

## Country pilot cases – Ukraine

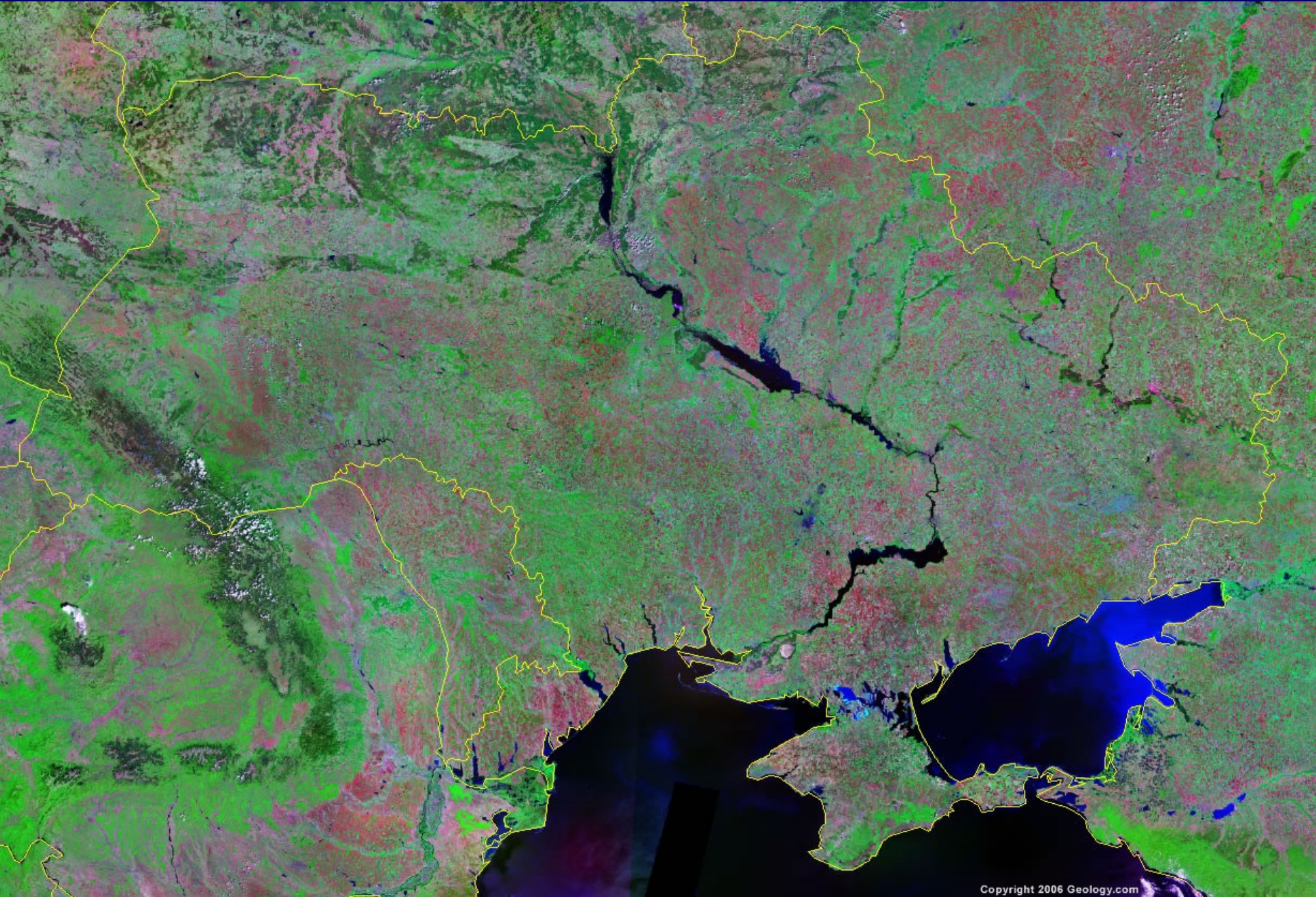
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# Economic background

- 45.8m inhabitants, decreasing, but in lower pace than predicted, share of young population strata stable
- Decline of GDP in 2009 was moderate in Hryvnia (-4%), but massive in € (-32%)
- 2010 with stabilised GDP and currency
- GDP p.c. (PPS) on a level of 2003!  
In 2007 a level of 31% of EU average has been achieved, this has decreased to 22% in 2010

# Real estate / housing / construction

- Prices in all real estate sectors have collapsed
- Retail financing almost vanished
- Beginning recovery of prices on a low level, but with high yields
- Private housing construction 2009 on a all time low (-60% to 2008), but strong revival in 2010
- Total housing completions have recovered in 2010 with +17% (66,000 units = 1.7 per 1,000 inhabitants)
- Massive housing demand in metropolitan regions
- Affordability problem

# Housing policy reform

- New approach after Ukrainian presidential election in 2/2010
- Round Table: Towards Sustainable Real Estate Markets in Ukraine, 18th June 2010 in Kiev with REM/UNECE and FIABCI
- Establishment of a inter-ministerial working group
- Reform of urban planning legislation  
adoption of the Law on Regulation of Urban Planning in 1/2011, with system changes for more than 100 articles in 23 laws, with active representation of the building sector, investors and experts



# Main legal changes

- Abolishment of over-regulation
- Levels of urban planning were reduced from 5 to 3 (general plan, detailed plan, zoning plan)
- Simplification of required planning documentation
- One-stop-shop for technical requirements
- The required steps to get a building permit have been reduced from 93 to 23, administrative procedures will be reduced from 14 months to 2 months
- Responsibility for implementation of urban planning norms is changed from the controller to the executor
- Simplified permits for single family homes

# Expected effects of the urban planning revolution

- Reduction of construction costs
- Elimination of corruption risks
- Improvement of market transparency
- The new Law is expected to be a major driver for recovery of the Ukrainian real estate sector



# REM/UNECE involvement

- Round Table on 18 June 2010 with high level REM/UNECE representation (Campagnoli, Yampolskyi, Amann)
- Consultancy to the Vice Prime Minister Sergey Tigipko by REM-expert David Egiashvili
- Implementation of major parts of the UNECE *Policy Framework for Sustainable Real Estate Markets*

United Nations  
Economic Commission For Europe  
(UNECE)

Working Party on Land Administration  
(WPLA)

Real Estate Market Advisory Group  
(REM)

## POLICY FRAMEWORK FOR SUSTAINABLE REAL ESTATE MARKETS

Principles and guidance for the development  
of a country's real estate sector



UNITED NATIONS