

OVERVIEW OF HOUSING POLICY INTERVENTIONS IN POLAND

- KEY FINDINGS -

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Abstract

This paper provides an overview of direct national public expenditure linking it to developments in the Polish housing market. While Poland has made considerable progress in reducing the housing deficit and improving housing quality, housing affordability and limited diversity of the housing stock remain important policy challenges. A comprehensive and conclusive evaluation of housing policy instruments in Poland is difficult, due to limited relevant data. As such, this paper outlines a series of key questions to guide policy makers in selecting housing policy instruments and in facilitating a more robust framework to measure the efficiency and effectiveness of housing policy instruments.

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Introduction

This paper provides an overview of direct national expenditure on housing in 2014-15 within the context of trends in the housing market in Poland. The focus is on direct spending by the former Ministry of Infrastructure and Development, which was the primary ministry responsible for housing policy in the period of study.¹ The Polish Constitution explicitly refers to housing rights and thus obliges public authorities to develop policies for the supply of adequate housing for all citizens. Most of national housing programmes operated by the former Ministry of Infrastructure and Development have aimed to address the shortage of quality, affordable housing, which is considered to be one of the most critical housing policy challenges in Poland, particularly in urban areas. Although the official housing shortage (measured as the difference between the number of households and occupied dwellings) has decreased in recent years, the share of households living in overcrowded dwellings and or in housing of poor quality remain large compared to other European countries, indicating a lack of affordable housing alternatives (see e.g. Eurostat, 2015a, 2015b).

The paper highlights key housing programmes that affected the national budget in 2014-15 and provides an overview of the requirements needed to adequately evaluate the efficiency and effectiveness of governmental spending on housing programmes. Due to the absence of appropriate data on policy objectives and programme outcomes, a comprehensive and conclusive evaluation of housing policy instruments in Poland is not conductible. Therefore, the paper is structured around a series of key questions to guide policy makers in (i) planning housing policy instruments and (ii) assessing housing policy, and by extension, national government spending on housing. For each question, the policy rationale is provided, followed by an assessment of the situation in Poland and, finally, possible directions for policy makers.

The remainder of the paper is structured as follows: The first section provides a brief overview of the key housing challenges in Poland. It is followed by a snapshot of recent public spending and policy instruments in the housing sector, focusing on direct expenditures by the former Ministry of Infrastructure and Development and highlighting several general features of national government spending on housing. The third section aims to assist policy makers in developing tools to evaluate the efficiency and effectiveness of public expenditure on housing.

Key housing challenges in Poland

Past housing policies have been influential in shaping Poland's housing challenges today. Thus, the housing market is characterised by three distinct features: i) a housing deficit, ii) a high rate of home ownership, and iii) a lack of affordable, quality housing for low- and medium-income households. Among OECD countries, Poland has one of the lowest housing per capita (Andrews et al., 2011) which is a remainder from insufficient supply within a centrally planned economy and low quality housing stock prior to the transition in 1990 (Kierzenkowski, 2008). While market reforms that accompanied Poland in the post-transition period as well as subsequent housing programmes increased the housing supply, those measures did not fully resolve the country's significant housing deficit (Ministry of Transport Construction and Maritime Economy, 2013). Since the 2000s, the primary means of reducing the housing deficit has been to stimulate the construction of new homes through various national programmes subsidising home ownership as well as municipal initiatives via the construction of social housing and emergency housing (see Glocker and Plouin, 2016 for details).

1 . In early 2016, the Ministry of Infrastructure and Development was split into the Ministry of Transport and the Ministry of Development.

Poland's housing market is dominated by home ownership, which is both a product of history and a result of continued policy support to home ownership since the transition period. As in other transition countries, mass privatisation of housing units to their residents led to high ownership rates. While roughly 44% of dwellings were privately owned at the end of the 1980s, this share had increased to 78% by 2006 (Kierzenkowski, 2008). Moreover, most public expenditures on housing at central level, in addition to tax instruments related to housing, historically support home ownership, with rental programmes receiving less consistent attention in the overall policy framework. Albeit the policy preference for home ownership is not unusual in OECD countries, it often implies an underdeveloped rental market, which in turn could affect residential and labour mobility (see e.g., Andrews and Sánchez, 2011; Nickell and Layard, 1999; Oswald, 1996).

In terms of improving housing quality, progress has been slow but has nonetheless steadily increased since the 1990s (see Frackowiak, 2008). As Radzinski (2014) points out, most of the housing stock now meets minimum quality standards in terms of equipment, but many dwellings are not in line with modern needs. To parts, this can be attributed to the mass privatisation following the transition which resulted in high home ownership rates even among the population at risk of poverty (Eurostat, 2015c). Thus, lower income households are more likely to struggle to afford necessary maintenance of their home and to live in housing of poor quality than higher income households (Eurostat, 2015b).

While Poland has made considerable progress in reducing the housing deficit and improving housing quality, housing affordability and limited diversity of the housing stock remain important policy challenges. The lack of affordable housing alternatives for low- and medium income households can be partly attributed to the gradual evolution of a private housing market dominated by commercial developers since the transition. The past two decades have seen a significant decline of housing produced by co-operatives and social housing developers, which were prominent under the Communist regime, countered by rapid growth in privately developed housing. Public policies have been instrumental in this shift, as central government policy gradually reduced incentives for the non-profit housing sector (Weclzowicz, 2002). Currently, housing development is dominated by two market-driven sectors: individual homeowners who build homes on their own plots of land and a growing sector of commercial developers building market-rate housing. Such a shift has important implications on the housing supply for lower-income households: private developers tend to target better-off households. This is especially true for a transition economy such as Poland's, in which the price of real estate suddenly rose very steeply, and out of sync with the evolution of salaries in most employment sectors (OECD, 2014a).

Brief overview of housing policy instruments and the national budget

Addressing the housing challenges requires the development of strategic, long-term housing policies. In Poland, national and municipal authorities are the primary public actors in housing policy, with the Ministry of Infrastructure and Development being the primary ministry responsible for housing until 2016.² Over the past years, national spending on housing programmes has been subject to volatile overall budgetary allocations and liabilities from past programmes and pre-transition left only limited flexibility for innovating housing policies.

2. It should be noted that municipal spending on housing is significantly higher than national government expenditure on housing (approximately 1.03% of GDP, compared to about 0.1% of GDP, respectively in 2013) (Central Statistical Office Poland, 2015; Glocker and Plouin, 2016 for details). Municipal expenditures on housing should thus be the subject of a separate, in-depth assessment to evaluate their effectiveness and efficiency. Moreover, some housing programmes for populations related to the military, police, and the penal system are operated by other ministries; these expenditures are not assessed in the remainder of this paper.

National government spending on housing: main programmes and policy instruments

Public spending on housing in Poland amounted to about 1.9% of GDP in 2012, of which about 0.1% of GDP resulted from direct national government budget expenditures on housing instruments. Housing-related expenditures consist of both active housing programmes, as well as liabilities from inactive programmes and pre-transition obligations, which still require considerable national resources (see Table 1 and Table A.1.). Further, a reduced VAT rate for construction materials are also a significant means of public intervention in the housing market with an indirect effect on the national government budget. In 2012, the forfeited revenue amounted to PLN 11 billion [EUR 2.6 billion], based on estimates in Annual Reports from the Ministry of Finance (Ministry of Finance, 2014).³

Public spending on housing at national level is characterised by several features that may contribute to reduce the overall effectiveness of housing policy instruments. Housing programmes are usually shaped by overall budgetary allocations, rather than a long-term housing strategy (see e.g. Glocker and Plouin, 2016 for details). The fiscal approach of the Ministry of Finance tends to dominate the process of setting housing goals and shaping housing programmes. Such an approach makes it difficult to develop long-term, strategic housing policy based on a comprehensive analysis of concrete outputs of past programmes and new policy objectives based on the needs of the population.

Table 1. Housing programmes with implications on the national budget in 2015

Programme	Description
Programmes open for application in 2015	
Housing for the Young (<i>Mieszkanie dla Młodych</i>)	<ul style="list-style-type: none"> Introduced in 2014 and amended by the government in 2015, the Housing for the Young programme is a co-financing mechanism to support home-ownership for first-time home-buyers aged 35 and under who are applying for a mortgage in the primary market. Applications for this programme will be accepted until 2018. Aimed at families with two children or fewer, persons are eligible if they have not previously owned a dwelling. Additional eligibility criteria include a maximum dwelling size and maximum price per square meter. The programme is considered “pro-family” in the sense that applicants with at least three children receive priority in the form of less strict eligibility criteria, as well as additional support for mortgage repayment if a third child is born within five years of the date of home ownership title.
Modernisation and renovation support programme	<ul style="list-style-type: none"> The programme provides financial support from the national budget in the form of subsidies that aim to increase the quality of the existing housing stock. The modernisation bonus has been in operation since 1999, providing subsidies to reduce the energy consumption of residential buildings. In 2008, the programme was supplemented with an opportunity to obtain a renovation bonus for multi-family buildings developed before 1961. To be eligible for the bonus, the minimum calculated energy savings after the refurbishment should exceed 25% per year. Furthermore, the energy audit, a document containing information on technical assumptions for the refurbishment, estimates of the costs and their effectiveness, monthly rate of repayment of the loan, required own sources and the amount of the loan are fundamental.

3. Until 2013, a VAT refund paid by natural persons related to construction materials for the construction of a house also affected the national budget. The system was introduced to compensate the increased VAT rates for construction materials (from 7% to 22%) after Poland joined the EU (see e.g. Glocker and Plouin, 2016 for details).

Emergency housing programme	<ul style="list-style-type: none"> Financial support for the emergency housing programme was introduced in 2007. It provides 30-50% of co-financing to local authorities for the purchase, construction or refurbishment of very low-income rental housing. In the case of construction or refurbishment of premises that will serve as night shelters or homes for the homeless, local authorities as well as NGOs are eligible for support.
Programmes not open for applications in 2015	
Family's Own Home programme (<i>Rodzina na Swoim</i>)	<ul style="list-style-type: none"> The Family's Own Home programme, the predecessor of Housing for the Young, accepted applications between 2007 and 2012. This programme offered a temporary mortgage interest subsidy (lasting for eight years) for the purchase of a home. Targeted beneficiaries were married couples and single parents. Eligibility criteria were adjusted between 2007 and 2012, but included maximum useable floor space and maximum price per square meter, adjusted regionally.
Support for loan repayment and guarantee bonus	<ul style="list-style-type: none"> Introduced in 1990 with the objective to mitigate the negative impacts of the transition for people who repay housing loans taken up prior to 1992 and people saving via the so-called housing saving booklets. These subsidies were introduced following high inflation in 1990. The support to loan repayments are subsidies enabling the repayment of interest on mortgages taken up by co-operatives up to 1992. The guarantee bonus, on the other hand, ensures that individuals who have used housing saving booklets do not encounter losses resulting from inflation.
VAT programme	
VAT reductions	<ul style="list-style-type: none"> A reduced VAT rate (from 23% to 8%) for residential housing construction, renovation and maintenance. Until the end of 2010, there were no floor space limits; after 2010 the reduced tax rate concerns services related to the construction or renovation of single-family residential buildings with the usable floor space of up to 300 m² and residential apartments with the usable floor space of up to 150 m². Since 2014, VAT compensation is limited to persons who are constructing their first home and who fulfil the criteria of the Housing for the Young programme.

Source: Based on Ministry of Infrastructure and Development (2010) and Glocker and Plouin (2016)

Most spending for programmes has long-term implications for the housing budget, resulting in limited flexibility within the housing budget for innovating housing policy. In 2015, nearly half (49%) of all national government expenditure on housing by the Ministry is projected to be spent on programmes that are no longer active (e.g. Family's Own Home and pre-transition liabilities). In 2014, this share was even larger (60%) (Table A.1). These obligations take priority within the budget and leave little fiscal space for housing policy innovations that might offer more flexible or forward-looking instruments. Furthermore, more than 90% of direct national government expenditures on housing are allocated to programmes or liabilities that will continue to have considerable budgetary implications over the long term; just 6% of spending is allocated to one-time assistance (e.g. support for maintenance and renovation programmes; transfers to municipal governments to increase the emergency housing supply). Further, some of the largest housing expenditures currently in the budget project most spending obligations to occur in later years of the programme (e.g. 70% of the spending for the Family's Own Home programme will be spent in the final years of the programme, 2016 to 2018). While such a strategy may relieve pressure on the current budget, it will impose more significant budgetary stress in later years.

Housing programmes are often discontinued as a result of general fiscal tightening, rather than as a result of a clearly articulated policy failure (Herbst, 2012). Housing policy instruments in Poland tend to change frequently, as do the eligibility criteria (e.g. Family's Own Home). In the case of the Housing for the Young programme changes were already considered in its second year, for instance, the progressively increase support for households based on the number of children. Such changes to policy criteria could lead to a lack of clarity for those in need of housing assistance. Additionally, they complicate an in-depth

evaluation of different housing policies. Exceptions are the former social rental housing programme (TBS, *Towarzystwa budownictwa społecznego*), which maintained relatively consistent rules and eligibility criteria throughout its course (1996-2008) (Brzeski et al., 2009) and the modernisation and renovation support programme.

Assessing the effectiveness of public spending on housing: Key questions

A comprehensive, conclusive evaluation of housing policy instruments in Poland is difficult for several reasons. First, as mentioned above, policy instruments have been unstable, changing from year to year. Moreover, even throughout the course of a given programme (such as Family's Own Home, *Rodzina na Swoim*), multiple changes to the rules and eligibility requirements were made that altered the targeted beneficiaries. Not only do these changes in eligibility criteria make it difficult to evaluate the ultimate outcomes of a given policy, they may also indicate an underlying difficulty in formulating and adhering to explicit objectives and/or a clearly defined target group to benefit from the instrument. Second, systematic monitoring and evaluation schemes do not appear to be in place for most programmes, making it impossible to establish correlation or even causation with respect to current or past housing policies. An exception is the TBS programme, which was evaluated by *inter alia* the European Investment Bank (EIB) (2011) and Brzeski et al. (2009) and the modernisation programme. Third, most indicators that have been collected have been focused on *outputs*, rather than *outcomes* (a distinction that will be discussed in greater detail below); outputs are not an optimal measure of policy success.

In the absence of comprehensive data on programme objectives and outcomes, this section proposes a series of key questions that can guide policy makers in (i) planning housing policy instruments and (ii) monitoring both the *efficiency* and *effectiveness* of housing policy instruments, and by extension, national government spending on housing. These two dimensions of performance are related but distinct: *effectiveness* is concerned with performance in respect of the objectives set, without regard to cost. Effectiveness reforms may be cost-increasing, cost-neutral or cost-decreasing. *Efficiency* refers to the relationship between cost and outcome: efficiency reforms aim at better outcomes for any given level of expenditure. Each question begins with a short description of the rationale, followed by an assessment of the situation in Poland, and concludes with potential, practically-minded directions for policy assessment in Poland. Details to each key question can be found in Glocker and Plouin (2016), including elaborated background information on the situation in Poland. The key questions are as follows:

1. What are the policy objectives of existing housing instruments, and to what extent do these instruments achieve policy objectives?

Rationale: Each housing policy initiative should have a clear objective or set of objectives. Clear policy objectives are a prerequisite for developing outcome indicators.

Assessment of the situation in Poland: Poland has made some progress toward two of its central housing objectives. Thus, the housing deficit decreased by from 1.25 million dwellings in 1988 to 1.04 million dwellings. This reduction is mainly driven by development in urban areas where the housing deficit declined by nearly 17% between 1988 and 2011. In contrast, the deficit in rural areas has remained relatively stable. Moreover, the housing quality has improved since the 1990, with the share of "substandard" dwellings decreasing from 33% in 1988 to 11% in 2011 (Ministry of Transport Construction and Maritime Economy, 2013). However, it is not clear how much specific policies and programmes have contributed to these developments. Moreover, two other policy objectives, while present to some extent in existing policy documents, merit more explicit and consistent attention by housing policy makers: (i) increasing housing affordability and (ii) increasing the diversity of the housing stock to offer more choice (e.g. rental housing) to households. In a recent analysis of affordable housing policies by income groups, the Ministry of Infrastructure and Development found that about 43% of the population aged 25-35 years

still lived with their parents in 2012 due to a lack of affordable housing alternatives (Ministry of Infrastructure and Development, 2014).

Possible directions for Poland: Policy makers should define clear, strategic objectives for housing policies overall, as well as for each specific policy instrument. Policy objectives should be based on a clear understanding of the market failure or policy problem that needs to be addressed. Poland could consider the type of assessment undertaken in Ireland as part of a process to review the efficiency and effectiveness of the country's housing programmes and to determine which instruments should continue to receive state support (see e.g. Central Expenditure Evaluation Unit (CEEU) (Ireland) (2010) and OECD (2014) for an overview of housing policies across OECD countries).

2. Who are the target beneficiaries of housing interventions, and to what extent do housing instruments reach the target beneficiaries?

Rationale: A clear understanding of the desired beneficiaries to be targeted by different housing instruments is a critical step in the policy making process. Different programmes may be more appropriate for different groups (e.g. expanding rental programmes for low-income households, young people entering the workforce) and in different parts of the countries (rental programmes may be in greater need in urban areas with more employment opportunities, for instance).

Assessment of the situation in Poland: Based on eligibility criteria, housing instruments in Poland primarily target either the lowest-income households or medium to high-income groups. Thus, local governments are primarily responsible for providing social housing for the lower income groups whereas housing instruments administered by the national government tend to target households at the upper end of the wage distribution. There is thus a considerable gap in the reach of housing instruments for households that fall in between (see Figure A.1. in the Appendix). Findings from an analysis of the Ministry of Infrastructure and Development (2014) suggest that less than 20% of the population aged 25-34 years is eligible for housing allowances and/or renting a municipally-owned social housing unit; less than 10% is eligible for emergency housing, also managed by local government. On the other end of the income spectrum, only 25-34 year olds with medium and higher salaries are eligible to benefit from the Housing for the Young programme. In short, despite being a targeted group, housing policies are leaving roughly 50% of the population aged 25-34 years old without access to any instrument of public housing policy. For those aged over 34, no national subsidies are in place; they have recourse only to the commercial market for purchasing a home. Thus, given the small share of eligible beneficiaries, instruments may not always be reaching their intended targets, for different reasons.

Possible directions for Poland: To address the housing affordability gap, and especially in a time of fiscal constraints, governments – both at the national and local level – might concentrate a larger share of housing assistance to households in greatest need. It is also important to keep in mind that regular efforts are needed to ensure that the target beneficiaries are continuing to be served by a given policy over time. For example, in their review of the TBS programme, Brzeski et al. (2009) point out that better targeting of the beneficiaries requires not only that income levels should be strictly controlled at the time of housing allocation (with the existence and application of rules that clearly prioritise low-income households); it is also essential to define and enforce rules to successively adjust the rent paid by tenants whose income has grown past the ceiling over time, thereby allowing municipalities to allocate scarce resources to needier households.

3. Have a range of policy options been considered, including those that do not imply financial obligations as well as the “do nothing” alternative?

Rationale: In light of the limited fiscal space for developing strategic housing programmes, it is important that policy makers evaluate a full range of policy options – including those that do not imply financial obligations, as well as the “do nothing” alternative.

Assessment of the situation in Poland: First, there is ample evidence to suggest that regulatory policies could be reviewed to have a considerable impact on the supply of rental housing in Poland. Burdensome tenant regulations are an important obstacle to a larger rental market in Poland (Andrews and Sánchez, 2011; Radzimski, 2014). Second, policy makers should also take care to evaluate each policy proposal against a “do nothing” alternative as an important means of determining which interventions are susceptible to generating the largest impact. For instance, in the case of Family’s Own Home, it is unclear whether the households who ultimately benefitted from the programme would have invested in a new home even *without* state assistance.

Possible directions for Poland: More could be done to generate additional resources for municipal governments to upgrade their housing. This could be done through regulatory reforms, for instance, particularly via updating or, in some cases, simply enforcing existing regulations with respect to the municipally-owned social housing stock. Regular income verifications should be implemented to ensure that the neediest households are benefiting from the limited municipal housing supply. The authorities in the United Kingdom have developed a “Green Book” to assist policy makers in determining which policy instruments should be selected among a range of options (Office of the Treasury (UK) (2011)); this type of appraisal model could be considered by policy makers in Poland in the context of social housing.

4. To what extent are monitoring and evaluation systems in place to enable an effective assessment of policy interventions? What measurable impacts (outcomes, outputs) can be attributed to specific housing instruments?

Rationale: Indicators play a central role in the monitoring and evaluation process by generating regular and objective feedback about progress towards policy objectives. They can be used as a tool to examine the effects of policies and they provide crucial information for policy makers to judge the effectiveness of policies and to make adjustments where required (for more on this, see Barca and McCann, 2011; OECD, 2014b; Schumann, 2016). There are three types of indicators: input, output and outcome:

- *Input indicators* measure the policy effort (the level of resources allocated to a policy programme: e.g. money, time, staff resources).
- *Output indicators* can be used to monitor policy efficiency as it relates the outputs to their inputs (what policies produce as a result of the inputs: e.g. number of houses built).
- *Outcome indicators* measure policy effectiveness by linking the output to the intended objectives (what results are achieved due to the policy: e.g. the share of households paying more than 30% of their income on housing-related expenditures).

Assessment of the situation in Poland: The absence of indicators to monitor policy progress is the principal challenge in evaluating the effectiveness of housing policies and by extension, public spending on housing, in Poland. Most data that have been collected tend to focus on input and output measures, rather than outcome measures, which is problematic. In terms of the estimated spending per output, the thermal modernisation programme appears to be an efficient instrument at just under PLN 2 000 ([500 EUR] in

2010 prices) per dwelling modernised (Glocker and Plouin, 2016). However, an assessment based on the average expenditure per dwelling may or may not be a satisfactory result, depending on the objective of the respective policy targets.

Possible directions for Poland: To establish a simple measurement system to monitor the progress and effectiveness of each policy intervention, policy makers should build on existing indicators and available data. A consistent definition of indicators over time should be pursued; to reduce the need to change the definition of indicators, policy makers can consider two aspects when devising them: i) indicators should be based on data that is available in regular time intervals and ii) they should refer to an outcome that remains relevant for the foreseeable future. The initiative “Scotland Performs” could be an interesting example for Poland to consider (Scottish Government, 2014).

5. To what extent are housing policies coherent with other policy objectives, and vice-versa?

Rationale: Policy makers should take care to consider their entire range of housing policies to ensure coherence among different policy interventions. It is also important to consider the potential effects *beyond* the housing sector to identify whether there are contradictory policies from other sectors and/or other levels of government.

Assessment of the situation in Poland: A comprehensive review of the whole range of housing policy instruments and its potential implications on other policy domains does not appear to have been systematically conducted in Poland to-date. While the following examples are not exhaustive, they are illustrative of the potentially unintended effects of housing policies: limiting labour mobility; exacerbating urban sprawl; and contributing to regional inequalities. For example, housing policies that promote home ownership and increase construction can ultimately result in sprawling urban areas, as land tends to be more available and cheaper in the suburban area. This pattern is enforced when the eligibility of housing programmes are subject to a maximum price per square meter. When set too low, construction of housing that meets the criteria is only affordable where land is cheap. Indeed, there is anecdotal evidence that the Family’s Own Home programme, due to the maximum ceiling on the construction cost of new homes, housing has been disproportionately concentrated in peripheral areas where land is cheaper, thereby exacerbating urban sprawl (Glocker and Plouin, 2016).

Possible directions for Poland: An assessment of the entire range of housing policy instruments, based on different types of housing assistance (e.g. for rental housing, for home ownership assistance, or via land-use regulations) and their potential to achieve policy goals, is provided as an example for policy makers in Poland. Ireland’s “Balanced Scorecard” for policy evaluation, which brings together key evaluation questions relating to programme design and implementation, with special attention to cross-cutting elements, could be another possible model for Poland (Department of Public Expenditure and Reform (Ireland), 2012).

Summary

This paper provides an overview of direct national public expenditure on housing in Poland in 2014-15. Most of national housing programmes operated by the former Ministry of Infrastructure and Development have aimed to address the shortage of housing, which is one of the most critical housing policy challenges in Poland, particularly in urban areas. While Poland has made considerable progress in reducing the housing deficit and improving housing quality, housing affordability and limited diversity of the housing stock remain important policy challenges. Thus, the share of households living in overcrowded dwellings and in housing of poor quality remains large compared to other European countries, indicating a lack of affordable housing alternatives.

As of 2015, it is not clear to what degree specific policies and programmes have contributed to achieving targeted housing policy objectives. Precise, strategic objectives for housing policies overall, as well as for each specific policy instrument are lacking. More fundamentally, indicators that could serve as tools for providing an understanding of the market failure or policy problem that needs to be addressed are missing. Not only is the development of strategic housing objective hampered by the lack of indicators, but also the monitoring and evaluation process of housing policies. Housing policies are highly interconnected with other policy sectors, such as transport, spatial and economic development. However, a comprehensive review of the whole range of housing policy instruments and its potential implications on other policy domains does not appear to have been systematically conducted in Poland to-date. It is important to also consider the potential effects *beyond* the housing sector to identify whether there are contradictory policies from other sectors and/or other levels of government.

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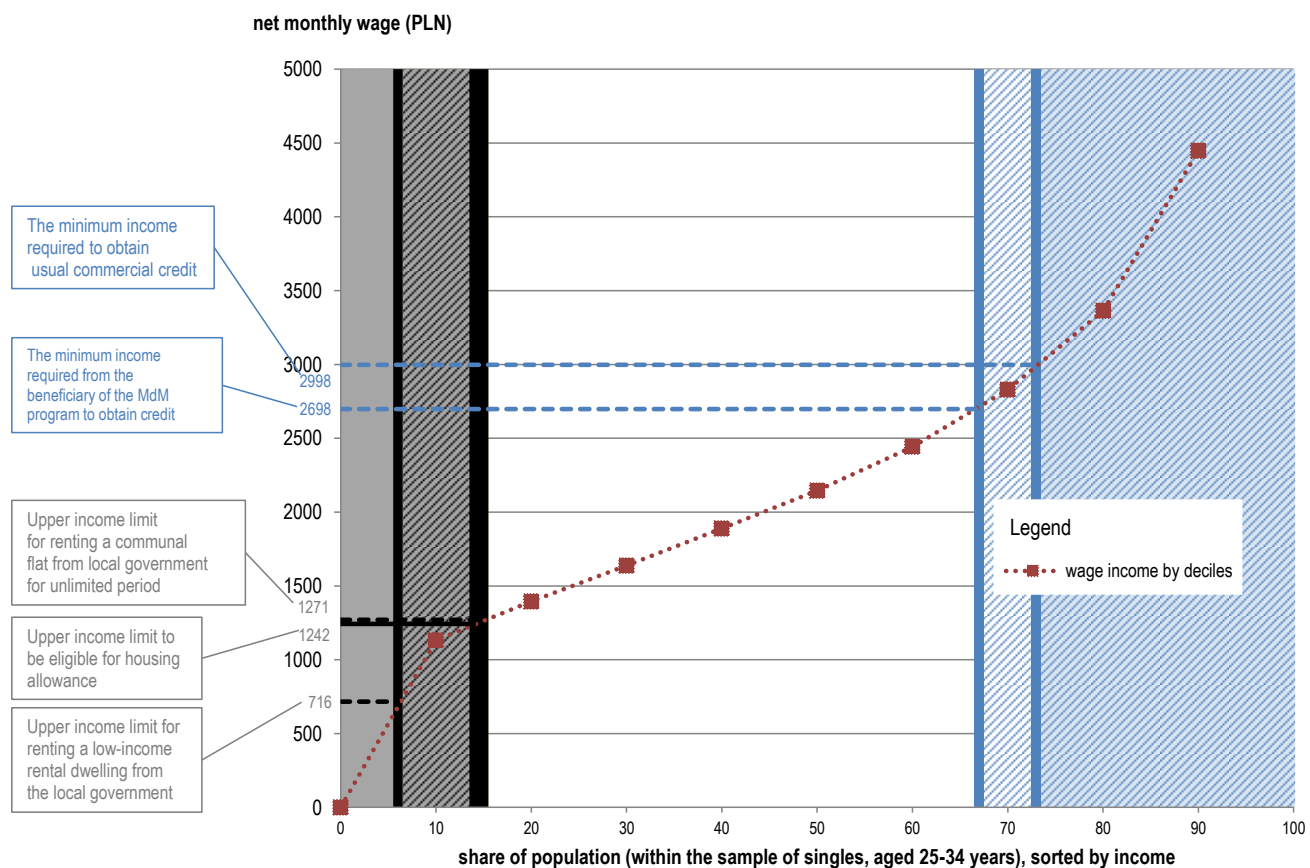
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Appendix

Figure A.1. Eligibility levels for respective housing instruments, by wage-income decile

Single persons aged 25-34 years old



Note: Assumption for the analysis: flat size: 50m²; commercial credit: 25 years, interest: WIBOR+2p.p. (-4.7%), population under consideration: Singles, aged 25-34 years. The grey and blue shaded areas reflect the share of 25-34 year olds that benefit from the respective housing policies.

Source: Based on information from Ministry of Infrastructure and Development (2014), "Analysis of the availability of credit for households aged 25-34" [*Analiza dostępności kredytów mieszkaniowych dla gospodarstw domowych w wieku 25-34 lat*].

Table A.1. National government expenditures on housing and housing-related infrastructure, 2008-2015

PLN million, current prices

Instrument	Is the programme active, i.e. is it still possible to apply for it?	2008	2009	2010	2011	2012	2013	2014	2015	Share of total national govt. spending on housing 2015
Support for home ownership										
Housing for the Young (<i>Mieszkanie dla Młodych</i>)	Yes: applications accepted 2014-2018							208	715	45%
Family's Own Home (<i>Rodzina na Swoim</i>)	No: applications accepted 2007-2012, but considerable budget implications through 2021		60	255	439	689	800	595	360	23%
Support for rental housing										
Public building societies (TBS): rental housing for low/moderate (below median) income	No: in operation since 1995; programme was financed by National budget through 2009 ^{Błąd! Nie można odnaleźć źródła odwołania.}	220	150							
Social rental housing for very low income households ("Emergency Housing")	Yes: since 2007	25	45	40	80	120	90	80	80	5%
Support for maintaining and improving the existing housing stock										
Support for modernisation and renovation	Yes: since 1999	270	109	0	260	120	133	330	20	1%
Preferential loans for flood victims		2	1	1	1	2	1	1	n.a.	0%
Pre-transition liabilities										
Guarantee premiums	No: since 1990 ²	347	403	429	445	435	398	303	350	22%
Support for repayment of pre-transition housing co-operative mortgages	No: since 1990 ²	152	148	138	143	119	75	52	60	4%
Total national government spending on housing		1,016	916	863	1,368	1,485	1,497	1,569	1,585	100%

1. The TBS social housing programme was discontinued in 2009. A replacement programme was in advanced stages in mid-2015.
2. The pre-transition liabilities are programmes that still have budget implications resulting from pre-transition programmes which aimed to mitigate the negative impacts of the transition for people who repay housing loans taken up prior to 1992 and people saving via the so-called housing saving booklets.

Source: Glocker and Plouin (2016: p10); elaborations based on Ministry of Finance (2015), Background Report prepared by the Ministry of Finance on the basis of the data of National Statistical Office and the Ministry of Finance; document is not publicly available