



# Public Housing in Bratislava

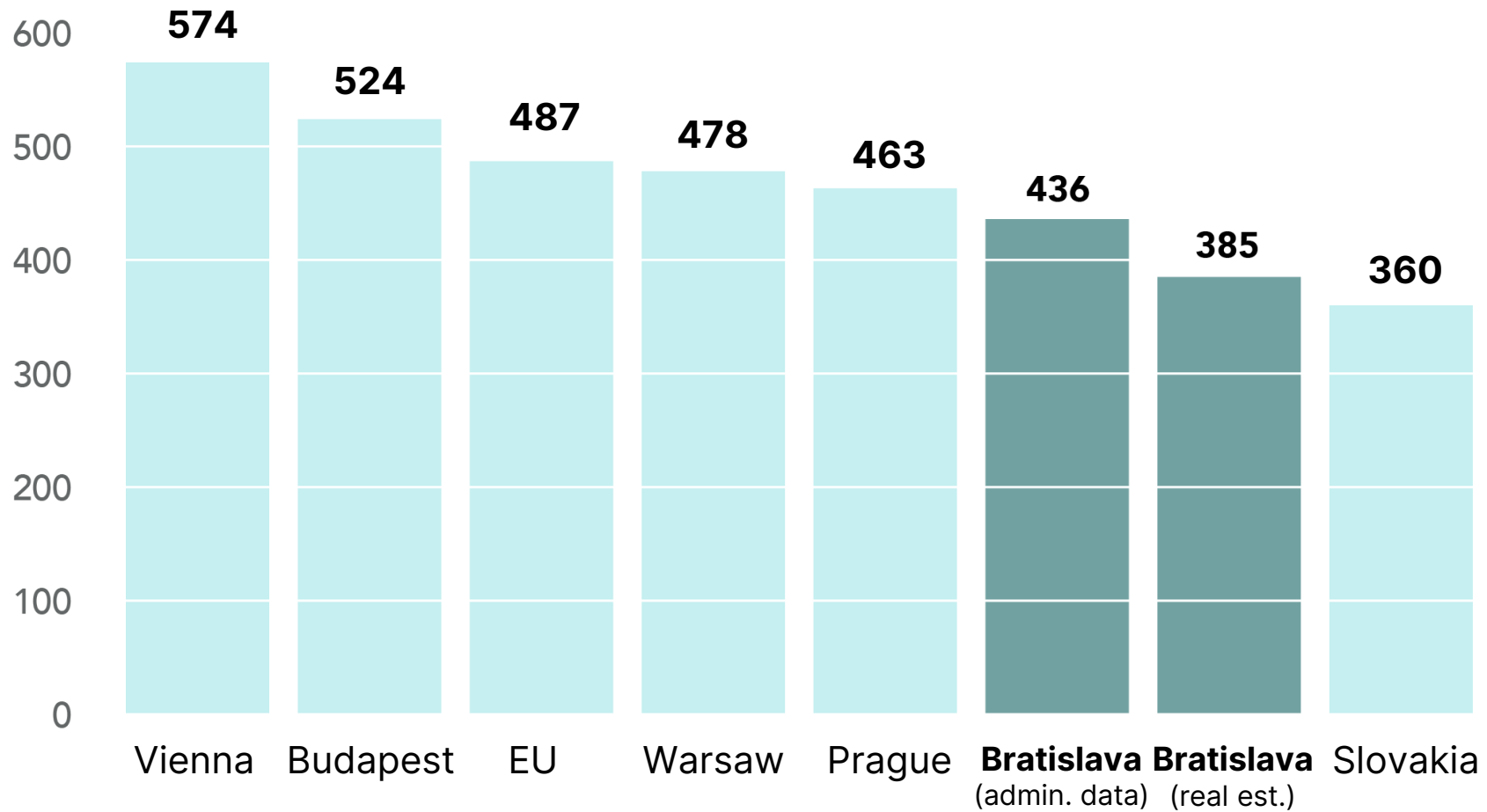
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# Agenda

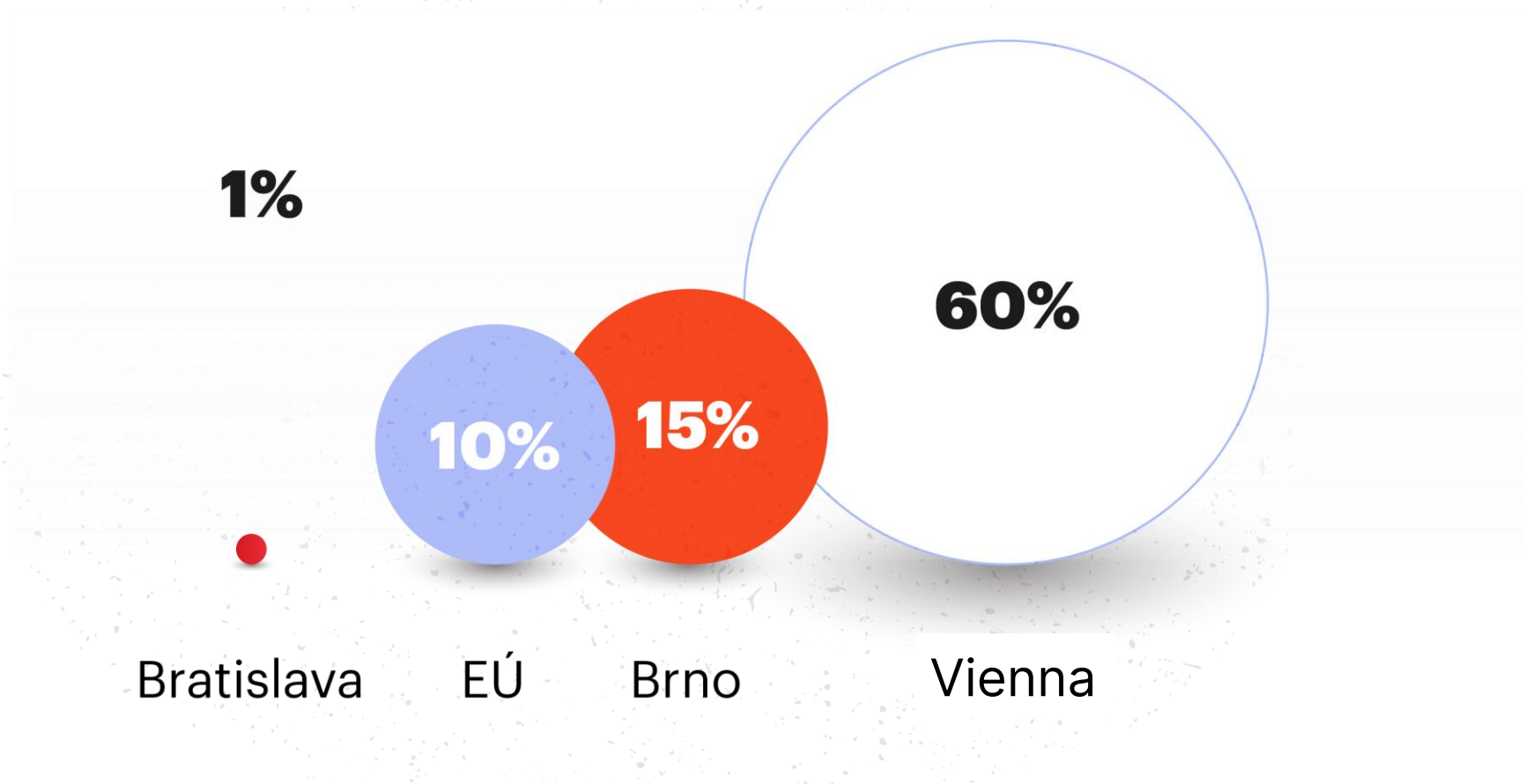
- **Housing situation in Bratislava**
- **Housing strategy for 2030**
- **Current financing options**
- **New development models**

# Housing Accessibility

No. of units per 1000 inhabitants



# Municipal Public Housing



# Objectives for 2030

- **1600 new flats by 2030**
    - 100 flats/year from own development 2025 – 2030 = 600 flats
    - PPP/Concessions/Co-ops = 300 flats
    - Land betterment = 700 flats
  - **Faster flat repairs between tenants => increasing flat availability by 3% (25 flats)**
  - **Shorter waiting times for municipal flats**
  - **Fulfill all replacement housing obligations (currently approx. 450)**
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# New Rules for Applicants and Digitization

- Two main target groups of City's public housing policy
  - Social housing
  - Housing for employees in public service provision
- Points system and social situation evaluation
- Discounted rents up to overall financial limit to guarantee financial sustainability
- Close cooperation between Public Housing Department and Social Services Department
- Digitization of processes and digital first application – new application to be operational by Sep 2024

# Brownfield redevelopment and reconstructions

- 92 flats in four projects in development
- Significant potential; brownfields ca. 5,4% built area of Bratislava
- Expensive, poor funding options



● Počet BF  
● Výmera BF v ha



## Own Development

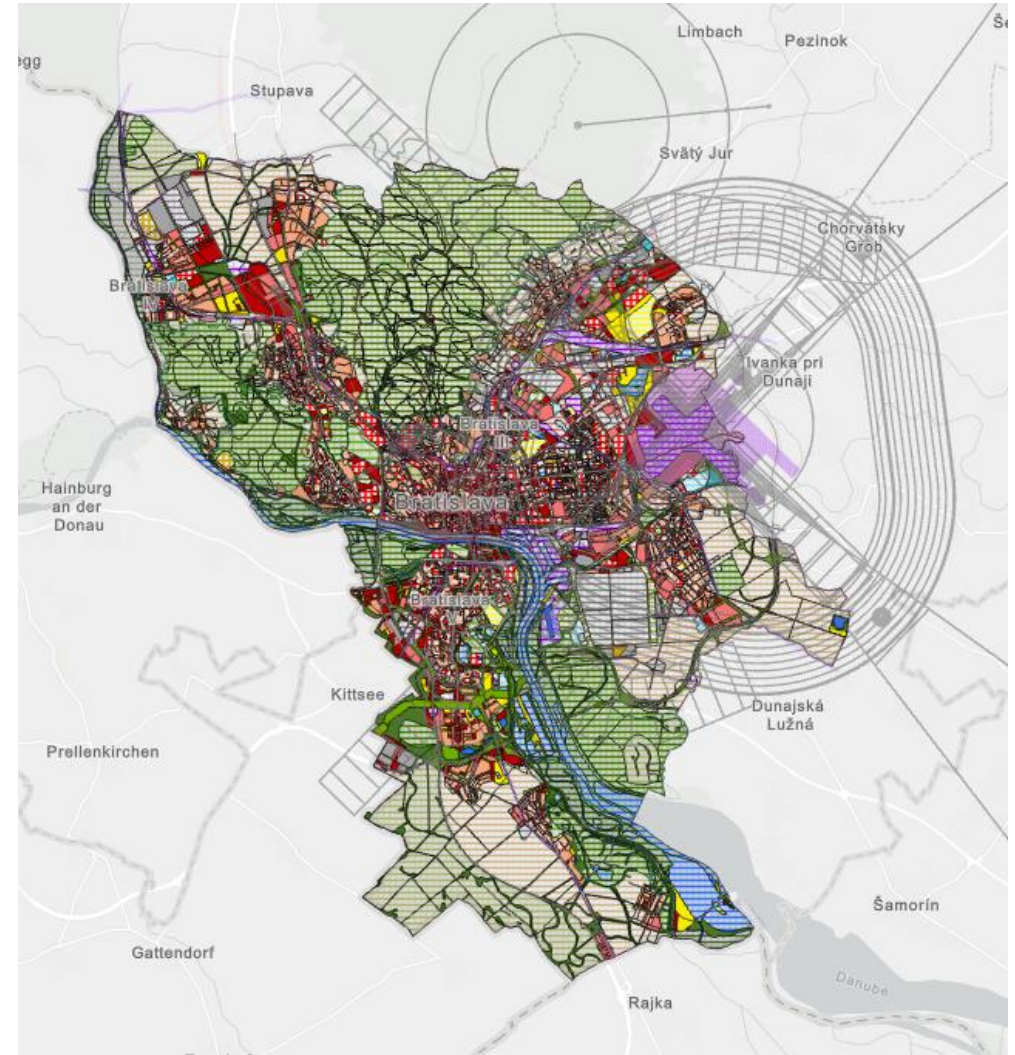
- 322 flats in four projects in development; plus two new projects starting in 2024
- Mostly densification on city-owned plots





# Land Betterment Value Capture

- Zoning regulation depending on function 0 – 30 – 70 – 100 % housing
- Changes in zoning regulation conditional on developer contract with city
- Housing land value 20 % higher compared to other functions
- Upon completion of construction  $\frac{1}{4}$  of created value delivered to the City in form of flats
- High demand from developers in pilot & open call (ca. 100 locations)



# Project Costs and Revenues

- Development cost ca. 2800 EUR/sq.m of NFA
  - 2000 EUR residential/commercial NFA (90/10)
  - 500 EUR parking
  - 300 EUR project documentation & development
- Maintenance & operation est. 1% of CAPEX p.a.
- Revenues
  - Residential rent revenue max 5% of CAPEX, target 8-10 EUR/month/sq.m
  - Parking revenue 60 EUR/month/unit
  - Commercial space rent revenue approx. 15 EUR/month/sq.m
  - Surplus from existing housing stock – currently in deficit
  - City budget transfers



## Current financing options

	MoT Social housing grants	ŠFRB Social housing loan	MoT Replacement housing grants	Commercial bank loans
<b>Rental Housing</b>	✓	✓	✗	✓
<b>Replacement Housing</b>	✗	✗	✓	✓
<b>Eligibility - City</b>	✓	✓	✓	✓
<b>Max eligible cost</b>	2040 EUR/sq.m	2040 EUR/sq.m	n/a	n/a
<b>Max tenant income</b>	4x GMI	4x GMI	n/a	n/a
<b>Rent regulation</b>	5% of construction cost p.a.	5% of construction cost p.a.	5% of construction cost p.a.	5% of construction cost p.a.
<b>Interest rate p.a.</b>	n/a	1% Fixed	n/a	EURIBOR + 0.25%
<b>Maturity</b>	n/a	40 yrs	n/a	20
<b>Included in debt limit</b>	No	No	No	Yes
<b>Approx. share of project cost</b>	25%	40%	40%	Up to 100%

## Bratislava Housing Organisation (BHO/BOB)

- Non-profit founded by the City
- Currently director + two employees
- Primary objectives for BHO
  - Use leverage to develop new projects
  - Create lending capacity outside of City balance sheet
  - Impose financial discipline on development projects
  - Operate City rental agency
- Potential objectives for BHO
  - Develop new housing projects
  - Participate in PPP housing projects
  - Operate existing housing stock

**B O B**

# City rental agency

- Operated by BHO
- Business model:
  - Rent flats from market
  - Sublet to vulnerable tenants from city-operated boarding houses
  - MNA manages repairs, services etc.
- Financing
  - Revenues from tenants
  - Third party grants
  - Income tax assignation
- Currently 12 flats under management, ca. 6 new planned in 2024

# Public Private Partnership

- City inputs
  - Plot
  - Flat standards
  - Public spaces requirements
  - Architectural competition requirements
- Private partner: financing, projection, permitting, construction & maintenance
- Competition for lowest cost of rent to city
- Option to buy/sell at end of contract at residual value



\* Not yet in Bratislava (pictured Wien Alterlaa)

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