

THE ASSESSMENT OF TOOLS FORMING HOUSING POLICY IN POLAND USING THE EXAMPLE OF THE GOVERNMENT'S MDM PROGRAMME

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ABSTRACT

One of the most important needs in the hierarchy of human needs is the housing need. Virtually all European countries fulfil a pro-family housing policy by using various tools to support investments of this kind. Housing policy is also conducted in Poland. In spite of the huge popularity of the TBS (Social Housing Association) and Rodzina na swoim (A Family's Own Place) programmes, the demand for flats in Poland is still high.

The authors of this paper tried to assess the impact of the implementation of the Mdm (Mieszkania dla Młodych – Home for Young People) programme on the housing market in the biggest cities of Polish regions and in peripheral areas. The level of the relationship between the level of subsidies used in this programme and areas of newly built flats for the indicated spatial units was demonstrated with the use of statistical methods.

The result of the completed analyses is the assessment of the effectiveness of the programme with regard to the housing policy being adopted, and the analysis of its effectiveness with regard to spaces with different levels of social and economic development.

Key words: instruments of housing policy, housing policy, social-economic space, development of the building industry, housing market

INTRODUCTION

The primary aims of the housing policy conducted by the majority of European states are to create conditions for the purchase or lease of flats by all citizens while ensuring the availability and appropriate quality

of housing resources (Cieślak et al. 2014). The pursuit of these aims may involve difficulties related, among others, to the provision of access to flats of minimum, yet good standard to households with low incomes (Ball 1983, Mallach 1984). The budgets of these households should be relieved at a level that would

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allow them to live at a relatively stable financial level. This requires an extremely balanced compromise between the market economy of developed states and their vision of a welfare state (Bengtsson 1995, 2001, Gent 2010). Problems of the housing policy also involve conditions for the fulfilment of the special housing needs of certain social groups (the elderly, solitary and homeless persons), decapitalisation of housing resources, or regional disproportions in the level of fulfilment of the housing needs of the urban and rural populations (Lis 2008). It must be stressed that the housing situation in European states depends mainly on the effectiveness of the housing policy conducted by these states (Brandsen et al. 2006). Western Europe owes its position in this field to building programmes implemented for the purpose of making up for shortages in housing resources that were necessary because of the consequences of the Second World War. However, it must be added that this did not apply to all states (e.g. Sweden). Financed and managed by the state, these programmes were aimed at creating the possibility of building a large number of cheap flats for low-income and middle-income families (Ulman 2011).

As emphasised in the Regular National Report on Housing Developments in European Countries (Norris and Shiels 2004), regulating the issue of the housing industry is not a part of the competencies of the European Union. However, the creation of housing policy is an important part of the creation of the sustainable economical development of the EU.

The situation of Poland is very unfavourable compared to the relatively stable situation in Western European countries. The shortage of flats in Poland is very high – it is the highest rate among EU countries (327 flats per 1,000 inhabitants in Poland vs. 466 inhabitants on average in the EU) (Herbst 2012). In Poland, the average rate of usable area per inhabitant is 28 sq.m. In countries such as Germany or Denmark, the average rate is 40 sq.m. (Groger 2007). According to the assessment of the Supreme Audit Office, no sufficient actions have recently been taken either at central government level or local government level for the effective performance of tasks in the field of housing management (Nieboer and Gruis 2015).

The absence of long-term, prospective and stable policy supporting the housing industry results in a high level of housing deficit, which has lasted for nearly 10 years and currently amounts to 1.5 million flats. This situation is aggravated by the low standard of existing housing resources, which may decrease considerably in the near future (NIK 2011, PZPD 2012).

PRIMARY INSTRUMENTS OF HOUSING POLICY IN POLAND

The recognition of the housing industry as one of the functions of government authorities and local government authorities is reflected in provisions contained in basic legal acts, including the Constitution of the Republic of Poland (Cieślak et al. 2014, Zysk and Wawrowska 2018). According to Article 75 par. 1 of the Constitution, public authorities are obliged to conduct a policy favouring the fulfilment of citizens' housing needs, with particular regard to the prevention of homelessness, the support of the development of the social housing industry, and the support of citizens' activities aimed at obtaining their own flat ('Assumptions of the housing industry support policy till 2020' – draft version).

The form of the main tools in the Polish housing policy changed at the end of the 1990s. As early as in the middle of the 1990s half of new flats were put into use within the social building system, which included housing co-operatives, a resource of establishment-owned flats and council flats (Gwiazdzińska-Goraj 2018). In 1995 Social Housing Associations (**Towarzystwa Budownictwa Społecznego – TBS**) were established; their aim was to build tenement flats for middle-income families with the support of municipalities. However, TBS did not become a popular institution that diametrically changed the housing situation of Poles. Conditions imposed by TBSs were not attractive for the social group to which the programme was addressed (mainly because of high rents). In those times the private building industry was a relatively small part of the housing industry, and the development building industry was an even smaller one. However, the structure of the housing industry has changed dramatically during the last two decades.

In 2010, social entities put only 6.6% of all new flats into use, whereas development flats accounted for 40% of all flats put into use (Urbański 2012). By 2011, over 60% of flats in Poland were ultimately in the possession of private owners (Pittini and Laino 2011).

Examples of tools of the housing policy conducted in Poland are government programmes under which the State Treasury provides financial aid to their beneficiary for a certain extent. In the years 2008–2013, for the purpose of the development of the building industry in Poland, the *Rodzina na swoim* (A Family's Own Place) programme was introduced to improve the housing situation of young people and have an indirect impact on the improvement of the demographic situation in Poland. It was introduced pursuant to the Law on the financial support of families in the purchase of their own flat (Journal of Laws of 18 December 2008, no. 223, item 1465). The aim of the programme was to provide financial support to families and single parents intending to purchase a flat or house. The beneficiary could apply for supplementary funds from the State Treasury for credit contracted in Polish zlotys under the programme. The form of support proposed by the State Treasury made it possible to decrease the capital & interest instalment by a few dozen per cent within 8 years. The amount of supplementary funds depended primarily on the amount of outstanding debt. The Act also introduced conversion factors for the replacement cost of 1 sq. m. of the usable area of residential buildings for the whole of Poland with division into provinces that differentiated the prices of one square metre of real property. The programme finished on 31 December 2013. Then, the government declared that it would introduce another programme aimed at helping young people to purchase a flat. To sum up, over 192,000 credits were granted under the *Rodzina na swoim* programme. In 2011, the biggest number of credits were granted for flats or houses from the secondary market (over 27,000) and for the construction of houses (over 9,000). One year later, the number of credits granted on the primary market was 15,000. The programme was used most frequently by beneficiaries aged 30–34 (www.sse.geo.uni.lodz.pl, 1.02.2017).

On 27 September 2013, the Law on financial aid in the purchase of the first flat by young people came into force (Journal of Laws 2013, item 1304), under which the **Home for the Young** (**Mieszkanie dla Młodych – MdM**) project was introduced. It clearly specifies the group of target beneficiaries and the requirements that they must meet in order to receive financial aid. The programme specifies maximum prices and areas of real property. Financial state support is paid out to beneficiaries on a one-off basis. The MdM programme is addressed to persons aged up to 35 who want to buy a flat or a house for the first time (Matel 2018). The legislation also specifies financial aid for persons aged up to 36 who build a house on their own in the form of reimbursement of part of VAT on building materials. As in the case of the **Family on Their Own** (**Rodzina na swoim – RnS**) programme, potential beneficiaries of the programme include married couples, single people, and single parents who want to buy a flat/house on the primary market or build a house on their own. The MdM programme differs from the RnS programme in terms of the analysis of the housing situation of the person applying for financial aid. Such a person must not be the owner of a residential building or premises, or a co-owner of buildings without separated residential premises.

The MdM programme is based on financial aid supplementing the beneficiary's own contribution, which must be proved in the case of applying for credit for the purchase/construction of real property. The programme covers flats from the primary market with a maximum area of 75 sq. m. and houses with an area of up to 100 sq. m. There is an exception to this rule – families with at least three children may purchase a flat with a maximum area of 85 sq. m. or a house with a maximum area of 110 sq. m. However, financial aid covers not more than 50 sq. m. of the area of a flat/house. Moreover, upper price limits for real property prices that can be co-financed through financial aid from the MdM are determined and published in the Public Information Bulletin by Bank Gospodarstwa Krajowego. Real property issued by the beneficiary must be located in Poland and be used for fulfilling the beneficiary's own housing needs (Foryś 2014). The price of the purchase of a flat

must not exceed the amount being the factor 1.1 multiplied by the usable area of the flat and the average conversion factor of the replacement cost of 1 sq. m. of the usable area of residential buildings valid for the municipality in which the flat is located (Program „Rodzina na swoim”... 2019).

The rules of financing are more complex than in the previous RnS programme. Any person who wants to obtain financial aid must incur credit in Polish currency for a period of at least 15 years in the minimum amount of 50% of the price of purchase of the real property. The programme allows less wealthy persons to join with members of their closest family as additional borrowers of the credit. The amount of financial aid supplementing the beneficiary's own contribution is:

- 10% of the value of the flat for childless married couples or a single person;
- 15% of the value of the flat for married couples or a single person with at least one child;
- an additional 5% if a third or further child (including adopted children) is born to beneficiaries during the period of 5 years from the purchase of the flat.

The MdM programme assumes the repayment of part of the credit paid out in connection with the birth or adoption of a child equal to 5% of the multiplication product of the average conversion factor of the replacement cost of 1 sq. m. of the usable area of residential buildings constituting a basis for the determination of the amount of financial aid supplementing the beneficiary's own contribution and the area calculated adequately to the usable area of the purchased flat. It is granted to the purchaser only once, and concerns the repayment of part of the capital of the credit granted by a crediting institution for the purchase of a flat.

The legislation presents the situations in which the beneficiary under the MdM programme must immediately withdraw from the agreement. These are cases when, during a period of 5 years from the day of acquisition of the right of ownership to real property, the owner sells a flat/house, rents or leases a flat/house to a third party, becomes the owner or a co-owner of another real property (excluding inher-

itance) – in such cases, the amount of financial aid must be returned in the amount proportional to the number of months remaining till the end of the 5-year period (MdM... 2019, Rodzina na swoim... 2019).

ANALYSIS OF THE FUNCTIONING OF THE MDM PROGRAMME

The primary aim of the research was to assess the conformity of the assumptions of the MdM programme with regard to the housing situation of individual provinces in Poland. For the purpose of obtaining an outline of the situation in this field, a decision was made to analyse available statistical data determining the level of development of the real property market and implementation of the MdM programme. The main factors under analysis refer to the living area put into use in each municipality in 2014. This parameter was considered with division into area units specified in accordance with the act defining the assumptions of the MdM programme (the Act of 27 September 2013 on financial aid in the purchase of the first flat by young people, Journal of Laws from 2013, item 1304). These were:

- administrative units of cities constituting the seats of the head of the province (województwo) and provincial councils (sejmiki wojewódzkie);
- municipalities adjacent to the above, in accordance with the act;
- other municipalities of the province.

The analysed data concerned the 1st, 2nd and 3rd quarter of 2014 and were consistent with the data of the Central Statistical Office. The overview of data helped to determine the housing development index (R_{BM}), which is determined as the relationship between the living area put into use (P_m) and the number of inhabitants of the given administrative unit (M) as at the specific time (t).

$$R_{BM}(t) = P_m(t)/M(t) \quad (1)$$

where:

- R_{BM} – housing development index;
- P_m – usable area of flats put into use;
- M – number of inhabitants;
- t – specific time.

The analysis of the index clearly divides the space of Poland into areas that can be said to be developing properly, and the living area per inhabitant that was put into use last year is considerably higher than the national average (0.27). These are the economically well-developed regions of Poland: Mazowieckie Voivodeship, Małopolskie Voivodeship, Dolnośląskie Voivodeship and Wielkopolskie Voivodeship (Fig. 1).

It is also possible to separate eastern Poland, which is still a much poorer part of the country, and where the calculated index reaches low values (Łódź, Podkarpackie Voivodeship, Świętokrzyskie Voivodeship, Lublin, Warmińsko-Mazurskie Voivodeship and Lubuskie Voivodeship). Interestingly, this area overlaps almost entirely with the region of eastern Poland specified (on the basis of GNP per inhabitant) as the poorest part of the European Union. This is also confirmed by the distribution of financial support used under the programme in individual

provinces in 2014, which is presented in percentage values in Figure 2 (BGK 2014).

It turns out that the biggest amount of funds was used in provinces that are regarded as richer regions (Fig. 2), which is confirmed by GNP statistics per inhabitant (Central Statistical Office). It must be noted that over 50% of funds were granted to three provinces: Mazowieckie, Wielkopolskie and Pomorskie. It must, therefore, be stressed that the system of subsidies used in MdM favours wealthier areas with high development indices. On the one hand, we can say that the programme responds to higher deficits of living space in these areas; on the other hand, however, we must note that it increases the risk of the further marginalization of poorer areas.

The above statements are reinforced by an analysis of data concerning the percentage distribution of amounts of financial aid in provinces, with division into areas consistent with the statutory classification

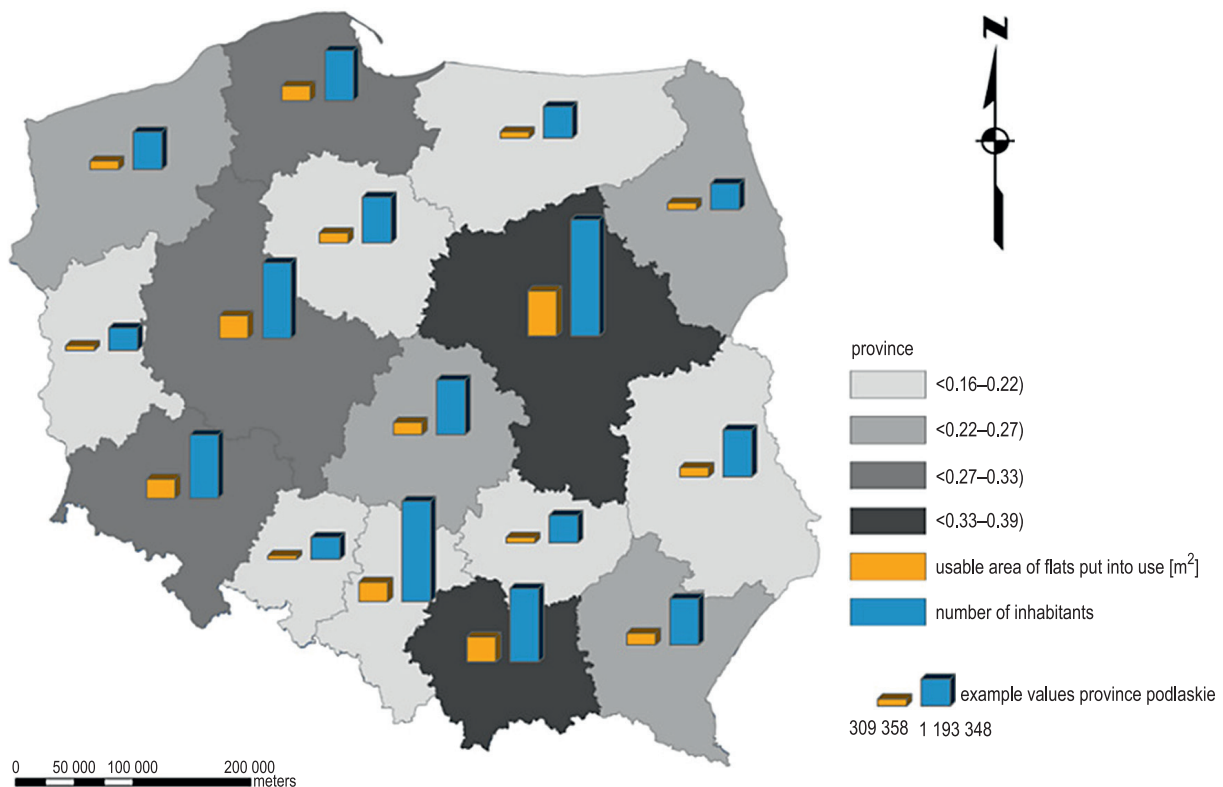


Fig. 1. The R_{BM} index for Poland and individual provinces
Source: authors' own work

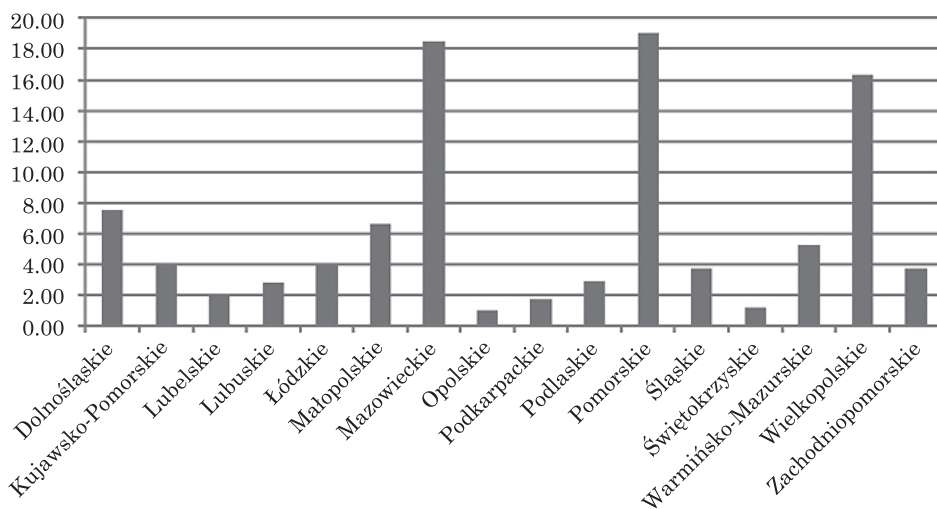


Fig. 2. The amount of financial aid under the MDM programme in individual provinces, expressed as a percentage value
 Source: authors' own work

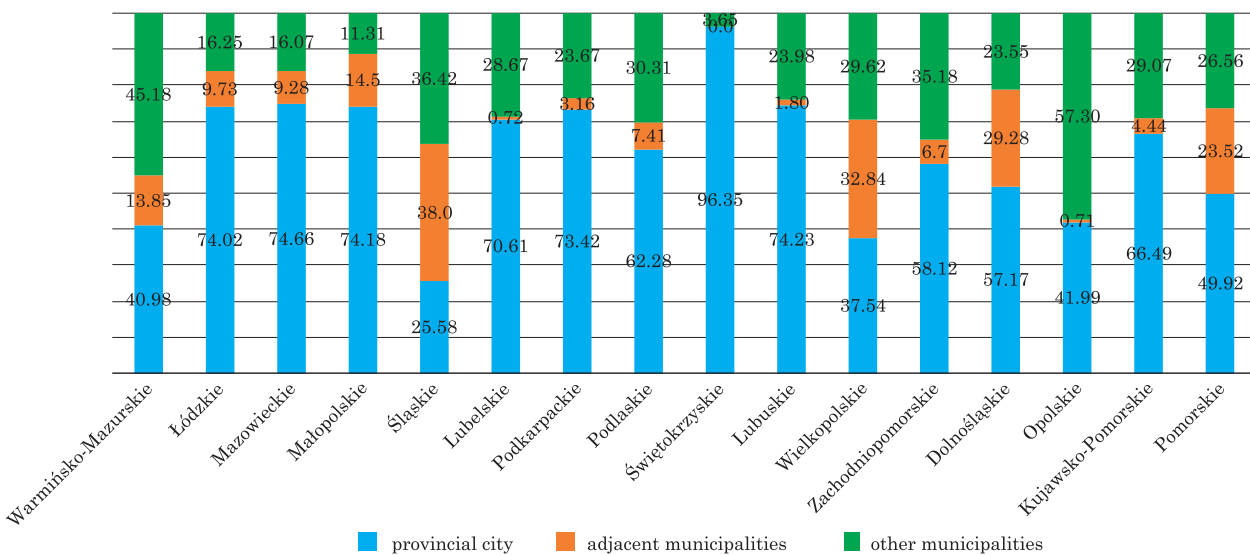


Fig. 3. The distribution of subsidies granted to individual provinces under the MDM programme
 Source: authors' own work

(Fig. 3). It can clearly be seen that most financial aid is granted to big cities.

Interesting conclusions referring to the aforementioned statements are provided in an analysis of conclusions submitted under the MDM programme in 2014 with regard to the area of flats put into use in individual provinces (BGK 2014). It may prove to be significant because of the differences between the numbers of individual limits in cities and other

areas of provinces that could be significant for the amounts of funds utilised in individual municipalities. The authors calculated the percentage of living space put into use with division into kinds of spatial units separated in the programme (1, 2, 3) and compared these values to the percentage distribution of the number of applications in these spatial units (Fig. 4).

The overview clearly indicates the differentiation of the use of funds utilised in the programme for

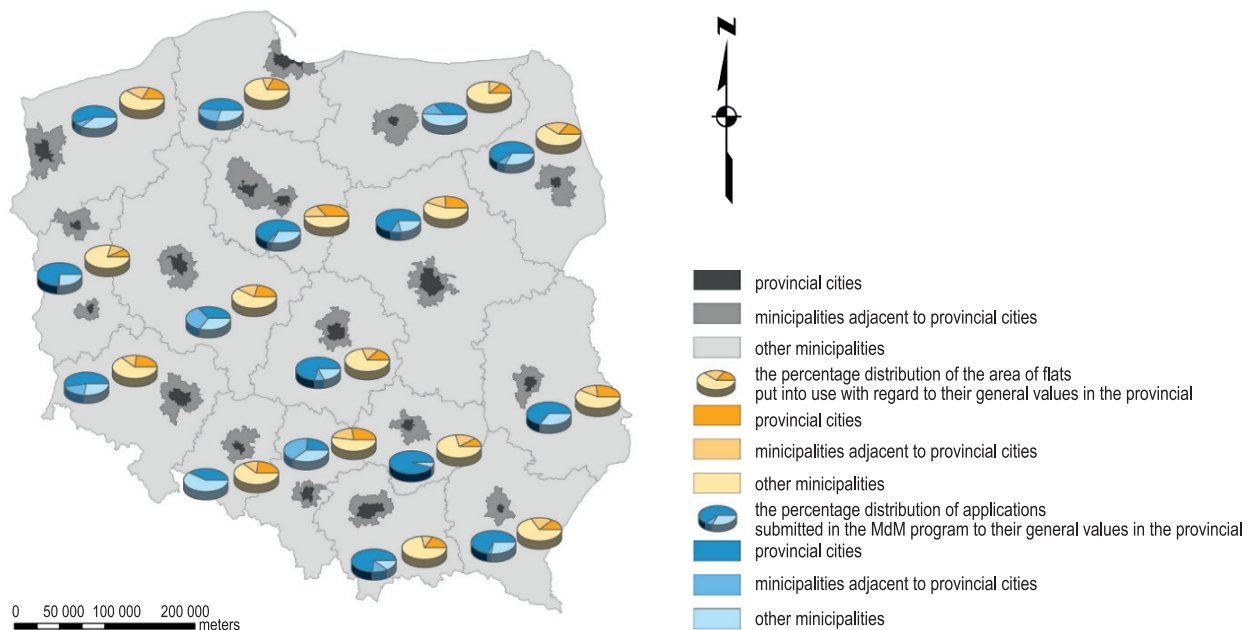


Fig. 4. The percentage distribution of areas of flats put into use, and applications submitted under the MDM programme with regard to their general values in provinces
 Source: authors' own work

the individual spatial units of provinces. It turns out that most applications are considered in big cities, which has already been ascertained above. In other areas (in the 'field'), most of the built flats are put into use. This is an obvious fact resulting from the territorial and demographic scope of provinces. Thus, it is even more surprising that most of the applications and granted subsidies refer only to large urban units. This suggests a certain shortage of information or a difficult procedure for the acquisition of subsidies, which result, for example, from locations situated far away from banks offering preferential mortgage credit in the MDM programme. However, the fact of such a structure of the number of applications and the amounts of financial aid with regard to areas of flats put into use confirms the conclusions about the marginalisation of the peripheral areas of provinces.

The further stage of the research concerned an analysis of the level of price limits (L_M) specified for each quarter of the year. These limits result in subsidies that can be obtained for the purchase of a flat; they are calculated using a special key depending on a number of factors described above.

It turns out that differences in subsidies for a specific target group classified depending on the location towards central areas can be significant (Fig. 5). In central cities of individual regions they are approx. 20% higher on average, but the difference may reach 40% or higher for some of them; in the case of Warsaw it amounts to 71%. In the case of Warsaw and some other big provincial cities, such a big difference is obvious, but the situation in Warmińsko-Mazurskie and Świętokrzyskie provinces is worth considering. The factors reflecting the level of replacement prices of 1 sq. m. of living area suggest a higher deficit of living space in the area of Olsztyn and Kielce than in other cases.

Analysed limits were juxtaposed with offer prices of flats put up for sale on the primary market in individual provinces (Fig. 6). Data concerning prices were gathered with the use of the website (Gawin 2019). It turns out that the limits used in the MDM programme are often lower than prices of 1 sq. m. of flats.

This results in the unavailability of flats under MDM programmes on some local markets. Their high price in relation to specific limits blocks

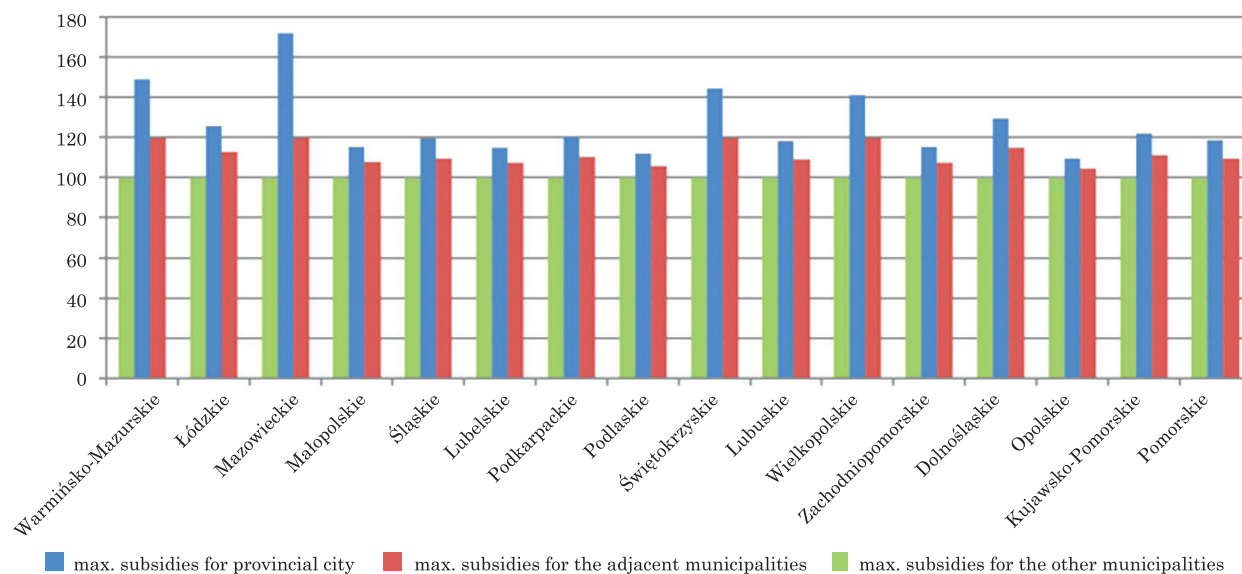


Fig. 5. Differences in the amount of maximum subsidies under the MDM programme, depending on the location of the investment. Subsidies for municipalities that are not located in the direct neighbourhood of provincial cities are determined as 100%

Source: authors' own work

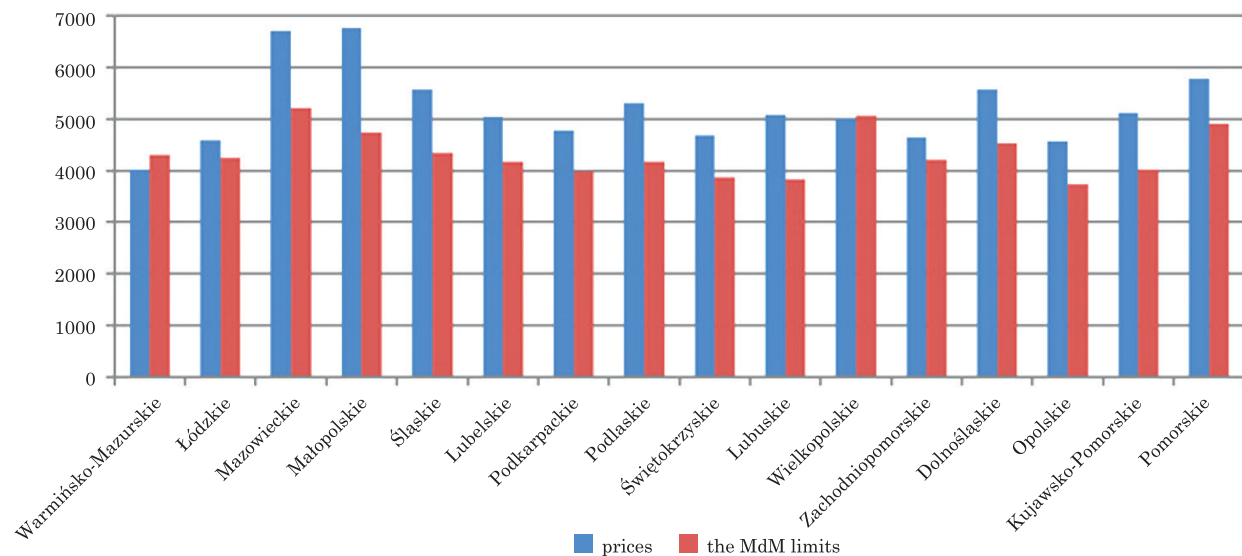


Fig. 6. The average level of offer prices on the primary market and the average amount of limits under the MDM programme for individual provinces in 2014

Source: authors' own work

the possibility of their purchase in accordance with the rules of the programme. This, in turn, leads to the frequent concealing of the actual cost of purchase of a flat by shifting part of the price, e.g. to auxiliary premises (cellars and garages are sold obligatorily

at higher prices than resulting from the market analysis during the purchase of the flat). It is also worth considering if the increase in prices of flats on the primary market observed at the end of the year is caused by the functioning of MDM. This can mean

that actual beneficiaries of the programme are developers, who make use of the will to purchase flats in the MDM programme by raising their prices.

The results of the authors' analyses were finally confirmed by an analysis of the distribution of areas of flats under construction in individual administrative units (with division into areas 1, 2, 3) per inhabitant in relation to the amount of subsidies allocated to these units under the MDM programme (also per inhabitant). It seems obvious that the direction of support should stimulate the housing market and be correlated with the area of flats being put into use. However, this is not so. Table 1 presents the average amounts of subsidies per inhabitant of the areas

(1, 2, 3) and the area of flats per inhabitant put into use in 2014 according to the same pattern.

In an attempt to confirm the thesis that subsidies resulting from the MDM programme are not actually granted to those who need them most, the correlation was examined between the index of areas of new flats per inhabitant with division into areas 1, 2, 3 and the index of subsidies per inhabitant in the same areas. The data used for determining the relationship are contained in Table 1 (columns 9 and 10). The Pearson product-moment correlation coefficient reached the level of 0.38 and did not indicate any serious relationship between variables adopted for the analysis of the relationship between both data (Table 2).

Table 1. Data concerning the functioning of the MDM programme and the development of the housing industry in programme support areas

Kind of area	Name	Usable area of flat put into use	Number of applications	Percentage of all applications	Amount of support	Percentage share in province	Number of inhabitants	Area of flats per inhabitant	Amount of support under MDM
		m ²		%	millions of PLN			sq.m-/P	PLN/P
1	2	3	4	5	6	7	8	9	10
1	Olsztyn	41 371	309	1.93	7.22	35.44	173 831	0.237996	41.53459
2	Warmińsko-Mazurskie	37 523	120	0.75	2.44	13.76	58 300	0.643619	41.85249
3		210 579	443	2.77	7.96	50.80	1 178 206	0.178729	6.756034
1	Łódź	101 115	415	2.60	9.66	71.43	706 004	0.143222	13.68264
2	Łódzkie	87 066	57	0.36	1.27	9.81	182 985	0.475809	6.94046
3		350 677	109	0.68	2.12	18.76	1 465 824	0.239235	1.446286
1	Warsaw	717 263	1 943	12.17	56.09	67.44	1 735 442	0.413303	32.3203
2	Mazowieckie	319 362	297	1.86	6.97	10.31	427 763	0.746586	16.29407
3		1 029 974	641	4.01	12.07	22.25	3 146 685	0.32732	3.835783
1	Cracow	310 076	901	5.64	21.38	73.49	761 873	0.406992	28.06242
2	Małopolskie	174 728	178	1.11	4.18	14.52	263 226	0.663795	15.87989
3		656 331	147	0.92	3.26	11.99	2 340 459	0.280428	1.392889
1	Katowice	76 275	159	1.00	3.42	23.80	301 834	0.252705	11.33073
2	Śląskie	110 838	256	1.60	5.08	38.32	821 782	0.134875	6.181688
3		695 088	253	1.58	4.87	37.87	3 459 858	0.200901	1.407572
1	Lublin	61 867	228	1.43	4.90	65.71	341 722	0.181045	14.33914
2	Lubelskie	68 433	2	0.01	0.05	0.58	126 036	0.542964	0.396712
3		301 777	117	0.73	1.99	33.72	1 634 776	0.184598	1.217292
1	Rzeszów	92 450	219	1.37	4.64	69.09	185 123	0.499398	25.06442
2	Podkarpackie	59 462	11	0.07	0.20	3.47	111 687	0.532399	1.790719
3		394 414	87	0.54	1.48	27.44	1 829 612	0.215572	0.808915

cont. Table 1

	1	2	3	4	5	6	7	8	9	10
1	Białystok		79 435	311	1.95	6.39	61.46	295 459	0.268853	21.62737
2	Podlaskie		56 782	36	0.23	0.76	7.11	77 842	0.729452	9.763367
3			173 141	159	1.00	3.11	31.42	802 183	0.215837	3.876921
1	Kielce		59 163	166	1.04	3.70	94.86	198 857	0.297515	18.60634
2	Świętokrzyskie		37 281	0	0.00	0.00	0.00	90 793	0.410615	0
3			159 082	9	0.06	0.14	5.14	969 957	0.164009	0.144336
1	Gorzów Wielkopolski and Zielona Góra		23 915	106	0.66	2.16	21.20	124 145	0.192638	17.39901
2	Lubuskie		38 808	8	0.05	0.18	1.60	65 583	0.591739	2.744614
3			126 081	128	0.80	2.40	25.60	699 327	0.180289	3.431871
1	Poznań		164 228	864	5.41	21.81	35.02	545 680	0.30096	39.96848
2	Wielkopolskie		244 731	775	4.85	19.08	31.41	268 524	0.911393	71.0551
3			646 647	828	5.18	17.21	33.56	2 652 078	0.243827	6.489251
1	Szczecin		72 281	331	2.07	6.94	56.20	407 180	0.177516	17.04406
2	Zachodniopomorskie		43 259	38	0.24	0.80	6.45	134 857	0.320777	5.93221
3			275 734	220	1.38	4.20	37.35	1 173 394	0.234988	3.57936
1	Wrocław		239508	712	4.46	16.87	52.86	634 487	0.377483	26.58841
2	Dolnośląskie		181 491	265	1.66	5.69	19.67	145 316	1.24894	39.15605
3			465 686	370	2.32	6.95	27.47	2 121 935	0.219463	3.275312
1	Opole		16 429	58	0.36	1.18	41.13	119 574	0.137396	9.868366
2	Opolskie		31 999	1	0.01	0.02	0.71	80 933	0.395376	0.247118
3			121283	82	0.51	1.61	58.16	790 532	0.153419	2.036603
1	Bydgoszcz and Toruń		97 409	287	1.80	5.79	44.70	357 652	0.272357	16.18892
2	Kujawsko-Pomorskie		86 462	26	0.16	0.57	4.05	141 910	0.609273	4.01663
3			266 064	201	1.26	3.73	31.31	1 377 492	0.193151	2.70782
1	Gdańsk		122 660	1 311	8.21	32.82	48.32	461 489	0.265792	71.11762
2	Pomorskie		153 618	619	3.88	15.46	22.82	377 115	0.407351	40.99545
3			411 507	783	4.90	17.46	28.86	1 456 464	0.282538	11.98794

Source: authors' own work based on statistical data (Statistics Poland. 2017). Designation of the kind of area: 1 – city being the seat of the head of the province (*województwo*) and the provincial council (*sejmik wojewódzki*); 2 – municipality adjacent to the city being the seat of the head of the province (*województwo*) and the provincial council (*sejmik wojewódzki*); 3 – other municipalities of the province

Table 2. Results of the analysis of the Pearson correlation for areas of new flats per inhabitant (sq. m./M) and the amount of financial aid per inhabitant under the MdM programme (PLN/M)

Specification	Average value	Standard deviation	sq. m./P	PLN/P
sq. m./P	0.36	0.23	1.00	0.38
PLN/P	15.05	17.29	0.38	1.00

Source: authors' own work prepared with the use of STATISTICA software

A graphic interpretation of the results of the analysis of correlation is presented in Figure 7.

The results of the analysis confirm theses presented in this paper. The funds granted in MdM programme are allocated mainly to large cities where prices of flats are high. In spite of the considerably higher rates of development of the housing industry outside these centres (area of flats per inhabitant), especially in municipalities adjacent to large cities, still central areas consume the highest share of subsidies.

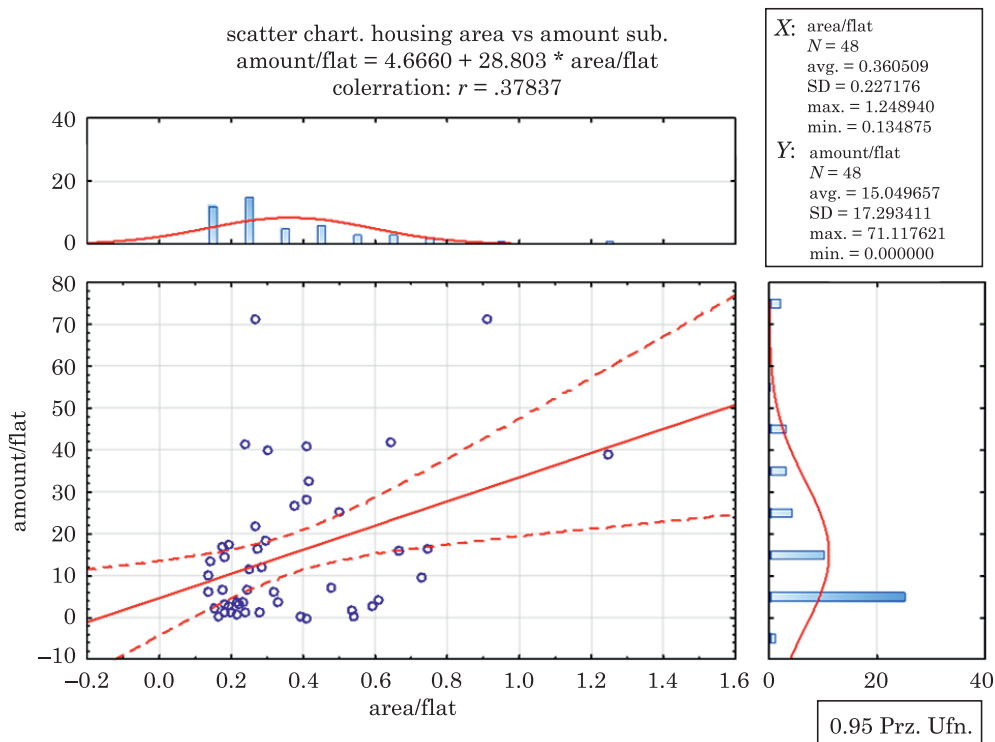


Fig. 7. The chart of the dispersion of variables of new flats per inhabitant [sq. m./M] and the amount of financial aid per inhabitant under the MdM programme [PLN/M] and results of the analysis of correlation of adopted variables

Source: authors' own work

CONCLUSIONS

The aim of the research was to assess the functioning of the government's programmes for the support of credit for the construction or purchase of a flat or house, which have become the primary tool for the formation of housing policy in recent years; it was assumed that they would become the basis of support for Polish families. In the light of the described analyses, the currently functioning MdM programme is not an ideal tool. According to BGK's data, only the amount of 210.9 million PLN, which is slightly over 35% of the planned amount of 600 million PLN of subsidies, was utilised until the end of November on the basis of applications submitted to the bank.

The main problems of the programme do not concern the adjustment of price limits to prices functioning on the market. According to analysts, it is

the limits that will ultimately determine the success of the subsidy programme. The amount of limits is not influenced by BGK, which finances the programme (W pierwszym roku... 2019). They are determined by heads of provinces on the basis of data from the Central Statistical Office. The method of calculation itself often brings results that deviate from real market values. This may result in the unavailability of many offers on the primary market or in searching for methods of artificial decrease of the real price of flats. It is worth mentioning here that the increase in prices of residential real property on the primary market that was observed, particularly in large cities at the end of the year, may be caused by the functioning of the programme. This may mean the overestimation of real property prices, which leads us to the conclusion that the programme in fact provides support to developers, which was not its main assumption.

Another problem of the programme is the lack of equality in the acquisition of financial aid between inhabitants of various municipalities. The programme favours metropolitan development, and its beneficiaries are mainly the inhabitants of large cities. This contradicts the primary aims of the housing policy, which should prevent marginalisation and favour sustainable development. This conclusion is confirmed by the general analysis of the distribution of funds utilised in the programme. Most of them were allocated to only three provinces with extremely strong administrative centres.

In connection with the above, it is worth considering the regulation of the procedure for the determination of price limits that would be consistent with the real market situation. It is also worth putting emphasis on the dissemination of the programme outside large urban centres. Such measures could increase the level of utilisation of funds designated for the programme and improve its efficiency in the aspect of the housing policy of the state.

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