

## THE CONDITION OF HOUSING IN POLAND

**Abstract.** *The condition of housing in Poland<sup>1</sup> as per 2007 data was presented here on the basis of the following: 1) housing stock condition, 2) flat occupancy rates, 3) housing development, 4) repair needs, with certain IUD research results concerning 19 selected cities in Poland.*

**Key Words:** condition of housing stock, qualitative structure of stock, furnishing of flats with fittings and systems, flat size structures, flat occupancy rates, floor area per 1 resident, housing development, investors' structure.

### 1. Housing Stock Condition

In 1988-2007, the housing stock figures increased in Poland from 10.7 million to 12.5 million, or by 16.8%, including from 7.0 million to 8.4 million, or by 20.0% in towns<sup>2</sup>, and from 3.7 million to 4.1 million, or by 10.8% in the countryside. The stock increase in the countryside was mainly associated with the capital projects conducted by non-farmers. The farmers' generally carried out house building for replacement purposes. In the same period, the Polish population increased from 37.9 million to 38.1 million, or only by ca. 0.5%. However, the population in towns stayed basically at the same level of 23.3 million.

82% of the housing stock in towns was situated in multi-family houses and 18% in single-family houses. An average floor area of flats in multi-family houses amounts to ca. 60 m<sup>2</sup> and to ca. 112 m<sup>2</sup> in single-family houses. Single-family houses dominate on rural areas, with the average floor area of ca. 90 m<sup>2</sup>. As we can infer from the Table below, the flats constructed before 1944 constitute ca. 20% of the total number in towns and ca. 26% in rural areas.

**Table 1. Housing stock in towns, according to development periods**

Specification	Total number of flats, in thousands	Including those constructed as follows:				
		until 1944	1945-1970	1971-1978	1979-1988	1989-2007
Poland, #	12 303 <sup>1/</sup>	2 732	3 165	2 150	2 198	2 058
%	100	22.2	25.7	18.5	17.5	16.1
Towns, #	8 318	1 700	2 032	1 579	1 596	1 411
%	100	19.9	24.3	20.1	20.0	15.7
Countryside, #	3 985	1 032	1 133	571	602	647
%	100	25.9	28.4	14.3	15.1	16.3

<sup>1/</sup> No data available for 200,000 flats.

<sup>1</sup> The contents of this article constituted a basis of my paper delivered during the Housing and Revitalization Forum, held in Rybnik, Poland, on 21-22 May 2009.

<sup>2</sup> Occupied flats.

Spatial distribution of old housing stock in towns is fairly diverse. In the following Polish Regions: Dolnośląskie, Lubuskie, Opolskie and Zachodnio-Pomorskie, such stock constitutes 45-51% of the total stock, while in case of the Podlaskie and Lubelskie only ca. 15%. In the latter Regions, fast urbanization processes started only after 1945, in comparison to the Polish western territories where they started nearly one hundred years earlier.

The quality structure of housing stock related to the fittings of technical and sanitary services is presented in Table 2, with subdivision into towns and countryside. It is estimated that, by the end of 2007, more than 95% of flats were furnished with water pipelines (99% in towns), flushed WC in nearly 88% flats (nearly 95% in towns), and almost 78% were fitted with central heating (ca. 85% in towns). The Central Office of Statistics (GUS) data indicate that the fitting situation is the best in the stock owned by cooperatives and Social Building Associations (TBS's), and the worst in council housing.

**Table 2. Flats according to service installations, as at the end of 2007<sup>1/</sup>**

Specification	Total flats (in millions)	Including those furnished with (%):				
		water supply	flushed WC	bathroom	central heating	network natural gas
Poland	13.0	95.3	87.8	86.7	77.6	55.6
Towns	8.7	99.0	94.9	92.6	84.8	74.2
Countryside	4.3	87.7	73.4	74.7	63.5	17.8

<sup>1/</sup> Estimated by IUD, based on the GUS data.

It is necessary to underline that small-sized flats (size is expressed by the average number of rooms per flat) dominate in Poland. According to NSP 2002, an average flat size was 2.7 rooms. Small and very small flats in towns constitute more than 60% of all flats, while in the countryside, the flats of less than 50 m<sup>2</sup> constitute ca. 17% of that stock. What dominates are the flats with the floor area not exceeding 50 m<sup>2</sup>, owned by housing cooperatives. There are ca. 2.5 million of them, or ca. 75% of the total number of flats. As to the stock owned by municipalities (Communes), the flats with the floor area not exceeding 50 m<sup>2</sup> are estimated at ca. 1.0 million, or 82% of that stock (including half of the flats below 30 m<sup>2</sup>). The stock owned by natural persons of ca. 1.3 million consists of small flats, equivalent to 43% of that stock. In comparison to the EU countries, the situation in Poland in respect of the flat size structure is definitely the worse.

**Table 3. The structure of flat sizes in Poland in comparison to selected EU countries (%)**

Country	Proportions of 1- and 2-room flats	Proportions of 4-room and larger flats
Poland	50 <sup>1/</sup>	21
Czech Republic	40	23
Denmark	23	46
France	18	60
Germany	8	89

<sup>1/</sup> Including 61% in towns.

More than 59% of the total number of flats are owned by natural persons (more than 42% in towns). An increase of the proportion of flats owned by natural persons results not only from the extent of new residential building, but also from the sale of residential space

owned by municipalities (councils) and corporations. However, the proportions of flats owned by housing cooperatives (only 26.5%, including 39% in towns) and municipalities (less than 10% in total, and a bit more than 13% in towns) are decreasing.

It is necessary to underline that the differences in the housing stock age structure existing between the Regions are reflected in the stock ownership structure. In the eastern Regions, housing cooperatives' flats clearly dominate, constituting more than 50% of flats in towns. In the western Regions, the proportion of housing cooperatives' flats slightly exceeds 30%, and in central Regions, the proportion is at the level of 40-45%. Considerable differences occur in the proportions of council housing stock, constituting 19-26% in the western Regions and usually do not exceed 10% in the eastern Regions, in comparison to the total housing stock in towns.

**Table 4. The structure of flats according to ownership forms, as at the end of 2007<sup>1/</sup>**

Specification	Total Flats	According to ownership forms					
		natural persons	housing cooperatives	councils	corporations	TBS's	Other
Poland	100	59.1	26.5	9.6	2.9	0.6	1.3
Towns	100	42.1	39.0	13.4	3.0	0.8	1.7
Countryside	100	93.7	1.3	2.0	2.6	0.0	0.4

<sup>1/</sup> IUD estimations based on GUS data/

## 2. Flat Occupancy Rates

It is difficult to evaluate flat occupation rates owing to a lack of current statistical data. The last National Census of the population and flats was carried out in 2002. During the later seven years, 730,000 flats were constructed, according to GUS statistics. That caused that the total housing stock was increased by ca. 6%. Due to the fact that, at the same time, the Polish population did not change, we can assume that housing conditions also improved by ca. 6%.

Poland was a poor country before 1939. Houses and flats were characterised by a low standard in respect of floor area and service fittings. In comparison to the Western European countries, the housing conditions were worse beyond comparison. Also presently, when we compare Poland to the said countries, we suffer a much lower GNP, which must also be reflected in our housing situation.

**Table 5. Housing situation in Poland and in selected EU countries**

Country	Space per 1 resident, m <sup>2</sup>	Average monthly wages in euros	Monthly flat fees in euros	Flat expenditures as a % of household income
Poland	23	626	119	19
Italy	40	1 715	463	27
Belgium	48	2 760	772	28
Holland	45	2 825	847	30
Sweden	45	2 540	761	30

For that reason, the problem of the shortage of flats and considerably high occupancy rates must be considered in respect of not only high flat acquisition costs, but also of flat maintenance costs. At the present income level, obtaining larger flats would cause

a considerable increase of monthly maintenance charges of the family budgets. That is why many families prefer to stay in their currently occupied small flats in which current fees are relatively low.

**Table 6. Basic data on the changes of the housing conditions in towns**

Specification	1999	2002	2005	2007	1999 = 100
Number of flats per 1000 residents	307	328	366	372	121
Average flat floor area	55.2	56.7	61.5	61.7	112
Average number of persons per flat	3.25	3.02	2.73	2.67	82
Flat floor area per 1 person	17.4	20.6	22.5	22.8	131

The housing situation is undoubtedly regularly improving. It seems, however, that the improvement is slower than in other fields at the same time. Interesting results are provided by the analysis of flat floor areas per one resident, in respect of resident age. We find that the smallest flats are owned by young people and the largest ones by old people.

**Table 7. Floor area of flats per 1 resident, in comparison to resident ages**

Age	Floor area per one person, m <sup>2</sup>
18 – 24	17.9
25 – 34	18.1
55 – 64	27.4
65 and more	29.2

The situation presented in the Table above is quite easy to explain. Many young people stay long together with their parents, and their flats are overpopulated. Older people are left alone by their adult children, and the age group of 65 plus contains more and more widows and widowers. The Table is interesting because it demonstrates the occupancy density of average 3- or 4-person strong families.

**Table 8. Town residents living in flats, according to occupancy rates and numbers of rooms**

Number of rooms per flat	Flats, in thousands	Residents, according to the number of persons per flat						
		1	2	3	4	5	6	7 and more
1	2 237	570	588	468	356	150	60	45
2	8 277	668	1 814	2 178	2 100	900	354	263
3	7 833	229	1 036	1 848	2 432	1 280	588	420
4	2 634	46	224	471	772	530	306	285
5 and more	2 196	24	124	306	580	470	324	368
Total	23 177	1 537	3 786	5 271	6 240	3 330	1 632	1 481

- 1 or less person/room – good housing situation – 9.2 million, 39.6%
- 1.1-1.99 persons/room – satisfactory housing situation – 7.8 million, 33.2%
- 2.0-2.99 persons/room – poor housing situation – 4.6 million, 19.8%
- 3 and more persons/room – very poor housing situation – 1.7 million, 7.4%

The average data do not show any differences in the living conditions of particular population groups. Consequently, we prepared the Tables showing flat occupancy rates in towns, based on the NSP 2002 data.

The NSP 2002 data analysis shows that 72.8% of town residents had good and satisfactory housing conditions, according to the assumed criteria. If we assume that the situation improved by 6% since 2002, good and satisfactory conditions were enjoyed by ca. 79% of town residents in 2007. As we can infer from the previous Table, a considerable proportion of those who live in good conditions are pensioners and single-family house owners. At the same time, 21% of town population, or ca. 4.6 million, live in poor or very poor conditions, owing to excessive flat occupancy rates, when flats have mostly one or two rooms. Such flats are often occupied by 3-generation families who must live together because of their limited financial capabilities and the shortage of council and social housing.

Generally, the housing stock deficit is estimated to be the difference between the number of households and the number of flats. It seems that this calculation is hardly precise. We need to emphasize that, on the one hand, many families live together by choice as 3-generation families in large single-family-houses. On the other hand, statistics do not separate potential households, i.e. adult children living together with their parents, only because they do not have their own flats to move into.

It seems that flat occupancy conditions may not be the only criterion of the housing situation evaluation. The flat shortage which has existed in Poland for a number of years causes that the shortage has become one of the basic social and economic problems.

### **3. Housing Development**

House construction is a general social problem that affects the development of many other fields of economy and the general social condition. Since 1989, that problem has not been resolved. The numbers of newly constructed flats fluctuated every year, although they never exceeded the level which could be recognized as satisfactory. Despite many attempts, no uniform housing policy has been worked out to be supported and carried out by subsequent governments.

In comparison to 1991, we observed in 2007 a general decrease of the number of flats constructed in towns by 18%, including those in multi-family buildings by 36%, with a double increase of the number of flats completed by individuals at the same time. In the countryside, the number of flats completed in 2007 increased by ca. 56%, in comparison to 1991. We should emphasize that countryside houses mainly replaced old structures, in contrast to the situation in towns.

Perhaps, the actual number of new flats handed over in single-family houses is even higher because, according to the GUS data, the number of flat constructions in progress always exceeds 600,000 a year. They are mainly completed flats, but not reported as such to the local governments. That premise is confirmed by the fact that a sharp increase of the handed over flats in single-family houses occurred in 2003 after wide-range building inspections were announced, with high penalties for non-compliance. We should also remember that many previous town residents are moving to the neighbouring Communes and construct their houses there. Consequently, such houses would be treated as countryside development in statistics.

**Table 9. The numbers of completed flats in 1991-2007, according to those in multi-family houses and single-family houses in towns and in the countryside**

Years	Flats completed in respective houses				
	Total	In towns	Multi-family houses in towns	Single-family houses in towns	Total in the countryside
1991	136.8	107.8	91.2	16.6	29.0
1992	133.0	106.6	91.4	15.2	26.3
1993	94.4	71.9	58.0	13.9	22.5
1994	76.1	53.2	38.0	15.2	22.9
1995	67.1	49.3	34.2	15.1	17.8
1996	62.1	45.3	31.3	14.0	16.8
1997	73.7	55.2	38.5	16.7	18.5
1998	80.6	61.6	42.2	12.4	19.0
1999	82.0	64.5	47.6	16.9	17.4
2000	87.8	79.8	51.2	18.6	18.0
2001	106.1	86.1	63.2	22.9	20.0
2002	97.6	71.1	43.7	27.4	26.5
2003	162.6	93.5	43.2	50.3 <sup>a</sup>	69.1 <sup>a</sup>
2004	108.6	72.5	41.4	31.1	35.6
2005	114.1	77.7	48.0	29.7	36.4
2006	115.2	80.1	54.5	25.6	35.1
2007	133.8	88.4	58.7	29.7	45.4
Total	1 731.1	1 254.8	876.4	378.4	476.3 <sup>b</sup>

<sup>a</sup> The year in which building in progress inspections were announced. Consequently, the investors, mainly of single-family houses, registered their houses as completed, fearing penalties.

<sup>b</sup> Including 37,800 of the flats in multi-family houses in the countryside.

The flats completed in 2007 had ca. 105 m<sup>2</sup> on the average, while those in single-family houses had ca. 142 m<sup>2</sup>, and those in multi-family houses ca. 62 m<sup>2</sup>. Still, more than 50% flats handed over in multi-family houses are those with 1 or 2 rooms, and their floor area does not exceed 50 m<sup>2</sup>. Consequently, the number of small flats is increasing in towns, with 16,7 m<sup>2</sup> per person in case of a 3-person strong families, and that is much less than the present national average of ca. 23 m<sup>2</sup>.

The house construction structure shows that developers dominated the flat market in towns in 2007. As much as 52% of completed flats are those provided by developers. If we add the flats completed by housing cooperatives, which entities have also become developers, we will reach ca. 61% of such flats. Another ca. 30% of completed flats are those provided in single-family houses. Therefore, only ca. 9% are the flats of non-market nature, of which the flats for low-income families constituted less than 3% of all handed over flats in 2007.

The house construction intensity in particular Polish Regions is highly diversified. In the Regions of the highest intensity and the highest numbers of completed flats per 1,000 contracted marriages, the indicators are twice as high than those occurring in the Regions with the lowest indicators. The law of financial support for the families buying own flats was an attempt at expanding the body of flat buyers. However, the law has failed to resolve the housing problems of those people who earn PLN 900 or even PLN 1,500 a month.

**Table 10. Building investors structure in towns, in selected years, in thousands of flats**

Investors	1991	1995	2002	2007
Housing cooperatives	81.2	26.0	14.9	8.0
Developers	—	2.7	21.2	42.8
Municipalities	2.2	3.3	2.5	2.3
Corporations	7.8	2.2	0.5	0.3
TBS's	—	—	4.6	5.1
Individual investors	16.6	15.1	27.4	29.7
Total	107.8	49.3	71.1	88.2

The domination of house building in towns by the developers constructing flats for ownership leads to incapability of overcoming stagnation in house construction by some population groups. At least 40% of the population is excluded from access to flats. They are mainly young people. The largest cities become "ghettoes" for the people with more than medium incomes and that is why the city populations either do not increase or increase very slowly. Young people, being so mobile abroad, are waiting for jobs at their places of residence in Poland, e.g. owing to a lack of suitable flats to rent in other locations.

**Table 11. House building intensity indicators and the numbers of completed flats per 1,000 of contracted marriages, by Regions in 2007**

Regions	Numbers of flats completed in 2007	
	Per 1,000 of residents	Per 1,000 of contracted marriages
<i>with the highest indicators</i>		
Mazowieckie	5.8 <sup>1/</sup>	926
Pomorskie	5.3	755
Wielkopolskie	4.2	606
Warmińsko-Mazurskie	4.1	610
<i>with medium indicators</i>		
Małopolskie	3.8	579
Zachodniopomorskie	3.8	596
Podlaskie	3.3	540
Lubuskie	3.2	485
Dolnośląskie	3.1	489
<i>with the lowest indicators</i>		
Kujawsko-Pomorskie	2.7	397
Lubelskie	2.6	283
Podkarpackie	2.5	384
Łódzkie	2.3	338
Śląskie	2.2	350
Świętokrzyskie	1.8	271
Opolskie	1.4	241
<i>average indicator</i>	3.5	537

<sup>1/</sup> Including Warsaw: 9.3, and the Mazowieckie, without Warsaw: 4.1.

After 1989, no cohesive housing policy has been provided in Poland. On the one hand, flats representing modern standards and owned by the municipalities are sold out for the price of less than 10% of their market value, and, on the other hand, all previous governments conducted a liberal policy in respect to house building. Such policies were not conducted by the so-called old EU countries, although the populations' buying power based

on GNP was at least twice as high in comparison to that in Poland. In Austria, ca. 80% of newly built houses are supported by government subsidies. In Denmark, their TBS's are key elements of housing policy, and their specific form is building of flats for young people based on subsidies reaching up to 45%. In Ireland, developers are obligated to ensure 20% flats in each housing project at the prices that are affordable for people with modest income.

In October 2008, the distribution of those employed in accordance with gross monthly wages was as follows, in PLN:

up to 1,857	from 1,858 to 2,654	from 2,655 to 4,777	4,778 and more
40.3	25.4	25.7	8.6

The proportions between the price of 1 m<sup>2</sup> of usable space in flats to the gross monthly wage was as follows in 1996-2007:

1996	1999	2001	2003	2005	2007
0.85	0.85	0.81	0.84	0.82	0.84

In the EU countries, the same index amounts to 1,6, which is twice as beneficial in comparison to Poland.

**Table 12. GNP in accordance with the buying power parity in selected EU countries in 2002**

Country	GNP in USD
Poland	10 850
Denmark	29 328
Sweden	27 209
United Kingdom	27 970
Italy	25 568
Spain	22 406
Slovenia	18 480
Czech Republic	15 102

We need to emphasize that the indicators of the existing flats per 1,000 residents are much higher in the EU countries: 495 in France, 484 in Sweden, 472 in Germany, 460 in Italy, and only 341 flats in Poland. Still, the governments of those countries feel directly responsible for the affordability of flats at all levels of citizens' wealth, despite the fact that the residents' buying power is at least twice as high in comparison to that in Poland. The governments do so for the following reasons, among others:

- Affordability of flats reduces social pathologies,
- Construction of flats to rent, with moderate rents, increases people's mobility and contributes to the reduction of unemployment rates,
- Increase of housing demand stimulates the development of other branches of economy.

Surveys conducted among the residents of Poland demonstrated that the housing problem is perceived by the respondents as the third one after unemployment and social pathologies. About 42% of the respondents indicated the shortage of flats as their main problem, and nearly 38% pointed out poor housing conditions. Nearly 96% of the respondents states that the government did not do enough to improve the situation. At the same time, ca. 76% of the respondents blamed their municipalities for the current housing situation.



The results of the inspection carried out by the Supreme Chamber of Audit (NIK) in respect of the municipalities' activities in the area of the creation of conditions for the development of residential building and the improvement of housing situation of local communities indicated as follows:

- Municipalities were hardly active in the preparation of lands for house building,
- The total surface area of the municipalities covered by the Local Physical Plans did not increase essentially, and a lack of such Plans presented one of the barriers to the development of house building,
- Municipalities implemented building projects to fulfil their residents' needs on a limited scale, because they did not prepare their housing development strategies.

In addition, the inspections showed that only half of the 36 examined communes carried out their housing projects. We need to ask the question why the municipalities do not construct flats to reduce at least partly the waiting lists of the families whose income per person does not exceed PLN 600 per month. It seems that there are two reasons of that. The first one is an observable decrease of the housing business share in the government and municipality expenses in 2001-2007 (Table 13). The other one consists in the fact that, in case of modest resources, municipalities prefer such projects which can be subsidized from the EU funds, and house building is excluded from such support.

**Table 13. Proportions of house building in the government and municipality expenses**

years	Expenses for house building in budgeted expenses (%)	
	Central government	Municipalities
2001	2.2	9.0
2002	1.2	6.7
2003	1.0	7.2
2004	0.6	6.3
2005	0.4	5.4
2006	0.4	5.9
2007	0.5	5.0

It seems that the increase of the number of flats completed in multi-family houses in 2007 and 2008 resulted from, among others, an excessive ease of obtaining bank loans. We should expect that, in the years to come, even when the crisis is put under control, both banks and potential buyers will not make such risky decisions any more. Consequently, the number of new flats constructed in multi-family houses should return to that of several years ago, which was up to 50,000 of flats a year.

One can claim that it is not possible to overcome the housing crisis, without the government's assistance. Therefore, we need a general change of our approach to house building which cannot be perceived any more only as a burden of the government's budget. Just the opposite, house building can become a factor that stimulates both social and economic development of our country.

#### **4. Repair Needs**

Housing economy is the only area which was not subjected to any economic reform after 1989. Consequently, housing indirectly subsidizes the remaining fields of economy. Failure to implement the rent reform, based on economic criteria and allowing for rational housing stock management, led to maintenance of lower wages, pensions and annuities that do not take into account rent costs. The same influenced to some extent the competitiveness of the Polish economy.

We can be convinced of the existing economic anomalies when we want to rent a standard flat. You can rent one in the German Guben for 400 euros a month (the so-called hot rent), while the rent collected for a similar flat situated in the Polish Gubin across the border by a Polish municipality is PLN 400. We can try to estimate how many billions were lost in the past twenty years by the Polish housing economy since rents have been collected without any economic calculations.

We should emphasize that during the People's Republic the situation of technical maintenance of rented stock (mainly council houses) was much better. Constant deterioration of the technical condition of the stock during the transformation period was a consequence of the transfer of rented-flat house ownership to particular municipalities. That was associated with cessation of subsidizing overhauls of rented-flat houses owned by municipalities by the central government. Even at that time, the condition of old housing stock was so poor that municipalities were unable to carry out any rational repairs in view of the rent control. In that situation, the municipalities wanting to get rid of at least part of their pain, extended the sale of council flats to the current tenants.

When, however, the financial resources available from the transformation of tenant flats into owned flats in housing cooperatives were channelled to the housing cooperatives' repair funds, the resources originating from the sale of council flats (sold usually at less than 10% of the flats' market value) were included in the municipality budgets and usually were not put back into housing economy. In that way, more billions of Polish zlotys were removed from municipalities' housing economy. That situation led to the breakdown of overhauls and a permanent shortage of resources for smaller-scale repairs. The condition of old multi-family houses in towns is constantly degraded, which must lead to house collapses in the near future. The threat to life of larger and larger social groups of residents puts municipalities in the situation without a solution. On the one hand, it seems to be rational to spend budgeted resources for the projects that are subsidized by the European union, and, on the other hand, repair needs of old council houses occupied mainly by poor people are increasing at scaring rates.

We should emphasize that in ca. 170,000 of multi-family houses erected in towns until 1945, there are ca. 1,300,000 flats. The houses are usually small and contain 7.6 flats on average. Almost half of them are the houses with 3-5 flats. They are occupied by ca. 3 million persons. Many of those houses have not been repaired after 1945, and their technical condition is often disastrous. That concerns especially old buildings owned by municipalities. We should emphasize that municipalities have been selling their housing stocks to the current tenants for a number of years. Usually, people wish to buy the flats located in the

houses representing a good technical condition. In that way, the quality structure of the municipalities' housing stock is deteriorating even worse, as ca. 60% of the stock is composed of old and depreciated buildings.

In connection with the low-rent policy conducted since 1945, there exists a permanent shortage of financial resources for repairs. Before 1999, housing economy was supported by the central government, which allowed to conduct overhauls in old houses. Presently, it is the municipalities which are exclusively responsible for overhauls. Owing to the shortage of financial resources and a lack of temporary flats (offered for the repair period), municipalities stopped completely to carry out overhauls. Inadequate resources for partial repairs and frequent cases of devastation of council flats by the residents make the repair gape even worse.

According to the research conducted by the Institute of Urban Development in 19 cities and towns, the technical condition of 28% of the houses owned by municipalities was very poor. About 22% of them required overhauls, and more than 6% were qualified for immediate demolition. That situation resulted primarily from the allocation of inadequate resources for both partial and protective repairs. The numbers of modernized council houses and condominium houses were as follows: 1990: 2,104, 1993: 1,016, 1995: 667, 1998: 22, 2000: 14<sup>3</sup>. GUS stopped to record overhauls of houses owned by municipalities after 2000.

The situation is well described by the example of Wrocław which city is a giant in respect of council stock ownership. The total number of council houses is 1,912, with ca. 56,000 flats. 640 houses are in poor or very poor technical condition, of which 240 are qualified for demolition and 400 for overhauls. The municipality of Wrocław collects rents for the amount of PLN 82 million a year, while the costs of repairing and modernizing 400 houses, plus the costs of all required repair works in the remaining houses was estimated by the City at PLN 4.3 billion in 2004 (including the condominium houses with the municipality's participation). In current prices, the required resources can be estimated at ca. PLN 5.5 billion. That amount is unobtainable by the City.

Łódź and Bytom are even in worse situations. Łódź owns 5,500 council houses erected before 1945. About 75% of them are in a poor technical condition, of which ca. 30% are qualified for demolition and at least 600 for overhauls. Similar in Bytom.

The situation described above indicates that some of the Polish cities and towns hold houses worn out to the degree which does not allow to save the old housing stock exclusively by application of those financial resources which are available to the municipalities. The problem of old housing stock concerns mainly our western Regions. The largest proportion of ca. 39% of old multi-family houses is found in the Regions of Dolnośląskie, followed by 36% in Opolskie, 30% in Wielkopolskie, 26% in Śląskie, 24% in Pomorskie and 23% in Kujawsko-Pomorskie. The old multi-family houses of the Podlaskie Region constitute only 4%, with 7% in Świętokrzyskie, 8% in Lubelskie and 9% in Podkarpackie.

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<sup>3</sup> Exclusively condominium houses.

**Table 14. Residential houses owned by municipalities that are qualified for overhauls or demolition<sup>1/</sup>**

Town/City	Total number of buildings	The number of buildings that require		Proportion of building that require	
		overhauls	demolition	overhauls	demolition
Poznań	968	114	6	11.8	0.6
Wrocław	1 850	400	241	21.6	13.0
Zielona Góra	336	29	5	8.5	1.5
Rzeszów	50	8	1	16.0	0
Kalisz	200	23	0	11.5	0
Stargard Szczeciński	186	45	5	24.1	2.7
Inowrocław	136	45	3	33.1	2.2
Sierpc	28	5	6	17.9	21.4
Piła	296	53	2	17.9	0.7
Grajewo	64	20	7	31.1	10.9
Lębork	88	6	2	6.8	2.3
Average	4 202	748	272	17.8	6.5

<sup>1/</sup> Results of the surveys carried out by the Institute of Urban Development

The scale of house repair neglect is huge, and probably thousands of houses will have to be demolished. According to the calculations conducted in the Institute of Urban Development in 2006, the overhaul and modernization backlog can be estimated at ca. PLN 30 billion (in current prices).

The actions intended to stop total deterioration of the old housing stock in Polish towns are at least as important as the construction of new flats, if not more important. The enforcement of the regulations relating to the building disaster procedures by the building inspectors must cause revisions of municipalities' budgets to set aside the resources for repairs and replacement house construction.

To prevent housing collapse on a large scale, the following will be required:

- To create promptly a national repair fund collecting resources from the government budget;
- To identify several large cities with particularly deteriorated old housing stock, e.g. Łódź, Wrocław, Bytom and Bydgoszcz, and start overhauls and modernizations on a large scale.

It is also necessary to carry out large-scale stock-taking research on old houses to determine the indispensable demolitions preventing collapses, as well as the numbers of houses qualified for demolitions owing to the degree of irreversible depreciation where overhauls are unprofitable and the number of houses that require prompt overhauls.

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