



ECONOMIC COMMISSION FOR EUROPE

HOUSING CRISIS IN THE COUNTRIES IN TRANSITION

Privatization, Speculation, or Revival?

HABITAT II

SPECIAL EVENT – 6 JUNE 1996
10 a.m. – 1 p.m.

MUHSIN ERTUGRUL THEATRE
ISTANBUL



UNITED NATIONS

Housing Crisis in the Countries in Transition

Privatization, Speculation, or Revival?

Berlin 1989. The Wall crumbles. Behind it, the West discovers shabby housing conditions. Poorly constructed buildings, urban multi-family homes in particular, lack maintenance. In fact, the housing stock in most countries in transition needs a complete overhaul. Where do things stand seven years on?

Privatization and recession have done nothing to improve things. Public tenants have become home-owners, but job security is a thing of the past. Money is scarcer than ever, and cities are facing new problems like large-scale unemployment, poverty and homelessness. The central administration has handed over responsibility for the public rental sector to local governments. Housing and planning legislation and regulations have not always kept pace with the changing reality. The housing finance system is in tatters. The new owners cannot afford the upkeep of their homes. To pay for maintenance they are sometimes forced to sell their property and rent it back. What will happen to these owners-turned-tenants who are often penniless and may end up on the street? What is the role of the State? Should it be involved in the provision of housing? Should new rules be imposed to limit property speculation? How can affordable housing be provided for socially and economically disadvantaged groups?

How does the housing situation in Central and Eastern Europe compare to that in other countries with similar economic resources? Is there a genuine housing crisis or merely an imbalance between what's on offer and what people can afford? What are the pressing housing problems today? Housing shortage? Price distortion? Low affordability? Deferred maintenance?

What were the rules and what are the consequences of the biggest and fastest transfer of wealth ever (mass give-away privatization and restitution of public rental housing)?

Private ownership in land is a key factor in the transition to a market economy. How are Governments dealing with this issue? How can they ensure that title is secure and what can they do to make investors feel confident?

Is the pace of reform of the rental sector, of housing finance institutions, or of social regulations too slow or are these processes important components of a necessary structural adjustment which will simply take more time than originally expected?

On which issues should government action focus in the coming years: increasing new construction, restructuring the housing finance system, building up a social safety net, initiating large-scale renovation programmes?

What is the role of international donors in setting the priorities and helping to achieve realistic goals?

In Western countries, the construction industry is the driving force for economic development. Can it help the countries in transition to pull themselves out of the crisis?

If countries in transition emulate Western lifestyles, will it be possible to meet the demand for energy and resources without doing irreparable damage to our environment? How can cities ensure the continued supply of drinking-water? Can the treatment of household waste in cities be improved? How can recycling be promoted? What type of physical and infrastructure planning system does a city need to meet these challenges?

These are some of the issues that face all the countries in transition to some extent. They will all be raised during the debate.

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

The United Nations Economic Commission for Europe (UN/ECE) is one of five regional commissions of the United Nations. It was established in 1947 and it is the only intergovernmental forum for multilateral economic cooperation among all the countries in Europe and North America. Today the UN/ECE region comprises 55 member States. Among them are highly industrialized countries, as well as countries which have only recently abandoned central planning and are now in the process of transition to a market economy.

Thanks to its experience in promoting dialogue and cooperation between its member States, irrespective of their different levels of economic development, UN/ECE plays an important role in facilitating the transition of the economies of Central and East European countries.

To carry out its work, the Commission has, over the years, created a number of specialized principal subsidiary bodies, covering all main sectors of the economy. One of these bodies is the Committee on Human Settlements.

COMMITTEE ON HUMAN SETTLEMENTS

As far back as 1947, the Commission set up a panel on housing problems, which evolved into the Committee on Human Settlements. The long-standing cooperation among its member countries has provided a profound knowledge on human settlements issues in the region and established a well functioning structure of government contacts. This cooperation also has an important transatlantic dimension. All countries of the region participate on an equal footing in the work of the Committee. Senior policy makers representing ministries responsible for housing, building and regional planning participate in the work of the Committee, which meets once a year. This provides a unique opportunity to pursue an innovative and collective approach to resolving the existing and anticipated problems in the field of human settlements in the UN/ECE region.

To carry out its comprehensive programme of work, the Committee has established the Working Party on Housing Development, Modernization and Management and the Working Party on Sustainable Human Settlements Planning as well as the Meeting of Experts on Human Settlements Problems in Southern Europe and the Meeting of Experts on Cadastre and Land Registration Systems.

The Committee ensures close cooperation with other international governmental organizations and institutions such as the Council of Europe, the European Union, the Organisation for Economic Co-operation and Development, the United Nations Centre for Human Settlements and international financing institutions such as the World Bank and the European Bank for Reconstruction and Development. Close cooperation is also maintained with international non-governmental organizations active in the field of human settlements.

PUBLICATIONS

A large number of publications on technical and policy issues have been prepared by the Committee, among the most recent and timely are:

1987 – *International Harmonization of Building Regulations in the ECE Region* (ECE/HBP/62)

1988 – *Spatial Planning for Recreation and Tourism in the Countries of the ECE Region* (ECE/HBP/68)

1990 – *Trends in Research on Human Settlements in ECE Countries* (ECE/HBP/77)

Rent Policy in ECE countries; Synthesis report on the Seminar held in Amsterdam, Netherlands, October 1986 (ECE/HBP/78)

1993 – *Housing Policy Guidelines: the Experience of ECE with Special Reference to Countries in Transition* (ECE/HBP/84)

1996 – *Towards sustainable human settlements development in the ECE region* (ECE/HBP/94)

Guidelines on sustainable human settlements planning and management (ECE/HBP/95)

Guidelines on land administration (ECE/HBP/96)

Strategies to implement human settlements policies on urban renewal and housing modernization (ECE/HBP/97)

Contribution of the Meeting of Experts on Human Settlements Problems in Southern Europe to the United Nations Conference on Human Settlements (Habitat II) (ECE/HBP/98)

ECE Compendium of Model Provisions for Building Regulations (ECE/HBP/81/ Rev.1).

Further information can be obtained from:

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