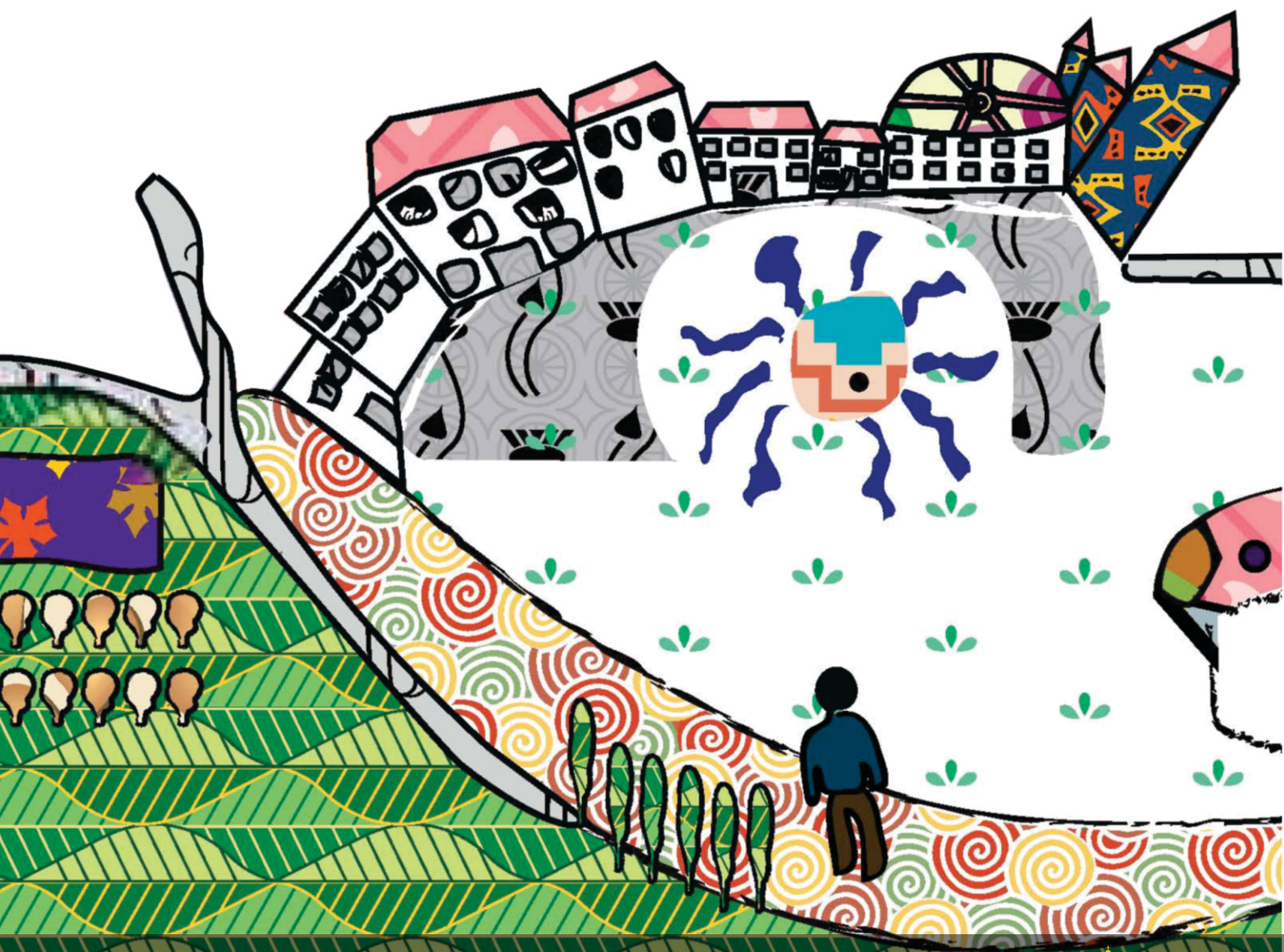


MUNICIPAL SPATIAL PLANNING SUPPORT PROGRAMME IN KOSOVO

Making Better Cities Together

GUIDANCE NOTE ON DRAFTING MUNICIPAL HOUSING PROFILE



Implemented by:

UN HABITAT
FOR A BETTER URBAN FUTURE

Financed by:

**SWEDISH DEVELOPMENT
COOPERATION**



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1. BACKGROUND

UN-Habitat is supporting 12 municipalities of Kosovo in formulating their Spatial Development Plans (MDP/UDP) and one municipality (Gjilan/Gnjilane) in developing a pilot Municipal Housing Profile (MHP).

This guidance note is to provide clear and concise direction to municipalities on how to conduct the MHP based on the Gjilan/Gnjilane example and how to best link the MHP with the legally required 3-years social housing programme and further policy making (i.e. housing strategy). The 3-year municipal social housing programmes are being developed in 8 municipalities, among those six (i.e. Gracanice/ Gracanica, Ferizaj/ Urosevac, Prizren, Rahovec/ Orahovac, Peja/ Pec, Hani I Elezit/ Elez Han) which are a part of the UN-Habitat Municipal Spatial Planning Support Programme (MuSPP) have established committees for drafting the programmes.

The Housing Profile is conducted with a clear focus on providing a comprehensive data analysis which outlines the housing characteristics needs and affordability of the respective Municipality. It should identify current housing trends, those that are likely to happen in the future, bottlenecks and potentials. The profile should aid the development of Municipal Housing Policy and raise housing affordability and accessibility to affordable housing to the maximum extent.

2. HOUSING LEGISLATION AND POLICY FRAMEWORK

Development of housing policies both at national and local level requires an integrated approach where the social-economic and environmental aspects are addressed within a legislative framework and appropriate institutional structures for their implementation.

The legal framework directly relevant to formulation of MHP covers:

- Condominium management and maintenance (Law No.04-L-134 on the Condominium) of 2013
- Privatization of dwellings (Law No.04-L-061 on Sale of Apartments in which there is Tenure Right) of 2012
- Social housing law defining object and subject housing subsidies (Law No.03-L-164 on Financing Special Housing Programmes) of 2010, followed by 6 by-laws, the administrative guidelines
- Construction (Law No.04-L-110 on Construction) of 2012
- Spatial Planning (Law No.04-L-174 on Spatial Planning) of 2013
- Legalization of informally built housing (Law No. 04/ L-188 on treatment of construction without permit) of 2013

2.1 KEY LEGISLATION

The key bringing strong public intervention into the housing sector is the Law on Financing Special Housing Programme and the respective ordinances. The aim of this Law is to create possibilities for provision of adequate and sustainable housing to the families that mainly due to the economic and social conditions are unable to secure their dwelling in the conditions of free housing market. The Law has determined competence and roles of respective institutions at the central and local level for drafting of the housing policies and financing modalities for their implementation.

This law defines explicitly public rental housing scheme in three general options - programmes: newly built, in municipal ownership; privately owned existing apartments, rented under market conditions with subject subsidies for the households (“housing bonus”); renovation or adaptation of other dwellings owned by the municipality. The Law establishes the Central Housing Council¹, to steer the social housing policy at national level and assigns responsibilities to the Ministry of Environment and Spatial Planning (MESP) in: a) formulating a 3-year housing strategy based on municipal programmes, b) planning the annual budgets and c) developing a database relevant to housing, related to needs, capacities and costs. The municipalities are responsible for identification of needs, preparation of the said 3-year housing programme, ensuring urban plans and serviced land, implementation of housing projects and management and maintenance of the newly built housing stock.

2.2 SOCIAL HOUSING PROGRAMME AND MANUAL

Based on the Law No.03-L-164 on Financing Special Housing Programmes of 2010, following the decentralization trend to transfer responsibility for implementation of social housing programmes at the local level, all municipalities were requested to produce the 3-year social housing programme. Eight municipalities, assisted by OSCE have developed these social housing action plans, following very detailed rules and guidelines provided by the Government. The *Guidelines for municipal housing 3-year programmes under the Law No 03/L-164 “for financing of special housing programmes”*, contains a methodology for assessing the situation (profile), defining strategic objective (strategy) and developing a mid-term programme (action plan) for social housing intervention. The 3-year Social Housing Programmes from all the municipalities will create a framework for drafting a 3 year- strategy for housing which will recognize needs and capacities and overall demand for social housing on the one hand and which will include related financial support by the central government on the other hand. However, these needs are limited to the population groups with lowest income and particular vulnerability.

The parallel and interconnected action is the foreseen establishment of a database at the central level, that will gather and maintain information from municipalities on: 1. Housing needs per type of housing programme; 2. Rental housing stock; 3. Physical state of the rental housing stock; 4. Number of beneficiary households in rental apartments; 5. Locations foreseen for social housing developments, that need to be serviced; 6. Locations foreseen for social housing construction that are properly serviced; 7. Average annual budget for social housing construction, as allocated each year by the Government.

Existing draft 3-year programmes (i.e. municipalities of Lipljan, Kamenica) show that these documents can be very detailed and encompassing a lot of important data and analysis. Content wise, all of them have their place in the MHP. From the methodology point of view, the programmes are conceived in fact as social housing action plans, having logically strategic elements linking the profiling and the planning sections. Therefore, the MHP approach might be a catalyst towards a more comprehensive insight into the housing related sectors and wider policy framework. The reason behind is that the housing sector is a comprehensive system and all actors have their own strategies, that span through different options. The task for the housing policy is to raise housing affordability and accessibility to affordable housing to the maximum extent and intervene with the most expensive programmes – new Social Housing construction once the all other measures are exhausted.

¹ Still to be set up by MESP

3. PROCESS AND METHODOLOGY FOR DRAFTING MHP

The key stages of the process

MHP formulation is a process, entailing key events and producing outputs in the form of documents, aiming to provide basic evidence needed to support better choices and critical decisions in the housing sector through an inclusive engagement of its various components.

MHP presents a variety of information required for effective decision-making and planning, including legislation review and socio-economic information and the analysis of problems and opportunities for sustainable housing development. The entire process starts with the collection of secondary information and proceeds, if needed, with the gathering of primary data to fill gaps.

Key stages of the process are recommended to be as following:

1. Initiation of the process.

In this stage, the respective municipality is required to make a formal decision to start the process of drafting the MHP. The decision will subsequently legitimate the process; ensure political commitment and activate the work in the local housing sector.

2. Starting the drafting process.

MHP should begin with setting up the Municipal Housing Team (MHT). The team should be multidisciplinary; it is recommended the team be composed of officials from departments of Public Services, Urban Planning, Property and Cadastre, Economy and Finance. It is rather important to select a team coordinator who will be responsible for managing the project.

3. Involving the stakeholders during the drafting process

Once the stakeholders have been identified, the process of involving them begins. Different methodologies at different stages of the process may be used for their engagement, depending on the availability of time and resources.

4. Data analysis and completion of the Housing Profile document

To complete the Profile, data collected should be analysed, conclusions made and the document arranged into the suggested outline.

5. Agreement of strategic objectives

The information gathered for the profile, and the proposed strategic objectives will be shared at an event aimed at achieving consensus among stakeholders. This may be the final step of the MHP project.

6. Adoption of the complete MHP, by the Municipality

Methodology

Establishing a housing profile is not an exact science. No single approach will provide a definitive answer; the profile includes several data sources and methodologies to process data presented in the consolidated document. The assessment should be informed predominantly from the secondary data (eg Census, municipality data surveys etc), which are more quickly and inexpensively obtained than primary data.

When formulating the MHP, it is crucial to understand the local policy and planning context and their relation to housing, therefore the review of key planning documents which will influence municipality over this time period is

necessary. It is advisable to draw out key proposals highlighted by these documents, in particular with reference to housing development.

To be useful, data in the MHP must be segmented and analysed by the relevant points of interest. Most indicators require minimal processing to obtain the indicator value, and such processing typically calculates rates or proportions.

It is advisable to avoid expending significant resources on primary research, though in questions about housing where data are limited or unreliable, information must be collected through surveys, focus groups or interviews. The obtained primary data should be analysed to produce a new set of findings, which can be used to support the secondary data or through triangulation of methods used to provide reliable conclusions.

If collecting primary data is necessary then the engagement of relevant stakeholders might be required. Stakeholders should be approached in different ways. Some wish to provide information; some will seek better housing for a particular group, whilst others may seek employment from future housing construction.

Recruitment, or mobilization, of stakeholders is a continuing process. The methods of consultation must be varied. Some such as public sector bodies may be used through structured meetings, others may have little time and prefer occasional phone or Email contact. Some may prefer to answer questionnaires; others may wish to submit their own evidence. A flexible approach is crucial.

It is important that stakeholders' contribution is valued and they know this. In particular they should be kept informed of the progress of the MHP. They can be a resource to help with raising public awareness.

4. MUNICIPAL HOUSING PROFILE STRUCTURE AND CONTENT

The profile should be developed based on the proposed Table of Contents (see Annex 1); the document should not be very long; the target scope of text should be not more than 30 pages.

4.1 HOUSING PROFILE CONTENT

The profile document should provide information and analysis on the existing housing stock, then review housing activity over the past decade, and finally set out the likely scale and location of residential development in future years. The household number and characteristics are presented, followed by data on household income, the assessment of the housing needs, the evaluation of housing costs and the affordability assessment.

In principle, it is advisable to extend the process of formulating MHP with further steps up to the proposal of strategic objectives. This would add to the document contents a list of key problems of the housing sector, preferably grouped around the topics (like housing affordability, homelessness and housing problems of the most vulnerable groups, informal settlement, condominium management and maintenance etc. (everything else seen to be a group of issues under one topic).

Further, each problem topic would then have its own general objective and a set of specific objectives. Here, the process can stop and the document can be looked as a draft for discussion with the key stakeholders, including certainly the parliamentary groups. The aim of these discussions will be to come out with the agreed list of strategic priority objectives under each topic. New objectives can appear or the existing ones can be cancelled. The task of the experts' team is to facilitate this process and provide the best information to enable the stakeholders to make decisions.

The step after will be to develop the action plans, but that can be left for the following phase.

The core outputs of the MHP will be:

1. Assessment of current dwellings in terms of location, size, type, tenure, occupancy and condition.
2. Assessment of current household numbers and characteristics and households projections.
3. Assessment of current and future households in need.
4. Assessment of households group or persons who have particular requirements e.g. families, older people, ethnic groups, people with disability, young people, repatriated persons.
5. Basic assessment of the housing cost and affordability.
6. Strategic Objectives towards Municipal Housing Strategy.

4.2 PREPARING THE HOUSING PROFILE

There is no one source or type of data, all may have something to add, but none will provide a complete picture. Therefore the MHP should seek data from a range of sources, noting especially if they confirm the same view as others.

Complete information will not be possible so conclusions will need to be reached based on what is available at the time. Accuracy of data cannot be guaranteed, for example where there is known to be a grey economy. The relative value of objective statistical data and more subjective impressions must be appreciated, and both should be used.

In particular, the MHP should aim to predict what will happen, and should therefore identify trends and likely changes.

Data collection is not an objective in itself and collection should concentrate on data that will:

- Identify problems, weakness and gaps in the housing sector;
- Estimate future trends and needs;
- Help to formulate strategic objectives.

Sources of existing data

An assessment of the value of the following existing data sources should be made:

- 2011 Census of population, households and apartments
- Poverty in consumption in Republic of Kosovo data report, 2013
- Poverty index, Kosovo 2011
- Tax records on real estate, real estate sale and rent for Municipality, Ministry of Finance
- Real estate cadastre– parcels and buildings
- Urban documentation comprising planning documents and the accompanying documentation
- Various records of municipal authorities, secretariats and departments (social welfare in particular, office for Communities and Returns)
- Records of public utility companies (some of which are parts of the national system)
- NGOs records

Generating New Data

New data can be generated in a speedy and low cost manner through interviews of professionals from various institutions. Interviews with stakeholders can be conducted for more specific issues, such as:

- Vulnerable groups to understand their expectations and strategies, inhabitants of informal settlements, construction material retailers, etc.
- Investors in housing construction, real-estate agencies, sealers of construction materials, and other that have benefit from housing market stock.

A structured interview with stakeholders could cover the following questions:

- What are the key housing issues in your municipality?
- What is your vision of the future housing situation in your community?
- What are the most important strengths supporting better housing?
- What are the greatest weaknesses in the housing sector?
- What are the key opportunities for better housing?
- What are the biggest threats in implementation of programmes for better housing?
- Request to add any other information.

These answers can be also requested in a written form if more convenient to the interlocutor.

It is also possible to conduct surveys of a smaller scope in order to obtain responses to some more detailed issues, if there is no other way to obtain them. To achieve a representative response, it is necessary to have a more serious preparation of a sample target. It is a highly professional statistical task worth doing if there are professionals and sampling data. In general, any survey requires a lot of time and cost.

4.3 PRESENTATION OF THE MUNICIPAL HOUSING PROFILE

The aim is to present the information clearly, concisely and logically. Much of the statistical data is best presented as tables or in graphic form. Short conclusions or findings that are relevant to the subsequent objectives could be included after each section.

The overall conclusions could be organized by:

- Using the SWOT approach;
- Identifying problems constraints and obstacles, or
- Considering potential and stimulating factors.

For example when speaking about housing backlog, the conclusions should include an estimate of extra housing that will be needed over the period (three, five or ten years) and how much the private market can be expected to provide.

Overall and strategic objectives

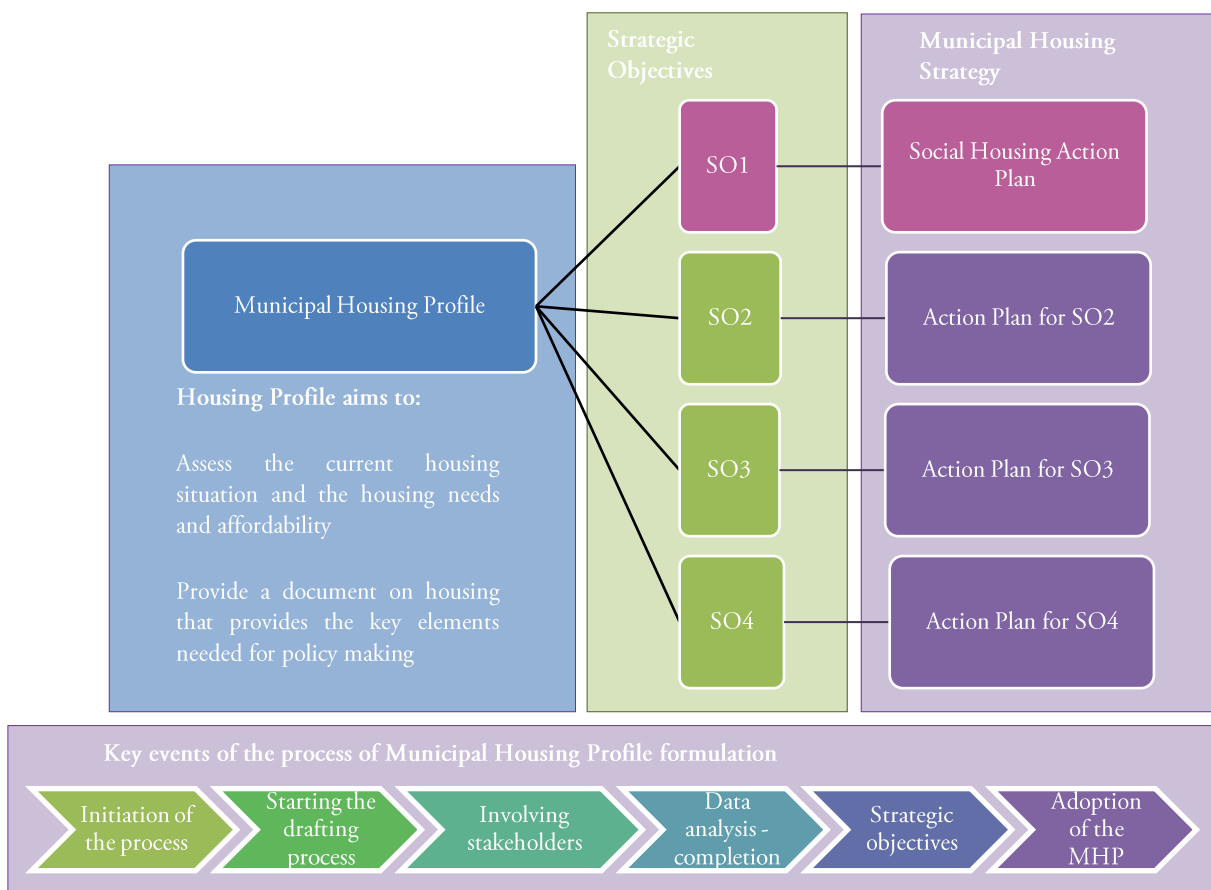
The objectives will start with an overall objective, or mission statement, consisting of one simple sentence. This should summarise the housing destination sought in ten or five years. It should be easy to remember and suitable for publicity and marketing.

Then there should be 4-6 key strategic objectives, each expressed in a sentence or two, plus an explanation of how each of these objectives will contribute to that change. The main strategic objectives will cover a certain problem topic. Further, each strategic objective may have a set of specific objectives, or they could be converted into the measures, action how the overall objectives will be achieved. In the present case, this second level of objectives can be applied which may also establish ranking of the goals per priority.

4.4 STEPS FOR FURTHER PROCESS: FROM THE MUNICIPAL HOUSING PROFILE TO THE MUNICIPAL HOUSING STRATEGY

The diagram below depicts the full process from the MHP to the Municipal Housing strategy. The process can be compared to a journey, in which three key questions are answered, each having a corresponding document: Where are we now? (Housing Profile), Where do we want to get to? (Strategic Objective(s)), How do we get there? (Action Plan). While the strategy is being approved it will be important to design monitoring instruments in order to keep track of progresses and challenges. Moreover, it is logical and advisable that the MHP is fully complementary to the actual exercise of preparation of 3-year Social Housing programmes. The diagram also shows this relation (the parts in pink form the complete 3-year Social Housing programme).

Diagram 4.4.1 Proces from the MHP to Municipal Housing Strategy



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