# BUILD
# EXCHANGE
# SAVE

reducing the value of compensations
paid by Poznań City to owners of private tenement houses
through municipal flat construction and exchange programme

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# *Background of The Project*

The obligation to provide social flat by the municipality is usually adjudicated by courts in relation to persons with eviction order concerning the flat previously occupied.

Under the circumstances of lack of social flats for persons entitled to receive such flat, these persons stay in their former flat.

The municipality may be summoned to pay compensation to owners of flats occupied by persons entitled to social flats until they leave the flat and move to the social flat.

In 2009 decision was made to transform a part of municipal flats of low technical standard to social flats. To achieve this goal, it was necessary to offer other flats to the inhabitants.

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# Objectives of The Programme

- to increase resources of social flats,
- to reduce the value of compensations paid to creditors of eviction orders,
- to improve collection of receivables due to rental fees and other charges related to rental of municipal flats,
- to relieve Poznań City budget due to tenants' debts through repayment of receivables in return for flat exchange,
- to adjust the size and standard of flats and level of fees to housing needs and payment capacity of the tenants,
- to implement a programme of new construction improving the standard of municipal flats at relatively low financial expenditure, as compared to the cost of renovation of old resources,
- to use new technology in construction in order to obtain savings in maintenance of the buildings and to improve the environmental quality,
- to offer tenants regularly paying rent for municipal flats occupied, the exchange of their flats to premises of higher standard and better technical condition,
- to create a possibility to settle at a location more convenient for tenants,
- to offer the disabled a possibility to settle in flats without architectural barriers, adjusted to the needs of such persons,
- to offer a possibility to relief debt to indebted tenants due to flat exchange.

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- 2009 implementation of Municipal Construction Programme,
- Acquisition of approx. 100 flats annually, on average,
- Use of attractive city locations for new municipal buildings,
- Increasing the municipal resources of Poznań City,
- Average cost of building 1 $m^2$ of flat does not exceed PLN 2 000 net (EUR 477 net),

- Investment projects implemented as a result of Municipal Construction Programme:

| Location | Construction year | Construction cost [PLN] | Construction cost [EUR] | Number of flats |
|---|---|---|---|---|
| **10 B Nadolnik St.** | 2010 | 4.436.939,97 | 1.058.682,89 | 36 |
| **8 Fabryczna St.** | 2011 | 2.609.610,42 | 622.670,11 | 20 |
| **123 a, b, c Głuszyna St.** | 2012 | 11.997.508,78 | 2.862.684,03 | 96 |
| **8 Bolka St.** | 2012 | 3.029.562,37 | 722.873,39 | 32 |
| **3, 5, 7 Łaskarza St.** | 2012/2013 | 10.822.971,97 | 2.582.431,87 | 93 |
| **44, 44a, 44b Podolańska St.** | 2013 | 10.808.903,43 | 2.579.075,03 | 105 |

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# BUILD

The programme of management of Poznań City housing resources for years 2009 – 2013 specifies conditions to satisfy housing needs of households through providing social flats, residential premises and replacement premises. For this purpose, Poznań City will use its housing resources which should make **at least 3% of Poznań City resources.**

Acquisition of flat is assumed:

- by acquisition or construction of flats at a quantity considering decreased housing resources of Poznań City, as a result of sales under public procurement, dismantling, exclusion of flats from housing resources of Poznań City due to poor technical condition;
- acquisition or construction of flats at a quantity of **minimum 100 annually** above the value arising from item a).

*Resolution of the City Council of Poznań of 3 March 2009 no. L/670/V/2009 concerning management of housing resources of the City of Poznań for the years 2009-2013*, amended by the Resolution *of the City Council of Poznań of 7 July 2009 no. LVIII/777/V/2009.*

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## 10 B Nadolnik St.

In the years 2009-2010 the municipal residential building with 36 new flats was constructed in the municipal housing estate at Nadolnik Street in Poznań.

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## 8 Fabryczna St.

In 2011 the new municipal residential building was constructed
and 20 new municipal flats were acquired in Poznań at 8 Fabryczna St.

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## 123, 123a, 123b, 123c Głuszyna St.

In 2012 the municipal housing estate of 4 residential buildings was constructed, acquiring 96 new municipal flats in Poznań at Głuszyna Street.

## 8 Bolka St.

In October 2012, construction of the municipal residential building was completed, located in Poznań at Bolka Street, with 32 flats.

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## 3, 5, 7 Andrzeja Łaskarza St.

In July 2013, construction of the housing estate of 3 municipal residential buildings was finished in Poznań at Łaskarza Street.
As a result, Poznań City acquired 93 new flats.

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## 44, 44a, 44b Podolańska St.

Currently ZKZL is constructing a group of 3 municipal residential buildings in Poznań at Podolańska Street.
Consequently, Poznań City will acquire 105 new flats.

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# EXCHANGE

- 2009 implementation of Flat Exchange Programme,
- Possibility for tenants to exchange flats to other flats meeting expectations of tenants and adjusted to their financial capacity,
- Settlement of new buildings constructed as a result of Municipal Construction Programme,
- Increasing the number of social flats

| Year | Adress | Number of flats | Number of flats acquired by means of exchange | Number of flats transformed to social flats as a result of exchange | Social flats recovered from flats acquired by means of exchange % |
|---|---|---|---|---|---|
| 2010 | 10B Nadolnik St. | 36 | 27 | 18 | 67 % |
| 2011 | 8 Fabryczna St. | 20 | 17 | 13 | 76 % |
| 2012 | 123, 123A-C Głuszyna St. | 96 | 87 | 67 | 77 % |
| | 8 Bolka St. | 32 | 31 | 22 | 71 % |
| 2013 | 3, 5, 7 Łaskarza St. | 93 | 87 | 59 | 68 % |
| 2013 | 44, 44A-B Podolańska St. | 105 | 99 estimated | 70 estimated | 70 % estimated |

# EXCHANGE

Conditions for tenants applying for exchange of former flat to other flat in newly constructed building:

- Holding of the legal title to the flat subject to exchange,
- Lack of arrears in rent or other charges for the use of flat,
- Requirement to renovate the flat occupied or payment of equivalent costs of renovation estimated by the Tenant.

Rental fee for a flat in newly constructed buildings
is determined based on score card of the flat,
ranging from PLN **6.90 – 8.20** (EUR **1.65 – 1,95)** per $m^2$.

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# EXCHANGE

In accordance with *the Resolution of the City Council of Poznań of 13 October 2009 no. LXI/841/V/2009 concerning the rental of flats included in housing resources of Poznań City*

flats in newly constructed and renovated buildings
are rented at a first instance to tenants
**by means of exchange**
considering the disabled entered to the flat list.

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**FLATS ACQUIRED** allocated for social flats

**NEW FLATS** 123 a-c Głuszyna St.

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# EXCHANGE

Implementation of the flat exchange programme is included in **the general concept of rational management of housing resources** of Poznań City by the Board of Municipal Housing Resources.

On the one hand, the flat exchange programme guarantees optimum selection of verified tenants, regularly paying rent for using the flats occupied, on the other hand, provides the Board of Municipal Housing Resources with selection of flats of specific parameters and structure, required for implementation of other tasks and needs, among flats occupied by tenants interested in exchange to a new flat.

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# SAVE

Lack of sufficient number of social flats and significant increase of number of persons entitled to social flat results in the growth of compensations paid by Poznań City to private owners due to failure to provide the social flat.

Due to implementation of the programme ***BUILD–EXCHANGE–SAVE***

**growth of value of compensations paid is much lower than forecasted**.

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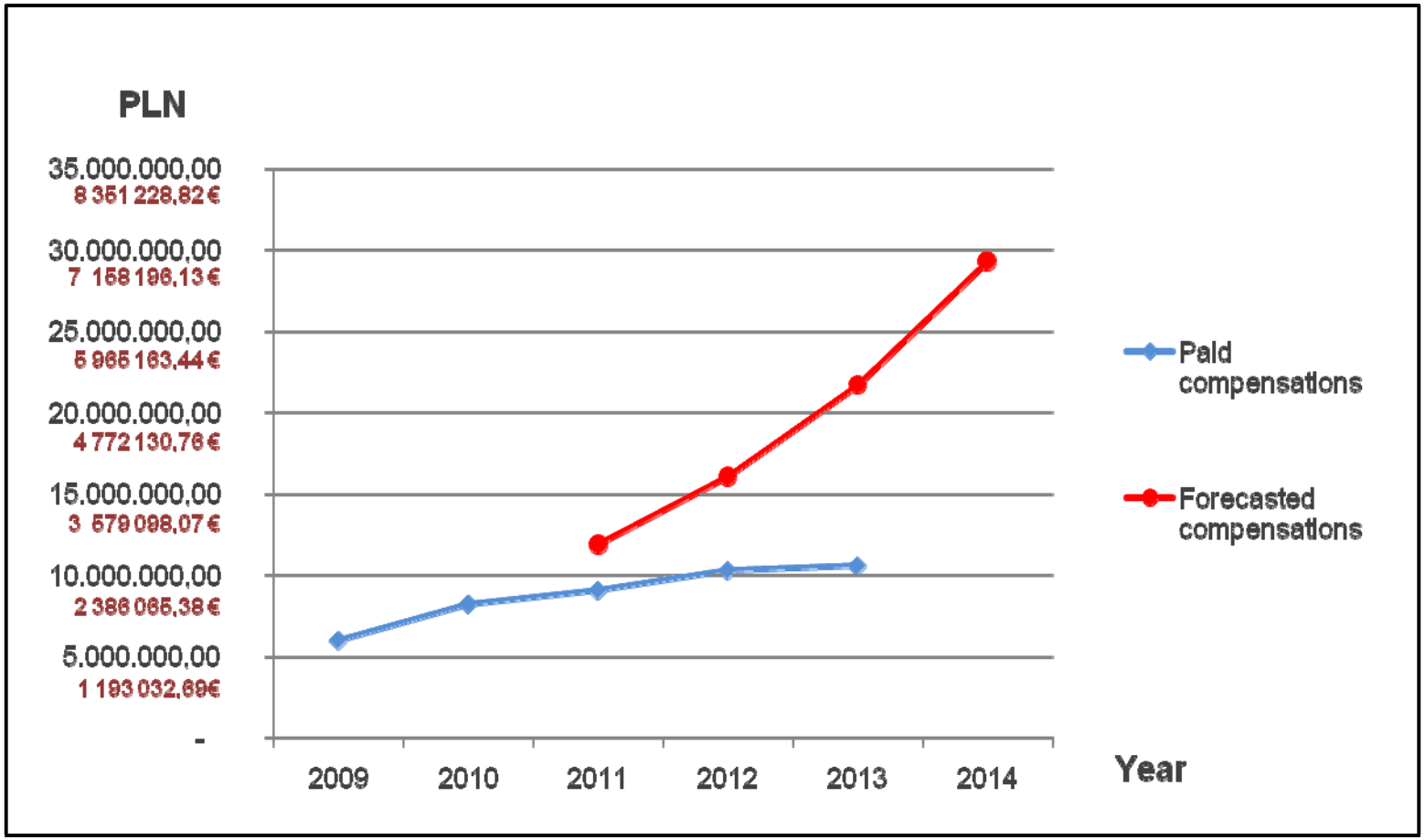
## Value of compensations for creditors of eviction orders due to failure to provide the social flat by Poznań City.



# *Effects of The Programme*

The result of the Municipal Construction Programme and activities of Flat Exchange Office is **the measurable effect** in the form of:

- Increasing the municipal resources of Poznań City,
- Improvement and acceleration of the process of providing the municipal and social flats to the tenants, in accordance with their needs,
- Increasing the number of social flats in the aforementioned resources, ding of the legal title to the flat subject to exchange,
- Reducing rent payment arrears,
- Preventing indebtedness of tenants ck of arrears in rent or other charges for the use of flat,
- Inhibiting the growth in value of compensations paid to creditors by Poznań City due to failure to provide the social flat to persons entitled equirement to renovate the flat occupied or payment of equivalent costs of renovation estimated by the Tenant,
- Preparation of flats without architectural barriers for the needs of the disabled,
- **Poznań City gains bigger and more attractive municipal resources and, accordingly - satisfied tenants.**

**At the same time, the programme implemented enables to inhibit the growth of compensations paid by the City to creditors of eviction orders.**

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# *Plans for the future*

- Construction of 1 000 flats in 5-year perspective,
- Forecasted cost of construction - approx. 120 000 000 PLN (28 632 785 €),
- Attractive city locations for future tenants,
- Improvement of inhabitants` standard of living.