account the social situation of refugees and the need for their improvement over time. However, this requires not only schemes that provide long-term affordable housing solutions but also structural change that addresses the housing sector's legal, sectoral and institutional arrangements and service provision systems.

To provide stable housing solutions for refugees, three basic long-term rental housing models are identified, for which concrete schemes can be developed. The main factor that distinguishes the three models is what type of actor receives the funding for intervention, as the latter will be responsible for

designing and arranging the specific interventions in the framework of dedicated housing programs. Therefore, we distinguish three types of actors: (1) landlords, (2) tenants, and (3) intermediary organisations.

The housing solutions for refugees that are presented in the study can be classified as one of these three models; the question is how well they fit into the legal, institutional and financing frameworks of the countries' housing systems. The long-term goal is to integrate refugee housing programmes into the mainstream affordable housing sector, as isolated programmes are financially not sustainable.
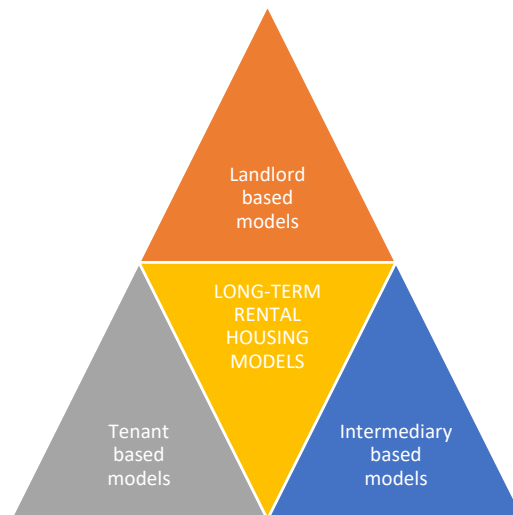


*Figure 16 Classification of basic long-term housing models*

### 1. Landlord-based models

In this model, subsidies target landlords regardless of which sector they belong to – public, private, cooperative or non-profit (tenure neutrality). The aim of this model is to increase the supply of affordable and social housing. The subsidy schemes associated with this model can fund different types of interventions, but a main characteristic of the model is that the landlords choose the form of investment and the properties they want to include in the program.

Interventions can include the **refurbishment of existing stock and the creation of new housing**. The subsidy can take the form of a preferential loan or grant; the exact combination of the latter will depend on the social status of future tenants: the more vulnerable the prospective tenants' situation, the larger the subsidy. Specifications include for how many years the dwellings must be rented to refugees exclusively (e.g., for ten years) and after how many years they can be rented to other vulnerable groups. Privatisation should not be an option for public or non-profit landlords to substantially increase the social and affordable housing stock in the long term.

In return for the subsidy, the **conditions of tenant selection**, the rent level, and other terms of the tenancy can be defined, as well as the period for which the landlord must comply with the terms of the scheme.

Under this scheme, landlords can renovate vacant dwellings or buy vacant units on the market and renovate them. The **transformation of non-residential buildings** (for example, vacant office buildings) into rental housing and new housing construction can also be supported. Private persons can also use this subsidy to renovate empty dwellings and rent them to refugees, such as those on authority waiting lists.

### 2. Tenant-based models

According to this model, the tenant (refugee) receives a **housing allowance or rent supplement** and is responsible for finding the appropriate dwelling to rent. The subsidy can be provided in three forms:

- it can be paid to tenants (cash),
- it can be paid to landlords (in-kind support),
- it can be given to tenants in the form of a voucher.

The disadvantage of the last two forms of payment is that tenants may be discriminated against on the market and rejected by landlords. However, landlords do not learn about their disadvantaged situation when the subsidy is paid directly to tenants. Nevertheless, decision-makers often prefer in-kind or voucher subsidies to prevent the misuse of such support.

Cash and in-kind subsidy schemes often apply the gap formula to define the amount of subsidy that is awardable in individual cases, but some programs prefer more straightforward solutions and define subsidies in lump sum form.

Programs should also define maximum rent levels above which tenants may not rent an apartment. This rent level should be defined as the average local rent.

An additional advantage of this type of scheme is that it contributes to whitening the private rental sector, which is much needed in all four New Member States.

### 3. Intermediary-based models

Intermediary organisations can play an important role when it is difficult to ensure the appropriate use of subsidies – for example, because the market discriminates against certain groups of people or landlords have no capacity or know-how to implement programs.

Intermediary organisations can play different roles; they can contribute to the administration of a program, they can mediate between the supply and demand side of the market, or act as developers. The disadvantage of the model is that the involvement of an intermediary organisation increases the cost of programs.

Typical intermediaries in the affordable and social housing sector are social rental agencies that provide various forms of guarantees to facilitate the entry of high-risk (vulnerable and discriminated against) groups into the private and municipal rental sector. Regarding guarantees, social rental agencies take over housing management tasks from landlords and provide social work to tenants.

Other typical intermediaries are public development agencies, of which the development company associated with the Polish Development Fund is a good example. Their task is to bring together all the

actors in municipal and mixed-ownership housing development projects, such as different kinds of public landowners, private developers, building companies and municipalities.

## 8.3   First steps of implementation

In line with the proposed affordable housing schemes described in Chapter 8.2 and the recommendations that affordable housing solutions are embedded in pre-existing institutional settings and built on current initiatives, the following implementation steps can be recommended.

**Improve the regulation of the private rental sector**

The inefficient regulation of the private rental sector in all four New Member States is one of the main impediments to its further growth. Currently, the private rental sector is not a safe, predictable solution for landlords or tenants. A key issue is non-payment-related procedures, which are not clearly and effectively stipulated; in Poland, tenants enjoy a high level of protection as municipalities have to provide alternative housing if they are evicted (a requirement that they often cannot meet), while in other countries landlords may be required to undergo a lengthy legal process, resulting in financial losses. The new regulation should respond by clearly specifying the conditions under which a tenant must leave a flat, including the timing. The regulation should clearly regulate the rights and responsibilities of both sides, the length and content of contracts, and the conditions under which rent may be increased. In order to increase the transparency of the sector, a registration system for landlords should be established.

**Set up an early intervention social response system to stabilize the situation of tenants at risk of losing rental housing**

Precise mechanisms should be defined to ensure the early stabilisation of the situation of tenants soon after any problem with non-payment emerges by combining social services and arrears management. This should aim to restore tenant status, find new tenure, or ensure temporary alternative placement, according to individual needs. Social assistance should apply a multidimensional approach, including employment, health, family and social relations, etc. Non-payment signals should come not only from tenants but also from landlords. Besides private rentals, the same mechanism should be used for municipal housing to prevent financial losses in the sector. The institutional and financial background for operating such an early intervention system should be ensured.

**Introduce a rent supplement (housing allowance)**

A supplement should be introduced to enable the smooth transition from refugee accommodation to mainstream housing rental. After their arrival in 2022, refugees were provided with varying forms of accommodation, from collective sites to hotels and private hosts, for which host organisations and individuals were compensated in most countries. However, after the initial phase, many people found work, and their income increased, making it possible for them to bear at least some of the cost of housing. However, moving into the mainstream private rental market is still not an option for many of them because of the high level of rent. Providing them with a means-tested rent supplement to enable them to rent on

the market, rather than a higher lump-sum subsidy provided through the refugee reception system, would reduce per capita costs and increase recipients' independence and the chance of their integration into the local community. In addition, it is important to create a flexible system associated with the least administrative burden. Therefore, a rent supplement could be provided in the form of vouchers, which would have the advantage that the government could control the impact on the budget, and this would stimulate the more even geographical distribution of refugees (by defining not only the number of vouchers but also their distribution according to cities, towns, and smaller localities). In this case, the value of vouchers should be differentiated by place. However, distance from job markets should also be considered, and if needed, a transport subsidy should also be provided. Clearly, the value of housing vouchers and transport subsidies is inversely proportional. The administration of rent supplement subsidies must be based on the current social and institutional system, which would involve the municipalities of each country. However, the cost of the increased workload should be compensated by central governments.

**Introduce financial measures to increase the affordable housing supply**

In the current situation – a severe shortage of affordable housing, especially in cities with a booming labour market, and the need for a better territorial distribution of refugees – the supply of affordable housing needs to be increased, and the spatial distribution of refugees improved to avoid the inflation of rent due to the increase in demand. A more rapid increase in supply can be achieved by mobilising currently unused stock by providing preferential loans (which can be combined with grants) for energy-efficient renovation. The thus-supported renovation schemes should be based on pre-existing schemes insofar as these exist (e.g., in Poland and Slovakia). Additional support may be provided if the property owner rents the dwellings to refugees for a defined period (e.g., five years). Similar schemes for municipalities should also be put in place, as the latter have substantial unused stock. Although such systems are in place in Poland, there are plans to accelerate investments.

The construction of new rental housing is also essential for increasing the supply of affordable housing, for which similar financial schemes can be applied to private and municipal developers. However, new construction should primarily be concentrated in big cities associated with a strong labour market. In addition, the control of construction-related costs is essential for using resources efficiently.

**Use of intermediary organisations like social rental agencies**

The NGO sector has played an important role in matching refugees with private hosts or landlords. For many of them, this was not a new activity, as they had already played an intermediary role in the private market through housing programmes for the homeless or other vulnerable people. During the Ukrainian refugee crisis, many have been able to expand their existing activities and add new ones, while some are already acting as social landlords. Building on current initiatives, governments should encourage the further expansion and institutionalisation of NGO intermediation, including by enabling municipalities to enter the field by supporting the establishment and operation of social rental agencies, which can help to match landlords and tenants (refugees and other vulnerable groups) and intervene in cases of non-payment or other conflicts. Social rental agencies already exist in some of the New Member States; in Poland, they are already regulated by law, although only municipalities are allowed to set up such

organisations. In Hungary, several NGOs and even municipalities run such schemes, which could be scaled up with appropriate financial support. It is important to monitor their operation, which should be done by the central government organisations that manage the housing support schemes, e.g. the agencies or operating bodies of the national housing funds in Poland and Slovakia.

**Ensure an integrated approach to affordable housing solutions for refugees**

Affordable housing schemes should be accompanied by effective social measures for integrating refugees into local host communities, including activities for preventing discrimination and exploitation. The exact content of these measures depends on the scale of the vulnerability of refugees:

- Refugees with less disadvantaged backgrounds usually need the most support for building personal networks in host communities, accessing services, and communicating with institutions. The availability of language courses in online forms is an essential service for integration and should be provided in sufficient scope. As regards community integration (plug-in), mentoring activities of host communities should be encouraged and supported. As the majority of refugees from Ukraine are families with children (often single mothers), community activities for children and young people should be developed in addition to ensuring access to schools. Smaller localities with declining populations can benefit from the arrival of refugee families through increased demand for their services – e.g., educational institutions (day-care centres and schools) can avoid closure. In addition, the system for distributing refugees throughout the country should ensure that refugee families have access to a natural support network of other Ukrainian families by ensuring that the former can settle near those already in the country or by settling smaller groups of refugees with similar characteristics in one locality.
- Vulnerable groups of refugees (people from marginalised communities, those with disabilities, and those who need permanent care) should be settled in cities and towns where the required services are already available. "Only" existing capacity should be increased according to needs so that access to such services can be ensured more efficiently (no new services have to be established).

**Use EU funding on a larger scale for affordable housing schemes and integration-related services.**

The possibility of using EU funding for accommodating and integrating refugees has not been exploited fully by the New Member States. Instead, these countries have relied on resources made available by the EU on a very small scale or not at all. Countries could…

- use ESF+ funding to finance rent supplement measures and develop and expand their service provision, including developing the institutional background for new forms of affordable housing (e.g. social rental agencies).
- use ERDF+ and Cohesion Fund resources to renovate existing unused building stock in an energy-efficient way and support new housing developments, ensuring that the level of support is proportional to the duration of use of the newly created capacity for housing refugees. Moreover, if such demand is liable to decrease in the future (e.g., because of the return of families to Ukraine), then it can be used for other groups in need of affordable housing.
- use the opportunities associated with FAST CARE to efficiently involve civil society organisations and municipalities in delivering affordable housing solutions and the needed services.

The increased use of EU funds to extend affordable housing capacity and integration-related services for refugees would require Member States to re-programme their relevant operational programmes for 2021-2027, which should be done as soon as possible.

## 8.4   EU-level recommendations

The EU level is an essential facilitator in terms of policy exchange but, more importantly, a great source of financial instruments that can support the long-term integration of UARs. Therefore:

- The EU should initiate the development of a long-term regional housing strategy by bringing together all relevant stakeholders – the EU, OSCE, UNHCR, CEB, the governments of neighbouring countries, and other concerned countries – to set up a multi-donor initiative for housing.
- It is very probable that the affected New Member States without significant affordable housing stock that want to increase the latter to house refugees will need additional resources beyond the EU funding that is currently available. The financial help awarded to countries should be proportionate to the additional burden/costs they incur concerning their long-term housing programmes for refugees. If funding for refugee programme costs is disproportionately distributed between countries, this will lead to political resistance and undermine EU unity. Similarly to equalisation grants within countries, the difference between the need for expenditure and revenue capacity must be compensated.
- The EU should develop methodological guidance concerning what type of affordable and social housing development the relevant EU funds (ERDF+, ESF+, Cohesion Funds) can be used for. Furthermore, it should effectively encourage Member States to include such measures in their national programming for 2021-2027. For this, Member States should re-programme their relevant operational programmes, which activity should be efficiently facilitated by the European Commission.  The EU should also facilitate knowledge exchange among Member States in this field – for example, by setting up a working group of relevant ministries and linking this with the work of the Solidarity Platform.
- The EU's communication with the international civil sector and national civil organisations should be more intense. In addition, information about ongoing initiatives should be communicated more intensively to ensure the latter achieve their targets.

## 8.5 Normative checklist for policy principles to promote housing inclusion for Ukrainian refugees

Better housing and integration outcomes for Ukrainian refugees also need to address longer-term structural issues. In line with the Leipzig Charter and other guiding policy frameworks, more systemic transformations should be governed by the principles of the common good, productive renewal, social equity and environmental sustainability.

Institutional, civic society and practice-based innovation form the basis for partnerships between state actors and businesses interests, civic society, advocacy organisations, experts and affected housing consumption groupings. The shared goal should be the transformation of housing systems, actor relations and organisational capacities that fosters support for the housing-led integration of refugees and migrants and improves housing outcomes for the local population.

The normative checklists below summarise the policy principles that support the sustainable and long-term housing inclusion of UARs while framing the policy context required for a sustainable, affordable housing system.

### 8.5.1 *Governance: legal frameworks, policy settings, effective incentives and state-level capacity*

The following checklist may be used to confirm whether legal frameworks, policy settings, effective incentives and state-level capacity support the proposed policy tools.

- Are refugee and host population policies aligned?
- Do housing policies build on proactive supply and finance policies, accompanied by ongoing institutional innovation? Are they common-good-based solutions, and do they have a strict anti-financialisation component?
- Is spatial and functional policy consistent across UAR integration mechanisms and other associated policy interventions?
- Are the policy learnings of the 2015 refugee process included?
- Has effort been made to close 'data gaps' (through the extensive use of digital tools and platform-building in support of evidence-based decision framing and decision-building)?
- Are policy barriers and bottlenecks clearly addressed by resilient response strategies?
- Is there vertical state partnering from the EU level to the neighbourhood level and horizontal partnering across adjacent local areas?
- Are clear coordination mechanisms in place to sustain cross-departmental cooperation that connects several policy domains?

### 8.5.2    Actors, business models and practices

The following checklist may be used to confirm whether effective institutions, actor groupings, relationships and good practices are in place to support the proposed strategies.

- Does institutional and sector innovation support 'trailing and experimenting'; that is, bottom-up practice innovation (e.g., via intermediaries such as Alliance4Ukraine)?
- Is good practice transfer and scaling-up ensured, e.g., via national and international circuits / learning over time?
- Does partnership-building include close work with UA diaspora and UA community leaders?
- Is there strong state-civil society cooperation and partnering in the areas of coordination, intermediation and quality control/ risk mitigation?
- Are cross-sector partnership arrangements, and voluntary / civil society approaches part of the 'whole-of-society' response to the UA refugee crisis?
- Do the negotiation and conflict mitigation mechanisms associated with residential living incorporate UARs?
- Is more efficient collection and exchange of information ensured by database building and information and communication platforms?
- Is there strong pro-UAR-integration advocacy and communication that builds on a multi-channel communication framework, with strong and mobilizing messages regarding ongoing UAR support and integration?

### 8.5.3    Housing-led integration at the whole-of-society level

Severe demographic challenges (such as an ageing population) and economic constraints related to inclusive growth, productivity and innovation call for the ongoing and sustained absorption of people from other countries into society. Be this in the form of much-needed migrants, refugees or temporary workers, providing adequate housing and establishing effective and reliable services will always be at the heart of attracting and keeping people. The UAR situation, viewed from this perspective, could be understood as an important societal learning experiment with profound longitudinal economic and 'beyond-economy' implications.

The aspects of housing and integration could be combined to produce positive outcomes overall. Indeed, housing-led integration could become the overall societal and governmental vision. Housing is a key individual and social domain for supporting security, well-being and participation. Trade-offs must be considered carefully, and case-specific circumstances should guide decision-making as much as possible.

To confirm whether the cross-cutting nature and strong interdependencies associated with the respective issues are addressed and whether social activation supports the housing-led integration of UARs, two core questions must be answered in the affirmative. Namely:

- Are interventions associated with a relatively coherent set of intentions and actions that – in the long-term – have the potential to lead to positive housing-led outcomes?

- Are the improvements simultaneously expected to apply to many members of the host society as well as refugee communities from Ukraine and elsewhere?
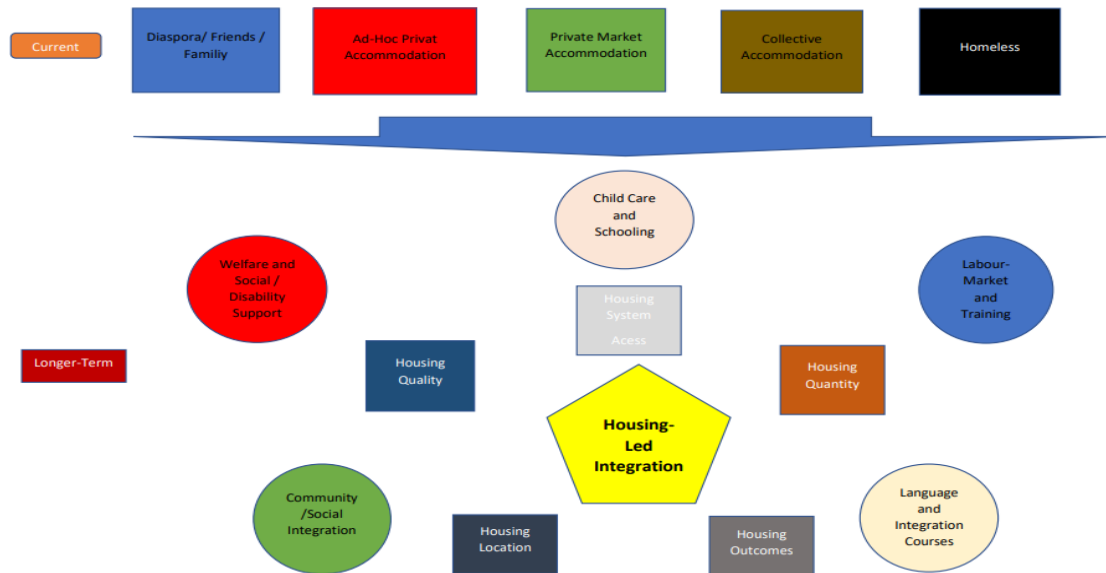
*Figure 17 Housing-led integration model for social inclusion of Ukrainian refugees*

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lix Source: Source:  EU Housing Statistics, UNECE, National Statistical Institutes, RICS European Housing review 2005 (for Germany before 2005), Hypostat 2021

lx *Source: Hypostat 2021 https://hypo.org/app/uploads/sites/3/2021/11/HYPOSTAT-2021_vdef.pdf In the cas of the four new member state, we used the weigthed average (where wiegzts were the number of the houisng stock by countries in 2010).*

lxi Source State of Social Housing in Europe 2021 ( https://www.stateofhousing.eu/#p=1) 19 % cooperatives, 37 % municipalities, 44 % other landlords.

lxii Source: Housing Statistics of Europe 2014, Eurostat Population change - Demographic balance and crude rates at national level [DEMO_GIND]

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lxviii Source: Hypostat 2021 https://hypo.org/app/uploads/sites/3/2021/11/HYPOSTAT-2021_vdef.pdf (based on the population data of 2011)

lxix Rent to prices ratio = 12 * average monthly rent/ average value of the housing.

lxx The rent-to-income ratio is the quotient of the rent for a typical rental flat in the capital and the national monthly net average income. The price-to-income ratio is the ratio of the average house prices outside the city centre to the national yearly average wage. Calculations based on 75 square metre homes.

lxxi Source: EU-SILC survey [ILC_MDES07$DEFAULTVIEW], EU-SILC survey [ILC_MDES06$DEFAULTVIEW]

lxxii Source: EU-SILC survey [ILC_LVPS08$DV_1041]

lxxiii State of Social Housing in EU 2021

lxxiv Sveral cities follow an inclusionary housing policy strategy, for example, Stuttgart (see Granath, 2019.)

lxxv Data received from the State Aid in Tourism Department, Ministry of Transport and Construction of the Slovak Republic.

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