

# AFFORDABLE AND SUSTAINABLE HOUSING IN STRATEGIC SETTLEMENT PLANNING

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## Key documents on housing issues

Agenda 21 (UN, Rio de Janeiro, 1992)

Agenda 2030 (New York, 2015)

Affordable and Sustainable Housing in Strategic Settlement Planning (2020)

European Charter of Local Self-Government (Strasbourg, 1985)

European Charter of Cities (Aarborg, 1992)

European Charter of Cities II. Manifesto for new urbanism (2008)

European Charter of Spatial Planning (Torremolinos, 1983)

European Concept of Spatial Development (EUREK document, 1999)

European Territorial Cooperation (so-called Territorial Agenda, 2007)

Charter for Sustainable Housing (Geneva, 2015)

Koncepce sociálního bydlení v ČR 2015-2025 [Concept of Social Housing in the Czech Republic 2015–2025].

MLSA, 2014

Leipzig Charter on Sustainable Cities (Leipzig, 2007; modified 2019)

Metodika identifikace tržního selhání v oblasti bydlení [Methodology for Identifying Market Failures in Housing].

(Lux, M. et al, MMR, 2017)

New Urban Agenda (HABITAT III, Quito, 2016)

Sociální bydlení – příprava projektů, metodika [Social Housing - Project Preparation, Methodology] (Kohout, M. et al, CVUT 2017)

Zákon č. 17/1992 Sb. o životním prostředí [Act No. 17/1992 about the environment]

Zákon č. 107/2006 Sb. o jednostranném zvyšování nájemného z bytu a o změně zákona č. 40/1964 Sb., občanský zákoník, ve znění pozdějších předpisů [Act No. 107/2006 on a unilateral increase in the rent of an apartment and on the amendment of Act No. 40/1964, the Civil Code, as amended]

Zákon č. 183/2006 Sb. o územním plánování a stavebním řádu (stavební zákon) [Act No. 183/2006 on Spatial Planning and Building Regulations (Building Act)]

Zákon č. 235/2004 Sb. o dani z přidané hodnoty [Act no. 235/2004 on VAT]

## Basic Information about the Research

The research project **Affordable and Sustainable Housing in Strategic Settlement Planning** deals with the topic of affordability and sustainability of housing.

The aim of this project is to describe and interpret relevant aspects with significant or hidden impacts on sustainability and affordability of housing in cities and municipalities, codify them using indicators, and explore the possibility of influencing them through strategic planning of cities and municipalities or other housing policies and sustainable development policies.

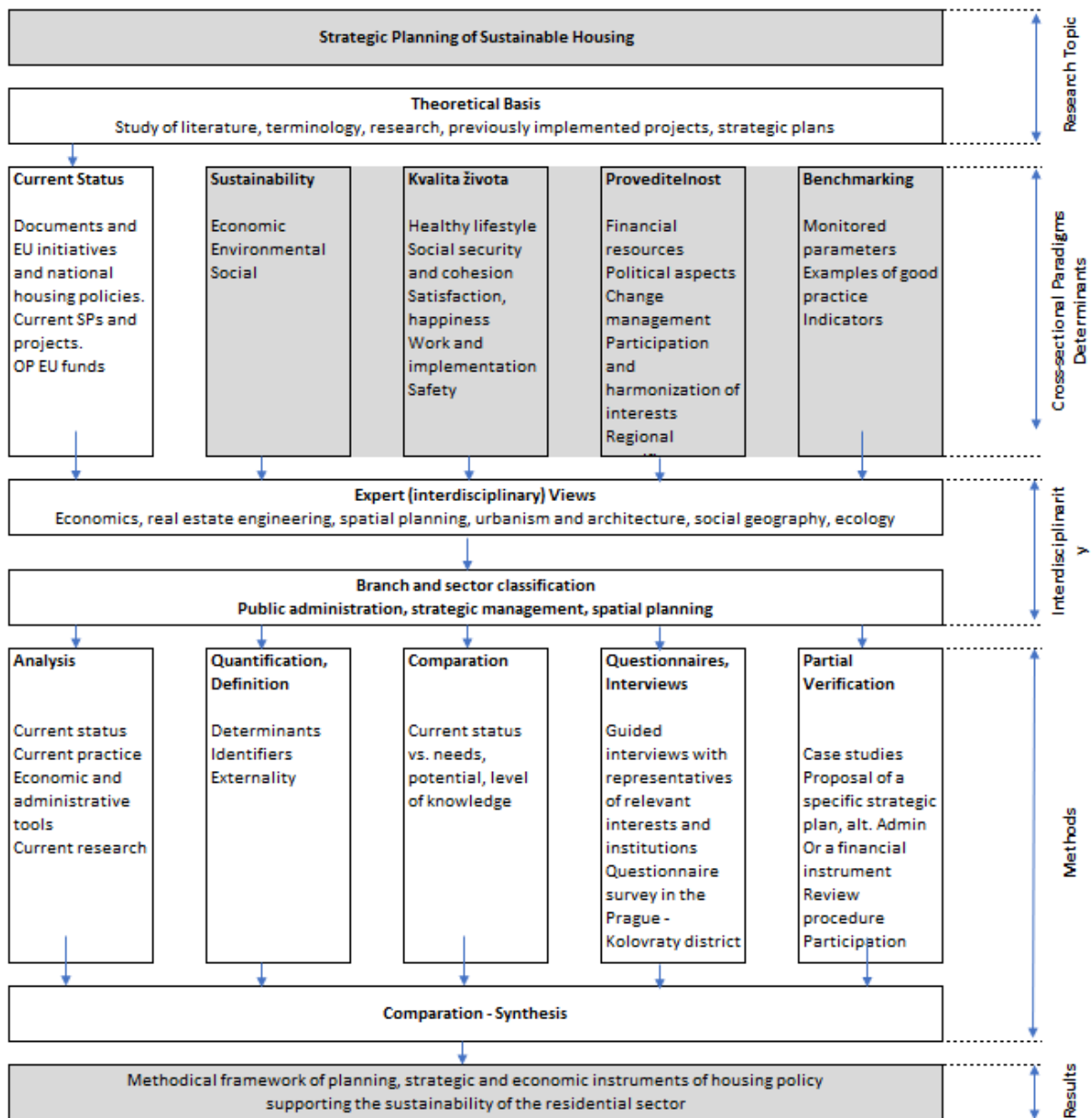
To achieve these goals, a combination of several approaches, methods and tools was used, which enabled the study of the issue in its complexity. The diagram shows the research methodology and activities, which are reflected in the text of the research report and other outputs.

Settlement development is usually formulated on the axis of *vision*> *strategy*> *policy*> *actions/measures*. Therefore, part of the research outputs is a **list of measures supporting the affordability and sustainability of housing**. These are measures and tools that can be set up in strategic plans and that cities and municipalities can use to increase the affordability of housing in a market environment.

The proposed measures and instruments are divided into six categories: a) political, legislative and administrative, b) social, c) economic, d) environmental and infrastructural, e) cultural and communication, f) systemic and procedural. These categories then combine methodological measures (e.g. audit of the housing stock or creation of housing policies), regulatory (e.g. within the framework of zoning plans), restrictive (e.g. taxation of unused apartment and buildings or of foreign investments) and proactive (e.g. support for new legal forms of housing organizations, housing development funds or building a valuable address).

**The brochure provides** an overview of the main conclusions and measures divided into the following categories:

- Housing policies
- History of housing policy in the Czech Republic
- Current housing policy in the Czech Republic
- Definition of social and affordable housing
- Sustainability in housing
- Managerial-institutional security of housing in urban strategies
- Measures to improve housing affordability and sustainability



## Why Pay Attention to Housing Policy?

The turn of the millennium is, among other things, a milestone in the history of humanity, when more people in the world live in cities than in the countryside. Our country and continent belong to those regions where the degree of urbanization is high (75%). This increases the demand for housing and makes it unaffordable in several places - especially locations with a concentration of various forms of prosperity - despite social cohesion policies and public sector interventions.

In recent years, we have seen more attention being paid to the issue of quality of life in cities, which is directly related to housing. Measurable parameters of quality of life, such as air pollution or the number of services, are not the only aspects discussed, but the discussion also includes other aspects of the city's development, such as the quality of public space or social cohesion. Virtually everyone is concerned with the development of real estate prices, the debate on the value of space, the challenges associated with sub-urbanization or the increasing traffic load. All this relates to housing. We are experiencing the effects of global economic cycles and societal socio-demographic developments, and at the same time, we are witnessing efforts at the local level to involve citizens in urban governance and to guide investment and decision-making.

A significant part of the inherited cultural environment is also related to housing. The historical appearance of most European cities is related to the specific appearance and types of residential development. In the long run, these are primarily quality solutions that better retain their value in the real estate market over time. We can thus anticipate whether it will be flats at the socialist-era housing estates Petržalka and Jižní Město or the Bratislava and Prague "bourgeois" Vinohrady that will be valued more in the next century.

Housing is one of the basic human needs. Its form decisively determines the quality of life, social status, health, mobility and many other parameters essential for the inhabitants and the future development of the settlement. The quality of housing affects the characteristics of the population, their socio-economic activities and the overall lifestyle. It is therefore a phenomenon, through the planning of which settlements can significantly regulate not only their future appearance, but also their overall social, ecological and economic sustainability.

Given that housing is a basic human need, an economic human right and at the same time one of the most important social and cultural phenomena, as well as economic and environmental factors, it is necessary to look at it as a **system coordinated by public administration** (similar to health care or education, for example). In this respect, we should not be confused by the fact that the majority of housing is provided by households themselves, or that it is a system **largely fulfilled by private entities**. After all, even in the healthcare system, it is primarily the citizen, who is responsible for ones' health. Within the education system, it is the family, who is primarily responsible for upbringing and education. Even purely individual forms of housing are a part of many public or publicly regulated systems (civic, technical, transport infrastructure, housing market, financial systems, legislation, etc.).

From the point of view of the government, the right to housing does not consist primarily in the mandatory provision of housing for everyone, but rather in the public sector's obligation to create conditions for citizens, where the economic and social environment allows for them to have the economic freedom to obtain housing appropriate to their lifestyle and resources. **The basic task of housing policy** is to determine (generally and for a given period) what are the *most important goals* of this system, to integrate the interests & roles of its actors, to set rules governing the system and to define the administrative tools available to municipalities. The current housing policy was based on three basic strategic goals, which seem to remain valid: **affordability, stability, quality**. The questions remain: what exactly do we imagine under these criteria? How did we manage to fulfil these criteria? What can the state do directly? What can the other actors do in the field of housing, so that we can come closer to these criteria in the next period?

The changing setting of housing policies also brings the need for more frequent interaction with the public sector, especially cities and municipalities. The range of possible interventions is diverse and the key to their

effective use is the integration of several tools and measures to eliminate market failures, improve the affordability of housing and its quality. All this in the knowledge that housing, in our context, is understood both as a market investment asset and, at the same time, as a mandatory social need.

The quality of the urban environment and the quality of life in it are closely related to the level of administration and planning. The inclusion of sophisticated housing policies in such planning is the way to the sustainability and competitiveness of our cities. As this goal requires integrated views of different perspectives of actors, sectors and levels, there is a need to build multi-level partnerships between city administration and civil society. This need for wider involvement is also due to the multidisciplinary nature of housing, the need to combine different competencies and qualifications, the need to integrate partial measures, differentiated responsibilities for individual parts of the system and in some cases the long-term impact of existing policies. A suitable platform for such an integrated approach seems to be **strategic planning at the settlement level**.

## History of Housing Policy in the Czech Republic

The beginnings of modern housing policy in our territory can be traced back to the second half of the 19th century, and are related to the Industrial Revolution, when fears of the impact of liberal economic policy on broad sections of the population gradually gave rise to a number of social measures, including those related to housing. These were, for example, the legal basis of the cooperative movement, a law giving advantage to buildings which included workers' flats, the establishment of the František Josef I Fund and the Housing Care Fund.

### Housing policy in pre-war Czechoslovakia and during the occupation

After the establishment of the Czechoslovak state after WWI, the young republic faced a number of structural challenges, one of which was an acute housing shortage. The government responded to the situation with a number of quick measures combining organizational elements (introduction of housing authorities), legislation (increasing tenant protection, government regulations on occupation of flats by municipalities, but also a series of construction laws) and financing (establishment of a Czechoslovak Housing Fund). Probably the most significant benefit of this period is the ability to flexibly integrate the efforts of the state and municipalities, public and private sectors, research organizations and academia into the development of housing and settlements. A large part of society saw housing as an integral part of the overall social, economic and cultural policy of the state and municipalities.

The disintegration of Czechoslovakia and German occupation at the beginning of the WWII brought, from the point of view of economic management and housing policy, a period of a more centralized and a directive war economy, which in this respect reminded and foreshadowed the later centrally planned and communist controlled economy. It is worth noting that as part of the introduction of better direct control over the local economy, the German occupation administration abolished the Ministry of Public Works, which has coordinated economic life, including housing policy, since pre-WWI times. This system of coordination has not been renewed since then, and the award of public works contracts remains largely divided among a number of public institutions along departmental lines to this day.

### Housing policy in post-war Czechoslovakia until 1989

A number of factors after WWII (comparatively minor, local war damage, building closures, war losses among the population, lower birth rates and post-war deportation of the German population) contributed to a very specific housing situation: on the one hand, a significant lack of housing, especially in larger cities and industrial centers; combined with the relative surplus of housing stock in border areas. This imbalance contributed to the belief that the housing issue can be addressed by bureaucratic methods involving direct state intervention and targeted population movements rather than by focusing on creating an effective legislative and financial framework, coordination and control.

Developments in post-war Czechoslovakia followed on from the pre-war state by supporting the importance of public or community service, and at the same time taking over much of the war's planning system, incl. centralized financing and the organization of the construction industry, and in particular the almost complete elimination of the housing market, which ceased to be seen as a necessary condition and basis for the healthy functioning of the economy in general, and the housing economy in particular. This direction was further emphasized after the communist takeover in 1948.

The deteriorating housing situation, as a result of the centrally & directly managed and financed housing administration, forced the communist government from the mid-1950s to adopt more liberal laws that gradually strengthened the role of cooperative housing, and to try to make construction more efficient with the mass introduction of concrete panel technology. Research in the area of housing has also been significantly strengthened in an effort to found future construction on a scientific basis. The demand for decent housing became a central political and social issue in the late 1950s. The resulting mass construction of housing between 1960 and 1989, despite all its shortcomings, brought a significant improvement in the technical standard of the housing stock and also proved the viability of the cooperative sector, which provided about

40% of housing production from the mid-1960s to the late 1980s. Paradoxically, however, the strength and capabilities of the private sector also emerged, which, with a minimum of public support, realized almost a third of total housing production in 1970-1990, mainly in the individual housing segment.

### **Post-Socialist Housing Policy in the Czech Republic (1990-2015)**

After the fall of Communist regime in November 1989, a number of significant changes took place in the area of housing, most of which began immediately in the first five years of the new regime's existence. These include the restitution of a previously expropriated housing stock, the introduction of a building savings system, the establishment of a legal system of owners' associations, the establishment of a state-owned mortgage loan scheme and the setting up of a rental housing support system. Probably the most significant change, however, was the relaunch of the housing market.

Not only was a massive share of publicly owned housing stock privatized, but in a certain sense the whole area of housing, and the focus as well as support shifted to individual housing. Czech post-Socialist society under-appreciated not only the issue of social housing (i.e. housing with public support), but also the societal importance of housing as such, in all its economic, environmental, social and cultural contexts. Only the real estate crisis after 2008 relativized the value of real estate and provoked a discussion about the determinants of housing quality and sustainability.



## Current Housing Policy in The Czech Republic

The key document describing the housing policy in the Czech Republic is currently the *Koncepce bydlení České republiky do roku 2020*, [Housing Policy of Czech Republic until 2020] (established in 2011 and revised in 2016). It contains three strategic goals and eight priorities.

*Strategic goal I:* Ensuring adequate **affordability** in all forms of housing

- Priority 1. Increasing the affordability of housing
- Priority 2. Investment support for housing with a focus on the social housing segment

*Strategic objective II:* Creating **stability** in financial, legislative and institutional environments for all participants in the housing market

- Priority 3. Financial stabilization of housing support
- Priority 4. Consistent definition of responsibilities and coordination of state activities in the field of housing policy

- Priority 5. Increasing the protection of homeowners' associations and housing cooperatives

*Strategic goal III:* Reducing the investment debt of housing, including increasing the **quality** of the external environment of residential areas.

- Priority 6. Implementation of the principles of "universal design"
- Priority 7. System revitalization of housing estates
- Priority 8. Addressing the impact of energy efficiency measures on household housing expenditure

The policy is based on the thesis that securing housing is the personal responsibility of the individual. It limits the role of the state and municipalities to the task of creating a stable environment that strengthens the citizens' own responsibility and supports their motivation to secure housing on their own, possibly helping them on the principle of solidarity. However, the policy constructed in this way does not sufficiently reflect the key functions and interests of the state, regions and municipalities in the field of housing and does not indicate their effective competence division. The housing situation thus continues to be determined by several **phenomena that repeatedly cause the housing market to fail.**

*Massive privatization of the housing stock:* municipalities often did not retain a large enough number of flats to enable them to implement their housing policies, for example to cover public needs: to provide housing for the socially disadvantaged or to support their own employees, for example teachers, police officers and civil servants. Due to the fact that privatization often took place without a clear strategy, municipalities also lost the opportunity to influence the development of cities as a whole, which may result in a reduction in social and economic sustainability in some localities in the future. Especially in large cities, where the price of real estate has risen several times, municipalities have lost considerable property and opened up space for speculation with a distorting economic and moral effect on the emerging market and society as a whole.

*The phenomenon of poor owners:* One of the consequences of privatization is the fact that these advantageously privatized apartments were suddenly owned by people without the competence and financial capital to manage them effectively. Often, these were people with lower incomes or of advanced age, who limited their right to social support by owning "dead" capital.

*Rental housing market:* In countries with long-term market experience, it is the state and municipal government or other public bodies that, with its planned actions, have an anti-speculative effect and dampen undesirable price fluctuations, both in the area of real estate prices and rents. However, municipalities in the Czech Republic, with a few exceptions, did not retain a sufficient market share that would allow them to fulfil this role directly. It is also worrying that the annual construction of new units did not exceed 1% of the total

number of dwellings in a single year during the entire post-Socialist period (a number given as the limit of healthy reproduction).

*Fragmentation of property tenure:* A large part of the housing stock (especially units in apartment buildings) found itself owned by associations of apartment owners, i.e. an ownership form with which there was no long-term experience in our environment. In the local sense, this ownership form significantly emphasizes the rights of individual owners reducing the ability of the entire association to manage the real estate as a whole, thus weakening its effective management, such as any necessary reconstruction.

*Territorial development:* The housing agenda is not limited to the housing market, but its character shapes the urban environment, and is closely linked to territorial development. Czech municipalities now face challenges associated with insufficiently coordinated development of housing sites both in transformation or newly urbanized areas, but also in the case of revitalization of existing sites, whose long-term sustainability is problematic for some reason and requires a specific local government approach (for example, a recently completed suburban construction, modernist housing estates or historic city cores).

## Housing Market

The basic tool for providing housing for households in market economies is the market. The key **task of the government** in the housing sector is therefore to ensure the **functionality of the market**, which - for the housing sector - is not completely self-evident. The elasticity of the housing market is relatively low by nature (limited liquidity, significant positive and negative externalities, low flexibility of the supply response, locally conditioned imperfect competition due mainly to the local nature and limited time and space reproducibility). Therefore, in advanced market economies, there are usually a number of measures by which the government or other entities influence the market. These are both **activating** measures (e.g. reducing information and transaction barriers, ongoing land preparation) or **regulating** measures (typically limiting rent growth or market access, regulating selected activities, and ultimately, for example, providing housing at stable rents, etc.). These measures aim, in principle, to improve the functioning of the market by reducing its imbalances, reducing speculation, improving its stability and predictability for all actors.

The condition for the successful performance of the role of market regulator therefore means that **the government continuously monitors the market**, and concurrently has prepared tools, which it can apply, to regulate it and is **able to intervene in case of failure** (in the Czech environment see *Metodika identifikace tržního selhání v oblasti bydlení*, 2017 [Method for Identifying Housing Market Failure, 2017]). This market management and planning takes place at three basic levels: **state, municipal** and at the level of **recipients and providers**.

On the part of the **recipients**, we usually speak about **households**. The category of providers is further divided into the **public** sector (usually the state and municipalities or persons controlled by them, but not in the role of organizer of the overall framework, but instead in the role of a direct provider) and the **private** sector further divided into **for-profit, non-profit** (foundations or housing associations) and **owner-occupied**.

The complicated structure of the provider category is due to the special nature of housing as a **private estate**, the consumption of which is important for a cohesive society and sustainable economic growth (similar to quality education or health care). Such private estates are sometimes called and considered 'merit good': deserving of state support.

Within the EU, access to housing can be described as a **service of general economic interest**. Providers of this service are subject to rules governing competitive behavior and the prohibition and control of state aid, unless the application of the rules impedes legally or otherwise the execution of tasks assigned to them by national, regional and local authorities (TFEU 2012. Article 106, paragraph 2).

### Determinants of The Housing Market

Even with a high level of care for the housing market, this area remains largely alive, dependent on the specific behavior of individual actors and the way in which their interests are promoted. Basically, we can divide housing market **actors** into **providers** (property owners – landlords), **beneficiaries** (households – tenants) and **experts** (regulators, financial institutions, intermediaries, experts, etc.). However, even these groups are not homogeneous. There are individual and institutional market players: for-profit (ordinary owners, financial groups, funds) and non-profit (NGOs, foundations, semi-cooperatives) providers, as well as diverse beneficiaries (for example households of different size or age structure or social status, etc.). Often, many actors act in several roles, in addition to the owners of owner-occupied housing, it is the municipal administration, which, in addition to the role of regulator, simultaneously performs many other functions (among other things, it is often a major provider).

In addition to the actors themselves, the housing market is also affected by many other **factors**. On the **demand** side, these are, for example, the location and its quality, incl. transport accessibility, subjective requirements of households and persons in various phases of their life cycle (so-called housing career) and a social idea of the quality of life, general economic situation within the economic cycle, demographic development, availability of financial resources, especially loans and financial sector development in general,

value, generational and other emotional aspects. On the **supply** side, the housing market is influenced by, for example, the availability of land for construction related to spatial planning and development into related infrastructure, the quality and speed of the construction approval process, the functioning of the construction sector, building regulations, state interventions in the form of regulations and subsidies or ones' own housing policies and concepts, technical and spatial diversity of construction, but also often seemingly distracting factors, such as the level of tourism or the offer of alternative investment products. Naturally, the market is also significantly affected by the degree and specific tools of its **regulation**, which include, for example, general and differentiated rent regulation, restriction of spatial parameters, property regulation, regulation of owners' subjectivity, environmental parameters, etc.

Last but not least, the housing market is also connected with a number of **external factors**. Significant external factors include political stability and social cohesion, the impact on labor market elasticity with an impact on competitiveness and labor mobility, the impact on traffic intensity (such as around larger metropolises due to the unaffordability of certain forms of housing), increased costs of technical, especially transport, energy and environmental infrastructure, associated with the movement of people between regions, increased pressure on uneven regional development, social (value, motivational, generational) segregation associated with different approaches to housing, pressure to reduce and transform housing (conversion of housing to offices without rent regulation), decay of the housing stock and part of the cultural heritage, the emergence of the gray economy, the unnatural social development of localities, the impact on the key construction sector, etc.

The described facts and many others bring with them **paradoxes** and tensions, which ensure the permanent dynamics of the housing phenomenon and its extraordinary complexity. On the one hand, we find the urgency of global or national housing policies, on the other hand, the needs and tools of local actors. Housing combines the personal need to live with the character of a strategic investment. It is at the same time a commodity, a private investment and a social estate. Experts and residents themselves perceive housing differently. Another challenge is the discrepancy between the parameters of the existing housing stock and the requirements for new construction. Housing is subject to the so-called paradox of prosperity. With the increasing prosperity of society, the demand for housing, and thus housing prices, is growing. However, housing prices are rising faster than the incomes, and so the growing welfare results in lower housing affordability, with all the implications for quality of life, social cohesion and sustainability and, last but not least, the competitiveness of localities. In short, housing unaffordability has a profound negative effect on the social cohesion, economic sustainability and vitality of the actors.

The response to market failures in housing must address the need to maintain the highest degree of freedom in resolving the housing situation while respecting the functioning of the rental and owner-occupied housing markets and avoiding unnecessary and, formally and ethically unjustified, public support. It is the balancing of these conflicting attitudes that requires a holistic approach based on strategic planning, the synergistic implementation of several tools and measures and, last but not least, a thorough analysis of the causes of market distortions or failures. Prerequisites for this are the methodological framework of strategic planning.

## Social vs. Affordable Housing

In debates, the two terms – affordable housing and social housing – are often misused. It is therefore worth clarifying how these concepts differ.

### Affordable Housing

The issue of housing affordability is a concept primarily from the social and economic field. We most often understand the affordability of housing in the financial sense. The often-cited definition is

*Affordability is concerned with securing some given standard of housing (or different standards) at a price or rent which does not impose, in the eye of some third party (usually government) an unreasonable burden on household incomes. (MacLennan and Williams 1990, p.9)*

The economic view of the affordability and retention of housing is given primarily by the circumstances by which a household can acquire and consume it and what share of its income is devoted to housing. The most frequently used indicator is the so-called burden rate, i.e. the share of housing costs incurred by households in obtaining and maintaining adequate permanent housing, relative to net household income. Housing is perceived as affordable, when the household spends a maximum of 30% of its income, and in large metropolises 45%. As a critical limit, the level of support for affordable housing in the housing policies of most countries appears at a level of about 40%. For the municipal administration, this means the possibility of indicating a threat to the affordability of housing, i.e. a certain market or social imbalance, in some localities or social groups (not necessarily disadvantaged).

### Social Housing

The main feature of social housing, which defines this concept in relation to affordable housing, is the fact that it is a service of general economic interest. Social housing is therefore housing supported by set processes from public funds and used by disadvantaged households. The objectives of social housing policy include, in particular, the reduction of fundamental social inequalities, ensuring social peace and cohesion, ensuring the dignity of users, their health and social integration. Social housing has a precise definition, usually provided by law, which describes the circumstances in which a particular entity can achieve a specific form of public support to improve its own housing situation or the housing of a precisely defined group of people. As the definition of social housing falls within the responsibility of individual member states within the EU, there are also a number of definitions of social housing. Forms of public support are usually divided into measures that **strengthen supply** (so-called “**brick**” support) or those that **strengthen demand** (so-called “**per capita**” support).

Despite several attempts to pass comprehensive legislation on social housing in the Czech republic, mainly after the aftermath of the 2007 economic crisis that decreased housing affordability for many low-income households, the only Czech law regulating this issue remains the VAT Act no. 235/2004, which forgives VAT tax on the sale of apartments and individual houses under a certain size (120 sq. m. and 350 sq. m., respectively). This makes the focus of Czech social housing the owner-occupied housing sector, avoiding almost entirely lower-income households, i.e. the usual main target group of such legislation.

## Sustainable Housing and its Four Dimensions

Based on Agenda 21 (Rio de Janeiro, 1992) and the revised Agenda 2030 (New York, 2015), sustainable development is understood as the integration of three basic levels of sustainability: *environmental*, *economic* and *social*. In relation to housing, a fourth level has been added: *cultural*, within the framework of the *Geneva UN Charter on Sustainable Housing* (Geneva, 2015).

The *Geneva UN Charter on Sustainable Housing* identifies the following current challenges in the field of international housing (for literal statements see pages 5-7):

- Housing as a process with a significant share of the consumption of available resources (soil, water, energy and building materials) and producing greenhouse gas emissions.
- Health risks associated with the deteriorating urban environment (air pollution, high noise pollution, lack of greenery, deficit of the humane-nature of the space) having a direct impact on the physical and mental health of the population.
- After the crisis in 2008, some countries experienced significant imbalances, accompanied with phenomena such as foreclosure, homelessness, surplus housing stock and lack of affordable housing. The situation stressed the need for stable and transparent housing markets secured by government instruments.
- Unhealthy and dangerous forms of housing concentrating poor, disadvantaged and vulnerable populations.
- Suburbanization as a phenomenon consuming land and creating a socially, ecologically and economically unbalanced environment.
- Natural disasters (floods, earthquakes, landslides) and man-made disasters (wars and war emigration, etc.).
- Climate change, rising global temperatures or droughts and other extreme weather fluctuations, most manifested in the effect of urban heat islands.

It is obvious that long-term stable housing can be achieved only with continuous coordination of aspects such as social cohesion, environmental friendliness, economic efficiency and cultural adequacy. Such coordination needs to take place concurrently at least at the mentioned government levels of state, municipality and household. From the point of view of public administration, therefore, the issue of housing is basically **an intersection of four basic agendas: social, economic, environmental and cultural**.

From an **environmental** point of view, housing can be perceived as the most important part of the built environment (it concerns about 75% of building permits), which significantly contributes to the consumption of resources (energy, water, soil, etc.) as well as environmental pollution and climate change. Environmental issues are linked to the type of environment and its current challenges. In terms of housing, these are (a) *new construction*, where the character is most easily influenced, (b) *existing development*, which is significant in terms of quantity (99% of the built environment), and (c) *research and experiment*, i.e. development and construction that, under defined conditions, has the possibility to exceed or undershoot the existing regulations, possibly to use extraordinary planning procedures, in order to gain new knowledge. Currently, it is necessary to name the main challenges (climate change, water management, heat islands, soil erosion, energy, carbon footprint, light and electromagnetic smog, use of brownfields, etc.), apply them to individual types of development and state the basic principles of future development (blue-green infrastructure).

From an **economic** point of view, housing, i.e. residential real estate, is a significant investment, both at the household level (often the most important life investment of the household) and at the society level as a whole. It is a private estate (good), the exchange of which in free market conditions takes place precisely through the market. Public sector responsibility, incl. that of municipalities, for the functionality of the market is, in a way, also its co-responsibility for the ongoing appreciation of the citizens' property and other entities in the place of business. At the same time, few market products reflect the prosperity of the municipality and society more than housing. From the point of view of data analysis, it is therefore important to know whether there are any new or current trends and topics (shared economy, global speculative capital, new technologies, etc.), what is the state and what development is expected, and then how to respond to forecasts, what are

benefits, what risks, what tools are available to individual actors, etc. An important factor is the connection between economic aspects and socio-demographic characteristics of the population.

From a **social** point of view, housing is one of the basic human needs, to which Czech society has committed itself in a number of international documents that have passed into our legal system. From a broader, society-wide perspective, housing is therefore a right, the provision of which is regulated by a number of regulations. From the point of view of municipalities, housing is a basic tool for realizing their own socio-demographic goals: adequate housing contributes to social peace and community cohesion, ensures daily and long-term functionality of the municipality as a community and its external competitiveness, i.e. essentially something as important as ensuring the continuity of the municipality.

Demographic and economic dynamics of household development (size, structure, income / expenditure, patterns of behavior, etc.), as well as the social situation (e.g. immigration / emigration rate, vulnerable groups, pathological phenomena in the locality, shared concept of the place, etc.) are key to determining successful housing policies and vice versa: a successful housing policy is a condition for social and economic development. The concept of housing should be developed in such a way as to tell other actors what to expect both in terms of social and demographic development of the state or localities, so that individual entities can better anticipate this development.

From a **cultural** point of view, housing (as a crucial part of the built environment) is one of the important factors shaping the development of a person and entire communities: the bearers of cultural values. Housing affects the emotional well-being of the individual and the cultural integrity of society as a whole. Housing is often the most important physical representative of an individual and social institutions (the house as a representative of the family, the city, its institution or public spaces as a representative of the urban community, etc.). State and local housing policies should also include the interim conclusions of the current housing debate (formulation of what types of housing environment society wants and will support) and provide a concept of how further debate will be structured and stimulated (ongoing verification or change). The cultural dimension of housing is also closely related to the agenda of monument care for tangible and intangible heritage, historical and contemporary identity, the level of activity of the population and the forms of their involvement in the creation and management of the environment, etc.

## Housing Sustainability in Strategic Settlement Planning

Such a complex goal as universal affordability and sustainability of housing can only be achieved through holistic and balanced measures. Success in a difficult process is based upon an interdisciplinary and multi-scale approach. This is one of the reasons why strategic settlement planning is a suitable platform for unifying and coordinating such efforts.

Strategic planning of settlements and regions is not strictly enshrined in legislation. Its methodological framework is developing dynamically under the influence of pressures from the wider participation of civil society and from successfully applied examples of good practice, the development of smart-cities projects or with regard to applied research. At the same time, the influence of social innovations, lifestyle changes and views on what the quality of life includes is manifested.

However, the absence of a precise legislative and methodological framework is an advantage that significantly increases the flexibility, content and dynamically evolving forms of this document. Compared to a spatial plan, a strategic plan uses a wider range of free concepts and interpretations of meaning, and has the potential to be better readable by different groups of actors. It is a suitable basis for participation, discussion, negotiation and setting of development strategies as well as for the establishment of cooperation and partnerships based on a win-win approach. At the same time, it enables the identification of undesirable social phenomena and agreement on acceptable forms used for their prevention or suppression. The strategic plan provides a platform for coordinating housing with other development priorities (seeking synergies between different activities) as well as for mutual coordination of individual measures and tools related to housing (comprehensive setting of local housing policies). For these reasons, it is appropriate and desirable to look for overlaps between strategic plans and housing issues, in four basic forms / areas below.

### Adequate Data and Context Information

Among the data that cities should collect in relation to the affordability of housing, we can include, for example, the state of the current housing stock, the socio-demographic structure of the population and development forecasts. The details may include, for example, the number and size of city rental apartments, the possibility of changing tenants according to their current life situation, employment opportunities and civic amenities in the city and in individual neighborhoods, population composition and their satisfaction with living in neighborhoods, average income and their expectations of living standards, and much more. A useful source of so-called soft data is urban anthropology (or similar professions), which will help to depict the identity and culture of the city, and thus possible or necessary forms of intervention.

*Examples of measures and tools* in which the issue of data acquisition, processing and interconnection is reflected are, among others: audit of the housing stock, demographic study and social study.

### Development Goals Defined in Strategic Plans of Settlements

A key part of any strategic plan is to define strategic priorities, policies and development goals. The strategic plan is a document that enables the search for intersections, points of contact and synergistic effects between the partial interests of different actors. It provides processes for finding and formulating common goals and, through the setting of synergetic effects, creates interdependence between actors. In this way, it creates a basis for the formalization of the rules of operation of individual actors and their mutual relations, and subsequently also the documents enabling mutual control.

The concept of the future composition of the city's population should be included among the common goals defined in the strategic plan. The municipality should answer the question of what population demographic structure it wants to achieve, and which population group should be central to it in the near and distant future. This should form the basis for deriving further urban development and the nature of construction (or reconstruction) and the provision for the needs of a given group of people: what housing they will be interested in; which employers will be preferred; what services will be sought; what identity needs to be built;



etc. Based on these issues, the city can target its local regulatory, subsidy and tax policies. Set up various forms of support for desirable groups of residents, investors and other actors. Determine the vision (target state) of the housing stock, civic amenities and public spaces.

At the same time, it is impossible to exclude those groups of the population that do not meet the given ideal idea. For example, if a city wants to attract young families or well-to-do educated residents, it must also take into account seniors, people from lower income groups and lower qualifications. At the same time, it must also take into account endangered or marginalized ones. Therefore, the goals must include not only building the ideal conditions, but also solving real situations and supporting the needy.

*Examples of measures and tools* that reflect the issue of setting development plans are, among others, the supremacy of housing policy in the strategic plan, social and demographic diversity policy (social mix), goodwill / good address strategy, regulation of non-urban business activities, social construction quotas, green infrastructure, revitalization of public spaces, etc.

### **Ensuring the Implementation of Development Plans**

Each development activity needs to be secured financially, institutionally or organizationally. These aspects are important in practice for the implementation of proposals, but when creating strategic plans, they are often reduced to quantifying the expected investment costs of individual projects and naming grant mechanisms. The lack of subsidy options is often used as an alibi for quick, superficial and unimaginative solutions. This reduced view is not and cannot be functional.

Strategic plans should take into account the wider possibilities of securing their activities, with regard to the mentioned cooperation in creating synergy effects. Widely discussed and generally accepted goals allow for the redistribution of management, responsibilities and funding of these goals among different actors. Cities can involve non-profit organizations, private sources and active individuals. The task of self-government is not to finance everything, but to set the concept, ensure the reality of the set goals and coordinate activities aimed at fulfilment. The quality of city management described below thus significantly affects the financial and organizational side of development. A useful question is "Who can do something to improve the situation?"

*Examples of measures and tools* that reflect the issue of securing development plans are, among others, the housing development fund, subsidies for activation repairs of unused houses, restrictive taxation of unused empty apartment buildings or foreign investments, support for new legal forms of housing companies, public developer institute, etc.

### **Unwritten Culture of The City, Settlement Management and Participation of Actors**

A specific focus is the quality of management processes taking place against the background of the creation of development plans and their implementation in city management. This aspect is in practice key and at the same time most dependent on the human factor. Unfortunately, the knowledge, skills and often the will of individuals in specific municipalities are not on the level of the required tasks, as well as the willingness to cooperate across different sectors, departments or development plans. Although the participation of stakeholders in urban governance is commonplace today, adherence to formal processes, methodologies and techniques of participation does not automatically mean activating the population. Real interest in public affairs is still the exception rather than the rule. On the other hand, there are many interest groups, actively and often sincerely trying to solve various challenges, but often individually and with a narrow focus, without a broader perspective, context and cooperation.

The attitudes of the city management and actors are based upon a number of factors, starting with personal motivation for the quality of work performed and mutual cooperation. It is an inner setting that is combined with an abstract belief that a well-run city will be attractive to all, that everyone will live well in it, and that the work of self-government will also be rewarded.

The second factor is the unwritten culture and value framework, such as sub-threshold rules for access to disadvantaged or new citizens, the rate of emergence of excluded localities, rules for investors, and the like.

The third factor is the formal system of planning and housing policy in the Czech Republic, which sets the possibilities for the representatives of settlements. Tools operating from above can include, for example, conceptual plans of the Czech Republic, legislation and methodological frameworks, better targeted fiscal policy and the distribution of subsidies, and more.

Strategic plans enable negotiation, coordination of goals and creation of synergy effects, therefore they are suitable documents for setting these systemic aspects.

*Examples of measures and tools* in which the issue of settlement administration is reflected are, among others, zoning studies, zoning plan with regulatory elements, regulation of building regulations, architectural competitions, support for shared housing, support for community activities, active housing policy, etc.

## Overview of Measures to Improve Housing Affordability and Sustainability

N	Measure	Quality	Possible connection to chapters / process of building regulation of the municipality	Availability	Sustainability (4+1)					Connection to other measures
					environmental	economic	social	cultural	management	
1	<i>Restrictive taxation of unused empty apartment buildings</i>	political	follow-up documents	x		x		x		14, 5, 2, 15
2	<i>Regulation of non-town business activities</i>	political,	priorities - avoided				x	x		8, 18, 28, 21, 22, 7
3	<i>Zoning plan with regulatory elements</i>	planning						x		11, 17, 26, 29, 20
4	<i>Taxation of foreign (or multiple) real estate investments</i>	political	follow-up documents	x		x	x			8, 15, 20, 11
5	<i>Audit of the housing stock</i>	administrative	analysis						x	13, 24, 8, 12, 18, 10, 14, 6,
6	<i>Energy management of apartment buildings</i>	environmental	priorities - supported		x	x				5, 14, 11, 28, 30
7	<i>Implementation of social and demographic diversity policy (so-called social</i>	social, regulatory	priorities - supported	x		x	x			20, 10, 23, 12, 3, 26
8	<i>Regulation of tourism on shared economy platforms</i>	economical, political	follow-up documents	x		x	x			5, 15, 19, 4, 30
9	<i>Support of new legal forms of housing associations</i>	political, legislative	ensuring implementation	x					x	10, 12, 21
10	<i>Support for shared housing</i>	political,		x		x				12, 13, 23, 26, 30
11	<i>A Development company established by the government (a.k.a. a Crown Corporation or a 'public developer')</i>	political, administrative	ensuring implementation						x	3, 14, 16, 26, 29, 17, 20
12	<i>Active housing policy</i>	political,	priorities - supported	x					x	5, 13, 24, 20, 11, 14, 17
13	<i>Production of a demographic study</i>	administrative,	analysis				x			12, 10, 19, 26, 24
14	<i>Housing Development Fund</i>	economical	ensuring implementation	x		x				11, 5, 20, 27, 1, 2, 4
15	<i>Goodwill strategy / good address</i>	communicational	priorities - supported				x	x		20, 3, 30, 16, 29, 23, 21,
16	<i>Architectural competitions</i>	administrative	ensuring implementation						x	15, 11, 14
17	<i>Evaluation of municipal land</i>	political,				x				3, 12, 20, 26, 9, 11, 14
18	<i>Short-term use of municipal property</i>	economical,	ensuring implementation	x		x				23, 10
19	<i>Increased protection of tenants' rights</i>	legislative	follow-up documents	x			x			13, 24, 9, 2, 8, 12
20	<i>Superior position of local housing policy in the strategic plan</i>	political, planning	priorities - supported	x					x	2, 8, 15, 26, 14, 11
21	<i>Subsidies supporting the use of houses</i>	economical	ensuring implementation	x		x		x		14, 1, 5, 6, 15, 22
22	<i>Subsidies for repairs of used houses</i>	economical,	ensuring implementation			x		x		14, 1, 5, 6, 15, 21
23	<i>Support for community activities</i>	social	priorities - supported				x	x		13, 24, 15
24	<i>Preparation of a social study</i>	social	analysis				x			15, 23, 13, 7
25	<i>Private-Public-Partnership (PPP) projects</i>	economical	ensuring implementation			x				12, 17, 9, 3, 20, 3
26	<i>Construction and support for the construction of social housing</i>	economical, planning	priorities - supported	x			x			24, 13, 7, 10, 5, 17
27	<i>Management of rents from the housing stock</i>	economical,	ensuring implementation	x					x	13, 24, 5, 18, 12, 26
28	<i>Support of individual environmental measures in the municipality</i>	environmental,	ensuring implementation		x					15, 29, 6, 29
29	<i>Revitalization of public spaces and expansion of blue-green infrastructure</i>	environmental,	priorities - supported		x					28, 16, 15
30	<i>Modification of building regulations</i>	administrative	follow-up documents					x		23, 10

## 1 / Restrictive taxation of unused empty apartment buildings

A measure regarding special taxation of residential real estate, which is not used for housing longer than stipulated by local regulations. In the context of the legislative framework of the Czech Republic, the Slovak Republic, Germany, Austria and other EU countries, it is possible to combine the registration of a `permanent residence` at specific property with the amount of real estate tax, and motivate property owners not to withdraw the properties from the housing market or remove properties from the housing stock.

### *Justification and possible impacts of the measure*

In European capitals, empty houses can be found in apparently lucrative, high-quality and desirable locations, partly because the rapid rise in property prices ensures a return on investment even if the properties are not leveraged (leased out). However, empty and unused houses are a serious social, technical and aesthetic risk for the neighborhood in which they are located. Empty houses also have the potential to reduce the value of the site, the neighboring properties and surrounding cultural heritage. They generate more negative externalities, including aesthetic and reputational degradation of public spaces, security risks and environmental risks.

Pressure to rent (and avoid restrictive taxation) unused homes has the potential to increase the supply of residential housing in the market. At the same time, it eliminates the negative effects of empty houses on the economic and social sustainability of the area. Marginally, it can motivate property owners to prefer long-term over short-term leases (such as to tourists).

### *Links to other documents, legislation, methodologies, tools, etc.*

The measure requires a thorough political justification, and the associated participatory and dissemination activities.

There is a need for an audit of the housing stock, especially apartments that have not been used for a long time, and an analysis of the ownership structure of apartment buildings.

The revenue from this measure should be allocated to a special-purpose fund from which investments in affordable housing are financed.

When determining the regulation, it is necessary to respect the tax legislation of the Czech Republic.

## 2 / Regulation of non-town business activities

Motivational and restrictive regulations at the local level (decrees) also limit business activities that destroy the residential character of the place, negatively affect its economic and social sustainability, reduce the level of objective and subjective security, negatively determine the architectural value of space, reduce its physical and social permeability, or generate other undesirable conditions.

### *Justification and possible impacts of the measure*

Typical examples of deurbanizing activities are: gambling, prostitution, pawning, insensitively realized tourist activities, increased (but also insufficient) share of office buildings (generally mono-functional collateral), prioritizing transport infrastructure over other city functions, etc. In addition to negative measurable externalities (noise, increased waste collection costs, increased crime) are significant (and sometimes more significant for the economic sustainability of real estate) emotional and reputational externalities. The medium and long-term costs of maintaining security usually exceed investments in the social and economic sustainability of the public space in the local area. An increased concentration of unwanted establishments can drastically reduce the price of real estate and within a few years completely transform the social (and consequently aesthetic, safety and economic) genius loci of a given area and exclude it from the standard residential market.

The presence of (non) urban activities affects the socio-demographic composition and stability of a place. Regulation of unwanted and non-urban activities could prevent the gradual degradation of the site.

### *Links to other documents, legislation, methodologies, tools, etc.*

The data includes, for example, a socio-demographic analysis of neighborhoods, an analysis of the development of real estate prices and rents (interpreted in a macroeconomic context), an analysis of the mobility of residents or business activities in the area.

The measure should be combined with a policy of social and demographic diversity, tourism regulations on shared economy platforms, active subsidies for desirable activities, etc.

### 3 / Zoning plan with regulatory elements

A document that ensures the sustainable development of a municipality or township and balances various interests (public and private, environmental, economic, civic and others) by defining the nature of construction in various parts of the municipality, thereby setting limits on the use of the area. The regulatory elements of the zoning plan are then an extended formulation of rules for construction to ensure the cross-sectional sustainability of the municipality and its architectural character and should be the result of a transparent dialogue between public administration, citizens and investors. The regulation of the area designated for residential construction then affects the nature of housing in this area.

#### *Justification and possible impacts of the measure*

A zoning plan with regulatory elements is a very effective tool for fulfilling the public interest. Territorial regulation associated with the zoning plan has the potential to prevent the emergence of socially excluded localities, limits the emergence of mono-functional and socially insufficiently diversified territories, clearly affects the urban and architectural quality of the area (on which its future economic and social sustainability depends) and also affects the character of community life in the given area. It can influence the availability and quality of housing by regulating its structure, typology and capacity, especially by setting material and spatial regulations.

In practice, a zoning plan with regulatory elements is able to flexibly replace planning contracts for regulatory plans in the event that the developer needs the cooperation of the city for its purpose. In some cases, it simplifies and makes construction processes more transparent, which leads to an acceleration of residential construction without negative impacts on the city's sustainability.

#### *Links to other documents, legislation, methodologies, tools, etc.*

The relationship to the Building Act (law 183/2006) and the methodological instruction by the Ministry of Regional Development for the undertaking of a territorial study (2010) (and at the municipal level, also the relationship to the strategic plan) is absolutely essential. An effective tool for increasing the importance of a land use plan with regulatory elements is its combination with the establishment of the public developer.

#### **4 / Taxation of foreign (or multiple) real estate investments**

A higher tax rate on real estate for foreign residents, who pay taxes, disadvantages real estate investment and at the same time strengthens the social function of housing over investment. It also often favours the owner of only one property. The alternative is to significantly increase the tax rate on the second, third, fourth, etc. real estate properties.

##### *Justification and possible impacts of the measure*

Structural changes in the housing and financial markets and global investment have made housing into a commodity traded and sold on global markets. At the same time, in some, especially prosperous metropolises, the function of housing as an investment tool prevailed over its social function, and in many cities around the world, this situation has caused an excessive supply of luxury housing and a lack of affordable housing for the working and middle classes.

Higher taxation of foreign real estate investments helps to prevent speculative investments in particular. The effect is a shift in the real estate market in favour of supply, a reduction in residential property prices, and market restructuring in favour of more economically and socially sustainable and diversified housing construction.

##### *Links to other documents, legislation, methodologies, tools, etc.*

Since this measure is highly sensitive politically, its application is conditional upon the analysis of the market to avoid failure, as well as the political redefinition of housing as a strategic resource. It is necessary to take into account the demographic and social composition of the population, the typological and ownership structure of the housing stock, the supply of residential real estate, and other contexts.

If the measure is found to be desirable, it is appropriate to support it also through the superior position of local housing policy in the strategic plan, good address strategy, and regulation of tourism on shared economy platforms and the establishment of the public developer.

## 5 / Audit of the housing stock

The measure consists of updating the knowledge base for the use of real estate owned by the municipality (or another public entity) intended for housing, or for the purposes of reconstructable housing, and an analysis of barriers preventing their use for housing. The purpose of such an analysis is to provide summary structured and verified data on the municipal housing stock. It is suitable to establish a database to record the spatial, construction, technical and technological data of each property.

### *Justification and possible impacts of the measure*

Even in cases where there is a basic overview of the city's property, the summary and structured data on the city's housing stock are usually missing. The audit of the housing stock has the potential to reveal the reasons for the shrinkage of the housing stock and its misuse, to help understand the makeup of the unused housing stock, to decide on the management of the municipal housing stock and to increase the efficiency of property management. Overall, it contributes to the transparency of municipal property management and the implementation of a more efficient and coordinated housing policy. The audit of the housing stock is also the basis for the provision of public services.

The impacts of this measure can be evaluated, for example, by quantifying the absolute extent of the available housing stock, the development of housing stock occupancy, the development of costs for the administration, maintenance and reconstruction of the housing stock.

### *Links to other documents, legislation, methodologies, tools, etc.*

When preparing the audit, use of open digital platforms that reflect resolution No. 448/1993 of the government of the Czech Republic on the standard of information systems for territorial identification is suggested. A well-designed audit is the basis for many other measures, such as setting an active housing policy or clarifying the types of short-term use of municipal property, regulating business on the platform of a shared economy, setting up a system of subsidies and support for individual measures in the municipality, and more.



## 6 / Energy management of apartment buildings

It is a measure reducing the energy intensity of apartment buildings, which enables the transfer of energy costs (especially in apartment buildings owned by the municipality) to rental income (with the potential to supplement the special-purpose housing fund). It is one of the few non-subsidy measures that reduce the cost of housing.

### *Justification and possible impacts of the measure*

If apartment buildings are owned by the municipality, it is desirable to fix long-term costs (i.e. mainly the sum of net rent and energy costs) for housing for tenants through comprehensive investments to reduce energy intensity, especially those apartment buildings for which extensive public support is expected. Minimizing the costs of heating in particular increases the public owner's income from his own rent without increasing the cost of housing for tenants.

Successful implementation of energy management of apartment buildings has impacts on environmental (climate protection, air pollution, health) and economic sustainability of housing in the neighborhood. The sequence of measures is an increase in the quality of life, a higher quality of life, a higher level of social and demographic stability as well as sustainable demographic and social diversity. In the case of architecturally sensitive reconstructions, the influence on the reputation and real estate value of the site is demonstrable

### *Links to other documents, legislation, methodologies, tools, etc.*

Due to the approved strategy of the government of the Czech Republic for sustainable development, it is possible to use financial support from the Ministry of Environment a State Environmental Fund [programme New Green Savings], the integrated regional operational program, the SFRB programs and others. However, an audit of the housing stock and an energy audit of apartment buildings are necessary for the effective use of subsidies. A combination of measures with the housing development fund and the establishment of a public developer is appropriate.

## **7 / Implementation of social and demographic diversity policy (so-called social mix)**

The mandatory allocation of a part of the project for social housing, even in corporate and private development projects, increases the number of apartments on the affordable housing market. Agreements set up in this way with developers compensate for the greater physical volume of construction for a predetermined mandatory share of affordable housing available to the city. Housing units from this allocation are managed by the municipality under pre-determined conditions, with the income from their lease being received by the property owner (this measure does not always reduce the investor's income). This is a mandatory performance by the construction developer in favour of a public entity, within the demonstrable public interest. This measure is used by many cities around the world.

### *Justification and possible impacts of the measure*

Commercial construction also generates externalities, associated primarily with more intensive use of technical and social infrastructure financed from public budgets. The provision of the housing stock compensates for these externalities. At the same time, this measure prevents the creation of monolithic social and demographic structures, supports the desirable community dimension of settlements with positive impacts on the security, sustainability and resilience of cities, and naturally prevents the emergence of socially excluded localities. It also strengthens the desirable function of housing construction at the expense of investment.

The regulation of social diversity has the potential to increase the number of housing units available for the implementation of the city's housing policy. While ensuring the social mix and demographic diversity, an increase in social cohesion can be expected in areas of new housing construction and strengthening of an economically sustainable zone.

### *Links to other documents, legislation, methodologies, tools, etc.*

The measure reflects the international context, in particular the Information Communication of the EU Directorate-General for Internal Social Housing Policy in the European Union. At the level of individual cities, however, it requires political will, usually expressed through the superior position of housing policy in the strategic plan and approval of the municipality's housing policy, which implies the method of managing the housing stock.

## 8 / Regulation of tourism on shared economy platforms

Regulation of business on shared economy platforms (especially AirBnB) limits changes in the function of housing to the function of short-term accommodation in defined parts of the city. Regulation, especially of AirBnB, needs to be effectively diversified (usually its nationwide restriction is not desirable) and linked to some form of reasonable regulation (restriction of the zone, selected houses, number of days for rent, etc.). It is desirable that the AirBnB platform should not be a catalyst for investment purchases of apartments that do not enter the housing market.

### *Justification and possible impacts of the measure*

The development of the so-called shared economy (for example, AirBnB, which has become a regular real estate business) is a significant factor increasing the price of real estate (often acquired only for use in this service) and rents, causing the reduction of the number of permanent residents and their social diversity. In addition to external conditions associated with the deficit of affordable housing, the primary reason for regulation is the unfair shift in the quality of life in the locality caused by tourist consumption practises at the expense of other housing owners and some negative phenomena associated with the increase in tourism. AirBnB regulation has the potential to prevent the purposeful purchase or even construction of real estate that would otherwise increase the demand for residential housing. However, an absolute ban on AirBnB can also have negative effects. In less tourist-exposed areas, AirBnB acts as a catalyst for prosperity and social sustainability and does not need to be regulated.

### *Links to other documents, legislation, methodologies, tools, etc.*

The decision to regulate should be based on an analysis of the absolute and relative number of housing units offered through the AirBnB platforms in the context of the area, its attractiveness to tourism and local residents, and the overall diversity of their functions and services. A combination of measures with a good address strategy, increased protection of tenants' rights, increased taxation of foreign investments or other than the first real estate, etc. is suitable.

## 9 / Support of new legal forms of housing associations

A measure about real estate development without a developer, which is usually initiated and shaped by a specific community, the principle of self-government or a specific need for use. Legally, public trading companies, housing cooperatives, joint stock companies (with a prohibition on the payment of dividends), limited liability companies or foundations, where the goal is not profit, but public benefit may be used. It is typical for these organizations to usually provide the entire cycle of design, implementation, administration, maintenance and modernization of the housing stock (up to eventual liquidation), as a result of which there is a shift to higher construction efficiency based on life cycle costs of buildings.

### *Justification and possible impacts of the measure*

The measure responds to market failures in the housing market, excess demand over supply, failures in administrative and planning processes, poorly set up financial instruments and missing legislation, and in some regions to problems of social, demographic and economic disparity. The difficult deficit of public funds for the development of housing construction catalyzes the search for new forms of pooling funds from other sources, the elimination of costs for residential construction and the use of available gaps in the housing market. This can also be achieved through partnerships between the private and public sectors.

At the same time, this measure enables the optimization of the use of non-standard land in the city, a greater degree of sharing at the apartment building level, more flexible approaches to project financing, lowering the accessibility threshold for housing users, and supporting innovative architectural and design solutions. It supports the community character in settlements with a positive impact on their social and demographic sustainability, it can have an impact on employment. It increases competition from traditional developers and thus reduces the number of oligopolies in some regions.

### *Links to other documents, legislation, methodologies, tools, etc.*

The implementation of this measure is feasible after the change of the legislative framework at the national level. The economic framework of the operation of these organizations is determined by the ability of multi-source self-financing (which differs from social housing projects) and public support mainly addresses the deficit of own funds at the beginning of the project.

## 10 / Support for shared housing

Shared housing is a relatively common way of providing accommodation for students, seasonal workers, young people or seniors and other communities. The motivation for participation in shared housing is primarily the community character of housing, in the case of seniors the effort to stay in old age in the area where they lived and the feeling of security, reduced housing costs and sharing of health and social services. The support of this type of housing on the part of municipalities consists mainly in the adaptation of an apartment building. It is optimal if the buildings are already designed for this type of use, as otherwise the layout, equipment and technical equipment has to be adapted.

### *Justification and possible impacts of the measure*

Community housing models are practical for some residents, even in economic and legal terms. Support for community housing models solves social problems of a non-economic nature (for example, loneliness), increases social diversity and promotes intergenerational cohesion. Shared housing has the potential to make more efficient use of city-owned real estate, as the reconstruction of existing buildings is significantly faster than the construction of new ones, and to create a capacity cushion to address short- and medium-term excess demand over supply. Secondly, it can create desirable and socially stable communities.

### *Links to other documents, legislation, methodologies, tools, etc.*

According to experience from abroad, this model appears to be effective, often used by young people and also suitable for seniors. It should be connected with the setting of an active housing policy and the adjustment of building regulations in relation to the construction of social housing and the reconstruction of part of the existing housing stock. The positive synergy effect can be brought about by the connection of this measure to support community activities.

**11 / A Development company established by the government (a.k.a. a Crown Corporation or a 'public developer')**

The government has the option to establish an independent organization, which is under government control, providing municipal residential construction in the public interest according to long-term rules. The key task of the 'public developer' is the preparation of the territory and the diversification of private and public interest in it, in general the coordination of the interests of the actors of the development. This approach to construction preserves control over the use of land owned by the city, allows a more precise definition of private and public interest. However, it requires the minimization of clientelism and corruption and a higher degree of political consensus.

*Justification and possible impacts of the measure*

While the traditional investment department is limited by the rules of government administration in the public interest, the independent organization established by the city has the potential to combine public interest with the principles of effective functioning of the organization comparable to commercial building developers. At the same time, the public developer is able to integrate more of the city's interests - in addition to ensuring the construction itself, these are primarily interests reflected in the urban, environmental and architectural quality of public space. Also, this prevents risks arising from uncoordinated construction.

The measure reflects a shift in the perception of housing as a strategic asset and an increased emphasis on the quality of public space as a determinant of economic and social sustainability. It can also bring faster construction, balancing of the quality of public spaces, more efficient implementation of housing policy, effective and transparent fulfillment of the public interest and other benefits.

*Links to other documents, legislation, methodologies, tools, etc.*

The legislation of the Czech Republic allows this measure. The requirements for the establishment of a public developer are primarily political agreement in the given area and the availability of city-owned real estate. Subsequently, it is possible to use a public developer to support the implementation of a number of other measures.

## 12 / Active housing policy

A municipal active housing policy is implemented through interventions in the housing market to achieve balance, sustainability and affordability of housing. The most visible manifestation of housing policy is the privatization of the housing stock or, conversely, its expansion.

### *Justification and possible impacts of the measure*

An active housing policy for large sections of a city can respond to social and economic externalities, market failures and demographic developments. In some cases, it addresses the loss of adequate public and civic control over land use due to speculative development, resignation to a holistic approach to strategic planning, a deficit of integrity, an explosion of a commercial shared economy, or simply a competence deficit to manage land. Active housing policy is therefore influenced by the demographic situation, the scope, structure and condition of the housing stock and the value system of the population, i.e. municipal representation.

The regulation of the privatization of the housing stock not only aims to implement the policy of affordable housing and possibly social housing, but also makes it possible to influence economic sustainability through the lease of non-residential premises in these houses. The impact of the measure is the social and demographic stabilization of the population and an adequate share of social and affordable housing in the municipality's housing stock.

### *Links to other documents, legislation, methodologies, tools, etc.*

The decision to privatize or expand the housing stock is a political act. Taking into account previous experience with the privatization of the housing stock, especially in larger cities, it is therefore absolutely necessary to adjust the privatization rules to prevent speculation with apartments. Therefore, analysis of the state and forecasts of the development of the housing stock in the context of socio-demographic development are necessary. It is appropriate to link to other measures, especially the supremacy of housing policy in the strategic plan, the public developer and the housing development fund.

### 13 / Production of a demographic study

Demographic policy is an integral part of the strategic plan. A demographic study is one of the bases of both the strategic plan and municipal housing policy. Its production and regular revision is absolutely crucial. A key part of the demographic study is the forecast of future development with a horizon of at least 10 years. However, it is essential to interpret the data in the context of the determinants of demographic development and to include the planned construction in the demographic forecast.

#### *Justification and possible impacts of the measure*

The demographic study is necessary for the provision of social infrastructure, regulation of construction activities, investment planning, and more. It is possible to deduce from the demographic study which housing policy is relevant for a particular municipality or any subsection. The aim should be a balanced demographic profile of the settlement.

The elaboration of a demographic study can streamline strategic planning and housing strategy and the opportunity to influence the social and economic sustainability of the municipality. The demographic study should be a key basis for spatial planning and any infrastructure measures concerning the inhabitants of the municipality.

#### *Links to other documents, legislation, methodologies, tools, etc.*

The primary source of data is the Czech Statistical Office and databases maintained by the relevant municipality. These should be supplemented by information from the audit of the housing stock, zoning plan and other documents. The demographic study is not a functional measure in itself, but serves as an essential basis for the correct application of a large part of other measures.



#### 14 / Housing Development Fund

A housing development fund is a special-purpose cash source/fund with sources such as privatization, revenues from rent and sale of municipal property, collection of real estate tax or other sources (subsidies, municipal budget) used to finance transparently defined investments in residential housing, especially to cover costs with the improvement of the housing stock of the city, securing the needs of the territorial development of the city, the environment and building culture, or for the provision of preferential special-purpose loans to owners of residential buildings and flats, including housing cooperatives. It is a measure analogous to environmental funds, transport infrastructure, etc.

#### *Justification and possible impacts of the measure*

The essence is have a long-term source of resources independent of the current decision-making of the municipal representation, which enable the gradual renewal of the housing stock, investment in public space or repurchase of real estate in city property for more effective implementation of housing policies. Recommended material provisions and rules for the operation of municipal housing development funds include the definition of its scope (expenditure side), setting grant schemes, including indicators of the impact of expenditures, list of applicable financial instruments, including revolving schemes, declaratory link to the municipality's housing policy and more.

The benefits include a gradual increase and improvement of the housing stock owned by the municipality, a stronger position of the municipality in the implementation of housing policy and an overall more effective implementation of housing policy. The transparent use of funds and their purposeful connection with revenues from the municipality's property and public space and at least partial separation of housing policy from the political determinants of drawing on the municipality's budget are not negligible.

#### *Links to other documents, legislation, methodologies, tools, etc.*

The basic principle of operation of municipal housing development funds is their strict purposefulness and clear rules for use. Subsequently, they can act as a financial and administrative support mechanism for many other measures.

### 15 / Goodwill strategy / good address

It is a medium-term and long-term strategic measure, which formulates a communication plan for the presentation of the municipality or selected localities to its own inhabitants and visitors and investors, public administration, etc. The aim of such a strategy is to support demographic stability, economic sustainability, competitiveness and social cohesion, including desirable forms of community life. The core is the formulation of the identity of the settlement determined, inter alia, by its location, history, architectural and urban character, economic activities, social and national character, relationship to the region, forming natural parameters, borders, etc.

#### *Justification and possible impacts of the measure*

The willingness of people to live outside the metropolis is determined not only by measurable aspects (availability of transport infrastructure, civic amenities, employment, etc.), but also by the reputation of a particular locality. Subjective perception of quality of life is closely related to the perception of the reputation and identity of the place in which one lives, sometimes even without reference to the objective parameters of quality of life. Strengthening the identity of the municipality, which affects the value of the locality, has a positive effect on the willingness to live in the municipality, especially for socio-demographic groups that strengthen its competitiveness and social and economic sustainability (groups with higher social mobility). The good address strategy also has a positive effect on reducing unwanted shrinkage of settlements and can catalyze positive manifestations of (otherwise problematic) gentrification of residential sites.

#### *Links to other documents, legislation, methodologies, tools, etc.*

Depending on the locality, this measure can be connected with a number of other documents and tools, such as cultural heritage search, media and reputation analysis, emotional maps, local *Agenda 21* indicators, regional development strategy of the Czech Republic 2021+, local tourism strategy, support for structurally handicapped regions of the Czech Republic, local marketing strategy, manual of public spaces, and others. For the successful application of the good address strategy, it is important to comply with other measures that affect the image of the place, such as compliance with the zoning plan with regulatory elements and building regulations, use of architectural competitions, revitalization of public spaces, support for community activities, etc.

## 16 / Architectural competitions

According to the Public Procurement Act, a project supplier can be found and a contract concluded with him using several forms. This process is transparent and at the same time provides the preconditions for effective negotiation. It leads to finding a solution that balances the costs of the project and its functional, aesthetic, technological and other added value.

### *Justification and possible impacts of the measure*

Any non-routine construction is an intervention in public space, so it requires an interdisciplinary approach and consideration of the broader context of the investment. For these reasons, it is a project with a relevant degree of creative uncertainty, which requires finding the best of more suitable solutions. The result of the architectural competition is a concrete design of the functional, dispositional, structural and aesthetic solution of the building. The architectural competition enables the application of advanced and sophisticated project evaluation tools, promotes transparency, creative diversity and allows the selection of project suppliers according to the ratio of price and complex quality of the building design. The impact is to increase the quality of projects and public space, build tangible cultural heritage and improve the overall reputation of the site.

### *Links to other documents, legislation, methodologies, tools, etc.*

The primary basis for awarding public projects is the Public Procurement Act No. 137/2006., while the ČKA competition rules, the policy of architecture and building culture of the Czech Republic, the certified methodology of Social Housing: Project Preparation (2017) and others can be used to support procurement. A significant synergy effect can be achieved by combining an architectural competition with the establishment of a public developer and a housing development fund.

## 17 / Evaluation of municipal land

One of the most effective tools of the municipality to increase the availability of housing is the targeted use of land in municipal ownership for residential construction supporting sustainable housing construction. If the public sector has land at its disposal, it is able to achieve a high return on investment in its own rental housing and at the same time use it for an active housing, demographic or employment policy. Even in the case of the sale of land to investors, the municipality is able to influence their use through building regulations.

### *Justification and possible impacts of the measure*

This measure reflects the fact that the key determinant of the value (and availability) of residential real estate is the value of the land, and at the same time the most effective tool of the public sector is the ability to change the zoning plan. However, the strategy of land valuation of the municipality must be anchored in the strategic plan, because it requires political will and wider participation, but above all, such a measure extends to more strategic goals and policies.

The impacts are basically positive. Improving the urban structure of the municipality with the consequence of increasing environmental and economic sustainability; more efficient position for negotiations with developers; easier enforcement of housing policy strategy; greater influence on the quality of construction; ensuring demographic sustainability and social cohesion in the municipality.

### *Links to other documents, legislation, methodologies, tools, etc.*

Important documents include, in particular, spatial analysis documents and the zoning plan. It is necessary to link measures to the superior position of local housing policy in the strategic plan. Other synergy effects may arise in combination with an active housing policy, the construction of social housing, the support of new legal forms of housing companies, the housing development fund, the establishment of a public developer and others.

### **18 / Short-term use of municipal property**

A measure regarding individual agreements concerning the short-term (exceptionally medium-term) use of specific unused buildings. In the optimal case, the short-term use of unused municipal property can be linked to the provision of temporary accommodation and the support of community activities. The aim of the contract is not an immediate profit from the lease, but savings on the maintenance of the building (e.g. in the period before the planned reconstruction), often its protection against irreversible decay.

#### *Justification and possible impacts of the measure*

Empty houses have an extremely negative impact on public space, reduce the value of the site and generate many negative externalities. Taking into account these externalities and the pressure of so-called squatters on the de jure illegal use of empty houses, it can be recommended to formulate rules under which such houses can be used. It is a solution that in some cases private homeowners also approach. The direct effect on the availability of housing lies in the possibility of using such real estate, the indirect effect of this procedure on the protection and sometimes the rescue of municipal property and the socio-economic sustainability of the place.

#### *Links to other documents, legislation, methodologies, tools, etc.*

It is usually a relationship of the municipality with a legal entity (in fact, always a non-profit organization), whose activities are not contrary to the public interest. It requires the existence of a relevant legal entity on the part of temporary property users. It is appropriate to link to measures to support community activities.

## 19 / Increased protection of tenants' rights

The aim of the measure is to de-stigmatize rental housing as a socially determined way of life, increase the subjective feeling of security associated with rental housing and increase the availability of housing for those users who are not interested in or unavailable for owner-occupied housing. It consists in setting the equilibrium between the tenant and the landlord. It is primarily a possibility to use the apartment on the basis of a contract for an indefinite period, to have clear rules regarding adjustments to the rental price, the scope of use of the apartment and its accessories. It requires the legal elimination of the uncertainty of the parties to the notice period and the reasons for the termination of the lease.

### *Justification and possible impacts of the measure*

In particular, short notice periods and the uncertainty of tenants resulting from the dependence of their position are psychological barriers to prioritizing rental housing over owner-occupied housing. A subjective, and simultaneously an empirical feeling of security arises more freely, if the landlord is a person, who operates the lease as a business. The landlord and tenant are legally connected entities. A better legal framework and protection for landlords also brings with it greater protection for tenants.

Decisions on the way housing is secured have personal, societal and macroeconomic impacts on the domestic capital market. The predominant way of living has an impact, among other things, on the amount of available financial resources of households, labor mobility and quality of life. The ratio between rental and owner-occupied housing in comparable model countries is not directly related to their economic maturity.

### *Links to other documents, legislation, methodologies, tools, etc.*

Increased protection of tenants' rights is directly related to measures to support new legal forms of housing associations. Furthermore, it is possible to link to the regulations of tourism on the platforms of the shared economy, the regulation of non-urban business activities and active housing policy. From the point of view of the Czech Republic, there is a connection to the Act on Housing Management, the Concept of Social Housing 2015-2025 or documents of the Czech-Moravian Association of Housing Cooperatives and the Association of Tenants.

## 20 / Superior position of local housing policy in the strategic plan

Housing policy is a set of activities that create a suitable legal, institutional and economic environment for all actors in the housing market. The success and outcome usually depends on strategically balancing these activities. The methodological framework of strategic plans is usually determined by the cross-section of paradigms that are considered most important (usually responding to key issues or reflecting a superior value system), such as the paradigm of sustainable development, social cohesion, climate protection or urban competitiveness. The availability of housing should be such a key paradigm.

### *Justification and possible impacts of the measure*

The superior position of housing policy in strategic planning results primarily from the seriousness and extent of the current lack of housing, and this step also legitimizes the extent of identified market failures. If housing policy is shifted to the role of a key paradigm (to the level of sustainability), then the goals, policies and measures of the strategic plan are assessed through the prism of their impact on housing affordability. The supremacy of housing policy then makes it easier to achieve more effective interventions. In the expected programming period, housing will probably be able to be the subject of public support.

### *Links to other documents, legislation, methodologies, tools, etc.*

The measure is supported in several documents, such as the *Strategie regionálního rozvoje ČR 2014-2020* (Strategy of Regional Development of the Czech Republic 2014-2020) and the *Metodika přípravy veřejných strategií (MMR)* (Methodology for the Preparation of Public Strategies). From the local point of view, the supremacy of housing policy opens up the possibility of supporting desirable directions of development (such as good address strategies, social mix or construction of social housing) and limiting undesirable ones (such as non-urban business activities, AirBnB). It legitimizes the creation of support tools, such as the housing development fund, special-purpose local subsidies or the institute of a public developer.

## 21 / Subsidies supporting the use of houses

The purpose of this tool is to help overcome barriers to market entry, whether in the role of landlord or tenant. It consists mainly in the preparation of a subsidy title supporting the transformation of an unused housing stock into affordable housing, under the conditions of respecting the specifics of the physical environment of the settlement (nature of construction, monument protection, climatic conditions, zoning plan, etc.). The subsidy is justified by the elimination of externalities with an impact on public budgets caused by the unavailability of housing, non-use of buildings, impacts on the quality of the physical environment, etc.

### *Justification and possible impacts of the measure*

Subsidizing repairs and a quick launch on the real estate market of those apartment buildings that are not used due to poor technical conditions is a complementary measure to the restrictive taxation of unused empty apartment buildings. Ideally, these should be transfers of funds within one housing stock (similar to dealing with environmental externalities). Repairs to apartment buildings are not limited by administrative barriers, such as new construction, so they make housing capacity more accessible. The aim of the subsidy is to overcome investment barriers, especially for individual owners.

Impacts include expanding the housing stock available in the residential real estate market, improving the physical environment, increasing the building culture, increasing the environmental sustainability of buildings, and more.

### *Links to other documents, legislation, methodologies, tools, etc.*

A major impact on the functionality of this measure is its connection to the special-purpose housing development fund and restrictive taxation of unused empty apartment buildings, but also to other local subsidy mechanisms. The *Nová zelená úsporám* (New Green for Savings) program, for example, can serve as a benchmark.



## 22 / Subsidies for repairs of used houses

Preparation of a subsidy titles supporting the repairs of the existing housing stock, while the criteria for providing subsidies must meet the public interest and it is appropriate to link them with qualitative criteria. The funds can also be used as co-financing of national subsidy programs, such as to reduce energy intensity, maintain the monumental and architectural value or quality of life associated with housing. Subsidies do not have to be tied to a specific form of ownership.

### *Justification and possible impacts of the measure*

The aim of the subsidy is to overcome investment barriers, especially for owners of houses and apartment buildings. The provision of the subsidy thus makes it possible to ensure or maintain the residential character of the real estate or to modify the structure of the housing stock. Repairs to apartment buildings support the maintenance of housing capacity more easily than new construction, and the decision to repair the existing housing stock also supports the improvement of the physical environment and the general quality of the building culture. The legitimacy of the intervention results mainly in the elimination of (especially) environmental externalities and requirements for (even locally specific) parameters of reconstructions. Other benefits include an improvement in the quality of life and reputation of the sites concerned.

### *Links to other documents, legislation, methodologies, tools, etc.*

A major impact on the functionality of this measure is its connection to the special-purpose housing development fund and restrictive taxation of unused empty apartment buildings, but also to other local subsidy mechanisms.

### 23 / Support for community activities

The quality of life associated with housing is influenced not only by exactly measurable technical and environmental parameters, but also by the social environment and the character of the community. The common denominator of these activities is the urban-sharing of public space, the strengthening of neighborhood ties and the strengthening of the identity of the place. In practice, therefore, it is primarily a matter of planning the structure and hierarchy of public spaces of the municipality or their modifications so as to create adequate conditions for community life for its application.

#### *Justification and possible impacts of the measure*

This measure supports the harmonization of social and cultural activities that increase the quality of life in the community, neighborhood activities, intergenerational and social cohesion and security. Support for community activities has positive effects on demographic stability, diversity and social cohesion, which eliminate social exclusion and are also one of the determinants of economic sustainability. The measure also supports people's participation in the processes of planning, decision-making, management, implementation and evaluation, participation in the exercise of power and self-determination. The overall effect is to increase the quality of life and increase the value of the site.

#### *Links to other documents, legislation, methodologies, tools, etc.*

Social and demographic studies, or other documents supporting the participation of the population are important sources for the correct setting of support for community activities. It is appropriate to link measures to the participatory budget of the city and various subsidy mechanisms, such as the ESF.

## 24 / Preparation of a social study

The preparation of a social study is a necessary precondition for the preparation of a housing policy, or a conceptual document that codifies it. Its essential part is a description of the socio-demographic structure of the city and its interpretation, a description of the economic base of the region, analysis and quantification of socially determined groups. Social studies have the potential to indicate or even anticipate manifestations of spatial segregation and social exclusion, which can have a fatal effect on the housing policy of the municipality. The subject of the social study is also the state of neighborhood activities, the potential of NGOs and communities (conditioned by generation, professional basis, historically, gender, etc.). The output of the social study is not only sociodemographic data about the locality, but also a reflection of the socio-spatial context and its relation to the physical structure of the settlement.

### *Justification and possible impacts of the measure*

Social changes are a consequence of several processes, including de-urbanization, re-urbanization, gentrification, industrialization or globalization, and their consequence is the socio-spatial differentiation of the city. Not all of these changes can be influenced in strategic planning, but it is necessary to respond to them. It turns out that housing policy must be set differently and on the basis of a detailed analysis, mainly due to completely different conditions in individual settlements and completely different determinants that affect their development. The omission of some factors (speculative tendencies, migratory influences, travel for work or education, business strategies of key employers, etc.) can complicate the implementation of sustainable housing policy.

### *Links to other documents, legislation, methodologies, tools, etc.*

Social studies are not a functional measure in itself, but serve as an essential basis for the correct application of a large part of other measures. Its importance for the implementation of the policy of social and demographic diversity (social mix) is fundamental.

## 25 / Private-Public-Partnership (PPP) projects

In principle, this is an economic cooperative arrangement between the public and private sectors. The basic types of PPP projects can be divided into initial, operational and investment operational projects or in the form of a joint venture partnership. A specific form of PPP is developer credits in the form of tax, cost, and especially regulatory relief for construction developers, which motivate them to meet the current (social, environmental, cultural) public interest. Credits can be implemented, for example, in the form of the transfer of development rights, transfers of part of the purchase price for land in a place where development is supported or regulated.

### *Justification and possible impacts of the measure*

This is an approach similar to the already used emission allowances. A similar type of construction credits can be used so that the credits represent the allocated parameters of construction intensity and are distributed among the landowners in the construction site, who can trade them. In a place, where development is supported, spatial planning is changing so that more units can be built.

The measure can make processes more efficient by strengthening the organizational and professional skills of the private sector, speeding up residential construction and increasing its spatial and social diversity, and thus ultimately securing housing capacities outside the public sector.

### *Links to other documents, legislation, methodologies, tools, etc.*

PPP projects require more sophisticated cost-benefit analysis and legal security of the project, as well as have higher demands on the competencies of municipal representation. In some cases, a negative impact on spatial planning can be indicated, so the measure must be anchored in accordance with the strategic and spatial plan. Synergistic effects can be achieved in combination with the support of new legal forms of housing companies, active housing policy or measures for the appreciation of the municipality's land.

## 26 / Construction and support for the construction of social housing

Construction or purchase of real estate intended to saturate the social needs of determined housing. Social flats also include the construction of flats within specialized facilities for the elderly, vulnerable groups of the population, or the disabled. This may also include the construction of flats for specific professions needed, even in cases where it is in fact a question of supporting affordable housing. In the construction of social housing, the only criterion should not be the amount of the subsidy, but general parameters of public interest, including the intention to build cultural heritage and quality public space.

### *Justification and possible impacts of the measure*

Within the strategic planning of the development of the municipality, it is necessary to take into account the development of the opinion on the mandatory construction of social housing and the possibility that the participation of municipalities in the construction of a socially determined housing stock will be mandatory in the future. In general, an adequate capacity of social housing is often necessary for the implementation of housing policy of municipalities, to maintain the desired socio-demographic parameters, socio-demographic diversity and social cohesion.

### *Links to other documents, legislation, methodologies, tools, etc.*

The condition for investment in the construction of social housing or in support for its construction (the investor does not have to be only the public sector) is the identification of a market failure entitling to drawing public support. Therefore, documents such as the *Koncepce sociálního bydlení ČR 2015-2025* [Social Housing Concept of the Czech Republic 2015-2025] or subsidies for social housing of the Ministry of Regional Development, demographic studies, social studies and the audit of the housing stock at the local level are important. It is appropriate to search for synergistic effects with other measures, such as the supremacy of housing policy in the strategic plan, the implementation of social and demographic diversity policy, support for shared housing, land use plan with regulatory elements, etc.

## 27 / Management of rents from the housing stock

The regulation of rent means the determination of rent or the direct regulation of its amount by the public sector, but it is tied to flats in public ownership. The alternative used to regulate rents are special-purpose benefits (surcharges and housing allowances). In the long run, this measure is considered unsustainable, but its political support is directly dependent on the degree of market failure in the housing market and, despite the inconsistency of the measure, is in fact still taking place.

### *Justification and possible impacts of the measure*

The measure is used in situations where it is necessary to put a social approach above a market approach. The aim of regulation is to influence the price level of rents, short-term and medium-term solution to the crisis social situation, stabilization of residents in the village, prevention of expulsion of the original population from the city center, provision of so-called service apartments to professions in the public interest by non-public providers.

### *Links to other documents, legislation, methodologies, tools, etc.*

With regard to the controversy of the measure, the Civil Code (89/2012) And the *Metodiku identifikace tržního selhání (MMR)* [Market Failure Identification Methodology] must be taken into account when deciding on its implementation, as well as the local situation mapped through demographic and social studies, housing stock audits or price analysis in the locality. Given the possibility of influencing rents, especially in the housing stock itself, a combination with those measures that help expand the housing stock in the city administration is appropriate. The implementation of the measure is supported by the limit of 40% of disposable income, which is perceived as economically sustainable for households.

## 28 / Support of individual environmental measures in the municipality

The measure is about local subsidies for property owners supporting smaller projects that improve the state of the environment, including green infrastructure, air quality, etc. The aim of the measure is to eliminate the negative effects of the environmental quality deficit on the quality of life in municipalities. The tool does not have to apply only to buildings, measures that intervene in public space are equally important.

### *Justification and possible impacts of the measure*

The sustainability of housing is also determined by the quality of the environment in the municipality, which is determined, among other things, by the quality of the environmental infrastructure. Strategic settlement plans include environmental projects, but only exceptionally do they plan them through the prism of housing affordability. Consistent use of the legislative framework supporting the improvement of the environment or reduction of pollution and assistance in obtaining subsidies for individual investors increases the quality of life of all inhabitants of the municipality. The undeniable impact is the improvement of physical space, increase of quality of life and environmental sustainability.

### *Links to other documents, legislation, methodologies, tools, etc.*

The measure is connected to a number of documents and tools, such as the *Strategie udržitelného rozvoje ČR* [Strategy of Sustainable Development of the Czech Republic], *národní/operační programy Životní prostředí* [national/operational programs for the Environment], *principy Místní agendy 21* [Local Agenda 21], and others. In terms of selecting suitable projects at the local level, it is recommended to follow examples of good practice. It is directly related to two other measures, namely the revitalization of public spaces and the expansion of blue-green infrastructure and energy management of apartment buildings.

**29 / Revitalization of public spaces and expansion of blue-green infrastructure**

Investments in the improvement of public spaces contributing to the improvement of the quality of life of residents. Typical examples include the addition of green infrastructure in the village, planting forests and forest parks to reduce the environmental, aesthetic and hygienic impacts of transport, creating water to reduce temperatures and increase humidity, green roofs, infiltration areas, etc. A suitable tool is a spatial study identifying public spaces with the potential to increase the quality of life in the village and its infrastructure, support environmental functions and improve the overall architectural and urban character of the village.

*Justification and possible impacts of the measure*

The quality of public spaces affects the quality of life in the place, community activities, the form of local mobility, the value of housing. The blue-green infrastructure then has a positive effect on the microclimate, eliminates the effect of urban heat islands, and usually contributes to improving the architectural character of the residence. Its adequate availability and quality directly affect the overall quality of living in the place.

*Links to other documents, legislation, methodologies, tools, etc.*

The necessary basis is a zoning plan. Beneficial documents are general public spaces or general greenery. It is appropriate to link to the measures of the good address strategy and architectural competition, and financially to support individual environmental measures in the municipality.



### 30 / Modification of building regulations

This measure is about modifying selected provisions of building regulations to support the affordability of housing. These are mainly tools of spatial planning and their interpretation, parameters of mandatory lighting and sunlight, mandatory allocation of parking spaces, noise levels in front of apartment buildings, some construction and technical parameters, distances of buildings from land boundaries, land use restrictions in the village, and more.

#### *Justification and possible impacts of the measure*

The current professional discourse in recent years has called into question the relevance of some provisions of building regulations that limit the construction of new apartment buildings, reconstruction and construction of houses in city centers, as well as their urban character and quality. In principle, OTP regulations exclude the classic (block) form of urban development, typical for localities with an urban character and with indisputable (confirmed by the real estate market) quality. They do not reflect the role of buildings in the socio-economic environment of the city or the emphasis on public quality. Many requirements in the context of achieving sustainable and affordable housing appear to be limiting and at the same time in the context of today's technological framework to be overcome.

Modifications to building regulations, where possible, would reduce reconstruction costs, reduce the number of disused apartment buildings and improve brownfield revitalization, expand the housing stock, complement the city's compact structure and create a more favorable, economically and environmentally sustainable city structure.

#### *Links to other documents, legislation, methodologies, tools, etc.*

The application of this measure is limited by the legislative context of national regulations. However, local modifications are possible, as evidenced, for example, by the Prague building regulations.