



Wolfgang Amann

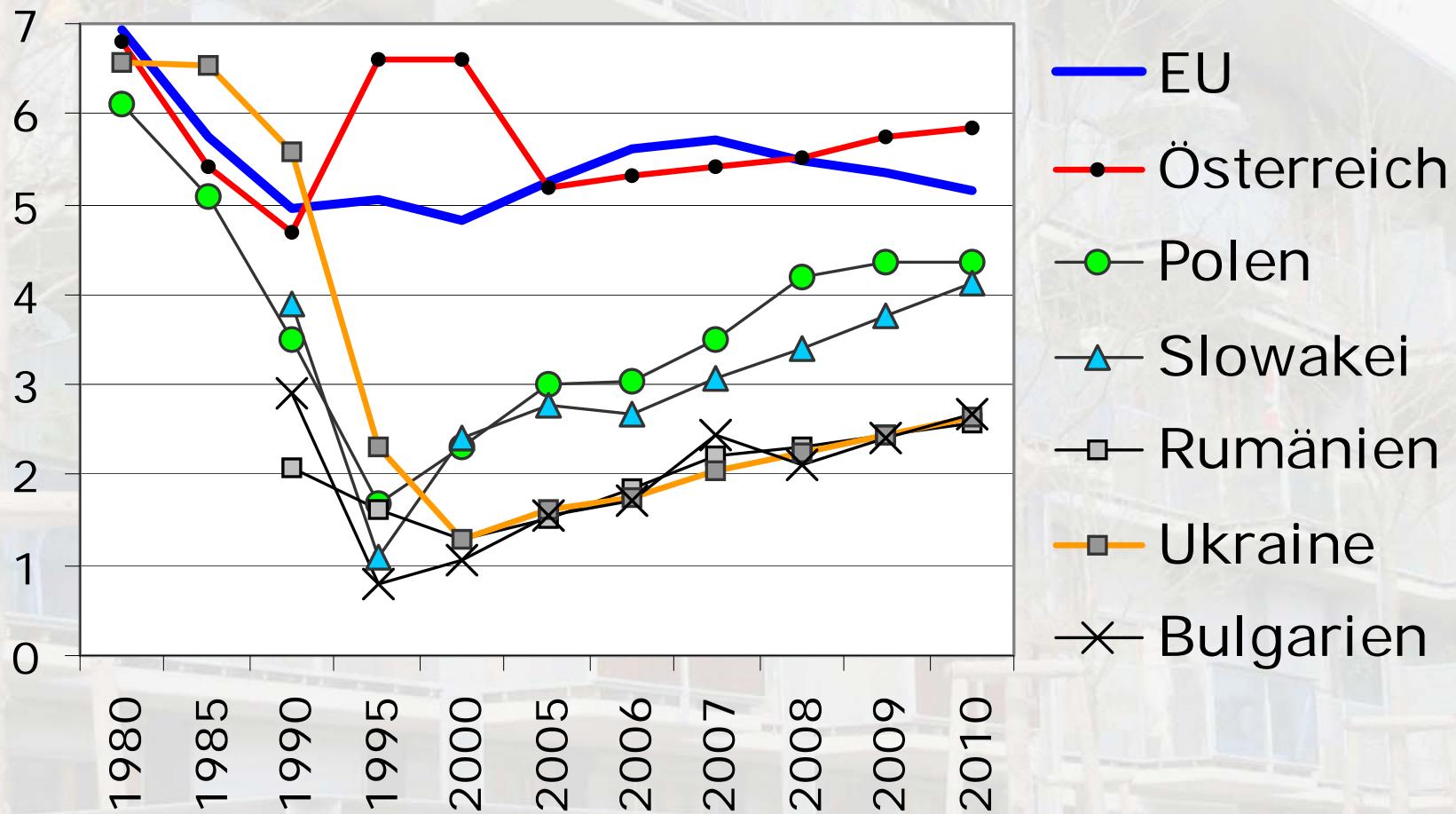
Co-operation between Public and Private Sectors



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Why PPP in Housing?

Housing completions in CEE (per 1.000 inhabitants)

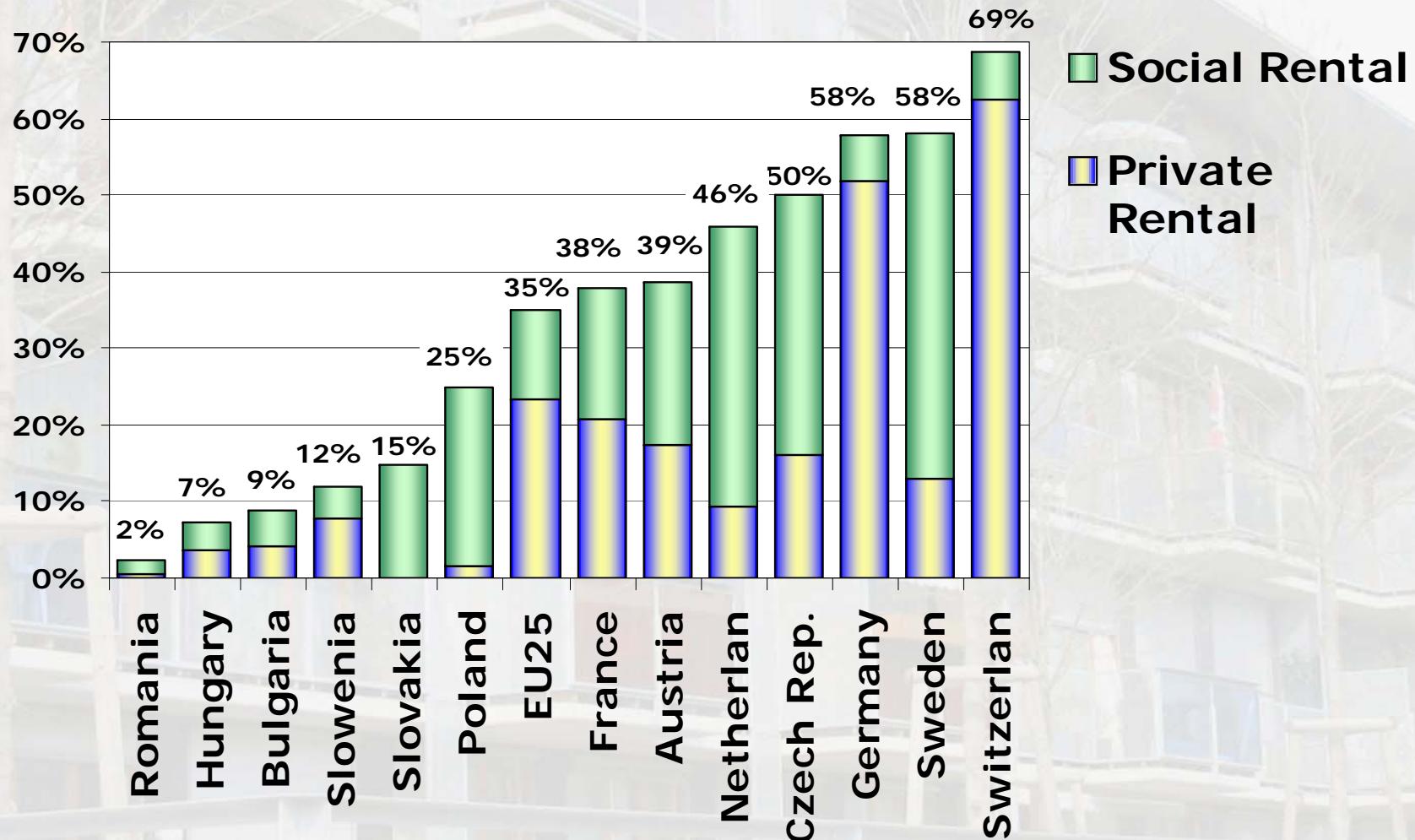


Housing provision in comparison (2007)

	Housing stock in Mill.	Housing stock per 1,000 inh.	Ø household size	Ø useful floor space per cap.	Housing completions per 1,000 inh.
Bulgaria	3,75	491	2,7	31 m ²	2,5
Czech Rep.	4,43	436	2,4	30 m ²	4,1
Hungary	4,24	421	2,5	29 m ²	3,6
Poland	13,13	344	2,6	24 m ²	3,5
Romania	8,27	384	2,9	20 m ²	2,2
Slovakia	1,97	365	3,0	26 m ²	3,0
Slovenia	0,82	404	2,6	33 m ²	3,8
Ukraine	19,18	413	2,6	22 m ²	2,0
EU27	ca. 220	446	2,4	36 m ²	5,7

Why PPP in Housing?

Very small share of rental housing in CEE



Facilitation of affordable housing!

Toe-holds

**Legal framework /
business structures
for PPP housing**

**Structured
financing**

A new Housing Law for Romania

2 – Rent Law

3 – Condominium Law

4 – PPP Housing Law

6 –
Housing Subsidy Law

5 –
Housing Management
and Maintenance Law

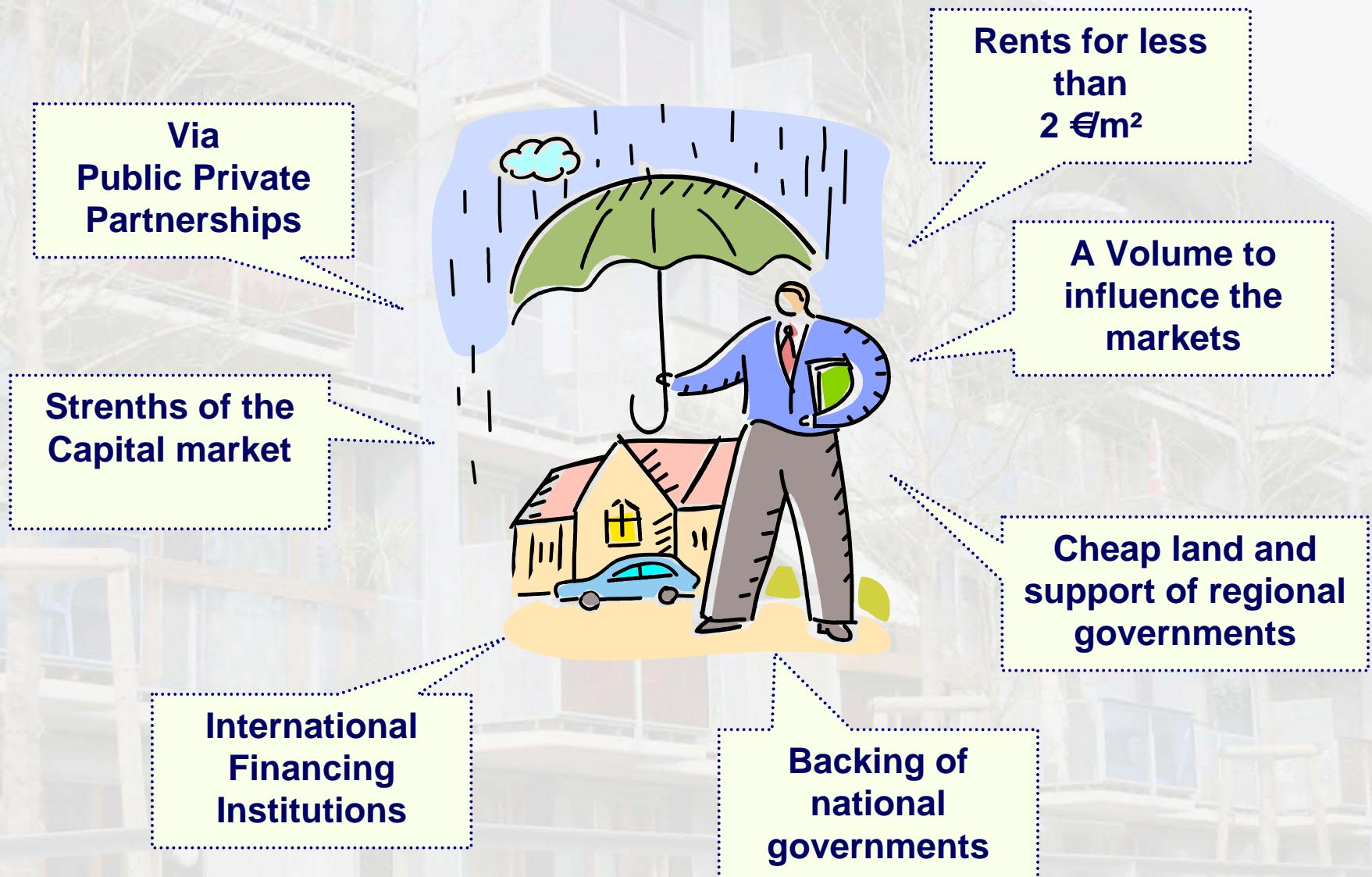
Cornerstones of a PPP housing sector

- a) Private companies to fulfill public service obligations
- b) Public service obligations = provision of affordable housing for lower and middle income groups
- c) In return, privileged access to housing subsidies and building land, tax relief
- d) Profits shall be made, but cannot be taken out of the companies
- e) Strict auditing and control mechanisms, rigorous penalties

Steps of implementation

- a) Definition of a legal framework:
PPP Housing Law, rent regulations, subsidy regulations
- b) Definition of financing models and financing sources
- c) Identification of business opportunities for PPP investors
- d) Identification of proponents
- e) Model projects
- f) Capacity building, building up a new business sector

Structured financing for affordable rental housing



Financial preconditions for affordable rents

- a) Cooperation with municipalities
(land and infrastructure free of charge)
- b) Equity of the PPP Housing Company
- c) Subsidies (low interest loans or grants)
- d) Cross subsidies (from richer to poorer regions, from for-profit condominiums to affordable rental dwellings)
- e) International financing sources
- f) Capital market financing (senior loans)

Services and financing via H!FACT

H!FACT – a Housing Finance Agency for Countries in Transition

Low interest loans by

DIGH - Dutch International Guarantees for Housing

- Financing activities in CEE, South Africa and South America since 2004

Consulting by

IIBW – Institute for Real Estate, Construction and Housing, Vienna

- Research and consulting in housing legislation, housing finance, market development and housing policy

Thank you for your attention
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