

## Title: Affordable housing in Poland – the study of a non-existent sector

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### ABSTRACT

In Poland, the concept of ‘affordable housing’, as other countries might understand it, does not exist. While Polish housing policy encompasses municipal housing, social housing and cooperative housing, it heavily favours the private ownership model. According to data published by the Central Statistical Office of Poland (GUS) in 2015, of the total completed dwellings, 53 per cent were private and 42 per cent were built for sale, while cooperative, social and municipal projects accounted for only 3.5 per cent. However, if one defines affordable housing as a significant number of dwellings developed as a direct result of housing policy, and designed for people who cannot afford to purchase on the open market, there are indeed some recent trends that would appear to satisfy the definition. Effective housing policy does not limit itself to financial matters but addresses multiple land issues, especially on a local level: unlocking land in appropriate locations; controlling – via local plans – the housing parameters, including density, intensity and type; and managing existing housing resources.

Recently, despite the home ownership-dominated market in Poland, new trends in affordable housing have appeared. Indeed, there are more tailored and creative solutions to be seen here than can be found within the property development sector. For example, the fledging market of co-housing neighbourhoods illustrates the idea of ‘no-cost housing’, with its non-profit motive and the labour input of prospective tenants.

In this paper, as a background to the evolving housing policy in Poland, three housing initiatives will present different approaches to informal housing delivery outside the mainstream of flat provision – especially in regard to cooperation and legal frameworks – representing grassroots initiatives, top-down and bottom-up models.

**KEYWORDS** (up to 5): affordable housing, Polish housing policy, co-housing, housing cooperatives

### AUTHOR BIOGRAPHIES: (short, not more than 5 lines)

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Jakub studied architecture in Strasbourg, Cracow and Paris and completed his doctoral dissertation on qualitative policies in cooperative housing 2015. His professional experience includes time in France and Poland working on large-scale mixed-use, office and skyscraper projects. Today and he leads his own practice. He has a particular interest in affordable and social housing, and ongoing projects continue to explore the evolution of sustainable development, and housing affordability.

#### **Agata Twardoch, PhD Eng. of Architecture, urban planner, TUP.**

Agata is an architect and urban planner, and assistant professor at the Faculty of Architecture, at the Silesian University of Technology. Her research is devoted to affordable housing and alternative forms of housing. Recently, with a colleague, she published a study on Silesian contemporary housing estates. Besides her work for the university and her own architectural practice ([www.44STO.pl](http://www.44STO.pl)) Agata regularly gives open lectures on housing, takes part in student workshops, and writes for a variety of magazines on architecture and urban planning.

## Introduction

Despite the unleashing of construction potential after 1989, and the significant developments in state housing policy the number of completed apartments in Poland has remained unchanged. Although the legal framework of housing policy allows for a vast range of housing solutions, ownership-oriented private projects have continued to dominate the market. This reality is partly explained by the fact that Poles firmly committed to the idea of owning their own homes, which has often been leveraged by politicians during economic shifts, to assuage the public mood.

Cooperative housing in Poland, formerly a state enterprise, was excluded from the widespread reforms to mitigate a reduction of living standards and employment. Mainly because renting a dwelling in co-op housing was regarded by the tenants as homeownership. [Lux 2010:189] This led to the privatisation of cooperative housing stock to existing tenants for a fraction of its value.

Nowadays, there is no real alternative for those entering the housing market, leaving a choice between private construction of single-family detached housing, and the property developer market, both requiring long-term mortgage loans. (Fig. 1)

Although a housing shortage in the inter-war period resulted in the emergence of alternative housing cooperatives and assemblies, the examples of co-housing presented here are an exception in a commercially driven market. Therefore, in post-1989 conditions, any housing initiative undertaken within a socio-economic context, which departs from the mainstream, deserves legitimate interest.

## Nowe Żerniki co-housing

In Wrocław, the idea of co-housing was introduced for the first time as a top-down initiative designed to help foster social cohesion in new, liveable, vibrant and multifunctional district called Nowe Żerniki. The development harks back to the WuWA (Wohnung und Werkraum) estate which was historically an exhibition of housing demonstrating different modern dwellings, launched by the German Werkbund and Wrocław municipalities in 1929.

A partnership between local authorities and the Wrocław division of the National Chamber of Polish Architects, with input from more than 40 architects, has resulted in the development of a district masterplan following a long interdisciplinary workshop. The district is located on land belonging to the city. All infrastructure was provided by municipalities. The estate masterplan contains mixed forms of housing tenure, senior housing with living assistance, schools, kindergartens and nurseries, a market for local producers, a shopping precinct and a church. (Fig. 2) Three plots in a middle of the development are intended for co-housing neighbourhoods. (Fig. 3)

Communities grant perpetual 'usufruct' to properties held by local municipalities - the Polish version of a public long-term ground lease, usually for 99 years - and this was the case here. The plots were then allocated by tender. In deciding on the most favourable offer, not only price but also concept design and the quality of common spaces were taken into account. A prerequisite of the tender process was an agreement on joint implementation, signed by the assembly and financing plan.

Owing to the fact that the co-housing concept was not yet well recognized in Poland, the Mayor of Wrocław looked to examples of co-housing assemblies in Berlin. Based on German experience and frameworks for cooperation, two types of law contract were prepared. The first was based on a civil law partnership, as per German experience. The second was based on a commercial partnership agreement. The former was chosen by two of the three assemblies. Despite these contract proposals, co-housing assemblies were not obliged to sign them, but could, if they wished, formulate their own agreements. The idea was for the draft contracts to facilitate cooperation.

During the masterplan workshops for Nowe Żerniki, the first architectural proposals were made. Co-housing assemblies could cooperate with the designers or participate in the tender process, presenting their own designs. All three winning assemblies decided to work with the CREO project architecture studio, who had helped prepare the masterplan, and consequently, all three building designs fit together well. Participation in

the workshops was unpaid, so the only way to obtain remuneration for work done was by submitting a successful design.

All three plots intended for the co-housing developments have already been leased. Two assemblies will consist of four apartments each, while the third is a 10-family complex. Along with common facility rooms (baby carriage room, community room), additional commercial premises have also been designed, with the intention that these are run by assemblies' members (café and dentist office) or rented out to provide an income stream to cover the cost of shared maintenance. (Fig. 4 and 5)

The lack of established services and funding support from the banks is a significant constraint. New product is unlikely to appear until co-housing becomes more popular. However, architects have already succeeded in facilitating a more effective relationship with the banks, and in this instance, a representative of the city mayor was also involved.

Until now, no cost estimates have been available. However, without the cost of land acquisition, developer operational costs and developer profit margins, the final price would certainly be significantly lower. An average flat price in Wrocław in the fourth quarter of 2015 is 5500 PLN per sqm, while the median income is 4500 PLN per month

Although there are no further plots available for co-housing in Nowe Żerniki, the Mayor has been asked to help facilitate further development of housing assemblies. Among the possibilities being discussed is the transfer to assemblies of old townhouses for restoration.

## **Pomorze co-housing**

One of the main reasons for undertaking the 'Pomorze' co-housing project was the very high average price of flats in the Tricity region (Gdańsk, Sopot, Gdynia). Today, it's the most resilient of the assemblies running in Poland, although it is not supported by any municipality or housing organisation. Responsible for the project is Roman Paczkowski, an experienced manager, who became inspired by youth housing cooperative, which have been running in Poland since the 1950s. So far, the assembly has built three multi-family buildings of eight flats each. The fourth one, currently being built, is made for 12 households. Two others are being planned, due to success of the previous developments. The first building was built for Mr Paczkowski and his friends' children and relatives. All investor contracts for the assemblies are based on a civil law partnership.

'Pomorze' was established in 2011, and the first building was completed in 2012. It consists of four flats of 62 sqm and four of 82 sqm, located on a 1500 sqm plot and on the outskirts of Gdynia. The building process took only 10 months. (Fig. 6)

Housing design was simple and modest, based ready-made projects popular in Poland, which can be quickly adapted to the needs and expectation of investors. These projects are relatively cheap, and it is easy to predict the final costs of investment. Architecturally, the buildings do not feature sophisticated materials or detail, the designs being being a compromise between affordability and needs.

One the biggest obstacles in realising the project was the securing of a bank loan. At the time there were no procedures for co-housing and it took a long time for financial support to be found. The bank that finally agreed is now developing appropriate procedures. Nowadays, local cooperative banks are far more interested in supporting such initiatives.

Completion of the first building inspired Paczkowski's friends to launch further projects. The second and third buildings, which are located on nearby plots, are based on the first development. . They were completed in June 2014 and August 2015. The construction process was systematically honed, and the third building took just six months to complete.

For the the three projects, construction costs including parking lot, landscaping and media connection worked out at around 3000 PLN per sqm, which is approximately 78% of average of outlays incurred on construction of

new residential buildings completed (average 3'837 PLN/m<sup>3</sup> in Q3 2012). The cost of acquiring plots can greatly influence the final price, and can raise about the total by as much as one third. In this instance, the plot price was 500 PLN per sqm for the first building but 1000 PLN per sqm for the second one. Construction costs were calculated for a good standard building quality. According to the latest data released by the National Polish Bank, the average price of a flat in the Gdynia agglomeration in the first quarter of 2016 was 6209 PLN per sqm, while the average salary according to GUS reports was about 4350 PLN per month. Potential savings using the co-housing model can reach 30%; these including developer operational costs, developer profit margins and advertising costs.

The fourth building, for which construction began in March 2016, is designed to accommodate 12 households. It is also based on a readymade project; however, the typology is different. Estimated project's cost is about 3'500 PLN per sqm, which includes both direct and indirect costs. It is approximately 85% of average of outlays incurred on construction of new residential buildings completed (average 4'117 PLN per sqm in Q1 2016), and 65% (including land acquisition) of average price of a flat in primary market. (average 6'209 PLN per sqm in Q1 2016) Enrolments for this latest project took just 24 hours. However, those who missed out on this occasion are planning two further co-housing projects under the supervision of Mr Paczkowski.

## Other initiatives.

The interest in co-housing initiatives continues to grow in Poland. Other bottom-up initiatives are appearing all over the country, such as the Białystok co-housing (Białostocka Kooperatywa Mieszkaniowa), which is currently trying to persuade local authorities to incorporate co-housing into local housing policy. Habitat for Humanity, an internationally-based NGO, has also shown interest in that form of housing. HfH is involved in the Warsaw co-housing project Kooperatywa Ursynowska, designed for eight young families, three of which do not need a credit rating. In this scenario, the co-housing group intends to buy a plot, as its requisite contribution. HfH, according to its statutory objectives, which include helping people in need to achieve their own place to live, could serve as a substitute investor, helping in legal and technical issues and guaranteeing a bank loan.

The potential for small co-housing initiatives in Polish cities was revealed by one master's thesis study conducted at the Faculty of Architecture, Silesian University of Technology. Katowice downtown, with an area of 1'150'200 sqm, was examined to identify gaps in the urban fabric, and the potential for introducing new urban infills, with a variety of functions. Studies have shown that maintaining the urban fabric with its structure of blocks and unbuilt green areas, there is the possibility of developing an additional built-up area of 22'260 sqm, with a total floor area of 91'400 sqm. (Fig. 7) That would present an opportunity to provide 388 apartments (25'026 sqm) according to the proportions specified by the study of land use conditions and directions of development (SUiKZP). Furthermore, an additional 48'356 sqm of local amenities and 750 parking spaces (18 000sqm) could also be provided. Such small and challenging gaps in the urban fabric are not attractive to commercial real estate developers, hence the favourable potential for co-housing assemblies.

## Conclusion

Co-housing represents an interesting alternative for individual or commercial real estate development in Poland. There are several possible organizational and legal frameworks for co-housing activities. Along with cooperatives, civil law partnerships and commercial partnerships are also allowed. However, co-operatives have more difficulty in securing commercial credit and must have at least 10 members, which are the main obstacles. Cooperatives are based on shared ownership, with each owner's share being either defined (shared ownership), or not defined (joint ownership); this form of ownership being less popular in Poland. The most desirable form of property is a privately owned apartment that can be mortgaged or sold on the market. Every tenanted dwelling of the co-housing projects studied was expected to be privately owned. Resistance to shared ownership stems from the previous economic regime and misrepresentations about cooperative housing. Therefore, Polish co-housing is typically set up as civil or commercial partnerships, while houses built in this way are commonly considered as individual housing initiatives.

While the assemblies described above, being ownership-oriented, do not help to diversify the local housing market, the affordability of co-housing is nevertheless a very positive development. The advantages of co-housing have been experienced first-hand by local municipalities, in Wrocław Lublin and Katowice.

For members, co-housing offers greater access to affordable housing, and the opportunity for greater interaction with other tenants. However, for municipalities the greater attraction would seem to be the potential for developing urban infill of irregular-shaped plots, urban fabric densification and strengthening social inclusiveness. Co-housing can also provide interesting alternatives for non-residential building restorations, along the lines of Dutch or German examples such as *Urbankrankenhaus* in Berlin-Kreuzberg. Assemblies that are skilfully and appropriately incorporated into the urban fabric also have the potential to revitalize neglected neighbourhoods, e.g. Willisblok, Rotterdam.

Urban infill should for Polish cities be particularly appealing, not only because of its focus on compactness and sustainability, but also because of the depopulation trend that is affecting the whole country, but especially the cities. Urban sprawl and the situation described in the introduction to this paper has contributed to this trend, in favour of the suburban areas. The principal reason is that the price of a countryside house is still more affordable than home-ownership oriented housing.

Despite the fact that it is becoming more popular, without appropriate housing policy support, co-housing cannot be a viable alternative to commercial real estate development. Today, the main barriers to the development of co-housing are: land acquisition difficulties (small assemblies that rely solely on credits are not able to compete in tenders with large commercial developers), problems in securing loans (banks do not have dedicated products), little knowledge of or negative associations with the terms 'housing cooperative' and 'co-housing' which for Poles suggest something akin to a hippy commune. Therefore, emerging initiatives need strong institutional support, similar to that which the German *Baugruppe* received recently. Germany has developed specialized organizations involved in professional consulting, connecting potential members of assemblies, assisting in organizational and participatory processes, mediating with experts (cf. Institut für kreative Nachhaltigkeit - <http://id22.net/> or [cohousing-berlin.de](http://cohousing-berlin.de)), and providing best practices. Moreover, a certain number of investment plots must be reserved for co-housing.

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## Graphic Work, Images

Fig.1. Proportions between number of new flats erected in 2015 in Poland. Own elaboration based on data published by Central Statistical Office of Poland (GUS) (access: March 2016)

Fig.2. Nowe Żerniki local plan. Oficial data: [www.wroclaw.pl](http://www.wroclaw.pl) (access: June 2016)

Fig 3. Nowe Żerniki Cohousing, building no 1. Plot no 62/11, Retrieved form: official municipality data, [www.wroclaw.pl](http://www.wroclaw.pl), Access June 2016

Fig 4. Nowe Żerniki Cohousing, building no 1. Plot no 62/11. Concept design, Author: Pracownia

Architektoniczna CREO Project (Piotr Marek, Bartosz Szczepański, Bartosz Żmuda), Retrieved from: official municipality data, [www.wroclaw.pl](http://www.wroclaw.pl), Access June 2016

Fig 5. Nowe Żerniki Cohousing, building no 1. Plot nr 62/11. Concept design, author: Pracownia Architektoniczna CREO Project (Piotr Marek, Bartosz Szczepański, Bartosz Żmuda), Retrieved from: official municipality data, [www.wroclaw.pl](http://www.wroclaw.pl), Access June 2016

Fig 6. Katowice downtown co-housing potential study, Courtesy of Sara Sacala

Fig. 7 Co-housing "Pomorze" - rear view, 1<sup>st</sup> assembly, Courtesy of Roman Paczkowski

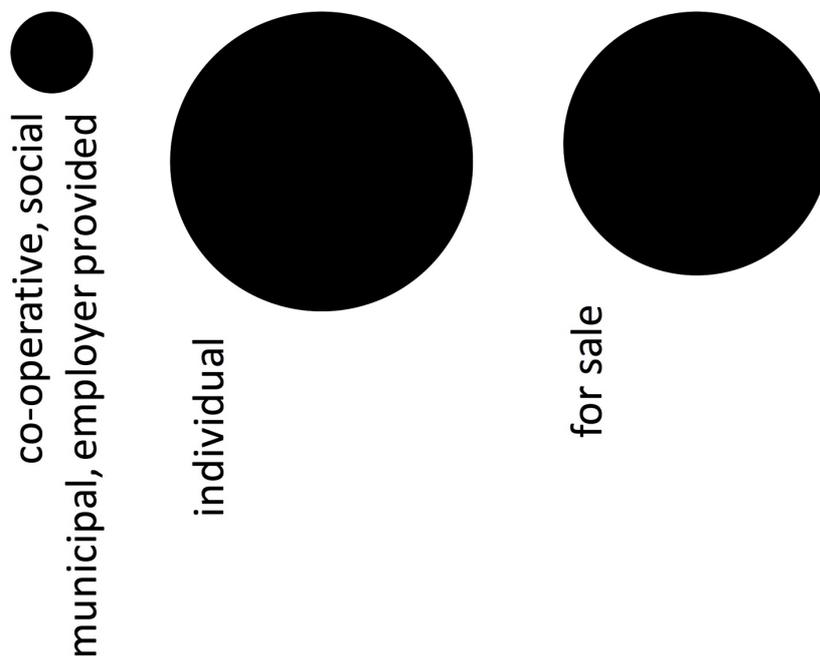


Fig. 1 Proportions between number of new flats erected in 2015 in Poland. Own elaboration based on data published by Central Statistical Office of Poland (GUS), Accessed March 2016



Accessed June 2016



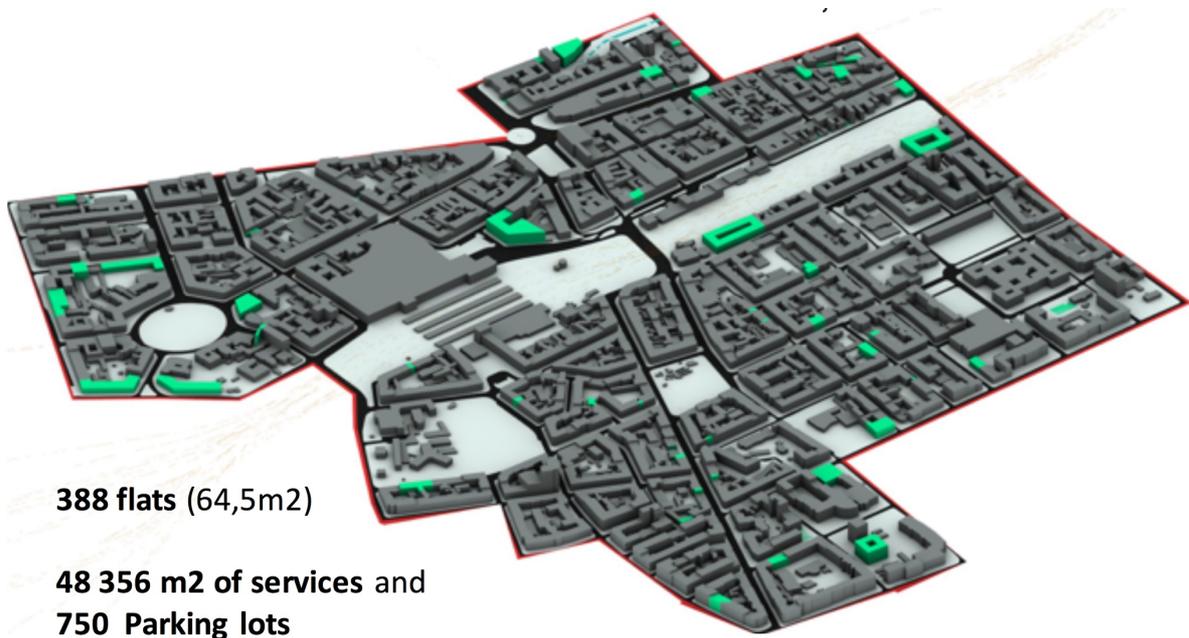
Fig. 4 Nowe Żerniki Cohousing, building no 1. Plot no 62/11. Concept design, Author: Pracownia Architektoniczna CREO Project (Piotr Marek, Bartosz Szczepański, Bartosz Żmuda), Retrieved from: official municipality data, [www.wroclaw.pl](http://www.wroclaw.pl), Accessed June 2016



Fig. 5 Nowe Żerniki Cohousing, building no 1. Plot no 62/11. Concept design, author: Pracownia Architektoniczna CREO Project (Piotr Marek, Bartosz Szczepański, Bartosz Żmuda), Retrieved from: official municipality data, [www.wroclaw.pl](http://www.wroclaw.pl), Accessed June 2016



Fig. 6 Co-housing "Pomorze" - rear view, 1st assembly, Courtesy of Roman Paczkowski



**388 flats (64,5m<sup>2</sup>)**

**48 356 m<sup>2</sup> of services and  
750 Parking lots**

Fig. 7 Katowice downtown Co-housing potential study, Courtesy of Sara Sacala