

Russia: Housing Market and Subsidies

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Housing tenure

"Social" rental (with right to privatize)	26%
Owner-occupied (legacy of housing giveaways/privatization)	70%
Rental from private company	<0.5%
Market rental from individual	2%
Other	<0.5%

HBS 2006

HH Tenure by Income Quintile:

(For HHs in each type of tenure, share by income quintile)

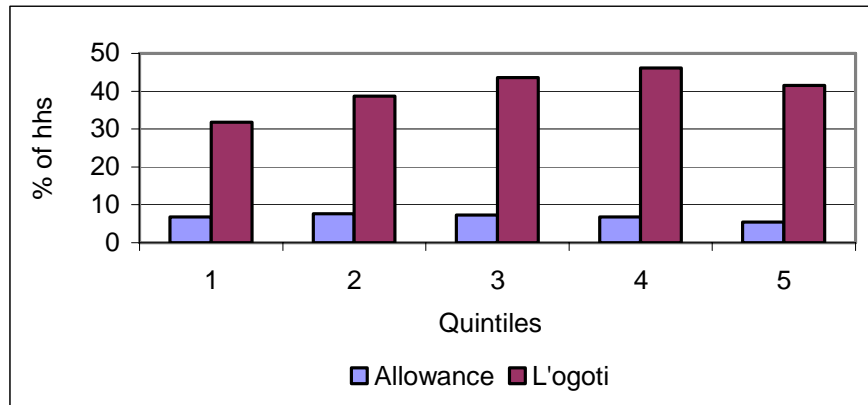
	Tenure by income quintile				
	1 (low)	2	3	4	5 (high)
Social rental	21%	20%	19%	19%	21%
Owner-occupied	16%	18%	20%	20%	25%
Rental from Private Companies	21%	19%	23%	13%	24%
Market rental	10%	12%	15%	16%	47%
Other	20%	27%	18%	16%	20%

Calculated from HBS 2006

Housing-related Subsidies in Russia

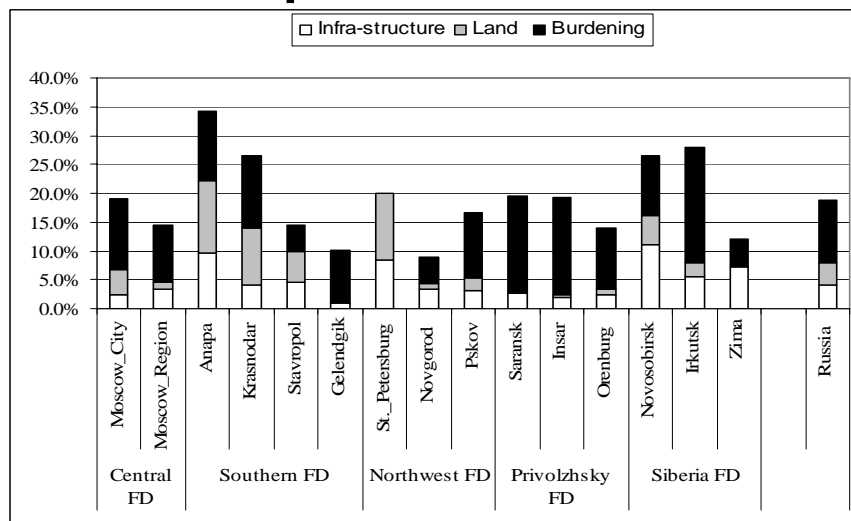
- Rental/ownership costs
 - Housing allowances (about 10% of HHs)
 - Privileges (I'goti—not targeted) (over 35% of all HHs)
- Federal Up front subsidies for acquisition
 - Housing certificates for federal priority groups
 - Downpayment matching grants for “young” families
- Implicit subsidies
 - Developer “give backs” in units to municipalities for households on municipal waiting lists
 - Discounted interest rates for mortgages
 - Discounted interest rate for loans to municipalities for infrastructure development

Housing Allowances vs. privileges by income quintile



Source: *Exploring Housing Subsidies to Households in Russia, JID, 2007*

“Give backs” explain most of the price of land



ECSSD. 2007. *Increasing the supply of affordable housing in the Russian Federation*

Gaps in the Russian housing market (for new entrants)

	Income Quintile				
	1 st	2 nd	3 rd	4 th	5 th
Social rental	No social rental policy or stock managed for social purposes				
Market rental					
Market Purchase					
Purchase with subsidy	Limited availability to HHs in select categories				

Only 30% of HHs in need of housing can afford a market (rental or purchase) solution!

Thoughts on Moving forward?