

Housing in Estonia: present and future



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17.04.2019



REPUBLIC OF ESTONIA
MINISTRY OF ECONOMIC AFFAIRS
AND COMMUNICATIONS

A modest country that extends beyond its borders

- + Population: 1.3 million (ca 600 000 in Tallinn and Harju county)
- + Area: 45 227 km²
- + Local municipalities 79 (before the reform 213)
- + Dwellings: ca 706 000 (98% in private ownership)
- + 70% of people live in apartments
- + Construction & real estate sector: ~16% of GDP



Ministries and built environment

- **Ministry of Economic Affairs and Communications**

Housing and Construction, Technical Regulatory Authority, Road Administration, KredEx

- **Ministry of Social Affairs**

Accessibility, Health Board

- **Ministry of Justice**

Jurisdiction, Land Register

- **Ministry of Finance**

Territorial cohesion and planning, state properties, statistics

- **Ministry of Cultural Affairs**

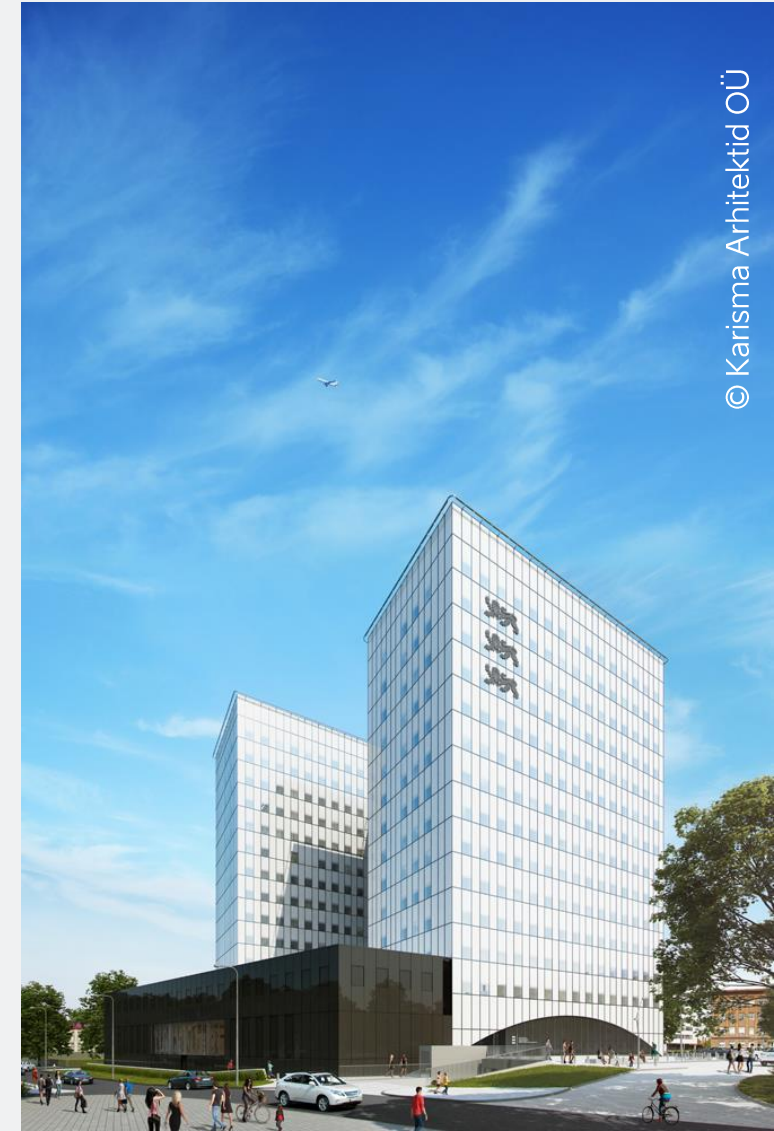
Architecture, heritage conservation

- **Ministry of Environment**

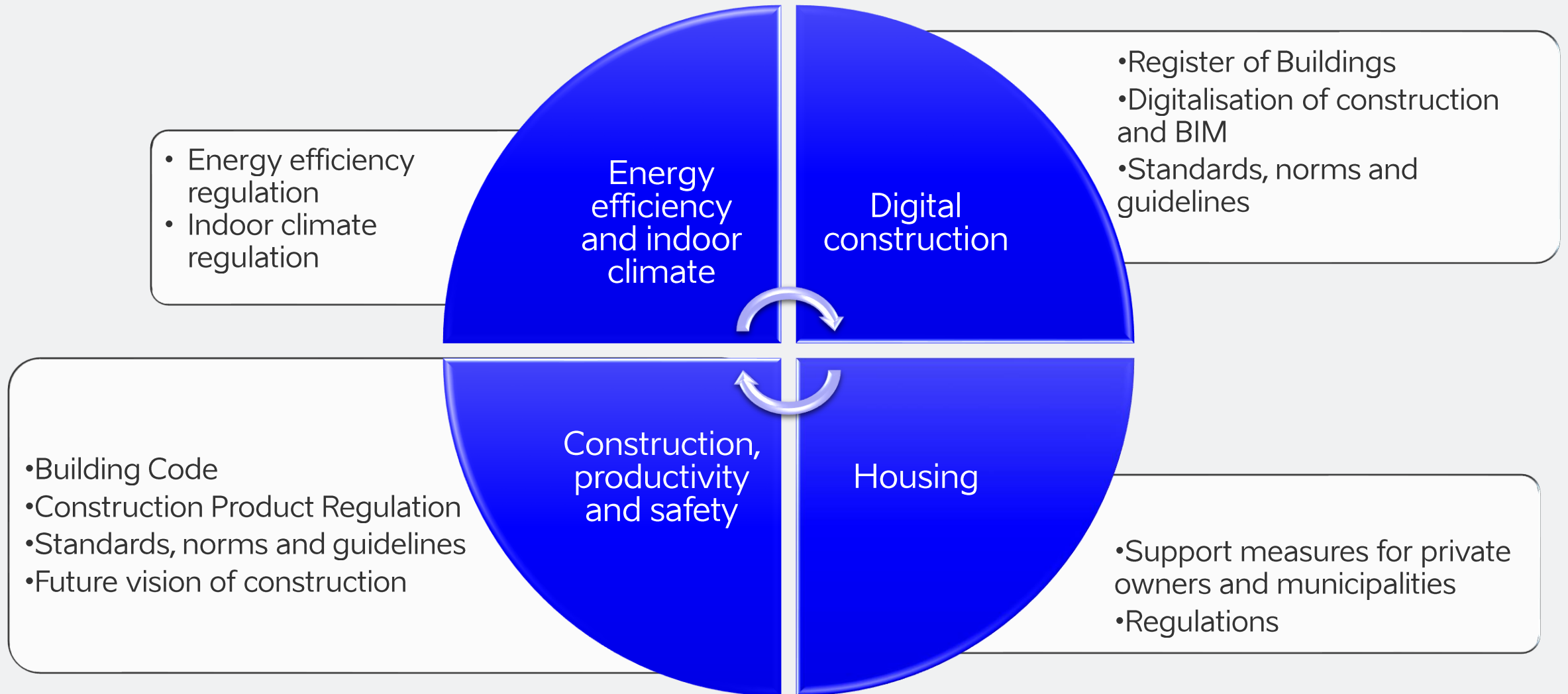
Land management, Land Board

- **Ministry of the Interior**

Fire safety of buildings, Rescue Board



Dept. of construction and Housing (EEO)



Sustainability

Social

Ecological

Economic

- Indoor climate policy
- Accessibility
- Affordability of housing
- Availability of housing
- Safety of buildings
- Renewal of vulnerable areas

- Energy efficiency of buildings
- Carbon footprint of materials

EEO

- Competitiveness of built environment
- Competitiveness of construction industry
- Construction productivity
- Construction digitalisation
- Quality of construction products



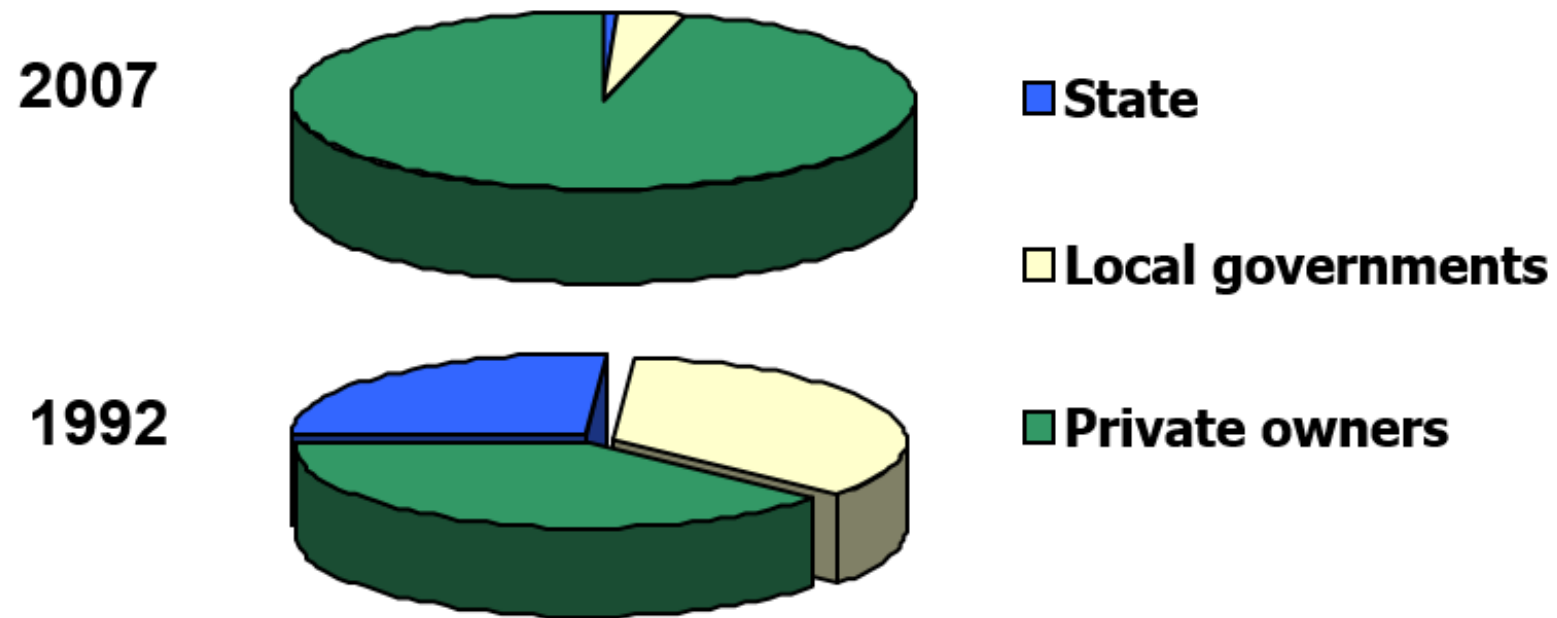
Challenges with existing building stock

Situation of residential buildings

- + 706 000 dwellings, of which 70% apartments
- + Ca 98% dwellings privately owned
- + 10% of existing dwellings built after 2001 (18 years)
- + Thanks to support measures for renovation, about 5% of dwellings are renovated

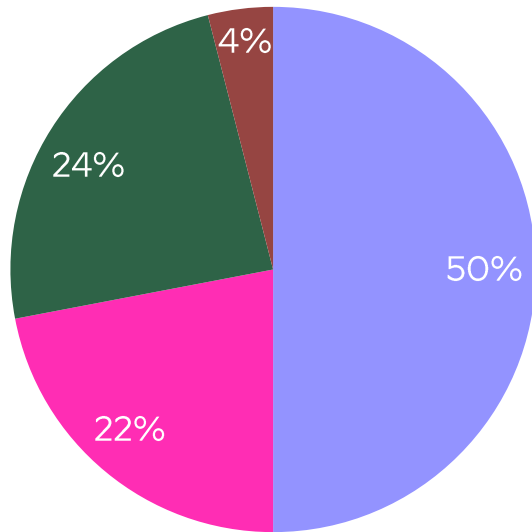


Housing reform in Estonia

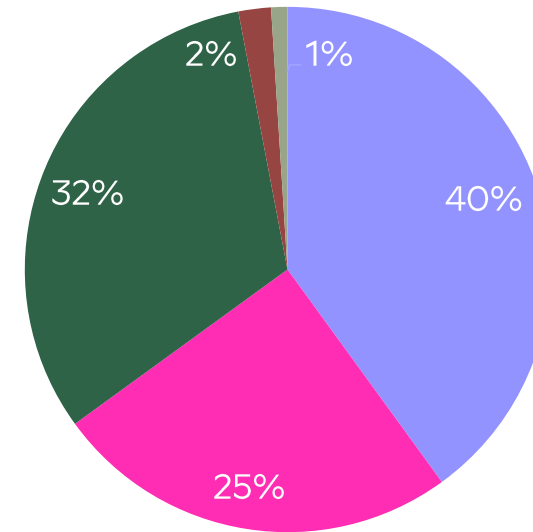


Energy consumption of buildings

Estonia



EU average

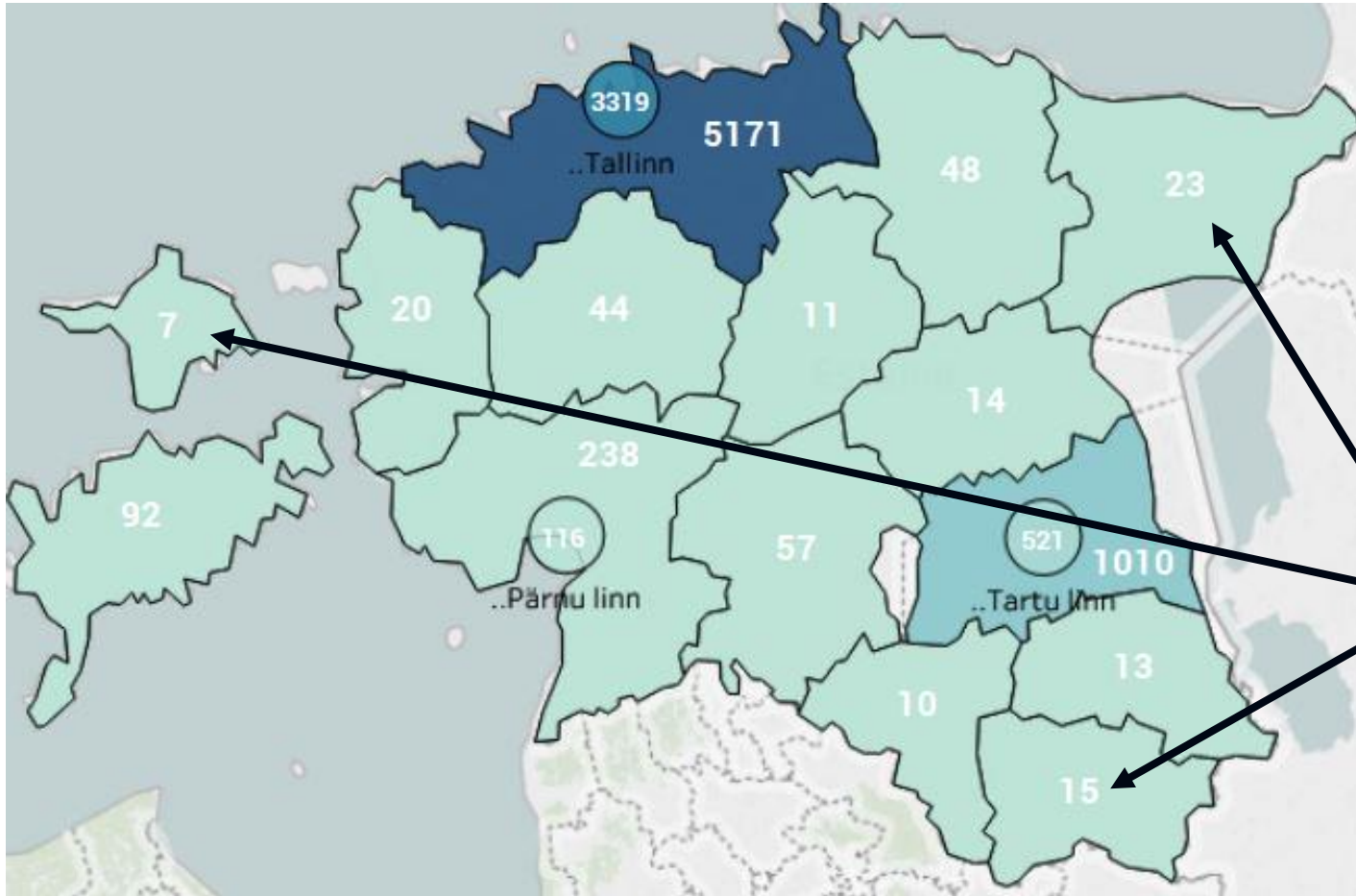


■ Buildings ■ Manufacturing ■ Transport ■ Agriculture

■ Buildings ■ Manufacturing ■ Transport ■ Agriculture ■ Other

+ Energy use in dwellings decreasing; by entrepreneurs and public sector increasing.

Current regional construction activity



Average net salary: ~850 €
Minimum net salary: ~520 €
Retirement pension: ~450 €
Food budget: >150 €
Apartment rent: >200 €
Utility costs: >100 €

- + About 1000 troublesome apartment buildings by 2030 (at least 25% of the building empty)
- + Age dependency ratio 70% by 2040 (56% today; 67% in Japan)



Housing Policy

Housing policy – current activities

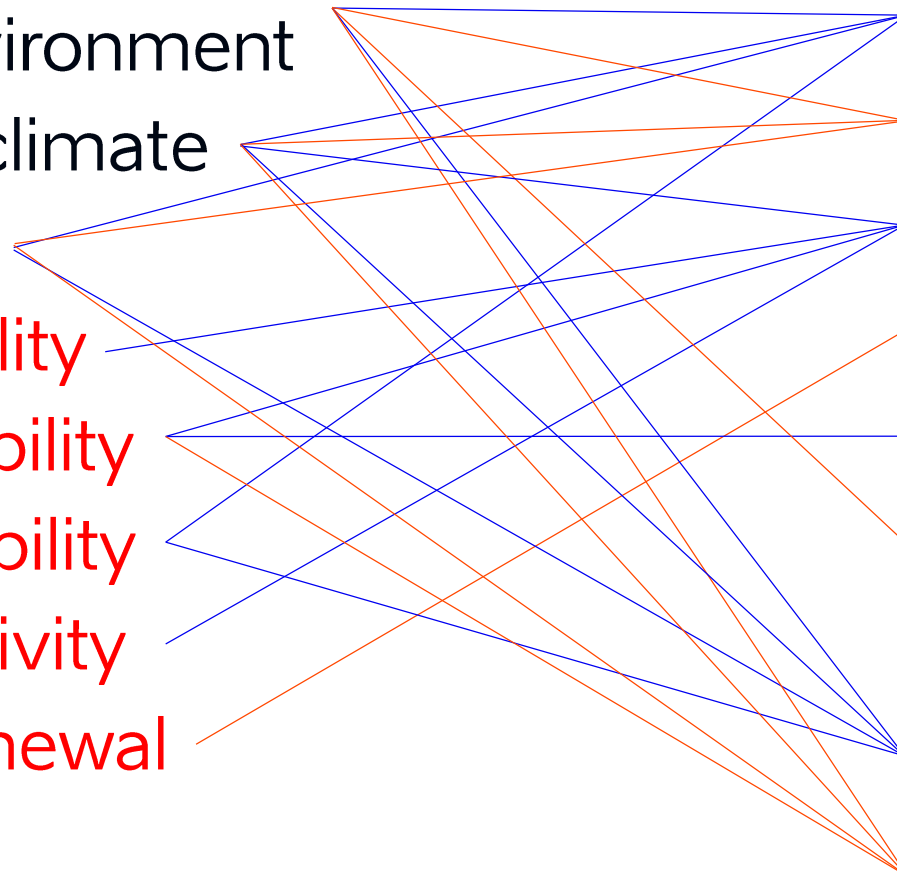
- Energy efficiency and environment
- Indoor climate
- **Safety**
- **Availability**
- **Affordability**
- **Accessibility**
- **Productivity**
- **Area renewal**

Subsistence benefits

Renovation of apartment buildings	~35m€/y
Renovation of detached houses	~1,8m€/y
Municipal rental dwellings	~15m€/y
Demolition for renewal	~0,3m€/y
Living conditions for large families	~4m€/y
Solar panel installation	~1m€/y

Loan guarantees

Renovation of apartment buildings
Purchasing or renovation (for natural persons)



Housing policy – action required

- Energy efficiency and environment
- Indoor climate
- Safety
- Availability
- Affordability
- Accessibility
- Productivity
- Area renewal



Housing policy – long-term vision

- Long-term renovation strategy (EPBD)
- Strategy for growing residential areas
- Strategy for areas with decreasing population
- Considerations to ownership situation
- Demand / supply balance of rental apartments etc.

Possible specific activities:

- New support measure for safety renovation
- Case project for urban renewal
- Renewing ownership rights of troublesome apartments

Critical success factors

- + Long-term vision and action plan for a sustainable built environment
- + Maintaining discussion for urban renewal
- + Stable financing for stimulus
- + Collaboration between government authorities
- + Collaboration between state and local governments
- + Collaboration between private and public sector

Useful websites

<http://kredex.ee/en/>

<http://kredex.ee/en/loan-and-guarantee/>

<http://kredex.ee/en/grant/>



EST | RUS | **ENG**

Loan and
guarantee

Credit
insurance

Venture
Capital

Startup
Estonia

Grant

Enterprise

Apartment
association

Private
person

Thank you!

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