

SOCIAL HOUSING REFORM IN UKRAINE

This publication was prepared by the Housing Institute with the support of Helvetas Swiss Intercooperation as part of Switzerland's assistance to Ukraine, funded by Swiss Solidarity during the implementation of the "Sylna Hromada" project.

The content of this material is the sole responsibility of its authors.

The information presented in the publication does not necessarily reflect the views of Helvetas and Swiss Solidarity.

July 2025

TABLE OF CONTENTS

I. SUMMARY OF THE CONTENTS	4
II. CONTEXT	5
III. METHODOLOGY	11
IV. THE SYSTEM OF SOCIAL HOUSING IN UKRAINE	13
4.1. Social housing as an object	13
4.2. Subjects of the social housing system	21
4.2.1. State bodies	22
4.2.2. Local self-government bodies	27
4.2.3. Operators of affordable housing	31
4.2.4. Recipients of social housing	38
4.3. Support of subjects and objects	54
V. PROCEDURE FOR SOCIAL HOUSING PROVISION	61
VI. CONCLUSIONS	69

I. EXECUTIVE SUMMARY

Ukraine's housing sector is in need of comprehensive reform. The current situation is characterised by the absence of social housing stock, which is caused by an outdated regulatory framework and inefficient mechanisms for its provision. The current legislation of Ukraine defines social housing as being provided free of charge to citizens in need of social protection, but sets criteria for recipients that make it available only to the most vulnerable and insolvent categories of the population (e.g., the income criterion that cannot exceed UAH 4454 per month).

International experience demonstrates a broader approach to social housing, which includes various models of subsidised supply and demand, or cost-regulated housing for low- and middle-income citizens. In many European countries, social housing accounts for a significant share of the housing stock (up to 20-30%) and is managed by specialised operators who maintain the housing in good condition and have an economic interest in its development.

In order to address housing problems in Ukraine, a housing reform was launched in 2022, the key elements of which are the draft laws [On the Fundamental Principles of Housing Policy No. 12377](#) and On Social Housing. At the same time, pilot projects for the construction of municipal (social) rental housing were launched, which provide for more flexible criteria for recipients and the attraction of various sources of funding.

The current reform envisages the creation of an effective social housing system, including:

- expanding the circle of social housing recipients with an increase in the income threshold to a level that will allow to cover the middle class and build a cost-effective and sustainable model of social housing;
- introducing the institution of affordable housing operators of various forms of ownership;
- creation of a Unified Housing Information and Analytical System for transparent and automatic housing allocation;
- establishing fair rents that do not exceed 20 percent of household income;
- applying a point system to determine the priority of housing provision;
- attracting various financing mechanisms, including public-private partnerships.

Today, Ukraine is taking the first steps towards building an effective, fair and modern housing policy system that will meet both international standards and the needs of society in the context of post-war recovery.

II. CONTEXT

The right of citizens to social housing is enshrined in [Article 47 of the Constitution of Ukraine](#), according to which persons in need of social protection are provided with housing by the state or local self-government bodies free of charge or for a fee affordable to them in accordance with the law.

The social housing sector in Ukraine is regulated by a number of legislative acts, including:

- [Housing Code of Ukraine of 30.06.1983 No. 5464-X](#);
- [The Law of Ukraine "On the Housing Fund for Social Purposes" of 12.01.2006 No. 3334-IV](#);
- [Law of Ukraine "On Ensuring the Realisation of Housing Rights of Dormitory Residents" of 04.09.2008 No. 500-VI](#);
- [Resolution of the Cabinet of Ministers of Ukraine "Some Issues of Implementation of the Law of Ukraine " On the Housing Fund for Social Purposes" of 23.07.2008 No. 682](#);
- [Resolution of the Cabinet of Ministers of Ukraine "On Establishing Temporary Minimum Standards for Social Housing" of 19.03.2008 No. 219](#).

According to the current Law of Ukraine "On the Housing Fund for Social Purposes":

- social housing stock - a set of social housing provided to citizens of Ukraine who, in accordance with the law, are in need of social protection;
- **social housing** - housing of all forms of ownership (except for social dormitories) from the social housing fund provided free of charge to citizens of Ukraine in need of social protection on the basis of a lease agreement for a certain period;
- social dormitory - social housing provided to citizens of Ukraine for the period of their stay on the social housing register, provided that such housing is their only place of residence.

However, the current definition of social housing in the legislation, in the opinion of the authors of this study, does not meet the logic and standards of legal technique, and also complicates the understanding of the mechanism of housing provision, which is why there is no social housing stock in Ukraine, as evidenced by statistics on the number of social housing in Ukraine.¹

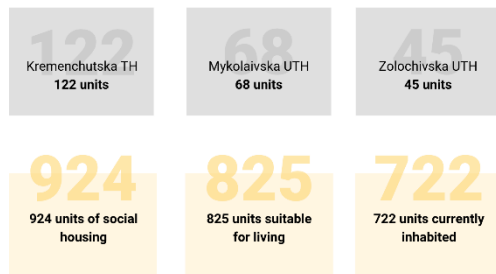
¹ Research of the Housing Institute "[Municipal housing stock in Ukraine](#)". This research provides an in-depth analysis of the underlying factors, the current state of **municipal and social housing**, and outlines specific steps that could improve the management and use of public housing.

1469 territorial hromadas (THs) in Ukraine

164 (11%) territorial hromadas, have a social housing stock*

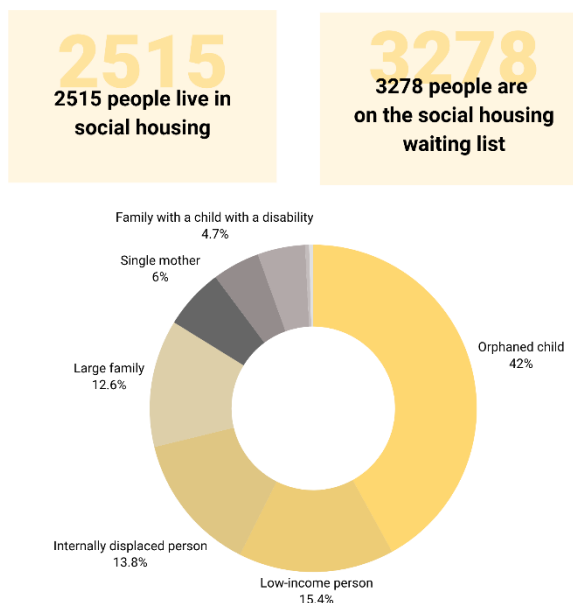
100% of units are municipally owned

Leaders:



34 m² – average unit size

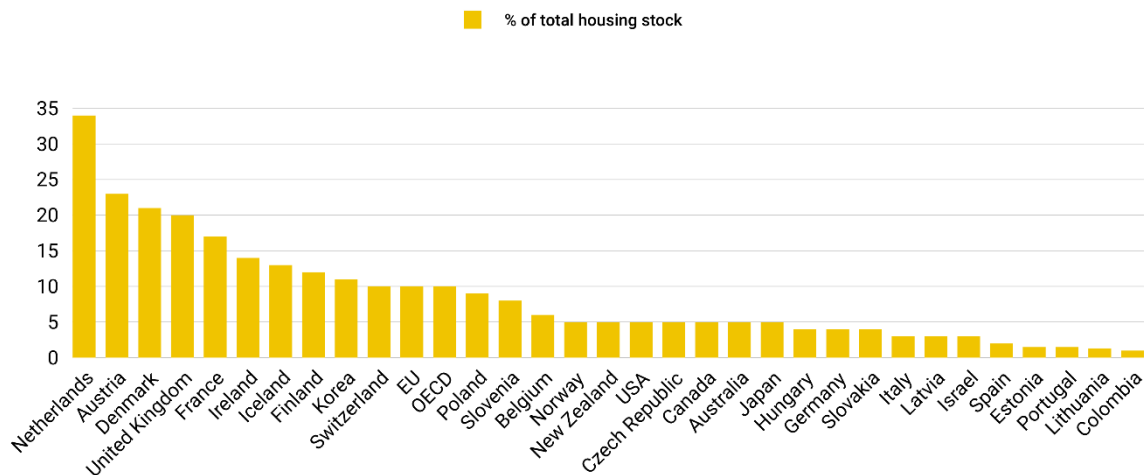
* According to the Law of Ukraine "On the Social Housing Stock"
There are 12,925 local self-government bodies in Ukraine



Instead, international practice demonstrates a wide range of approaches to the definition of social housing. In EU countries, social housing covers both housing for the most vulnerable categories of the population and various models of subsidised or cost-regulated housing implemented through municipalities, non-profit organisations or state agencies. For example:

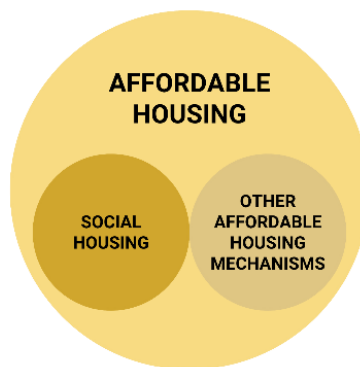
- in Austria, social housing is subsidised housing that is available to a wide range of low- and middle-income citizens;
- in the Czech Republic, there is no separate definition of social housing. Such housing is rental housing provided to people experiencing or at risk of a housing crisis and overburdened by housing costs;
- in Finland, social rental housing is financed through state programmes (the Finnish Housing Finance and Development Centre, ARA) and is allocated according to social criteria. Residents of apartments financed by long-term interest-subsidised loans are selected on the basis of social criteria;
- in France and Germany, social housing is the result of public subsidies (including housing built with public assistance, tax breaks and loans at preferential rates) to support those who cannot afford housing on their own;
- in Poland, social housing is rented and includes state regulation of access and financial support for non-profit housing operators/providers.

At the same time, the share of social housing in different countries varies depending on government policies, market and historical conditions. In some countries, social housing accounts for a significant share of the housing stock and can reach 20-30%. The number of social housing/social rented housing as a share of the total housing stock in other countries (as of 2022 or the latest available year) is shown in the chart below.

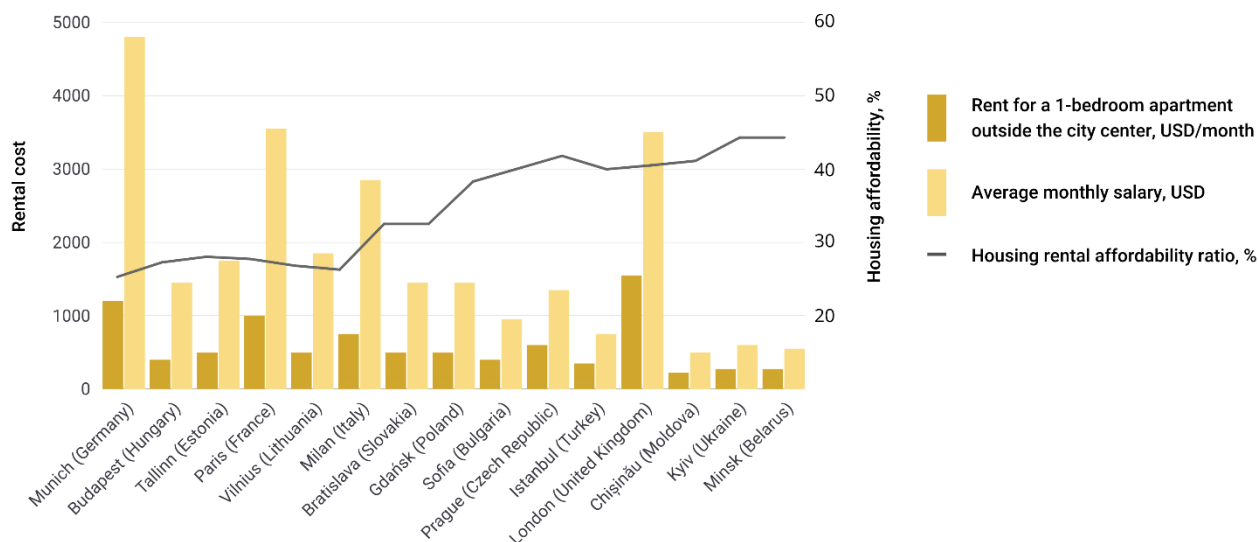


Social housing, as defined by the OECD, is residential rental accommodation that is provided at below-market prices and allocated according to defined rules (e.g., according to established need or waiting lists). In many countries, it is an important tool for providing housing for people who cannot afford to buy or rent on the open private market. The social housing sector accounts for almost 28 million housing units in OECD and EU countries, which is on average 6 to 7% of the housing stock.

At the same time, Ukrainian legislation uses the term "affordable housing" in parallel, which should not be equated with social housing. [The Law of Ukraine "On Preventing the Impact of the Global Financial Crisis on the Development of the Construction Industry and Housing" of 25.12.2008 No. 800-VI](#) defines affordable housing as housing built with state support, in particular by paying 30-50% of its cost or through the provision of preferential mortgage loans. Thus, in Ukraine, the term "affordable housing" refers to a financial instrument, while in international practice it is a broader concept that includes social housing as well as other mechanisms of privileged, low-cost housing, as shown in the image.

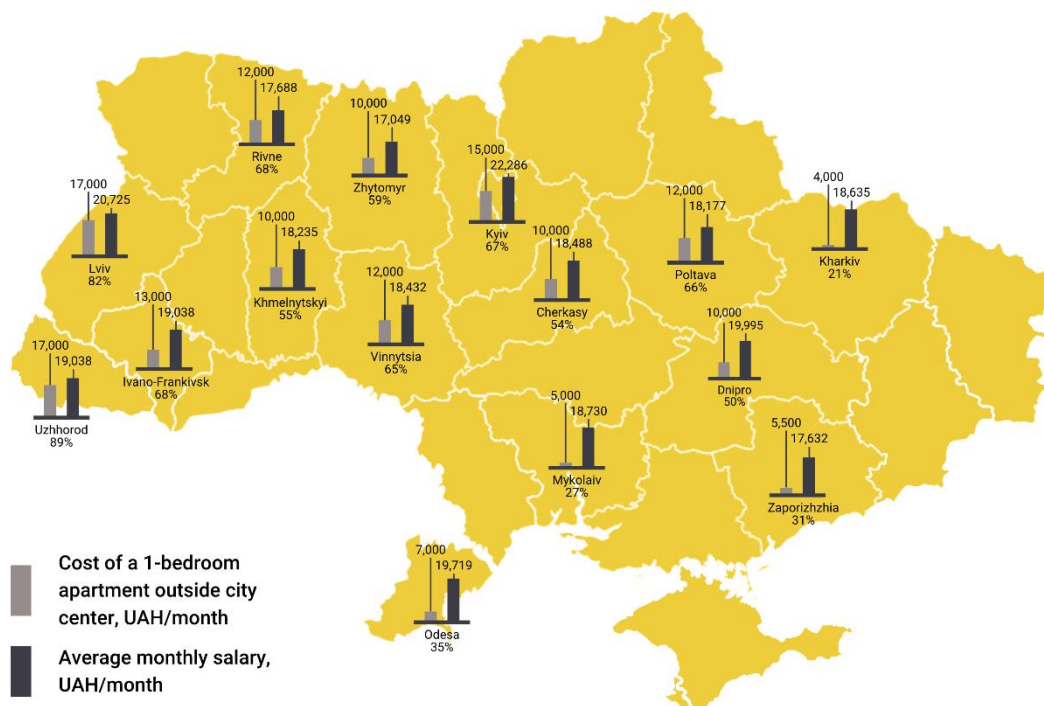


In international practice, affordable housing is defined as housing for which a person/household spends no more than 30% of their total income.



Rental housing affordability ratio in selected Eastern European countries, 2021 (%)

Source: Kogatenko Yu. L., Reut A. H. Social support in solving housing issues: international experience, situation in Ukraine // Economy and Society. – 2022. – Issue 45.



Given the limitations of the current housing legal framework and the challenges Ukraine faced after the start of the full-scale invasion, a **housing reform** was launched in 2022 under the coordination of the Ministry for Development of Communities and Territories of Ukraine.

With the support of international partners and national experts, the draft Law of Ukraine "On the Fundamental Principles of Housing Policy" No. 12377 was developed (supported in the first reading by the Verkhovna Rada of Ukraine on 16.07.2025), which is intended to replace the outdated Housing Code of 1983. Alongside this, a draft Law of Ukraine "On Social Housing" is also under development. Both documents are key indicators for the implementation of the Ukraine Facility Plan. At the same time, in May 2025, the Ministry for Development of Communities and Territories of Ukraine established an Interagency Working Group to develop the State Housing Policy Strategy, the first national-level strategic document on housing.

As of July 2025, the legal regime of social housing in Ukraine remains regulated by the current Housing Code of Ukraine, but is beginning to be considered by stakeholders and international partners in the context of the ongoing reform. In order to test new approaches, the Government of Ukraine decided to launch two **pilot experimental** projects in parallel:

- [Resolution of the Cabinet of Ministers of Ukraine "On the Implementation of a Pilot Project on the Creation of a Fund for Municipal \(Social\) Rental Housing and its Lease" No. 796 dated 02.07.2025](#) (funding will be provided by local budgets and a grant and loan component from the European Investment Bank, and it is also possible to attract funds from other international partners, Ukrainian banks and investors);
- [Resolution of the Cabinet of Ministers of Ukraine "On the Implementation of a Pilot Project to Provide Housing for Internally Displaced Persons from the Mariupol City Territorial Community" of 07.07.2025 No. 814](#) (the project is funded by the budget of the Mariupol community, and co-financing from international partners is expected).

These initiatives are intended to test new approaches in an environment where the reform is still ongoing and the regulatory framework is still being developed.

In international practice, the term "social housing" is often used alongside the concept of "public housing". At the same time, the current legislation of Ukraine lacks a regulatory definition of public housing. The current housing policy reform deliberately does not use this term as a substitute for social housing. This approach is driven by the position of lawmakers and experts that social housing includes the mechanism of social rent. This mechanism can be applied not only to housing that is in state or municipal ownership (i.e. public housing), but also to private housing, subject to the consent of its owner.

At the same time, social housing should not be equated with temporary housing. Despite the fact that these categories are currently regulated by the current legislation of Ukraine, according to the logic of the current housing policy reform, social housing should gradually integrate the functions of temporary housing, which implies the abandonment of the term "temporary housing" in the legal framework. Such an approach would unify approaches to

housing provision and aims to create a sustainable, socially oriented system in which temporary housing is considered a form of social housing with an appropriate mechanism of rent, subsidy or support.

III. METHODOLOGY

This study is based on a comprehensive methodological approach that integrates various analytical tools and sources of information to provide a comprehensive analysis of social housing issues.

The authors of the study, being direct participants in the process of housing reform in Ukraine and experts in the development of the draft laws "On the Fundamental Principles of Housing Policy", "On Social Housing" and other regulatory acts, applied the method of deductive analysis, according to which each aspect of social housing is considered in four consecutive dimensions:

- international practice;
- current legislation of Ukraine;
- an experimental project to create a fund for municipal (social) rental housing (Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796);
- housing reform (draft laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing").

This structure is consistently maintained in all sections of the study, with comparative tables to systematise key provisions.

The information base of the study includes:

- regulatory legal acts of Ukraine (current legislation and draft acts);
- international documents and studies;
- statistical data from government agencies and market indicators;
- expert opinions and materials of working groups on the development of housing legislation.

The following methods were used in the course of the study:

- comparative legal analysis: comparison of current legislation with drafts of new acts, comparison of the Ukrainian model of social housing with international analogues, analysis of pilot projects in the context of the overall reform;
- system analysis: consideration of social housing as an interconnected system of elements, identification of structural links between subjects and objects, assessment of mechanisms of interaction between participants in the process;
- economic analysis: calculation of housing affordability indicators, assessment of financial mechanisms for housing provision, analysis of rent calculation formulas;
- sociological approach: analysis of categories of social housing recipients, assessment of eligibility criteria for social housing, study of social effects of different models;
- institutional analysis: study of the functions of state bodies, local governments and housing operators, analysis of the institutional capacity of the system's actors, assessment of the effectiveness of existing mechanisms.

The methodological limitations of the study are the dynamism of the legislative process and the lack of statistical data on social housing in Ukraine.

The practical orientation of the study is focused on:

- improving the legislative framework;
- development of effective mechanisms for the provision of social housing;
- formulation of recommendations for the authorities;
- adaptation of international experience;
- creating a basis for further research.

The applied methodological approach provides a comprehensive analysis of social housing issues in Ukraine and the development of evidence-based recommendations, taking into account international experience and national specifics.

IV. THE SOCIAL HOUSING SYSTEM IN UKRAINE

One of the versions of the Draft Law of Ukraine "On Social Housing" for the first time introduces the concept of the social housing system, which is a set of subjects, objects of the social housing system and ways of interaction between them. Although the term "social housing system" has a scientific and theoretical basis, it allows for a comprehensive consideration of the essence of social housing, contributing to a deeper understanding of its nature and the relationships between the participants in this process. Through the prism of the systems approach, social housing should provide answers to the following key questions regarding its content:

- What is social housing? (object composition, i.e. specific characteristics, types of residential premises, requirements to real estate objects that can be social housing);
- Who is entitled to social housing? Who develops and implements social housing policy? (subject composition, i.e. who is eligible for social housing and who is responsible for developing and implementing policy in this area);
- What are the powers, rights and obligations of participants in legal relations in the field of social housing?

4.1 Social housing as an object

a) international practice

Provision of decent social housing is one of the key instruments for realisation of the right to housing in European countries. Although approaches to the construction and management of social housing vary, all countries have a common goal - to guarantee minimum standards of safety, hygiene, accessibility and comfort for vulnerable groups of people.

In all countries (UK, France, Italy, Germany, the Netherlands, Spain, etc.), social housing is regulated on a par with private housing, and in some countries is even subject to stricter standards, especially in terms of energy efficiency, safety and inclusiveness. For example, in London, social housing must comply with the Decent Homes Standard, which covers technical condition, modern amenities, thermal insulation, and the absence of health risks. In 2023, additional regulations were adopted (Awaab's Law), which obliges municipalities to promptly address deficiencies in social housing.

In France, the Netherlands, and the UK, environmental standards are being actively implemented, and the use of energy-saving materials (HQE - Haute Qualité Environnementale, Passivhaus) is required.

In many countries around the world, there are legislatively established or recommended minimum floor space standards that apply to social housing.

Country	Minimum floor area	Notes
United Kingdom (London)	37 sq.m. per 1 person. Minimum bedroom area: 7.5 sq.m. per 1 person.	Housing Act 1985
France	14 sq.m. per 1 person. Minimum bedroom area: 7-9 sq.m. per 1 person.	The SRU Solidarity and Urban Renewal Act (2000) and its amendments (2013) oblige municipalities to have at least 20-25% social housing in their total housing stock.
Italy	14 sq.m. for the first four persons and 10 sq.m. for the next four persons	Ministry Order of 1975
Germany (Hesse)	7 sq m per 1 person (temporary housing)	In general, in Germany, social housing standards are more functional than strictly defined floor space requirements.
Netherlands	12 sq m per person	Official Flexwonen standards (temporary accommodation)
Spain (Catalonia)	20-36 sq.m. per person	Decree 141/2012. The floor space standard depends on whether it is old or new housing stock.

In all countries, there is strict control over the compliance of social housing with minimum standards:

- regular inspections of the technical condition;
- mandatory certificates of habitability;
- clear requirements for inclusiveness (door widths, ramps, lifts, etc.).

In many jurisdictions (e.g., Catalonia and the Netherlands), municipalities play a leading role in the selection, allocation and maintenance of social housing, and are also required to follow clear procedures and deadlines for repairs or renovations.

More information on housing quality and accessibility requirements can also be found in the [Housing and Health Guide](#) published in 2018 by the World Health Organisation.

Social housing in EU countries is not seen as a short-term tool to overcome the housing crisis, but as a full-fledged component of housing policy aimed at ensuring decent living conditions for different categories of the population. Such housing meets high standards of quality, safety, energy efficiency, accessibility and inclusiveness, and provides people with the opportunity for community integration, stability and social mobility. That is why social housing in the EU is increasingly seen as a strategic investment in community development rather than a financial burden for the state.

b) current legislation

According to the Draft Law of Ukraine "On the Housing Fund for Social Purposes", social housing must comply with:

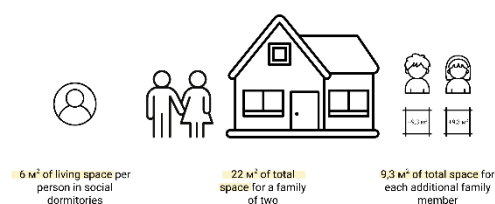
- architectural, planning and technical standards;
- sanitary and hygienic requirements;
- construction standards;
- standards and rules on accessibility for low-mobility groups, including persons with disabilities, and be suitable for living.

The current state building codes of Ukraine, [DBN V.2.2-15-2019 "Residential buildings. Basic Provisions"](#), provides for the division of housing into two categories. At the same time, the concept of "social" is not currently mentioned in the state building standards.

The provision of apartments, houses from the social housing stock and living quarters in social dormitories to persons is carried out according to the norms established not by the DBN, but by the local government. It is the local self-government body that provides social housing, but with an area not less than the minimum standard set by the Cabinet of Ministers of Ukraine.

For example, the Resolution of the Cabinet of Ministers of Ukraine "On Establishing Temporary Minimum Standards for Social Housing" of 19.03.2008 No. 219 established the following temporary minimum standards for social housing:

- 6 sq.m. of living space per person in social dormitories;
- 22 sq.m. of total area² for a family of two people and an additional 9.3 sq.m. of total area for each additional family member in apartments, single-family houses from the social housing stock.



Regarding accessibility for people with reduced mobility³, Ukraine has the [DBN B.2.2-40:2018 "Inclusiveness of Buildings and Structures"](#).

² Living space is the sum of the areas of living rooms, i.e. rooms intended for living (bedroom, living room, children's room). The total area includes living space, as well as the area of utility rooms, such as kitchens, corridors, bathrooms, storerooms, as well as balconies, loggias, terraces, verandas, if they are part of an apartment or house. In other words, the total area is the area of the entire apartment or house, and the residential area is only the part that is used directly for living.

³ According to Art. 1 of the Law of Ukraine "On Regulation of Urban Development", low-mobility groups are persons who have difficulty moving independently, receiving services, necessary information or navigating in space, including persons with disabilities, persons with temporary health problems, pregnant women, elderly people, and persons with baby carriages: <https://zakon.rada.gov.ua/laws/show/3038-17#Text>

Main Provisions", the requirements of which are mandatory for all legal entities and individuals in Ukraine, except for the construction of individual residential buildings.

The Law of Ukraine "On the Housing Fund for Social Purposes" stipulates that the formation of social housing funds is carried out at the expense of the state and local budgets, as well as funds from private legal entities and individuals. The procedure for determining the cost of formation of the social housing fund (except for social dormitories) at the expense of the state and local budgets through the construction of new housing, reconstruction of existing residential buildings, and conversion of non-residential buildings into residential buildings was approved by the relevant [Resolution of the Cabinet of Ministers of Ukraine of 21.03.2007 No. 523](#).

The aforementioned procedure stipulates that the cost of construction of 1 sq.m. of housing stock should not exceed the respective indirect cost determined by the Ministry for Development of Communities and Territories of Ukraine.

As of 01.07.2025, the indirect cost of construction of 1 sq.m. of total apartment area (including VAT) in Ukraine is UAH 25382.00.⁴ For comparison, the average market value of 1 sq.m. of economy class housing in the primary market in Ukraine as of July 2025 is about UAH 41,000.00.⁵

It should be emphasised that the methodology for determining the cost of social housing construction was approved by the relevant resolution of the Cabinet of Ministers of Ukraine in 2007 and has not been amended since then. Given the significant transformations in the legislation, market structure and socio-economic conditions of the country that have taken place over this period, the practical applicability of this approach, in particular in the context of equating the cost of social housing construction to indirect indicators by region, is limited and irrelevant. Currently, this proxy indicator performs other functions and is not intended to reflect the real market value of construction.

***c) pilot project for the creation of a fund of municipal (social) rental housing
(CMU Resolution of 02.07.2025 No. 796)***

Under the pilot project, it is envisaged that municipal (social) rental housing will be apartments in multi-apartment residential buildings built under the pilot project and included in the municipal (social) rental housing fund.

The provision of municipal (social) rental housing within the framework of the pilot project is based on 13.65 sq.m. of total area per person, with a possible increase to 3.96 sq.m. per person, but not more than 40 sq.m. of total area per family of two or a single person and not less than the area of a one-room apartment.

Municipal (social) rental housing must meet the requirements of building codes, in particular the requirements of DBN B.2.2-15:2019 for category II housing, DBN B.2.2-40:2018 "Inclusivity of Buildings and Structures. Basic Provisions" and include radiation shelters and/or dual-purpose structures with protective properties of radiation shelters in

⁴ Order of the Ministry for Development of Communities and Territories of Ukraine of 16.07.2025 No. 1155 "On Approval of Indicators of the Indirect Cost of Housing Construction by Regions of Ukraine (calculated as of 01.07.2025) <https://mindev.gov.ua/npas/prozatverdzhennia-pokaznykiv-oposeredkovanoi-vartosti-sporudzhennia-zhytla-za-rehionamy-ukrainy-rozrakhovanykh-standom-na-01-lipnia-2025-roku>

⁵ Primary real estate statistics (as of 03.07.2025): <https://lun.ua/misto/stat/primary/kyiv>

accordance with the requirements of [DBN B.2.2-5:2023 "Protective Civil Protection Facilities"](#).

The provided municipal (social) rental housing must be suitable for living and meet sanitary and technical standards, taking into account the infrastructure of the settlement. It must be provided with working systems of electricity, heating, water supply, sewage, gas supply (if available), as well as access to electronic communications.

For internally displaced persons and certain vulnerable categories of the population, basic housing equipment is provided with household appliances (refrigerator, washing machine, boiler and, if necessary, autonomous heating) and furniture (beds, wardrobes, desk, chairs, kitchen set, dining table, etc.)⁶. Other categories of people can receive appropriate equipment on the basis of an individual application.

Apartments for elderly people and people with disabilities, including children, are provided, if possible, on the first or second floors or in buildings equipped with lifts.

Project documentation for the construction of municipal (social) rental housing may be developed using reuse projects in construction or design solutions for reuse in construction. Ukrainian legislation defines a construction reuse project as documentation that includes architectural, planning, structural, technical and technological solutions for construction conditions specified in the design assignment, intended for multiple use in the development of project documentation for the construction of facilities or their separate parts, includes an expert assessment with a positive conclusion and is approved by the relevant customer.⁷

To implement the pilot project, the Reconstruction Agency of Ukraine recommends to local governments/military administrations of settlements a list of construction reuse projects for use in the construction of municipal (social) rental housing and ensures that such a list is published in the form of open data on the Unified State Open Data Portal.⁸

The use of reuse projects is justified in view of the need to optimise time resources, as the design and expert review stages are lengthy and resource-intensive. In the framework of the social housing project, which involves the construction of 52 residential buildings, the use of standard designs allows us to significantly reduce the implementation time, mitigate the risks of poor quality design documentation, and avoid additional delays and higher construction costs.

In addition to speeding up processes, the reuse of designs can also help reduce construction costs through unified solutions. At the same time, there is currently no information on the criteria by which the Recovery Agency of Ukraine will select such standard projects for the construction of social housing.

⁶ In accordance with clause 9 of the Procedure approved [by the Resolution of the Cabinet of Ministers of Ukraine "Issues of acceptance into operation of completed construction objects" of 13.04.2011 No. 461](#)

⁷ Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Development, Examination and Application of Reuse Projects in Construction and Amendments to the Resolutions of the Cabinet of Ministers of Ukraine No. 560 of 11 May 2011 and No. 554 of 23 May 2011" [of 14 October 2022 No. 1160](#)

⁸ The Unified State Open Data Web Portal was created pursuant to the Law of Ukraine "On Access to Public Information" and Resolution of the Cabinet of Ministers of Ukraine No. 835 of 21 October 2015 "On Approval of the Regulation on Data Sets to be Disclosed in the Form of Open Data". The portal is intended to provide access to public information in the form of open data and provides access to information of public authorities with the possibility of its further use: <https://data.gov.ua/>

It should also be borne in mind that any model project will require adaptation (binding) to a specific land plot, which is a separate paid service. In addition to the cost of the land plot itself, local governments will bear the costs of developing a land management project and, if necessary, changing the designated purpose of the land plot in accordance with the project requirements. Provision of the site with engineering infrastructure (electricity, water, gas and heat supply, sewage disposal) includes obtaining technical specifications, design, development of necessary documentation, as well as purchase of materials and construction and installation works, and these costs are also borne by local authorities.

According to the Explanatory Note to the draft Resolution, the estimated cost of construction of 1 sq.m. of housing will be around UAH 42,000.00. Although this figure is higher than the indirect cost of housing construction set at the regional level (which, as noted above, is aimed at other objectives), it is reasonable and corresponds to the real market price, taking into account current economic conditions, inflationary processes, lack of human resources, cost of construction materials and services, as well as the need to comply with modern construction standards and norms. The introduction of a transparent and reasonable pricing mechanism will not only ensure the financial feasibility of the costs, but will also increase the confidence in the project implementation on the part of partners, investors and the public. Such an approach will facilitate effective budget planning, minimise the risks of misuse of resources, and ensure timely implementation of the planned construction volumes within the project.

d) housing reform (draft laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

The Draft Law of Ukraine "On the Fundamental Principles of Housing Policy" No. 12377, which is intended to replace the outdated Housing Code and lay the framework for new housing legislation, stipulates that **social housing** is housing provided to persons, including those in need of social protection, persons who are forced to leave their place of residence on the grounds of life and health of the person or the condition and safety of the occupied dwelling, and other categories of persons defined by law, under a social housing lease agreement, provided with an affordable level of rent depending on the income of the person (family), household and taking into account the benefits, guarantees and subsidies to which they may be entitled under the law.

Information on social housing is entered into the Unified Information and Analytical Housing System.⁹

Social housing must comply with the principle of adequate housing and the **requirements for consumer quality of housing**, i.e. the requirements for space, operational, sanitary and hygienic and other characteristics of housing suitable for permanent or temporary residence, which are approved by the Ministry.

The Draft Law of Ukraine "On Social Housing" proposes to provide that an object of the social housing system is a dwelling that, based on a decision of the relevant state authority (other entity managing state-owned property as defined by law or an entity authorised by

⁹ The Unified Housing Information and Analytical System is an information and communication system that ensures the collection, accumulation, protection, recording, display, processing and provision of information on the housing stock of Ukraine, as well as on persons who can benefit from state support in exercising the right to housing.

it) or local self-government or an entity authorised by them, a private property owner, is used as social housing under a social housing lease agreement, and information about which is entered into the Unified Information and Analytical Housing System.

The Draft Law of Ukraine "On Social Housing" also proposes to stipulate that social housing is provided under a lease agreement taking into account the number of tenant family members and requirements to the consumer quality of housing; elderly persons, large families with minor children and relevant categories of persons with disabilities and patients with medical conditions are provided with social housing on the lower floors or in buildings with lifts; social housing should be equipped with means of unimpeded access for persons with disabilities.

Specific requirements for the area, operational, sanitary and hygienic and other characteristics of housing will be established by a separate Government decision. At the same time, the current Resolutions of the Cabinet of Ministers of Ukraine "On Establishment of Temporary Minimum Standards for Social Housing" of 19.03.2008 No. 219 and "On Approval of the Procedure for Determining the Cost of Formation of the Social Housing Fund (except for Social Dormitories) at the Expense of State and Local Budgets" of 21.03.2007 No. 523 should be cancelled after the Law of Ukraine "On Social Housing" is adopted and enters into force.

	International practice	Current legislation of Ukraine	Experimental project of creating a fund for municipal (social) rental housing	Housing reform
Minimum area standards for social housing	7-36 sq.m. per 1 person	6-11 sq.m. of living space per 1 person	13.65-40 sq.m. of total area per 1 person	currently not provided
Quality standards for social housing	high standards of quality, safety, energy efficiency, accessibility and inclusiveness, which may be more stringent than for the construction of other types of housing	compliance with the DBN	compliance with the DBN, including the DBN B.2.2-5:2023 "Civil Protection Facilities"	compliance with the DBN and requirements for consumer quality of housing
Cost of social housing construction	was not investigated	up to UAH 25382.00 per sq.m.	approximately UAH 42000.00 per sq.m.	currently not foreseen



The Winding Wall of Social Housing: Dortheavej in Denmark

In 2013, the international architecture firm Bjarke Ingels Group was commissioned by the Danish non-profit housing association Lejerbo to design “Dortheavej” – a social housing complex in Copenhagen. The apartment sizes range from 60 to 115 square meters.

4.2. Actors in the social housing system

a) international practice

In international practice, the social housing system includes a number of actors that interact with each other through policies, programmes and projects. These actors are:

- the state. The key role is played by central authorities, which formulate the legislative and regulatory framework, ensure the allocation of financial resources and monitor policy implementation. For example, in France, this function is performed by the Ministry of Ecological Transition and Territorial Cohesion, and in Germany by the Federal Ministry of Housing, Urban Development and Construction;
- regional and local authorities, which provide planning, land allocation, construction contracts, and management of the social housing stock. In Catalonia, for example, these functions are performed by the Housing Policy Agency, and in London - by the Greater London Authority in cooperation with local municipalities;
- specialised housing organisations (Housing Associations / Social Housing Providers), which provide construction, management and maintenance of the housing stock, and rent social housing. In the UK, these are housing associations, in Germany and Switzerland - housing cooperatives, and in France - HLM (organismes d'habitation à loyer modéré), which combine state participation with a social mission;
- private developers (in partnership with the state), which ensure the fulfilment of orders for the construction of social or affordable housing under public-private partnership programmes. For example, in the Netherlands, developers are obliged to allocate a portion of their housing for social purposes. In France, there is an obligation for municipalities to have a minimum of 20-25% social housing (according to the SRU law);
- international organisations that provide financial and technical assistance, as well as strategic guidance;
- NGOs, trade unions, and cooperatives. They represent the interests of residents, monitor the quality of housing conditions, and participate in cooperative housing construction. Examples include the Mieterverband (Tenants' Association in Germany), housing cooperatives in Switzerland, Austria, and the Netherlands;
- citizens - recipients of social housing. These are usually low-income families, internally displaced persons, people with disabilities, the elderly, young people, and representatives of critical professions who are entitled to housing by the state or municipality in accordance with the law.

b) current legislation

The Law of Ukraine "On the Housing Fund for Social Purposes" stipulates that the subjects of legal relations regarding the formation and use of social housing are:

- citizens of Ukraine who are recognised by law as being in need of social protection and entitled to social housing;
- executive authorities;
- local self-government bodies;
- legal entities and individuals.

c) pilot project for the creation of a fund for municipal (social) rental housing (Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796)

Within the framework of the pilot project, which provides for the construction of municipal (social) rental housing, the subjects are:

- Ministry for Development of Communities and Territories of Ukraine;
- Recovery Agency¹⁰ ;
- agencies of restoration and development of infrastructure in the regions;
- local self-government bodies;
- housing operators (communal ownership);
- military administrations of settlements, whose heads exercise the powers of heads of local self-government bodies of the respective settlement;
- recipients of municipal (social) rental housing.

d) housing reform (draft laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On social housing")

The Draft Law of Ukraine "On Social Housing" proposes to provide that the subjects of the social housing system will be:

- authorised bodies of the social housing system (the Cabinet of Ministers of Ukraine; central executive body responsible for the formation of the state housing policy; central executive body implementing the state housing policy; other central executive bodies within the powers defined by the Law; local state administrations; local self-government bodies);
- recipients of social housing;
- operators of affordable housing and other legal entities and individuals.

4.2.1. State bodies

a) international practice

Public authorities have always played a key role in the formulation and implementation of social housing policy. Their powers include legislative and financial support, as well as control, planning and coordination of housing policy.

¹⁰ The State Agency for the Reconstruction and Development of Infrastructure of Ukraine (Reconstruction Agency) is a central executive body whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Vice Prime Minister for Reconstruction of Ukraine - Minister of Community and Territorial Development. Regulation on the State Agency for the Restoration and Development of Infrastructure of Ukraine, approved by [the Cabinet of Ministers of Ukraine on 10.09.2014, No. 439](#)

At the same time, international practice also includes special state housing agencies, which in many countries are key institutional actors that ensure the implementation of state policy in the field of social and affordable housing. Housing agencies are created as specialised bodies with a specific mandate in the field of housing policy: construction, management of the housing stock, implementation of tenant support programmes, provision of housing for certain categories of the population (e.g. low-income, youth, people with disabilities, IDPs, etc.). Due to their narrow specialisation, they have the expertise and operational capacity to effectively implement housing programmes. In most cases, such agencies function as semi-independent or autonomous institutions under the supervision of the relevant ministry or central government.

The main functions of housing agencies usually include:

- planning and commissioning of social housing construction;
- management of the existing housing stock;
- implementing rental support programmes;
- monitoring housing needs at the national or regional level;
- ensuring transparent housing allocation;
- conducting analytical research and formulating recommendations on housing policy.

In France, for example, the National Housing Agency (Agence Nationale de l'Habitat, ANAH) acts as a coordinator of housing modernisation programmes, providing financial support for reconstruction, with a special focus on the needs of vulnerable households. In Spain, Catalonia, there is the Agència de l'Habitatge de Catalunya, which implements regional housing policy, covering the construction, rental, distribution and social support of housing. Italy has the Agenzia Nazionale per l'Abitare Sociale, which works in close cooperation with regional authorities and provides funding for social and affordable housing programmes through specialised funds and public-private partnership mechanisms. In the Netherlands, despite the absence of a centralised housing agency, the relevant functions are performed by municipalities and a powerful network of social landlords (woningcorporations), which operate under the supervision of the national regulator - Autoriteit woningcorporations.

b) current legislation

The Cabinet of Ministers of Ukraine plays an important role in the social housing system. It is responsible for the implementation of state policy in this area.

The Cabinet of Ministers is also responsible for:

- ensuring the implementation of the state policy in the field of social housing;
- coordinating the activities of central executive authorities and local state administrations;
- adoption of by-laws and regulations on social housing, namely:
 - Model Regulations on social dormitories;

- minimum standards for the provision of apartments, manor (single-family) houses from the social housing stock and residential premises in social dormitories to citizens;
- procedure for taking into account the value of property owned by a citizen and his/her family members, and the procedure for determining the indirect cost of renting housing in a settlement;
- procedure for registering citizens for social housing, keeping them on such a register and removing them from it;
- the procedure for restoring documents for residents of temporary shelters for adults;
- procedure for annual income monitoring of citizens on the social housing register and their family members;
- regulations on state targeted long-term loans for the construction or purchase of housing;
- procedure for the formation of a supervisory board exercising public control over the distribution of social housing;
- procedure for annual monitoring of income of social housing tenants and their family members living with them;
- procedure for establishing a specialised house for the poor and homeless and regulations on such a house;
- procedure for establishing a specialised house for war and labour veterans, elderly citizens and persons with disabilities, and regulations on such a house;
- procedure for providing social housing, as well as taking into account the area of housing privately owned by a citizen who receives an apartment or a manor (single-family) house from the social housing fund;
- the procedure for calculating the payment for social housing;
- procedure for determining the cost of forming a social housing fund (except for social dormitories) at the expense of state and local budgets through the construction of new housing, reconstruction of existing residential buildings, and conversion of non-residential buildings into residential ones;
- the procedure for allocating state budget funds for the development of the social housing stock is approved by the Cabinet of Ministers of Ukraine.

In addition, according to the Law of Ukraine "On the Housing Fund for Social Purposes", the Government is required to develop a national programme for the development of social housing and monitor its implementation. The concept of the State Programme "Social Housing" was approved by [the Cabinet of Ministers of Ukraine in Resolution N384-r dated 03.09.2005](#), but the programme itself was never approved. The Cabinet of Ministers of Ukraine also coordinates the activities of ministries and local state administrations to

ensure that the entire system works in a coordinated manner. Other powers of the Government in the field of social housing are defined by separate laws.

At the ministerial level, the Law of Ukraine "On the Housing Fund for Social Purposes" allows for the division of responsibilities in the social housing sector between two executive bodies, namely:

- the central executive body responsible for state policy making. It develops general approaches to the development of social housing, creates scientifically sound and economically feasible solutions, prepares programmes, and provides the regulatory and methodological framework, i.e. the rules and standards by which housing should be built and maintained;
- the central executive body that implements the policy, i.e. is responsible for implementing these decisions. It is responsible for implementing national and local programmes that have been approved, and also performs other functions defined by law.

Currently, the relevant functions are concentrated in one ministry - the Ministry for Development of Communities and Territories of Ukraine.

According to the Law, the central executive body responsible for the development and implementation of state policy in the field of social housing has the following powers

- formulation and implementation of the state housing, scientific, technical and economic policy formation and maintenance of the social housing stock
- organisation within its powers of development and implementation of national and local social housing development programmes;
- regulatory and methodological support for the formation and maintenance of social housing.

Local state administrations (oblast and rayon) also play an important role. They ensure the implementation of state policy at the local level, participate in the development of national programmes and, together with local governments, are responsible for the implementation of both national and local social housing development programmes and ensure the preservation of the housing stock. Their powers are also defined by the Law of Ukraine "On the Housing Fund for Social Purposes" and the Law of Ukraine "On Local State Administrations".

***c) pilot project for the creation of a fund for municipal (social) rental housing
(Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796)***

As part of the experiment, the Ministry for Development of Communities and Territories of Ukraine engages an independent partner to monitor the targeted use of funds allocated and raised for the construction of such housing. Together with the Recovery Agency, the Ministry signs agreements (memorandums) with local governments/military administrations that agree to participate in the project.

The Recovery Agency recommends a list of construction reuse projects to local governments/military administrations of settlements, publishes this list in the form of open

data on the Unified State Open Data Portal, and monitors project implementation, reporting to the Ministry.

The agencies of restoration and development of infrastructure in the oblasts support the implementation of the terms of reference, working together with the Recovery Agency.

d) housing reform (draft Laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

The Draft Law of Ukraine "On the Fundamental Principles of Housing Policy" No. 12377 establishes a system of formation and management of social housing that covers all levels of government, from state to local, with a clear division of powers for planning, regulation, implementation and control of housing programmes.

In particular, the Government exercises the following powers:

- defines the state policy in the field of housing, approves the State Strategy of Housing Policy of Ukraine and the action plan for its implementation;
- establishes the procedure for providing social housing, the procedure for calculating payments for it and approves a standard lease agreement;
- defines the categories of persons entitled to social housing;
- regulates the functioning of the Unified Information and Analytical Housing System, including the registration of persons in need of housing support.

The central executive body that forms the state housing policy:

- develops and submits for approval the State Strategy of Housing Policy of Ukraine and its implementation plan;
- provides regulatory support, in particular, for the consumer quality of housing;
- provides information support for the implementation of housing policy.

The central executive body implementing the housing policy:

- coordinates the implementation of the State Strategy for Housing Policy of Ukraine;
- ensures maintenance of the Unified Housing Information and Analytical System;
- provides organisational support for the implementation of social housing programmes;
- monitors compliance with the housing rights of citizens;
- analyses the need for social housing by region and the efficiency of using budget funds in this area.

Local state administrations:

- Implement housing policy at the local level, develop and implement regional programmes;
- make decisions on the provision of social housing from the state housing stock;
- control the targeted use of the housing stock, including social housing.

4.2.2. Local self-government bodies

a) international practice

In international practice, local governments play a key role in the field of social housing, providing both strategic planning and direct management of the housing stock. One of the main powers of municipalities is territorial planning and allocation of land plots for social housing construction. For example, in Barcelona, the municipality leases land to public housing organisations on a long-term lease (up to 75 years) for the development of affordable housing. In addition, local authorities set mandatory quotas for developers: in Paris, for example, there is a requirement to reserve 25% of the area for social housing in new projects if its share in the city is below 20%. In Flanders (Belgium), at least 20% of social housing is required in new residential areas, and up to 40% on state-owned land.

Municipalities also actively manage their housing stock through the creation of housing agencies or institutions. For example, Barcelona has a Municipal Institute for Housing and Reconstruction, which is responsible for managing the fund, implementing programmes, advising residents and cooperating with NGOs. In Vienna, the municipal government directly manages more than 220,000 units of social housing, setting rental rules and supporting socially vulnerable residents.

Another important power is the development of financial mechanisms. Cities use grants, subsidies and international funding to cover construction, renovation and energy efficiency costs. In Zaragoza, for example, municipal housing renovation programmes are being implemented in partnership with the EU. In Budapest (Zuglo district), the municipality has implemented an E-Co-Housing pilot project using energy-efficient solutions and involving residents in co-planning housing solutions.

Local authorities also play an important role in shaping data-driven housing policy: they analyse demand, demographics, and social challenges, and develop relevant programmes and strategies. In a number of cities, such as Amsterdam, Berlin, and Paris, the share of social housing in the total stock reaches 30%, and municipal authorities coordinate its development in partnership with public, private, and civil society organisations.

In addition to technical and financial management, municipalities also ensure citizen participation, with residents being able to join advisory boards, participate in tenant selection processes, service quality control, etc. This participatory model increases the effectiveness and transparency of social housing policies.

Thus, international experience shows that local authorities are key players in the implementation of housing policy: from land management, market regulation and construction to direct service delivery, financing and community engagement.

● MAP

○ LIST

≡ Filter by



DISTRICT



TYPE

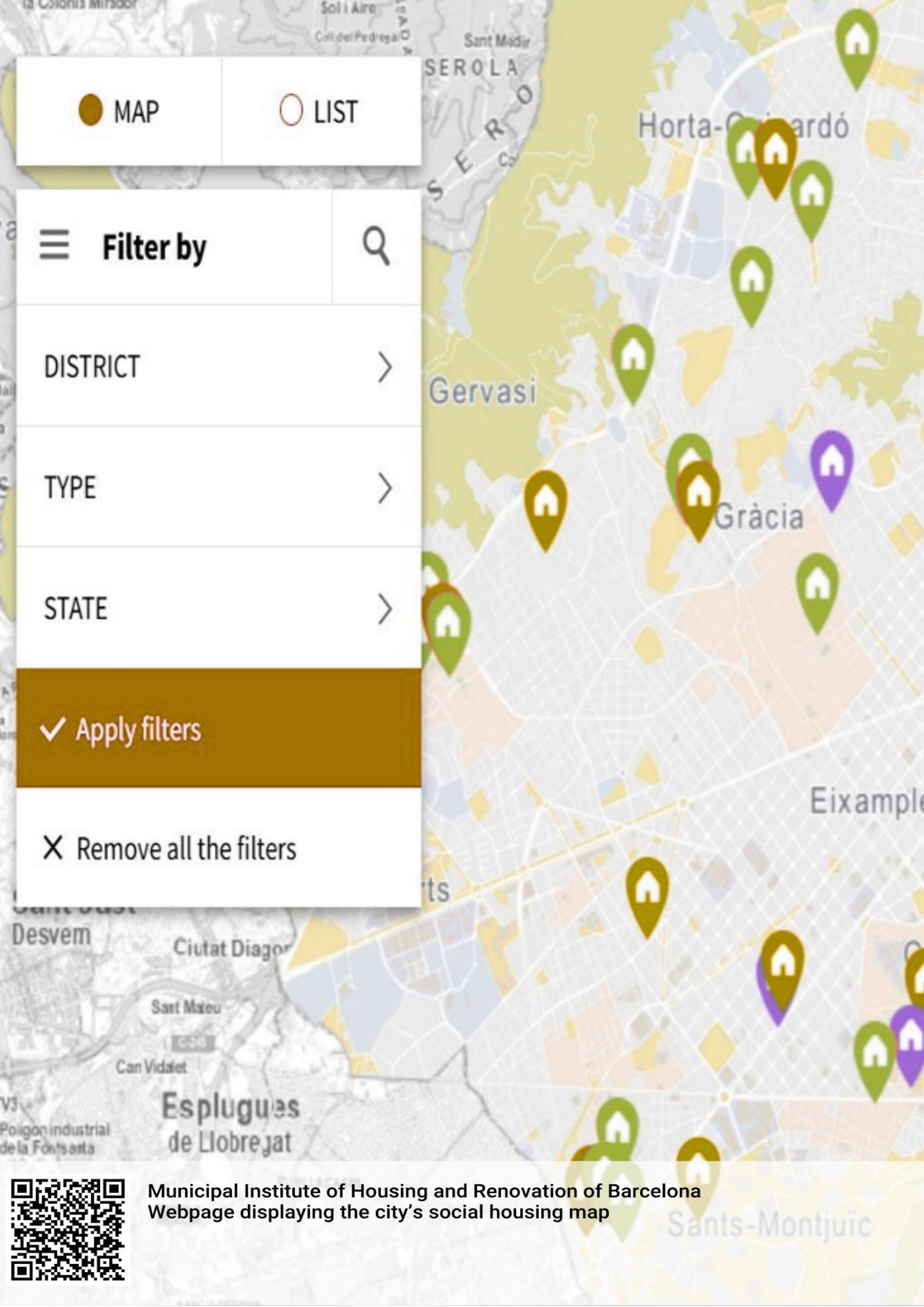


STATE



✓ Apply filters

✕ Remove all the filters



Municipal Institute of Housing and Renovation of Barcelona
Webpage displaying the city's social housing map

b) current legislation

Local governments are vested with a wide range of powers in the area of social housing under current legislation, including the Law of Ukraine "On Local Self-Government in Ukraine". Their key functions include the formation and management of social housing stock, financing its maintenance, repair, improvement of adjacent territories and ensuring that housing meets established standards.

They are also responsible for keeping records of citizens in need of social housing, making decisions on its provision, concluding and terminating lease agreements, and monitoring the level of total income of both housing recipients and those registered.

In addition, they ensure control over the intended use of social housing, the proper technical condition of the facilities, identify housing and communal services providers and monitor their activities.

c) pilot project for the creation of a fund for municipal (social) rental housing (Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796)

In order to participate in the pilot project for the construction of municipal (social) rental housing, local governments/military administrations of settlements shall send an application to the Recovery Agency in electronic or paper form, indicating the availability of:

- a land plot for the construction of municipal (social) rental housing;
- urban planning documentation at the local level;
- infrastructure;
- engineering communications for connecting the construction object to electricity, water, gas, sewage and electronic communication networks;
- opportunities for co-financing of construction from the local budget or readiness to attract other sources of funding, including international grants, donor funds, investments;
- the number of internally displaced persons and other categories of persons residing in the respective territorial community and registered in the social housing register¹¹ or the register of citizens in need of housing from the housing funds intended for temporary residence.¹²

For the implementation of the pilot project, local self-government bodies/military administrations of settlements shall ensure

- compiling a list of needs of the territorial community for municipal (social) rental housing;

¹¹ Social housing records are maintained in accordance with [the Resolution of the Cabinet of Ministers of Ukraine "Some Issues of Implementation of the Law of Ukraine "On Social Housing Fund" of 23.07.2008 No. 682](#)

¹² Such records are kept in accordance with the resolutions of the Cabinet of Ministers of Ukraine [dated 31.03.2004 No. 422](#) : "On Approval of the Procedure for Formation of Housing Funds for Temporary Accommodation and the Procedure for Provision and Use of Housing Premises from Housing Funds for Temporary Accommodation" and [No. 495 dated 29.04.2022](#)"Some Measures for Formation of Housing Funds for Temporary Accommodation of Internally Displaced Persons"

-
- identification of housing operators operating in the territory of the respective territorial community;
 - implementation of measures to allocate land plots for new construction of municipal (social) rental housing;
 - organising and conducting procurement of goods, works and services necessary to ensure new construction of municipal (social) rental housing;
 - connecting the municipal (social) rental housing construction facility to engineering networks and, if possible, to electronic communication networks;
 - provision of municipal (social) rental housing to recipients of municipal (social) rental housing;
 - forming a list of municipal (social) rental housing;
 - application of reuse projects in construction recommended by the Recovery Agency or design solutions for reuse in construction or projects implemented in the territory of the respective territorial community.

Local self-government bodies/military administrations of settlements are the customers for the construction of municipal (social) rental housing, directly or may entrust actions aimed at performing the functions of the construction customer by concluding a contract of assignment in accordance with the procedure established by law.

d) housing reform (draft Laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

Within the framework of the housing reform, the key role in the implementation of the social housing mechanism has been assigned to territorial communities, i.e. local self-government bodies.

According to the draft Law of Ukraine "On the Fundamental Principles of Housing Policy", the powers of local self-government bodies include:

- ensuring the implementation of housing policy on the territory of the respective territorial communities, development, approval and implementation of measures, tasks and indicators of housing policy strategies of territorial communities and action plans for their implementation, approval of regional housing policy strategies;
- formation and filling of the housing stock of territorial communities, disposal and management of such housing stock;
- ensuring the registration of housing in the housing fund of territorial communities, organising the registration of housing regardless of ownership on the territory of the respective territorial communities;
- making decisions on the exclusion of housing from the housing stock, transfer of residential premises to non-residential premises, transfer of country and garden houses that comply with state building codes into residential buildings;
- participation in the implementation of financial and credit mechanisms to support the construction (purchase) of housing;

- making decisions on the provision of social housing;
- making decisions on the provision of land plots to affordable housing operators in accordance with the Land Code of Ukraine;
- replacement of housing where a person/persons with disabilities live, if the housing does not meet the requirements for unimpeded access for persons with disabilities and other low-mobility groups and cannot be adapted to such requirements;
- control over compliance with the requirements of the legislation in the field of housing rights of citizens on the territory of the respective territorial communities, control over the intended use of the housing stock of territorial communities, its maintenance, operation and repair;
- other powers.

4.2.3 Affordable housing operators

a) international practice

In international practice, the concept of *housing providers* is widely used - providers, suppliers or operators of housing. This refers to separate independent structures that are professionally engaged in providing housing for rent. It is these organisations, not state or local governments, that create social housing in most European countries.

These operators can function in a variety of legal forms: profitable or non-profit public enterprises (state or municipal), private companies registered as social housing providers (e.g. in Austria), rental cooperatives, and community, religious or professional organisations. Municipal housing companies have remained the most common form of housing over the more than 150-year history of this institution.

The purpose of such structures is to address the housing needs of citizens by providing quality and affordable housing, not to make a profit. Due to this, the municipal form of ownership is considered to be the most acceptable, as it allows to preserve the housing stock as a public good and ensure control over its use in the interests of the community. Even if the operator makes a profit, it is not distributed among the owners, but is used for the maintenance, repair and further development of the housing stock.

The financial model of such operators is based on the principle of self-sufficiency, and they have to cover their own costs, including loan servicing, management, maintenance, depreciation and administrative expenses. The main source of income is rent, as well as income from additional assets such as commercial premises on the ground floors of residential buildings. It is important that the level of rent is sufficient to cover all these costs.

The experience of EU countries, particularly Germany, shows that social housing starts to generate income only after a long period of operation, in 25-30 years. Therefore, operators' business planning should take into account the long-term perspective and the types of investments involved. The efficiency of operations also depends on economies of scale: the more housing units are managed, the lower the relative costs of service,

administration and maintenance. Therefore, it is advisable to provide operators with a larger housing stock from the outset to increase their efficiency and financial sustainability.

In Western European countries, such as Germany, Austria or the Netherlands, municipal housing companies and housing cooperatives are active and receive government support in the form of soft loans, tax incentives and direct subsidies. These systems are characterised by strict state control over housing prices and quality, as well as a focus on the needs of socially vulnerable groups.

The French model of HLM (Habitations à Loyer Modéré) provides housing with moderate rents for low-income households. The activities of such operators are financed mainly through preferential government programmes.

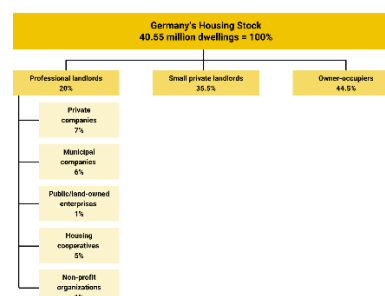
In the Scandinavian countries (e.g. Sweden and Denmark), affordable housing is not necessarily socially targeted, but is available to a wide range of citizens. Housing is managed by housing associations and cooperatives on the basis of collective bargaining with tenants, and the state guarantees the availability, quality and barrier-free living conditions.

In the UK, the key role is played by Housing Associations, non-profit organisations that are partially funded from the state budget. They provide housing for long-term residence, with the possibility of buying it on favourable terms.

The Austrian example is also illustrative: approximately 17% of households in the country live in social housing provided by housing associations with limited profit, and in cities this figure reaches 25%. In Vienna, more than 60% of the population lives in municipal or subsidised housing. This scale is explained by effective cooperation between the state and the private sector, which ensures the financial sustainability of the model. Austria has 182 housing associations with limited profit, of which 97 are cooperatives. They build more than 20,000 new housing units annually. Financing is provided by a combination of several sources: bank loans, soft loans from municipalities, government subsidies, association equity and contributions from future residents. This approach helps keep rents consistently low. For example, in Vienna, the main source of financing for social housing construction is bank loans and city loans (which together cover about 66% of total investment), which allows rents to be set well below market rates.

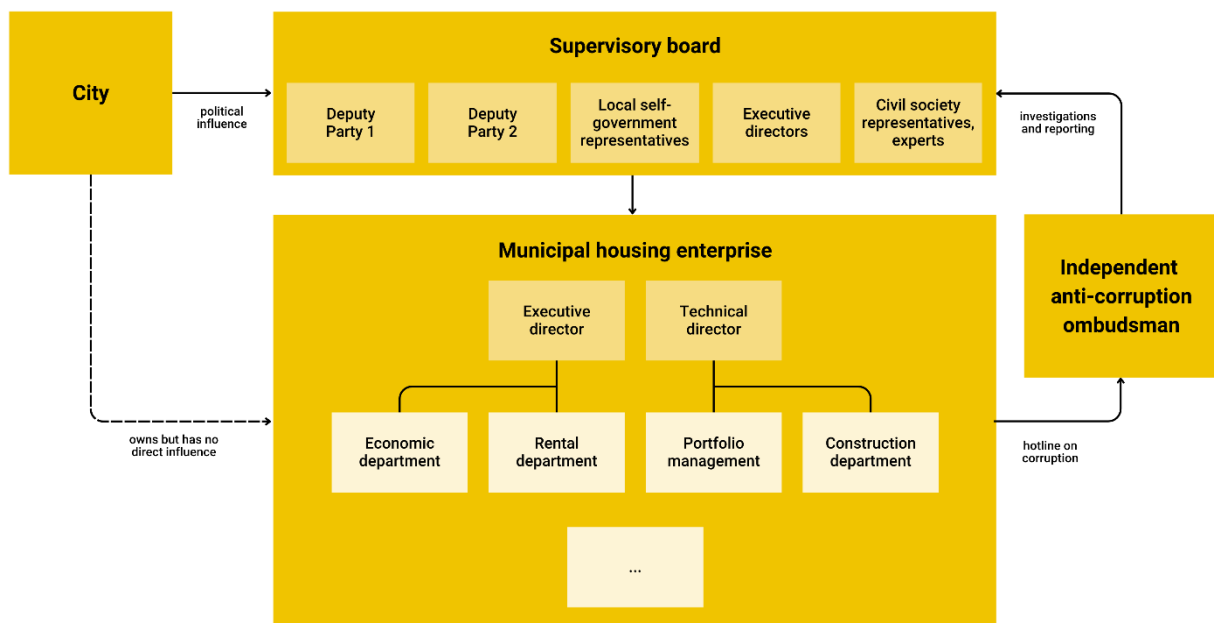
Another example is municipal housing in Germany and the example of the municipal [housing company in Nuremberg - WBG](#). Municipal housing is owned by municipalities/communities, but it is managed and operated by municipal housing enterprises. Municipal housing accounted for 6% of the total housing stock in Germany as of 2018. Now it is

more. This stock is purely rental. In total, there are more than 740 municipal housing companies (MHK) in Germany. Although owned by the city, these are separate entities



with their own management and relative independence, but under the political influence of the city.

A key feature of Germany is that the municipalities are treated as private companies. Although a HMO operates as a private enterprise, as a community property, it must serve the public good and use the profits generated to maintain and increase the housing stock. There are several organisational and legal forms of housing cooperatives. The typical basic form is a GmbH, but the form of a joint-stock company (AG) is often used. For example, the Nuremberg company WBG is registered as an LLC (GmbH), but has an extensive structure of subsidiaries. The legal form of the German WBG is intended to maintain a balance between political, social and economic interests. Ultimately, it should be profitable, but also serve as a provider of affordable rental housing for the population. The supervisory board plays a crucial role in this. Below is an outline of the relationship between the city and the MHP.



The task of the MHP is to supply rental housing to low- and middle-income households at reduced prices and to dump rental prices in the city.

The WBG Limited Liability Company of the City of Nuremberg is one of the largest municipal housing companies in Germany. WBG is wholly owned by the city. The WBG is an example of a diversified organisational structure, namely

- housing management (the main role). The company manages 20,000 apartments, of which 18,500 are owned by the company. Social housing in the structure of the WBG fund includes 8972 units;
- construction of private housing. WBG builds and sells about 30-70 apartments and houses per year to private owners. This is an additional source of income for the company;

-
- a provider of construction services for the city of Nuremberg. Builds civil infrastructure for the city as a contractor, including schools, kindergartens, stadiums, etc;
 - architecture and project management. This area includes about 1700 projects for the construction and modernisation of apartments over a ten-year cycle.

The total value of its real estate is €1.5 billion, and the average annual profit is €20.3 million. The corporation comprises 9 companies that employ a total of 394 people.¹³

¹³ IWO material within the framework of the Kharkiv Municipal Housing Programme, UN4UkrainianCities project, UNECE



b) current legislation

The concept of affordable or social housing operators is not yet enshrined in Ukrainian legislation, but its conceptual content is already reflected in the practice of implementing housing programmes/projects at the local level. In particular, municipal enterprises, institutions and organisations subordinated to local self-government bodies actually perform functions similar to those of municipal operators, which are a common tool in European countries.

c) pilot project for the creation of a fund for municipal (social) rental housing (Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796)

This legislative act introduced the concept of "operator" into Ukrainian legislation for the first time. In particular, it is defined that a **housing operator** is a legal entity of municipal ownership that manages or constructs and manages municipal (social) rental housing. Local governments independently determine housing operators, and interaction between a local government and a housing operator is based on an agreement.

The housing operator must meet the following requirements:

- the legal entity must be officially registered, not in liquidation, reorganisation or bankruptcy;
- the main activity is the construction and/or management of housing;
- no arrears in the payment of the unified social tax, as evidenced by a relevant certificate or extract from the tax system;
- the average salary of employees is not lower than the regional average (according to [the State Statistics Service](#)), as evidenced by a certificate from the company itself.

Within the pilot project, the operator performs the following key functions:

- delegated (the local self-government body may perform such functions independently or may delegate them to a housing operator established by it):
 - determining whether persons meet the requirements for housing;
 - verification of the authenticity of documents;
 - conducting annual monitoring of compliance with the requirements of this Procedure of persons renting municipal (social) rental housing;
- own powers (powers that belong directly to the housing operator):
 - conclusion and maintenance of housing lease agreements. The housing operator is the landlord and is obliged to serve notices to tenants, ensure that they sign the agreement, and, if necessary, notify them of a lease refusal;
 - housing arrangement. The operator ensures that the apartments are furnished with furniture and household appliances (for IDPs and other privileged categories), and organises the transfer of housing under an acceptance certificate;

- ensure timely and high-quality provision of housing and communal services, maintenance of buildings and engineering networks, current and overhaul repairs, and emergency response;
- termination of contracts and evictions, including early termination (debt, provision of false information, loss of the right to housing, etc;)
- recording and compensation for damage. In the event of damage to the tenant's life, health or property as a result of failure to fulfil its obligations, the operator is obliged to compensate for the damage after it is recorded by a special commission.

d) housing reform (draft Laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

The Draft Law of Ukraine "On the Fundamental Principles of Housing Policy" provides for the introduction of such a subject of the housing legal relations system as affordable housing operators.

Affordable housing operators are enterprises, institutions or organisations engaged in the construction or management of affordable housing.

Given the direction of the housing policy reform, the issue of affordable housing operators will be further regulated by the Draft Law of Ukraine "On Social Housing".

In particular, the concept of the draft Law "On Social Housing" stipulates that affordable housing operators are key actors in the social housing system that perform the functions of construction, management and maintenance of social housing. The main principle of regulating the activities of affordable housing operators is based on public responsibility, openness, financial stability and digital integration.

Operators may be legal entities of state, municipal or private ownership that have passed the recognition procedure in accordance with the procedure established by the Cabinet of Ministers of Ukraine.

All operators of affordable housing are subject to mandatory registration in the Register of Affordable Housing Operators, an information subsystem of the Unified Housing Information and Analytical System. The Register provides electronic accounting, verification, monitoring and open access to data on operators. Applications for inclusion in the register and other interactions take place exclusively in electronic form.

Operators must meet a number of clearly defined criteria, including

- availability of material and technical facilities and personnel with appropriate qualifications;
- financial solvency, confirmed by financial statements;
- absence of tax arrears and bankruptcy proceedings;
- establishment of a supervisory board with independent representatives;
- transparency in the ownership structure;
- no ties with Russia or persons subject to sanctions.

Operators must undergo a mandatory audit, the results of which are published in accordance with the law.

The state creates favourable conditions for operators:

- provision of land plots;
- the possibility of obtaining preferential loans, grants, compensation from budgets or international assistance;
- the ability to obtain state or local guarantees for the fulfilment of financial obligations.

Private operators can obtain a land plot for the construction of social housing without holding a land auction, but only as a result of a public tender for the construction of social housing. Operators can rely on preferential land leases, long-term loans, compensation for part of their loan obligations, and other support instruments defined by law. Territorial communities may also introduce local incentive programmes for operators. The issue of the specifics of the participation of affordable housing operators in the implementation of public-private partnership projects for the construction of social housing is also regulated separately.

4.2.4. Recipients of social housing

a) international practice

Social housing is usually intended for vulnerable categories of citizens who need state support to ensure decent living conditions. These categories include low-income citizens, low-income families, young people, people with disabilities, pensioners, migrants, homeless people, and others. Each country has its own criteria for determining the priority groups that qualify for such housing.

Most countries establish eligibility criteria for social housing, which are usually based on income, citizenship and the current housing situation of the household. Some countries require applicants to be citizens or permanent residents to be eligible for social housing. As the demand for social housing tends to exceed the supply, its allocation is usually regulated by waiting lists or vulnerability categories.

Some countries also establish a system of priorities for the provision of social housing.

For example, in London, the local authority uses a priority system for social housing, where homeless people or those living in unfit conditions are given priority.

Ireland also uses an assessment system to allocate social housing. The criteria include family income, number of children, health status, and current living conditions. Dublin local authorities use a priority system to identify social housing needs among citizens, where health and social needs can significantly increase the possibility of obtaining social housing.

In Scotland, priority is given to those in difficult housing conditions, people with disabilities, families with children, etc.

Sweden uses the concept of "waiting time". The longer a person waits for social housing, the more likely they are to receive it. Some preferences are also granted depending on the level of income and other social criteria.

In most European Union countries, access to social housing is regulated through clearly defined income or property criteria that determine eligibility. These criteria are usually set at the national level with the possibility of regional adaptation.

In France, income limits for HLM (habitations à loyer modéré) housing are set at the national level and are reviewed annually and vary by region, number of household members and type of housing. For example, in 2023, the maximum income for a two-person household in Paris was around €38,000, while in the provincial regions this figure was lower.

In the Netherlands, those whose annual income does not exceed €44,000.00 for single persons and approximately €48,000.00 for couples or families (as of 2024) are eligible for social housing.

In Germany, each federal state sets its own annual income thresholds, but the general formula is based on income adjusted for the number of family members.

In Austria, the eligibility criteria for social housing are also set at the level of the Länder and apply in particular to housing built with public funding (Geförderter Wohnbau).

In Italy, the integrated indicator of economic situation ISEE (Indicatore della Situazione Economica Equivalente) is used, which combines family income and assets to provide a comprehensive assessment of the financial situation of a household.

A special mention should be made of Spain, where in the region of Catalonia, eligibility for social housing is determined on the basis of the IRSC (Indicador de Renda de Suficiència de Catalunya) index, an indicator of sufficient income. The IRSC is a basic social indicator used to determine eligibility for a wide range of social services, including access to social housing. It is reviewed annually by the autonomous region's government and used as a standard unit for determining income limits. For example, in 2023, the basic IRSC was €569.12 per month (or €7,967.68 per year) for a single person. Depending on the size of the family, these limits are multiplied by the appropriate coefficient. For example, for a family of two adults and two children, the limit may be 2.5 IRSCs (i.e. approximately €1,919.00 per year). If a household has an income that does not exceed this threshold, it can qualify for social programmes, including housing with reduced rents. The use of the IRSC allows for a unified and objective assessment of the need for support, taking into account not only income but also the number of people in the household, their age and social status.

The criteria used to select households for social housing are set out below.

Country	All are eligible for social housing	Income threshold	Citizenship/ residence permit	Employment	Incapacity for work	Other
Australia	-	+	+	-	-	The eligibility criteria for social housing are determined by state and territorial housing authorities and vary from state to state and territory to territory
Austria	-	+	+ (Vienna)			Eligibility criteria vary by housing type, subsidy scheme and municipality
Belgium	-	+	+	-	-	Applicants must have no property rights
Canada	-	+	-	+	-	Prioritisation depends on the specific social housing programme
Czech Republic	-	+	-	-	-	Poor housing conditions before receiving social housing
Finland	-	-	+	-	-	Households are selected on the basis of capacity and financial need, which are assessed on the basis of the applicant's housing needs, wealth and income. Priority is given to homeless people and other applicants in urgent housing need
Germany	-	+	+			Legal residence in the country for at least one year
Norway	-	+	+			Current living conditions are one of the criteria. As for citizenship, there are exceptions for some refugees
Poland	-	+				The income threshold and any additional specific criteria are set by municipalities
UK	-	-	-	-	-	Applications are open to all UK citizens or citizens with the right to remain in the UK indefinitely. Allocations are made by local authorities using their own criteria

b) current legislation

In order to receive social housing, in accordance with the Law of Ukraine "On the Social Housing Fund", citizens must be registered for social housing. The procedure for registering citizens on the social housing register, their stay on such a register and removal from it is approved by the Resolution of the Cabinet of Ministers of Ukraine "Some issues of implementation of the Law of Ukraine "On the Social Housing Fund" of 23.07.2008 No. 682.¹⁴

¹⁵The social housing register is maintained by the relevant local self-government bodies at the place of residence of citizens (for orphans and children deprived of parental care who have reached the age of 16, persons from among orphans and children deprived of parental care - at the place of origin or residence of children of this category before the establishment of guardianship, custody, placement in foster families, family-type children's homes, institutions for orphans and children deprived of parental care; for internally displaced persons - at the place of residence).

Citizens of Ukraine have the right to be registered for social housing:

- for whom such housing is the only place of residence or who are entitled to improve their living conditions in accordance with the law;¹⁶
- whose average monthly total income for the last year per person is less than the total value of the indirect cost of renting housing in a given locality¹⁷ and the subsistence minimum established by law;¹⁸
- are internally displaced persons who do not have other housing in the government-controlled territory or whose housing has been destroyed or damaged;
- are of no fixed abode;
- who have lost their ability to work, breadwinner or job;
- in case of old age or in other cases provided for by law.

The Law of Ukraine "On the Social Housing Fund" also provides for the priority and extraordinary right to social housing for certain categories of citizens.

The right to receive housing on a priority basis is granted to:

- persons with disabilities caused by war;
- family members of fallen defenders of Ukraine;
- orphans after leaving state institutions;

¹⁴ Procedure for registering citizens for social housing, their stay on such registration and removal from it, approved [by the Cabinet of Ministers of Ukraine "Some issues of implementation of the Law of Ukraine "On Social Housing Fund" of 23.07.2008 № 682](#)

¹⁵ The Unified Information Database on Internally Displaced Persons is an automated data bank created to ensure the unified state registration of internally displaced persons. [The Procedure for Creation, Maintenance and Access to the Data of the Unified Information Database on Internally Displaced Persons, approved by the Cabinet of Ministers of Ukraine on 22.09.2016 No. 646](#)

¹⁶ Ukraine also keeps records of citizens who "need to improve their housing conditions". Such registration is carried out in accordance with the Housing Code of Ukraine, as well as the Rules for Registration of Citizens in Need of Improvement of Housing Conditions and Provision of Housing in the Ukrainian SSR, approved [by the Council of Ministers of the Ukrainian SSR and the Ukrainian Republican Council of Trade Unions on 11.12.1984 No. 470](#)

¹⁷ Procedure for determining the indirect cost of renting (leasing) housing in a settlement, approved by [the Government Resolution "Some Issues of Implementation of the Law of Ukraine "On the Social Housing Fund" of 23.07.2008 No. 682](#). The indirect cost of renting a dwelling is determined on a quarterly basis by the relevant local government body on the basis of monthly data on the minimum rent per square metre of total area of an apartment or residential building (data should be obtained from organisations providing residential rental services, or from advertisements in local media or from population surveys).

¹⁸ The subsistence minimum is set by the Law of Ukraine on the State Budget for the respective year. For 2025, the subsistence minimum is set by [the Law of Ukraine "On the State Budget of Ukraine for 2025"](#).

- persons affected by the Chornobyl disaster;
- large families and others.

The right to receive housing as a matter of priority has the following:

- participants of military operations;
- persons with disabilities of groups I-II;
- families with children with disabilities;
- pensioners, young families, single parents;
- heroes of Ukraine and other persons with certain state merits.

Thus, Ukrainian legislation, among other things, provides for an income criterion for persons eligible for housing from the social housing stock, i.e. persons whose average monthly total income per person for the previous year is less than the total of the indirect rental cost of housing in a given locality and the subsistence minimum established by law.

The indirect cost of rent is calculated by local authorities on a quarterly basis using the established formula. For example, as of the fourth quarter of 2024, the indirect cost of renting an apartment in Odesa per person was UAH 1426.00¹⁹. At the same time, in 2024 and 2025, the subsistence minimum for able-bodied persons is UAH 3028.00 per month.

Thus, in the context of the income criterion, the right to be registered for social housing can be exercised by citizens of Ukraine whose total income for the previous year does not exceed **UAH 4454.00 per month** (UAH 1426.00 + UAH 3028.00 per month).

The income criterion stipulated by the current legislation of Ukraine shows that only the most vulnerable categories of the population - people who have no income or whose income is significantly lower than the national average - are actually eligible for social housing in Ukraine. For example, even the minimum wage at the end of 2024 and beginning of 2025 is UAH 8000.00 per month, which is significantly higher than the threshold established by law for access to social housing.

c) pilot project for the creation of a fund for municipal (social) rental housing (CMU Resolution of 02.07.2025 No. 796)

To participate in the pilot project, candidates must simultaneously meet the criteria, which can be divided into four groups:

- property criterion - restrictions on housing ownership. Citizens applying for municipal (social) rental housing must not own a dwelling with a total area of more than 13.65 sq.m. for each person in the family²⁰, or in which the dwelling, regardless of the size of the total area, has been destroyed or damaged (to the extent that it is uninhabitable) and information about such a dwelling is included in the State Register of Property Damaged and Destroyed as a Result of Hostilities, acts of terrorism, sabotage caused by the armed aggression of the Russian

¹⁹ [Decision of the Executive Committee of Odesa City Council No. 24 of 23.01.2025](#)

²⁰ Housing located on the territory included in the list of territories where hostilities are (were) conducted or temporarily occupied by the Russian Federation, for which the date of completion of hostilities (termination of the possibility of hostilities) or temporary occupation has not been determined, is not taken into account. This list is approved by the Ministry for Development of Communities and Territories of Ukraine.

Federation against Ukraine²¹, or there is an act of commission inspection of the object damaged as a result of the armed aggression of the Russian Federation and/or a report on technical inspection of such premises.²²

- employment criterion - the family must include persons who are employed and persons who, for one reason or another, are not in an employment relationship. The family includes persons who work/serve and/or are registered as an individual entrepreneur/registered as individuals engaged in independent professional activity and have been carrying out the relevant activity for at least six months; as well as persons who do not work/serve or who are registered with the State Employment Service as unemployed or registered as job seekers and have income according to the State Tax Service, the Pension Fund of Ukraine, the State Employment Service.
- income criterion - a set maximum family income level that allows you to apply for rental housing. The average monthly total family income must be less than the amount determined by the formula below.

The period for which the income is taken into account is six months preceding the month in which the eligibility is being considered.

Calculation of the average monthly income for persons who received at least one of the following types of income: scholarships, childbirth (adoption) allowance, assistance to persons with disabilities since childhood and children with disabilities, assistance for the care of persons with disabilities of groups I and II due to mental disorders, assistance to persons who are not entitled to a pension, persons with disabilities, temporary state social assistance to an unemployed person who has reached the general retirement age but has not acquired the right to a pension payment, state social assistance to a low-income family - is calculated by dividing the total amount of total income for the period for which the income is taken into account by the number of months in which it was received.

The average monthly total income of persons includes income in accordance with the Procedure for calculating the average monthly total income of a family (household) for all types of state social assistance, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 632 "Some issues of state social assistance payment" dated 22.07.2020²³. At the same time, the income does not include the annual state financial assistance received by a person or one of his/her family members who has been deprived of personal liberty as a result of armed aggression against Ukraine.

²¹ The State Register of Property Damaged and Destroyed as a Result of Hostilities, Terrorist Acts, Sabotage Caused by the Armed Aggression of the Russian Federation against Ukraine (hereinafter referred to as the Register of Damaged and Destroyed Property) is a unified state information and communication system designed to collect, accumulate, record, process, store and protect information (documents) on movable and immovable property, damaged and destroyed as a result of hostilities, terrorist acts, sabotage caused by the armed aggression of the Russian Federation against Ukraine, persons whose property was damaged or destroyed, material damage (including losses) caused by damage and destruction of such property, compensation for damage and destruction of such property, financing of restoration of damaged and destroyed property, as well as other information (documents). The procedure for maintaining the register was approved [by Resolution of the Cabinet of Ministers of Ukraine No. 624 dated 13.06.2023](#).

²² Such documents shall be drawn up in accordance with the Procedure for carrying out urgent work to eliminate the consequences of the armed aggression of the Russian Federation related to damage to buildings and structures, approved [by Resolution of the Cabinet of Ministers of Ukraine No. 473 of 19.04.2022](#)

²³ Procedure for calculating the average monthly total family (household) income for all types of state social assistance, approved by [the Resolution of the Cabinet of Ministers of Ukraine No. 632 "Some issues of state social assistance payment dated 22.07.2020"](#)

**Formula for determining the maximum average monthly
total family income**

$$I = R1 \times C \times A1 \times N \times Pr,$$

where I - is the maximum amount of the average monthly total family income, in UAH;

R1 - average rent per 1 sq.m. of municipal (social) rental housing, UAH. The average rent per 1 sq.m. of municipal (social) rental housing is determined by dividing the rent for a one-room apartment in Ukraine, according to the State Statistics Service of Ukraine as of January of the current year, which is published on the official website of the State Statistics Service, by the social housing standard of 35.22 sq.m.;

C - is an adjustment coefficient that takes into account the difference in rent per 1 sq.m. depending on the regional location of the apartment;

A1 - is the normative area of municipal (social) rental housing per 1 person, which is 13.65 square metres of total area per person;

N - number of family members;

Pr - profitability ratio equal to 3.

At the same time, the validity of the indicators obtained by this formula may be questionable, as the data of the State Statistics Service of Ukraine on the average cost of renting housing often does not correspond to the real market indicators. First, a significant part of the rental market in Ukraine (about 90%) is in the shadows: landlords either do not enter into official contracts at all or deliberately underestimate the cost of housing in them to avoid taxation. Accordingly, the Ukrstat obtains information mainly from officially registered transactions, which significantly narrows the sample and distorts the real picture. Secondly, the statistics are often updated with a delay and are based on averages for previous periods, which do not take into account current market dynamics, such as the impact of military operations, internal migration or fluctuations in demand in large cities. It is also worth noting that the reports do not always take into account the quality of housing, the condition of the building, its location, type of construction and other factors that significantly affect the rental price. In addition, the State Statistics Service does not use commercial sources of information (such as OLX, DOM.RIA, LUN platforms), so its sample is not representative of the entire market. Finally, the published statistical indicators are indicative and serve mainly for budget planning and implementation of social programmes, rather than for accurate determination of market value. As a result, the official figures are much lower than the actual figures: for example, in 2025, the average cost of renting a one-bedroom apartment in Kyiv according to online platforms is about UAH 15,000.00 per month, while in statistical reports it can fluctuate around UAH 7,000.00 per month.

- criterion of social or professional affiliation - the experiment identifies certain categories of citizens who can apply for rental housing. The recipients of municipal (social) rental housing can be:
 - internally displaced persons. Internally displaced persons are recipients of municipal (social) rental housing within the territory of their registration in the Unified Information Database on Internally Displaced Persons;
 - Persons who have experienced domestic violence or abuse in the family (except for the perpetrator) and can confirm this fact;
 - orphans and children deprived of parental care, after completion of their stay in the relevant institutions for such children, family-type children's homes, foster families or completion of the term of care for such children, as well as persons from among them - if they do not own housing;
 - family-type children's homes and foster families;
 - large families;
 - families with children under 3 years of age;
 - persons with disabilities (together with their family members) and families with a child/children with disabilities;
 - persons who, for health reasons, need constant external care, supported accommodation, or have such a person in their family;
 - war veterans (together with their family members);²⁴
 - family members of deceased Defenders of Ukraine;
 - persons in respect of whom the fact of deprivation of personal liberty as a result of armed aggression against Ukraine has been established, after their release or who have such a person in their family;
 - persons on professional grounds:
 - medical workers of healthcare institutions of state or municipal ownership located on the territory of the respective territorial community;
 - pedagogical, scientific and pedagogical, scientific employees of educational institutions of state or communal ownership located on the territory of the respective territorial community
 - Employees of state-owned or municipally owned housing and communal services located on the territory of the respective territorial community; social workers; military personnel.

²⁴ Combatants in accordance with paragraphs 19-25 of part one of Article 6 of the Law of Ukraine "On the Status of War Veterans, Guarantees of Their Social Protection"; persons with disabilities as a result of war in accordance with paragraph three of clause 4 and paragraphs 11-16 of part two of Article 7 of [the Law of Ukraine "On the Status of War Veterans, Guarantees of Their Social Protection"](#)

Local self-government bodies/military administrations of settlements may establish additional criteria for social or professional affiliation, depending on the needs of a particular citizen.

Also, local governments, based on an analysis of the need for social housing, may set priorities for the provision of social housing, taking into account the period of time during which internally displaced persons and other categories of persons are registered with the executive body for housing; and whether the candidates belong to a certain category of persons on a professional or social basis.

The Procedure also establishes certain rules for determining priority, in particular, if:

- recipients of municipal (social) rental housing are persons who simultaneously meet several categories of social or professional affiliation, the priority right to receive housing is given to the person who has the largest number of such correspondences;
- where recipients of municipal (social) rental housing simultaneously correspond to the same category or the same number of categories of social or professional affiliation, the priority for municipal (social) rental housing is given to a person whose period of stay on the social housing register or the register of citizens in need of housing from the housing stock intended for temporary residence in the territorial community is longer.

Local self-government bodies are recommended to allocate at least 10 per cent of the created fund of municipal (social) rental housing for accommodation:

- internally displaced elderly persons who resided in the territories included in the list of territories where hostilities are (were) conducted or temporarily occupied by the Russian Federation, or whose residential premises were destroyed or damaged (to the extent unfit for habitation);
- families with a person/ persons with disabilities (child/ children with disabilities);
- families with persons who, for health reasons, need constant external care or supported accommodation;
- families in which at least one child from among orphans or children deprived of parental care or children left without parental care is placed in foster care, as well as large families in which three or more children live at the time of application and at the time of receiving a housing subsidy, and in which at least one child is under guardianship/care.

d) housing reform (draft Laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

The Draft Law of Ukraine "On the Fundamental Principles of Housing Policy" stipulates that social housing shall be provided to

- persons in need of social protection,
- persons who are forced to leave their place of residence for reasons that threaten the life and health of the person or the condition and safety of the occupied housing,

-
- other categories of persons specified by law under a social housing lease agreement.

The Draft Law of Ukraine "On Social Housing" proposed the following basic principles:

- living in social housing should implement the principle of social mix, which allows for the social and economic development of residents of such housing and prevents the creation of "housing ghettos" as a negative consequence of living in the same residential building/quarter of citizens of the same social status;
- recipients of social housing are persons who meet the criteria for determining persons who can benefit from state support in exercising the right to housing under a social housing lease agreement, selected by the Unified Information and Analytical Housing System;
- the criteria for determining who can benefit from state support in exercising the right to housing under a social housing lease agreement should be established by the Cabinet of Ministers of Ukraine, taking into account the average monthly household income and the average market rent. The priority for concluding social housing lease agreements should be determined by introducing a point system for calculating the priority of social housing provision.

The mechanism of social housing provision proposed in the draft Law of Ukraine "On Social Housing" envisages the introduction of a modern automated system of social housing distribution, which operates through the Unified Information and Analytical Housing System. The main goal is to ensure transparency, objectivity and targeting in the provision of housing to citizens in need.

A step-by-step procedure for obtaining social housing:

1. Citizens register through an electronic cabinet in the Unified Information and Analytical Housing System: they fill in a registration card, providing social, property and other data. The data is automatically verified through electronic registers and databases.

The criteria for receiving state support include:

- lack of housing or its unsuitability/location in the combat zones or in the occupied territories;
- low income;
- lack of significant property, including new vehicles, real estate or large financial transactions within the last 12 months;
- employment (except for persons with disabilities or incapacitated persons);
- not having previously participated in state housing support programmes;
- compliance with financial restrictions, in particular with respect to deposits and securities.

As for the level of income, the essence of the proposals is that the maximum amount of the average monthly total household income that allows to qualify for social housing is the total household income, which cannot be higher than the sum of the average market rent

calculated taking into account the standard housing area for such a household, and additionally the subsistence minimum income of citizens for each household member.

The methodology for calculating the average monthly total household income is to be approved by the Government. As for the average market rent, the determination of its amount should be the responsibility of local governments. It is reasonable to provide that such rent should be determined quarterly in the first month of the quarter. The methodology for determining the average market rent to be used by local governments should be developed and approved by the Ministry.

2. The system automatically determines the need for social housing, ranks candidates according to the established criteria and generates an electronic housing request.

It is advisable to consider the following distribution of points by categories of applicants for social housing:

№	Assessment conditions	Number of points
1	status of an internally displaced person	15
2	status of a war veteran, status of a person who has special services to the Motherland, an injured participant of the Revolution of Dignity; presence of such persons in the household; presence of deceased war veterans in the household	15
3	Presence in the household of a serviceman who died or went missing during military service	15
4	the title of Hero of Ukraine with the Order of the Golden Star or the Order of the State; the Order of Freedom, Heroes of the Heavenly Hundred, "For Merit" of all three degrees, "For Courage" of all three degrees; the presence in the household of persons who were awarded the title of Hero of Ukraine posthumously	15
5	the fact of deprivation of personal liberty as a result of armed aggression against Ukraine has been established in relation to the person	15
6	the title of "Hero of the Soviet Union", "Hero of Socialist Labour", as well as persons awarded the Orders of Glory, Labour Glory, "For Service to the Motherland in the Armed Forces of the USSR" of all three degrees, four or more medals "For Courage"	15
7	Group I disability among participants in hostilities on the territory of other states	15
8	Disability of groups I and II (including those registered as internally displaced persons)	15
9	disability as a result of the Second World War disability as a result of armed aggression against Ukraine	15

10	the status of an orphan and a child deprived of parental care after completion of stay in the relevant institutions for such children, family-type children's home, foster family or expiration of the term of care for such children	15
11	The status of children with disabilities (including those registered as internally displaced persons) who are orphans or whose parents are deprived of parental rights and who reside in social protection institutions, upon reaching the age of majority	15
12	Status of a child with a disability under the age of 18	15
13	disability from childhood of group I or II	15
14	having five or more children, and in case of birth of three or more children at the same time by one woman	15
15	suffering from severe forms of certain chronic diseases according to the list approved by the central executive body responsible for the formation of state policy in the field of healthcare	15
16	Occupational injuries or illnesses sustained at work, which prevent them from sharing a room with other persons	15
17	a decision to recognise a person as rehabilitated or a victim of repression in accordance with the Law of Ukraine "On Rehabilitation of Victims of Repression of the Communist Totalitarian Regime of 1917-1991"	15
18	status of the spouse of deceased victims of Nazi persecution who were recognised during their lifetime as persons with disabilities due to general illness, labour injury and other reasons, who did not remarry	15
19	a decision on unlawful conviction and rehabilitation, in case of impossibility to return the housing they occupied before	15
20	disability due to general illness, labour injury and other reasons in the case of former minors (under 14 years of age at the time of imprisonment), prisoners of concentration camps, ghettos and other places of forced detention	15
20	Status of victims of the Chornobyl disaster, all categories	15
21	death of a person (persons) from the household while performing official or public duties (including saving a person's life) or at work	15
22	status of a single mother	10
23	presence of minor children	10
24	pregnancy	10
25	special merits and special labour services to the Motherland	10
26	spouses under 35 years of age, or single-parent families with a mother (father) under 35 years of age, single young citizens under 35 years of age and young scientists under 35 years of age	10

Social housing recipients are determined on a priority basis from among candidates for social housing, taking into account the assessment of indicators (score for each indicator as described above), information on which is entered into the Unified Information and Analytical Housing System.

The automated system for the distribution and lease of social housing calculates the sum of points of candidates for social housing for each assessment condition according to the formula:

$$N_i = \sum_{j=1}^m \left(\frac{K_j}{\sum_{i=1}^n K_j} \right) \times W_j,$$

where $N_{(i)}$ is the sum of points of the respective candidate for social housing under all conditions;

K_j - quantitative indicator of the relevant condition of the candidate for social housing;

$\sum_{j=1}^m K_j$ - is the sum of quantitative indicators of the relevant conditions of all potential candidates for social housing;

$W_{(j)}$ is the share of the relevant assessment condition;

n - the number of all candidates who submitted an electronic request for the automated allocation of social housing;

m - number of all assessment conditions. The number of points for each evaluation condition is specified in the Government's resolution.

3. The electronic request is sent to the social housing provider (local self-government body, affordable housing operator).

4. The social housing provider decides to conclude a social housing lease agreement.

5. A social housing lease agreement is concluded in accordance with the standard form approved by the Government. The conclusion of lease agreements, their execution, renewal or termination takes place exclusively through an electronic system.

	International practice	Current legislation of Ukraine	Experimental project to create a fund for municipal (social) rental housing	Housing reform
Central authorities	They play a key role in policy formulation and implementation. In addition to ministries and other central bodies, there are special Housing Agencies as central government bodies that implement housing policy.	The Ministry for Development of Communities and Territories of Ukraine plays a key role in policy formulation and implementation.	The Ministry for Development of Communities and Territories of Ukraine and its subordinate Agency for Reconstruction are the key central authorities.	The Ministry and other central authorities continue to play a key role, but the groundwork is being laid for the potential establishment of a dedicated Housing Agency.
Local governments	Play a key role in implementing policy at the local level. They usually establish special municipal housing operators, which can be either public or private.	They have broad powers to implement local policies. They can act through municipal enterprises, institutions, and organisations.	They have broad powers at the local level. They form communal housing operators.	They play a key role in implementing local policy. They can establish special municipal companies - housing operators.
Housing organisations/ providers/ operators	Affordable housing operators (providers) - are specialised organisations that professionally provide housing for rent at an affordable price to meet the housing needs of the population, primarily socially vulnerable groups, without the aim of making a profit. They can have different legal forms (municipal enterprises, cooperatives, non-profit associations, etc.), operate on the principles of financial sustainability and are subject to state or municipal control over the intended use of housing, rents and quality of services.	None	Housing operator is a legal entity of municipal ownership that manages or constructs and manages municipal (social) rental housing.	Affordable housing operator is a legal entity of state, municipal or private ownership that builds, manages and maintains affordable and social housing in compliance with the principles of public responsibility, financial stability, openness and digital integration.
Recipients of social housing	Citizens who need state support to ensure decent living conditions. These categories include low-income citizens, low-income families, young people, people with disabilities, pensioners, migrants,	Citizens of Ukraine: For whom such housing is the only place of residence or who are entitled to improve their housing conditions in	The property criterion of citizens is a restriction on housing ownership. Employment criterion - the family must include persons who are employed and persons who, for one reason or another, are not in labour relations.	The current legislation is being expanded to allow for the provision of social housing to a wider range of people, not just the most vulnerable and insolvent citizens. It is envisaged that the

	<p>homeless people, and others. Each country has its own criteria for determining the priority groups that qualify for such housing.</p> <p>Most countries establish criteria for determining eligibility for social housing, which are usually based on income, citizenship and the current housing situation of the household.</p>	<p>accordance with the law; whose average monthly total income for the past year per person is less than the total of the indirect cost of renting housing in the given locality and the subsistence minimum (i.e. citizens of Ukraine whose total income for the past year does not exceed UAH 4454.00 per month); are internally displaced persons who do not have other housing in the government-controlled territory or whose housing has been destroyed or damaged; without a fixed place of residence; who have lost their ability to work, breadwinner or job; in case of old age or in other cases provided for by law.</p>	<p>Income criterion - the maximum family income level is set to qualify for rental housing.</p> <p>Criterion of social or professional affiliation - the experiment identifies certain categories of citizens who can apply for rental housing.</p>	<p>income threshold will be approximately 8 times higher than the current legislation. Persons with no income at all will also be able to receive social services with a housing component (regulated by separate legislation on social services).</p>
--	--	--	---	--



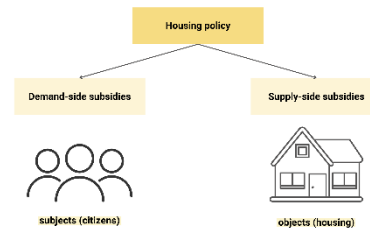
Social housing, Sabadell (Spain), 11,300 sq.m.



4.3. Support for subjects and objects

a) international practice

In the social policy of the European Union countries, there are traditionally two main approaches to state support in the field of housing: demand subsidies and supply subsidies. Demand-side subsidies are understood as direct financial support to individuals or households that are unable to meet their own housing needs. Such assistance is usually provided in the form of cash payments or housing reimbursements, and is based on the assumption that, given the resources available, individuals will be able to find suitable housing on the market on their own.



In contrast, supply-side subsidies involve the investment of public funds in the creation of a housing stock, construction or modernisation of buildings and structures that provide access to housing. This approach aims to provide long-term structural support for housing infrastructure, reduce rental costs, and increase overall affordability.

Both approaches have their advantages and limitations. On the one hand, subsidies directly to households allow for quick and targeted assistance to those who need it most. However, in an underdeveloped or unregulated housing market (which is typical for Ukraine), this approach can be ineffective. Payments to consumers often do not lead to improved access to housing, but rather can contribute to higher rental prices, as landlords, unconstrained by any regulatory mechanisms, are able to raise rents by "absorbing" the amount of the subsidy.

Supply-side subsidies, on the other hand, contribute to the creation of a sustainable housing stock, form the infrastructure base to meet the needs of the community and have a long-term effect. This approach requires a strategic vision, consistent policy and significant resource mobilisation, but at the same time allows for the quality of the living environment to be influenced not only by housing itself, but also by mobility, social infrastructure, public spaces and green areas. In addition, investments in housing create community assets that can generate income or serve as a social resource over a long period of time. In contrast, demand-side subsidies do not create long-term assets and require constant budgetary funding, which eventually becomes a recurring expense without accumulating results.

The practice of EU countries recognises the feasibility of both mechanisms: at different stages of housing policy development, one or the other approach may be more effective. However, the current consensus in Europe is that supply-side support should be the priority. This conclusion is based on an analysis of historical mistakes. For example, in Germany, after a period of massive supply subsidies and active development of municipal housing, the reverse process took place, selling a significant share of the municipal housing stock to private entities, which is now recognised as a strategic mistake. The state is forced to buy these properties back, spending many times more money.

Another example is the United Kingdom, where the policy of subsidising the construction of social housing was gradually phased out, which was traditionally carried out by financing the construction of municipal buildings for rent at below-market rates. Over time, these funds have been redirected to support the private rental sector, in particular through housing benefit payments, which are now made directly to landlords. This shift is considered to be ineffective in terms of providing affordable housing, as it does not create new supply, but only subsidises existing supply.

In the current environment, housing in the UK is actively bought by investment funds, including private equity, which use housing benefit as a guaranteed source of profit. Thus, public funds help to reduce financial risks for private capital, while at the same time enhancing the process of financialisation of housing, i.e. turning it into a speculative investment asset

rather than a basic social service. The consequences of this process have been a rapid increase in private real estate prices, deepening social inequality and reducing the availability of housing for vulnerable groups.

Similar processes are observed in other English-speaking countries. In particular, in Australia, in recent decades, the state construction of social housing has also been reduced at the level of all states. Instead, a federal subsidy for private housing called Commonwealth Rent Assistance was introduced, which, like in the UK, promotes private sector profitability without solving the structural problem of affordable housing shortages.

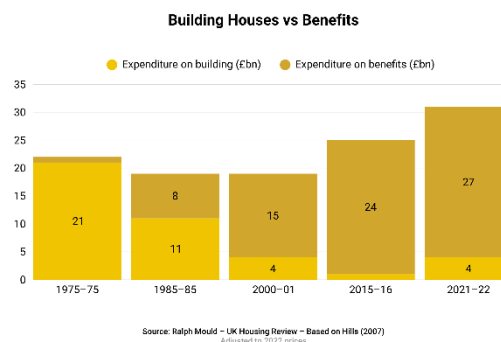
Thus, the examples of the UK, Australia, and partly Canada demonstrate that reorienting public housing policy solely to support demand (without proper supply development) leads to market distortions, rising prices, commercialisation of the housing stock, and a reduction in its social function.

Supply-side subsidies cover a range of interrelated measures and mechanisms. On the part of the state, this may include:

- creating financial incentives and tax breaks for developers and operators of social housing;
- preferential government loans and the creation of specialised financial institutions;
- state subventions or grants for construction (as, for example, in Germany);
- state guarantees to attract private financing;
- contributions to the charter capital of housing operators;
- compensation of interest rates on loans.

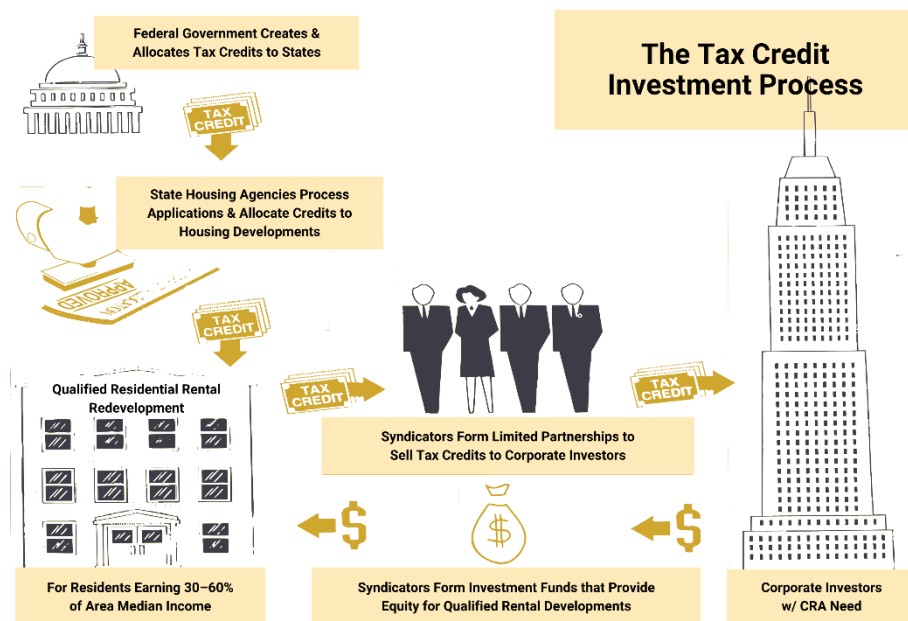
At the level of communities and local governments, effective supply support includes:

- free or preferential transfer of land plots for housing construction;



- providing these plots with the necessary engineering infrastructure;
- targeted funding from the local budget;
- formulation of local housing strategies, zoning and urban planning with a priority for the development of affordable housing.

Another example is the US social housing support system, in which the federal Low-Income Housing Tax Credit (LIHTC) programme, a tax credit for the construction of affordable housing, plays a key role. This instrument is the main mechanism of government stimulation of private investment in housing construction for low-income households. Its operation is based on close cooperation between the government, developers and private investors.



The programme is implemented in several stages. The Federal Tax Service (IRS) annually allocates tax credit quotas to states based on their population. At the state level, housing agencies announce a competition at to select projects for the development or renovation of affordable housing. Selected developers are granted tax credits that they can pass on to investors in exchange for real investment in the project.

The mechanism is based on the fact that a developer usually does not have a sufficient tax base to use the credit on its own. Therefore, he creates a separate legal entity (LLC or partnership), to which he attracts an investor (usually a bank, investment fund or insurance company as a limited partner). The investor invests in the construction and in return receives the right to use tax credits, which allows it to reduce its tax liabilities over a 10-year period. The share of financing provided by the investor to the developer can cover from 30% to 70% of the total project budget.

The terms of the programme stipulate that the housing built should be rented to families with an income not exceeding 50-60% of the median regional income, and the rental price should not exceed 30% of their income. It is prohibited to increase the rental rate above

the established limit, even if market prices rise. The housing must remain affordable for at least 15 years, and in many cases up to 30 years.

The key advantages of the LIHTC mechanism are:

- for the government - attracting private capital without budgetary funds;
- for developers - access to capital without the need to take out loans;
- for investors - stable tax reduction and risk mitigation;
- for low-income families - quality housing at an affordable price.

The programme is supported by specialised syndicators, legal advisers, tax advisers and financial institutions. They help to organise partnerships between developers and investors, draw up the relevant documents, and attract additional funding in the form of soft loans or grants.

Example (simplified): A developer receives \$1 million in tax credits over 10 years. He agrees with a bank (investor) that he will receive these credits in exchange for \$750000.00 of real investment in construction. The bank receives \$1 million in tax credits over 10 years, i.e. \$100,000.00 per year. This is beneficial to the bank because it pays less taxes and the developer receives financing without loans.

LIHTC is an example of an effective partnership between the state and the private sector in creating a sustainable system of financing affordable housing. It combines economic profitability for the investor with social feasibility by providing systemic support to both social housing providers and facilities.

Thus, an effective public housing policy should ensure a balanced and complementary mix of supply and demand subsidies, taking into account market needs, the level of housing infrastructure development and social challenges in a particular national or local context.

b) current legislation

The current legislation of Ukraine, in particular the Law of Ukraine "On the Housing Fund for Social Purposes", stipulates that supply is formed by creating a social housing stock primarily at the expense of local budgets and the state budget. The housing stock can be formed through new construction, reconstruction, conversion of non-residential buildings, as well as the transfer of housing to the stock by state authorities, local governments, enterprises or developers.

The mechanisms laid down in the Land Code of Ukraine provide for the possibility of free transfer or lease of land plots for the construction of social housing. This could potentially reduce the cost of implementing social housing projects, contributing to the development of the relevant housing stock, but in practice this has not happened.

Demand is stimulated through the establishment of legal grounds for certain categories of the population to receive social housing, as well as through the definition of a procedure for registering citizens entitled to such housing. The law provides for the creation and maintenance of appropriate apartment records, the conclusion of social housing lease

agreements, and the possibility of revising living conditions due to changes in citizens' incomes.

A special feature of the legislative approach is the prevention of privatisation, subletting, donation or alienation of social housing. However, the current legislation allows for the withdrawal of housing from the social housing stock, which does not guarantee the preservation of the housing stock for providing housing for vulnerable categories of the population in the long term.

***c) pilot project for the creation of a fund of municipal (social) rental housing
(CMU Resolution of 02.07.2025 No. 796)***

Under the pilot project for the construction of municipal (social) rental housing, the supply of housing is stimulated through a number of organisational, financial and regulatory measures, including the involvement of local governments and military administrations as construction customers. Local governments play a key role in allocating land plots for the construction of municipal (social) housing, connecting facilities to utility networks, organising procurement for construction, compiling a list of ready-made housing and appointing operators of such housing. This decentralisation of processes allows projects to be quickly adapted to the specifics of each community and provides local authorities with the tools to make a real impact on the housing needs of community residents. The project attracts resources from various sources: local budgets, grants, loans, international technical assistance, and co-financing from local budgets, including to cover VAT on project documentation and technical supervision, which naturally increases the level of community responsibility for the result.

An important element of supply-side incentives is also the use of reuse projects recommended by the Reconstruction Agency. This allows to reduce the cost of developing technical documentation, speed up the design and construction process, and unify the quality of housing.

In addition, the project sets restrictions on the use of municipal (social) housing; it is not subject to sale, privatisation or subletting, which preserves the sustainability of such housing stock in the long term.

In terms of stimulating demand, the pilot project gives priority in obtaining municipal (social) rental housing to groups with a vulnerable socio-economic situation. The provision of housing is based on the existing demand from citizens. Municipalities compile a list of needs for social rental housing based on requests from local residents, demographic and social indicators, and an analysis of the availability of existing housing stock.

This approach, supported by co-financing from local budgets and the possibility of attracting international assistance, creates the conditions for the formation of new expectations in the housing market and a gradual transition to systematic satisfaction of demand for rental housing.

d) housing reform (draft Laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

The Draft Laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing" propose a systemic reform of housing policy by creating a cost-effective

and socially equitable model of social housing that takes into account the need to stimulate both demand and supply.

The draft laws lay down the regulatory framework for the creation, accounting, management and use of the housing stock for use as social housing, define the status of participants in the system, criteria for access by citizens and mechanisms of state support based on the principles of transparency, openness, priority of citizens' rights and a cost-effective implementation model. One of the key innovations is the creation of the institution of affordable housing operators.

Land issues have been regulated through the mechanism of allocating plots for social housing construction without bidding, which will significantly speed up the implementation of projects. The draft law specifies the procedure for holding tenders for private operators for the right to build, taking into account technical and financial proposals. This approach ensures competition at the local level and allows attracting investments in municipal infrastructure.

The draft law proposes mechanisms to support affordable housing by leasing land plots to affordable housing operators on favourable terms.

According to the proposals to the draft law, such incentives may include:

- setting the land tax at 0.1% of the normative monetary value, for a period of 5 to 10 years, with the right to carry out construction work, with the possibility of subsequent transfer of ownership of the object after putting it into operation or returning the plot to the community in case of breach of the contract;
- operators of affordable housing who already own or use land plots are exempt from paying land tax;
- establishing other tax benefits that will reduce the cost of social housing construction and attract additional investment.

The implementation of such provisions requires mandatory amendments to the Tax and Land Codes of Ukraine by a separate draft law. To this end, it is proposed to instruct the Government to prepare the relevant draft laws within six months of the publication of the law and submit them to the Verkhovna Rada.

On the demand side, the drafts focus in particular on the creation of a digital system - the Unified Housing Information and Analytical System - which will allow for the construction of processes that are as safe as possible from corruption risks in exercising the right of communities to social housing. Citizens will submit applications, track their status and learn about available housing online. The categories of persons entitled to preferential rental housing have been defined: internally displaced persons, people with disabilities, public sector employees, etc. They are entitled to rent compensation, subsidies and other forms of targeted support. In particular, it is proposed that the part of the rent payable under the social housing lease agreement that exceeds the maximum rent shall be paid at the expense of a subsidy for the cost of social housing lease, which is determined by the formula:

$$SC = (R1 - Rm) * At,$$

where SC is a subsidy for the cost of renting social housing;

R1- rent per 1 sq.m. of the total area of social housing to be paid on the basis of the concluded Social Housing Lease Agreement;

Rm- the amount of rent per 1 sq.m. of the total area of social housing, determined taking into account the maximum established amount of the affordability index (maximum rent);

At - total area of social housing.

Thus, the proposed model is balanced, as it contains elements of market competition to expand supply, but at the same time guarantees social justice through mechanisms of state support for vulnerable categories of the population, and creates preconditions for the long-term development of social housing as an element of the new housing policy.

V. THE PROCEDURE OF SOCIAL HOUSING PROVISION

a) international practice

In July 2024, a new Affordable Rent Act came into force in the Netherlands, with the main goal of guaranteeing fair rents that are in line with the quality of housing. To assess the quality, a modernised system has been introduced that takes into account parameters such as floor space, energy efficiency, value as assessed under the Real Estate Valuation Act, kitchen equipment, balcony, landscaping, etc. Based on these criteria, each property is assigned a score. Starting from 1 January 2025, municipalities have the right to intervene in cases where landlords charge rents that exceed reasonable levels.

In Denmark, the social housing system is regulated by several key pieces of legislation: The Social Housing Act, the Rental Housing Act and the Building Support Act. Social housing is built and managed by non-profit housing associations, which operate on a self-sustaining basis and use their profits to maintain and develop the housing stock. Rents in such housing are set at a level that ensures affordability for low-income households. Local municipalities have the right to reserve a portion of housing units for vulnerable groups. Housing is financed through government subsidies and long-term concessional loans from specialised financial institutions, such as the Danish Housing Construction Fund.

International practice demonstrates several main approaches to setting rents in social housing:

- depending on the tenant's income - this mechanism is used, in particular, in Australia, Bulgaria, Canada, the Czech Republic, France, Germany, Ireland, Italy, Japan, Latvia, Luxembourg, Malta, the Netherlands, New Zealand, Portugal, South Africa, the United States and the United Kingdom;
- market-based approach - involves partial orientation towards the market rental rate (Canada, Czech Republic, Italy, Japan, Israel, South Africa, and the United Kingdom);
- cost-based approach - rents are determined in accordance with the costs of building or purchasing housing (Austria, Denmark, Iceland, Latvia, the USA, South Africa);
- depending on the characteristics of the property - area, location, condition, equipment (Czech Republic, Italy, Latvia, Luxembourg, Malta, South Africa, United Kingdom).

Typically, rents are reviewed annually, often with reference to the consumer price index. At the same time, some countries do not have clear rules on the frequency of rent reviews. The difference between social and market rents can be significant. For example, in Estonia, social rents are only 15% of market rents, while in Poland they are 16%. In cities such as Vienna (Austria) and Copenhagen (Denmark), rents for social housing are at 44-72% of market value.

In a number of countries, tenants of social housing have the right to buy out their property (e.g. Ireland, Malta). At the same time, in countries such as Austria, Italy, Poland and Portugal, this right is limited or non-existent.

b) current legislation

In order to receive social housing, citizens must be registered in the social housing register (a register of Ukrainian citizens who are entitled to social housing and are on the waiting list).

1) Submitting an application

An application for registration is submitted to the administrative service centre²⁵ at the applicant's place of residence/stay. Internally displaced persons are registered at the place of registration in the Unified Information Database on Internally Displaced Persons.

In order to be registered for social housing, a citizen submits an application with documents confirming the right to social housing,

2) Decision on social housing registration

The local self-government body shall deliver/ send a notice of the decision on social housing registration to the citizen no later than seven working days after its adoption.

The decision to register or refuse a citizen is taken by the relevant local self-government body based on the results of consideration of the application together with the documents attached to it, no later than 30 working days after their receipt.

3) Provision of accommodation in a social dormitory

A local self-government body that has decided to register a citizen for social housing for whom social housing is the only place of residence, simultaneously, upon a written application of the said citizen, decides to provide him/her with a dwelling in a social dormitory for the entire period of his/her stay on the social housing register.

4) Provision of social housing

Social housing is provided by a decision of the relevant local self-government body in accordance with the established priority. Such a decision is the basis for concluding the relevant social housing lease agreement.

The local self-government body, no later than three working days from the date of identifying the possibility of providing social housing, shall notify the citizen who is registered and entitled to receive it in writing, indicating the list of documents that must be submitted to confirm such a right and the deadline for their submission. Social housing is provided for all family members of the citizen who are registered with him/her, as well as for children born after the citizen's registration and his/her spouse who were later included in the registration file as eligible for social housing.

According to the definition of the term "social housing" in the Law of Ukraine "On the Housing Fund for Social Purposes", such housing is "provided **free of charge** to citizens of Ukraine in need of social protection". At the same time, Article 28 of the same Law explicitly provides for a mandatory fee for the use of social housing, which includes rent, maintenance and utilities. The amount of this fee is determined individually, based on the family's income. This legal construction creates a legal inconsistency: the concept of "free

²⁵ An administrative service centre is a permanent working body or executive body (structural subdivision) of a local self-government body or local state administration where administrative services are provided. [Law of Ukraine "On Administrative Services" of 06.09.2012 No. 5203-VI](#)

provision" with the obligation to pay for the use of housing, which contradicts the principle of legal certainty, may be a source of ambiguous law enforcement.

Thus, the payment for housing in the social housing fund consists of payment for:

- rent of housing;
- maintenance of residential buildings and adjacent territories;
- utilities.

The local self-government body sets the amount of payment for social housing for each tenant of such housing individually.

The rent for social housing is calculated based on the book value of the residential building, taking into account the service life of the building, according to the formula²⁶. The rent for social housing includes the amount paid by the tenant, as well as state aid provided in accordance with the law.

The housing fee paid directly by the tenant of social housing should not exceed 20 per cent of the total income of the tenant and his/her family members living with him/her. However, in practice, this provision is declarative, as the mechanism for providing the relevant state aid is not defined by the current legislation, and the formula for calculating the rent for social housing does not contain any references to the possibility of receiving the relevant aid, as well as the calculation of its amount. The absence of a procedure for providing such assistance means that the actual financial burden on households can significantly exceed the 20 per cent limit set by law.

Formula for calculating the rent for social housing

$$Rh = Vb : Ls : 12 \text{ months} : Ab \times Ap \times Cq,$$

where Rh - is the rent for social housing;

Vb - book value of a residential building;

Ls - service life of a residential building.

Ab- gross floor area of a social housing building;

Ap is the total area of the premises occupied by the tenant and his/her family members;

Cq - coefficient of consumer quality of an apartment (house).

5) Public control

Public control over the distribution of social housing is exercised through a supervisory board. It consists of representatives of the local self-government body that maintains social housing records and provides housing, representatives of NGOs, enterprises, institutions and organisations of various forms of ownership. The supervisory board is formed on the basis of equal representation. Each year, the local self-government body informs the territorial community about the status of social housing accounting and

²⁶ Procedure for calculating the payment for social housing, approved [by the Cabinet of Ministers of Ukraine dated 07.02.2007 No. 155](#)

distribution. No later than 20 January, the official website and local print media publish lists of citizens entitled to receive housing out of turn, on a priority basis or in the general queue.

***c) pilot project for the creation of a fund of municipal (social) rental housing
(Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796)***

Persons applying for housing apply to the relevant local government/military administration or housing operator and submit documents certifying their right to receive such housing.

1) Submission of the application

Within 15 working days, the local government/military administration of the settlement and/or the housing operator checks the submitted data through state registers. In case of inconsistencies or lack of documents, the application may be denied.

2) Decision-making

Upon completion of the verification, the local government/military administration of the locality makes a decision on the provision of housing. The decision is passed on to the housing operator, who sends a written invitation to the recipient to sign a lease agreement.

3) Conclusion of the agreement

The lease agreement is concluded for at least six months.

The rent for municipal (social) rental housing consists of the following:

- rent of municipal (social) rental housing;
- consumed housing and communal services (except when the tenant enters into contracts with utility service providers).

The amount of rent for municipal (social) rental housing is determined by the following formula:

Formula for calculating the amount of rent

$$Rh = R1 \times A_{\text{apart}} \times C_{\text{nr}} \times C_{\text{s}} \times C_{\text{rl}}$$

where Rh - is the amount of rent for municipal (social) rental housing, UAH;

R1 - average rent per 1 sq. m. of an apartment, UAH (calculated by dividing the rent for a one-room apartment in Ukraine, according to the State Statistics Service as of January of the current year, which is published on the official website of the State Statistics Service, by the social housing standard of 35.22 sq. m.)

A_{apart} - area of the apartment to be rented, sq. m;

C_{nr} is a coefficient that takes into account the number of rooms in an apartment (1 room - 1; 2 rooms - 0.87; 3 rooms - 0.8);

C_s is a coefficient that takes into account the social component of the project - 0.75;

C_{rl} - adjustment coefficient that takes into account the difference in rent per 1 sq.m. depending on the regional location of the apartment.

Local governments/military administrations of a settlement may decide to apply additional coefficients to the formula for determining the amount of rent for municipal (social) rental housing, which will take into account the conditions of a particular region.

The amount of rent for municipal (social) rental housing is reviewed once a year, taking into account the inflation index.

4) Monitoring

Every year, citizens' compliance with the established criteria for recipients of municipal (social) rental housing is checked. In case of loss of eligibility (increase in income, acquisition of housing, etc.), the contract may be terminated.

d) housing reform (draft laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing")

The provision of social housing and subsidies for social housing rent should be carried out in accordance with the Draft Law of Ukraine "On Social Housing", and the procedure for providing social housing, the procedure for calculating the social housing rent and the standard social housing lease agreement should be approved by the Cabinet of Ministers of Ukraine.

The Draft Law of Ukraine "On Social Housing" proposed the following basic principles:

- social housing is provided under a lease agreement with an affordable level of rent, which is calculated based on the income of the individual or household. This takes into account the benefits, guarantees and subsidies to which citizens may be entitled under the law;
- the process of obtaining social housing will be carried out through the Unified Information and Analytical Housing System. This system will ensure transparency of the process and effective data management. The following actions will be performed through the system:
 - verification of the data of the household applying for social housing;
 - verification of the household's compliance with the established criteria;
 - forming a proposal for the provision of social housing;
 - calculation of rent payments and possible subsidies;
 - making a decision by the homeowner to enter into a lease agreement;
 - Conclusion of a social housing lease agreement.
- control over the functioning of the social housing system will be exercised at several levels:
 - local governments and state administrations will be empowered to supervise the provision of social housing;
 - public control will be ensured through supervisory boards and other mechanisms of public oversight.

With regard to the calculation of rents, the draft law proposes that the following indicators should be taken into account when calculating the rent rate:

- payback period for the costs of acquiring/constructing social housing;
- expenses of the owner and/or operator of affordable housing related to the management of such social housing (including maintenance, operation, repair, service and preservation);
- the amount of contributions to the revolving fund.

The amount of rent per 1 sq.m. of the total area of social housing must meet two conditions simultaneously

- it cannot exceed the maximum calculated amount, which is determined by the formula:

Formula for calculating the maximum estimated rent

(based on proposals of the Working Group members):

$$M1 = (Tv * Rr) / (Ta * 12),$$

where M1 is the maximum allowable amount of rent per 1 sq.m. of the total area of social housing to be paid per month;

Tv - total value of the property;

Rr - rental rate (calculated per year) in percent;

Ta - total area of social housing.

$$Tv = Mv + Vp,$$

where Mv - is the market value of the real estate object, which cannot be lower than the cost of its acquisition or construction;

Vp - the value of property transferred together with social housing (furniture, household appliances, water heaters, autonomous heating and water supply systems, etc.) determined according to accounting data as of the date of transfer;

$$Rr = (100\% / U_{min}),$$

where Rr - is the rental rate (calculated per year) in percent;

U_{min} - the minimum allowable useful life determined in subpara. 138.3.3. of clause 138.3 of Article 138 of the Tax Code of Ukraine (not less than 20 years).

To paraphrase, the indicator Rr (rental rate) will in practice be 5%, which is half the average market rate.

- be lower than the average market rent, which is determined by the local government according to the methodology approved by the central executive body responsible for the formation of the state housing policy.

The amount by which the rent for social housing should be lower than the average market rent in the region cannot be less than the amount of taxes and fees that would be paid by an individual for such real estate and from the income received in the form of rent.

If the housing affordability index determined for a social housing recipient based on the data on total household income and the amount of rent for social housing payable under the concluded Social Housing Lease Agreement exceeds the established maximum amount, the social housing recipient shall pay the rent determined taking into account the maximum amount of the affordability index (maximum rent), which is determined by the formula:

$$R_{\max} = (I_t \cdot H_{\text{index}}) / A_t,$$

where R_{\max} - is the amount of rent per 1 sq.m. of total area of social housing, determined taking into account the maximum affordability index (maximum rent);

I_t - total household income;

H_{index} - the size of the housing affordability index approved as the maximum permissible, expressed as a percentage;

A_t - total area of social housing.

Example of calculating the maximum estimated rent

$$M1 = (1800000.00 \text{ UAH} \cdot 5\%) / (62.5 \cdot 12) = 120 \text{ UAH/sq.m.},$$

where $M1$ - is the maximum allowable amount of rent per 1 sq.m. of the total area of social housing to be paid per month;

V_t - total value of the property - UAH 1800000.00;

R_r - 5% rental rate;

T_a - total area of social housing 62.5 sq.m.

$$T_v = M_v + V_p,$$

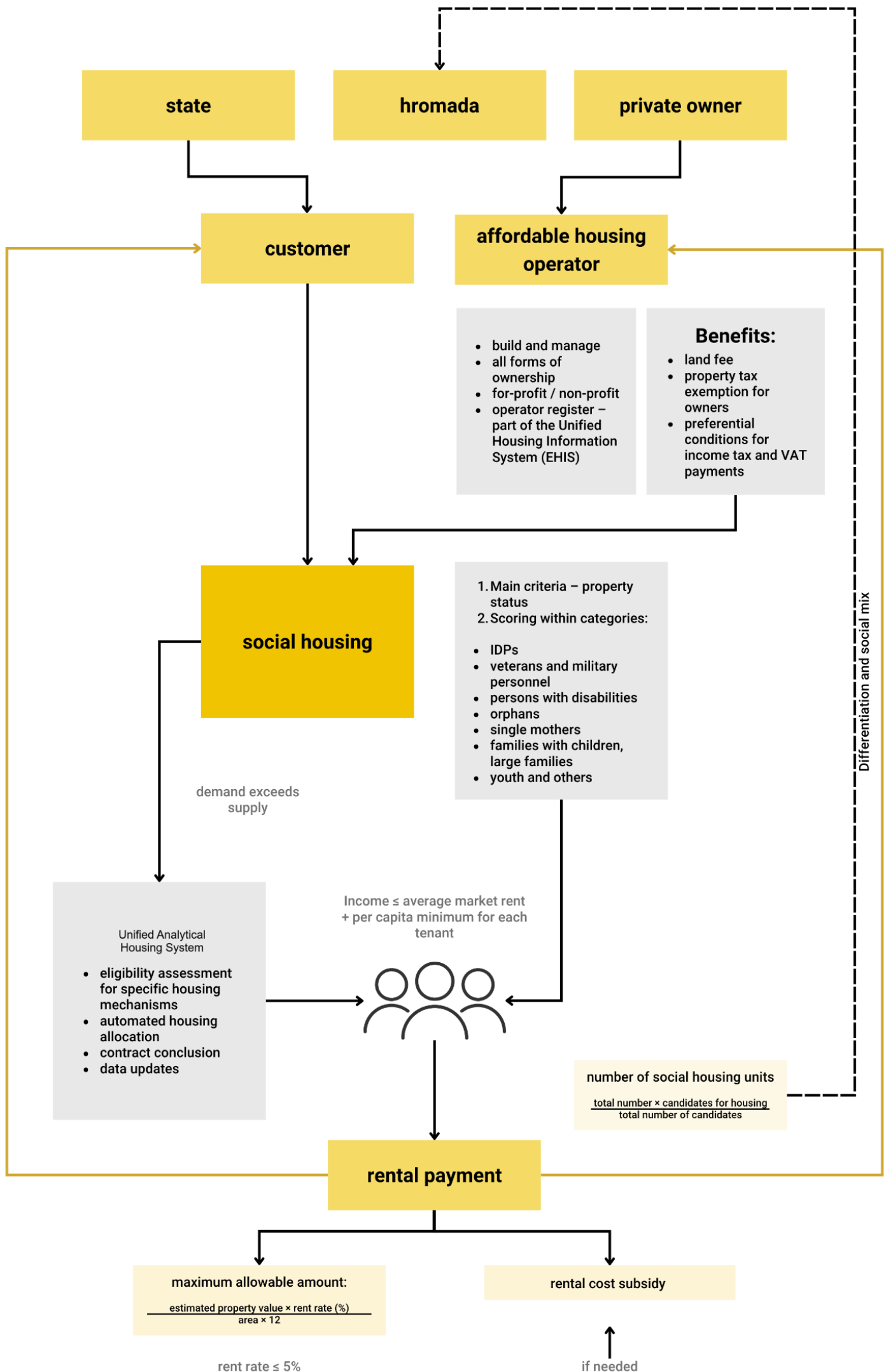
where M_v - UAH 1500000.00;

V_p - UAH 300,000.00 (the value of the property transferred together with social housing, i.e. furniture, household appliances, water heaters, autonomous heating, water supply systems, etc. determined according to accounting data as of the date of transfer).

In other words, the cost of renting an apartment = $62.5 \cdot 120 = \mathbf{7500 \text{ UAH/month}}$ (which is approximately half the market average).

Therefore, provided that the housing affordability index is set at 20%, the income level of a citizen to receive social housing should not exceed **37500.00 UAH/month** (as opposed to 4454.00 UAH/month provided for by the current legislation).

The concept of social housing in accordance with the draft Law of Ukraine "On Social Housing" is shown in the image.



VI. CONCLUSIONS

The analysis of the current state and prospects for the development of the social housing system in Ukraine leads to the following conclusions:

- The current system of social housing in Ukraine is inefficient and requires comprehensive reform. The existing regulatory framework, based on the Housing Code of 1983 and the Law of Ukraine "On the Housing Fund for Social Purposes" of 2006, does not meet the current socio-economic realities and needs of society. A critically low income threshold for social housing, contradictory definitions and inconsistent mechanisms for housing provision have led to the virtual absence of social housing stock in Ukraine.
- Ukraine lacks not only a social housing stock, but also a systematic assessment of the population's needs for such housing. At present, there is no unified information system in the country that would allow assessing the real needs of different categories of the population for social housing, monitoring and forecasting them. The lack of up-to-date statistical data on the number of people in need of social housing, their socio-demographic characteristics and regional distribution makes it impossible to effectively plan the development of the social housing stock. Local governments keep social housing records using outdated methods, without the use of digital tools and unified approaches to data collection and analysis. This leads to fragmentation of information, the impossibility of its aggregation at the national level and, as a result, the lack of a strategic vision of the amount of social housing needed. The introduction of the Unified Information and Analytical Housing System, as envisaged by the draft Law of Ukraine "On the Fundamental Principles of Housing Policy", should become a key tool for systematising data and formulating sound housing policy.
- International experience demonstrates a variety of approaches to organising the social housing system, from which Ukraine can learn best practices. In most European countries, social housing is viewed as a strategic investment in community development that meets high standards of quality, safety, energy efficiency and inclusiveness. The share of social housing in the total housing stock of European countries ranges from 6% to 30%, while in Ukraine this figure is critically low.
- A key element of an effective social housing system is the institution of professional operators. International practice shows that it is specialised organisations (municipal housing companies, housing associations, cooperatives) that ensure effective management of social housing. The pilot project to create a fund of municipal (social) rental housing is the first to introduce the concept of a housing operator in Ukraine, which is an important step in reforming the system.
- The housing reform being implemented in Ukraine involves systemic changes in approaches to social housing. The draft laws of Ukraine "On the Fundamental Principles of Housing Policy" and "On Social Housing" introduce a modern model of social housing, which includes:

- expanding the range of social housing recipients (with an increase in the income threshold to a level that will allow for broader categories);
 - creation of an institution of operators of affordable housing of various forms of ownership;
 - introduction of the Unified Information and Analytical Housing System;
 - an automated system of social housing allocation based on objective criteria;
 - flexible mechanisms for determining rents based on household income.
- Pilot projects are an important tool for testing new approaches to the creation and management of social housing. For example, the Resolution of the Cabinet of Ministers of Ukraine of 02.07.2025 No. 796 introduces mechanisms to assess the effectiveness of new social housing models before their national scale-up. At the same time, the estimated cost of social housing construction set out in the pilot project is in line with market conditions, which will allow the project to be implemented.
 - A balanced approach to support for social housing system actors and objects is optimal. International experience shows that the most effective models are those that combine supply-side subsidies (construction, reconstruction, and purchase of housing) and demand-side subsidies (targeted assistance to households). At the same time, priority should be given to creating a sustainable housing stock as a long-term investment.
 - Successful implementation of the social housing reform requires the attraction of various sources of funding. In addition to budgetary funds, international technical assistance, concessional loans, private investment through public-private partnerships, revolving funds and other innovative financial instruments should play an important role.
 - To plan and implement social housing investment projects, it is necessary to develop a comprehensive financial and economic model. Such a model should be based on detailed financial and economic calculations made at both the central and local levels. It is advisable to involve leading international consulting companies with relevant experience in modelling and evaluating investment projects in the social housing sector, as well as representatives of the expert community, academic institutions and NGOs in this process. A comprehensive financial and economic model should include a detailed analysis of capital and operating costs for the construction and maintenance of social housing, taking into account regional peculiarities; assessment of potential sources of funding (state and local budgets, international technical assistance, credit resources, private investment); calculation of optimal rent parameters that will ensure both affordability of housing for target groups and economic sustainability of projects; forecasting of long-term financial indicators (payback, profitability, cash flows), taking into account the The development of such a model will allow to justify the economic feasibility of

investments in social housing, optimise the use of resources and ensure the sustainability of projects in the long term.

- The decentralisation of powers in the field of social housing with a significant role for local governments is in line with both international practices and the general direction of housing reform in Ukraine. However, it is important to ensure that local communities and housing operators have adequate institutional capacity.
- Social housing should be considered as an element of an integrated housing policy that includes various mechanisms to ensure the affordability of housing for different categories of the population. It is important to adhere to the principle of "social mix", avoiding the creation of "housing ghettos" and promoting social integration.
- The post-war reconstruction of Ukraine creates a unique window of opportunity for the introduction of a modern model of social housing. The large-scale housing rehabilitation needs, significant international assistance and reform potential can serve as catalysts for building an effective social housing system that meets both international standards and national needs.

Potential strategic phases for establishing a sustainable social housing framework in Ukraine:

Phase 0 — Immediate (0–6 months):

- legislate foundational elements: adopt the Draft Law No. 12377 with amendments to other relevant laws clarifying definitions (social housing, affordable housing operator etc), UHIAS mandate, safeguards etc;
- launch UHIAS design, build interfaces with registers;
- start national capacity building programme for local authorities and civil society.

Phase 1 — Short term (6–24 months):

- legislate foundational elements: adopt the Draft Law on Social Housing with amendments clarifying definitions;
- deploy UHIAS pilot modules (registration, eligibility verification, waiting list management etc) in priority regions;
- mobilise concessional lending windows with donors` grants for construction and conversions;
- issue detailed methodological guidance on updated cost calculation and lifecycle budgeting.

Phase 2 — Medium term (24–60 months):

- scale up construction and conversion projects using blended finance and standard contracting;
- operationalise revolving maintenance funds and require operator maintenance reserves;
- introduce fiscal incentives and developer obligations through secondary legislation and local planning instruments;

-
- evaluate pilots and adjust rent formulas and subsidy targeting based on empirical evidence.

Phase 3 — Long term (>60 months):

- institutionalise a National Housing Agency or other state housing institution (if adopted) and expand accredited operator networks;
- aim for progressive expansion of social housing stock (initial target 4–6% of national stock in regions, with medium term ambitions up to 8–10% where justified by demand and fiscal space);
- integrate social housing into spatial planning and public service delivery (schools, transport, healthcare).

Implementation of systemic changes in the social housing sector is critical for ensuring social justice, economic development and improving the quality of life of Ukrainian citizens. The approaches proposed within the framework of the housing reform create the necessary basis for the formation of a modern, efficient and socially oriented housing policy system that will contribute to the sustainable development of Ukrainian communities in the post-war period.