

Creating Access to Decent Homes in Hungary

Habitat for Humanity®
Hungary

Table of Contents

4 WITHOUT MORTAR – Habitat as the catalyst for creating access to decent homes
4 Raising awareness
5 The priorities of the Hungarian EU Presidency
6 Unity is strength: the Housing Platform
7 Responsible criticism of government policies
7 Habitat in the Hungarian Parliament
8 First Europe and Central Asia Housing Forum
8 Introducing Social Rental Agencies for the effective management of social rental units

9 HOUSING FINANCE SERVICES
9 "There is a Chance!" – repair loan for low income families

11 HOUSING SUPPORT SERVICES
11 Financial literacy program – sustainable housing
11 Construction technical advice in disaster response situations

12 COMPLEX INTERVENTIONS FOR DISADVANTAGED GROUPS
12 Complex Poverty Relief Program
13 Involving disadvantaged groups in community based action

14 SWEAT AND MORTAR...
14 Improving the living conditions of people with disabilities in Budapest
14 Working together with autistic people in Miskolc
14 GV teams help insulate social rental units in Berekfürdő

DEAR FRIENDS,

When 6 years ago I became National Director, Habitat in Hungary was building new houses with lots of volunteers. Right now we have housing finance and housing support service programs combined with a strong advocacy program. How come this huge transformation?

We asked ourselves: how could we help the most families in need, where are the roots of the problem in our country? How could we be true to the mission of Habitat to eliminate poverty housing in Hungary? Here are some of our answers:

We have to put Habitat's legacy into local context

We had to understand that we need different answers to different poverty housing situations. For the Roma and other vulnerable groups we need holistic programs where housing is combined with education, social work and income generation. For old people living in fuel poverty we need subsidies to help them paying their heating bills. For many low income young couples we need lots of available social rental units. For low income home-owners we need affordable loans.

We need partnerships to multiply our resources

We also realized that we don't have to reach each family directly but we are able to multiply our resources by sharing our experience and establishing partnerships with other organizations. In recent years we have


Sümeghy György

worked closely with other NGOs, foundations and we have involved local governments in our programs.

We need to achieve policy changes by effective advocacy projects

In a European context, national governments play an important role in dealing with social policy issues – including poverty housing. Therefore if we want to achieve systemic social change and impact we need to influence the government to implement a socially targeted national and local housing policy. That is why we started advocacy projects in addition to our field projects.

We at Habitat for Humanity Hungary strongly believe that we will be true to the mission of Habitat and we will reach impact if we courageously explore new local solutions with plenty of new partners – including new tithing partners in Louisiana.

In true partnership,

György Sümeghy
National Director
Habitat for Humanity Hungary

Without Mortar –

Habitat as the catalyst for creating access to decent homes

RAISING AWARENESS

Poverty housing is one of the gravest social problems in Hungary, yet public awareness is very low and therefore it is not positioned high on the political agenda. Very few feel responsible to do something about it, solidarity is lacking for the really needy. Habitat in Hungary has been trying to change this attitude by wide-range publicity campaigns to reach a critical mass of people. Last October around World Habitat Day we ran virus marketing campaigns: on real estate websites we posted fake advertisements on poverty housing situations to highlight the unacceptable conditions many face is Hungary. Our volunteer activists worked on the public squares and parks in 4 cities: they put small "Reserved" plates on benches to raise public awareness about families facing eviction from their homes. Other activists asked children in shopping malls to draw the home of their dreams and in the meantime they talked to the parents about the issues of poverty housing. Finally, we organized a volunteer build for media workers so that they could have first-hand experience of a Habitat project. In a two-week period we reached more than 3.5 million people with our messages.

To date we have served 1365 families



More than 200,000 old people with minimal retirement pensions have great difficulties to pay their home maintenance bills. In order to avoid debts they opt for saving on satisfying their basic needs for food or medicine.

This year we took part in several events to promote the idea of the importance of action against poverty housing. In January we joined the opening event of the European Year of Volunteering by giving lectures, taking part in panel discussions, attending conferences and exhibiting in an NGO fair. In April Jonathan Reckford, the CEO of HFHI addressed a special audience of politicians, journalists and potential donors at a business dinner in Budapest. In June we exhibited on the national Corporate Social Responsibility Fair. This coming fall we will celebrate our 15th anniversary with a conference on social housing management.

THE PRIORITIES OF THE HUNGARIAN EU PRESIDENCY

We used the opportunity of Hungary being the President of the European Union in the first half 2011 to raise the issue of poverty housing on the European agenda. Together with Don Haszczyn, vice-president of Habitat for Humanity International Europe and Central Asia we held a press conference and issued a statement in which we evaluated the priorities of the program of the Hungarian



Presidency of the Council of the European Union from the perspective of poverty housing.

We stated that Habitat finds it of core importance that the EU develop common guidelines and programs to deal with housing poverty as it is currently one of the most serious social issues in the EU:

In the European Union 15 million people live in flats without a bath or a shower, and 80 million live in dwellings with major quality problems (roof leakage, dampness). Every 10th person in the EU (50 million people) was living in a household unable to pay the utilities at least once in the last 12 months. The proportion of affected households is particularly high in Bulgaria (one third of the population), Romania (one in every four households) and Hungary (21 percent of the population)

In Hungary 1.2 million people are affected by poverty housing: either living in overcrowded, substandard, unheated dwellings or in segregated communities or with a combination of these.

Only in Hungary alone there are 300,000 people, mostly Roma, living in communities where there is no access to basic social institutions, services and employment opportunities. We drew attention to the many tasks to be accomplished if we intend to achieve that housing should be an opportunity, not a hindrance for every European citizen.

UNITY IS STRENGTH: THE HOUSING PLATFORM

In February we were instrumental in establishing the Housing Platform, a loose coalition of 7 NGOs to join forces in our fight against poverty housing. The organizations represent a wide variety of groups from homeless, Roma and human rights organizations to green organizations. We plan to issue joint statements, share knowledge and organize common public awareness raising events. We also offer our consultation services and share our knowledge with other organizations in all kinds of social housing projects.



Volunteers contributed with more than 400 volunteer days in 2011

RESPONSIBLE CRITICISM OF GOVERNMENT POLICIES

In March we published a statement about the new housing strategy of the Hungarian government in which we welcomed the fact that housing has become part of economic development policies but criticized the government for not paying enough attention to the complex problems of poverty housing.

We stated that poverty housing is not only a consequence of economic processes but it certainly has an impact on economic development: poverty housing can block mobility, affects health, contributes to the reproduction of poverty, and in the long run increases the burden on the social welfare system. We said the government does not have a clear strategy for supporting the housing of low status families and that the strategy does not address the housing problems of the homeless and of special people.

Habitat claimed that Hungary needs an effective social housing system which could flexibly react to a variety of poverty housing situations offering access to different types of services, subsidies or affordable loans. The most urgent task would be the development of a well-functioning social rental housing system in which empty private flats should also be integrated.

HABITAT IN THE HUNGARIAN PARLIAMENT

In March we were invited to take part in a committee hearing in the Hungarian Parliament on the problem of more than 100,000 default mortgage payers. During the discussion György Sümeghy, National Director of Habitat highlighted that only a small proportion of mortgage payers in trouble can be regarded as families facing a poverty housing situation. In fact, poverty housing affects more than 1 million people in Hungary and if the government decides to bail out all households with defaulting mortgage payers, there will be no public money left for fighting poverty housing for the next decade.



FIRST EUROPE AND CENTRAL ASIA HOUSING FORUM

The Hungarian capital, Budapest hosted this high level housing conference organized by HFHI Europe and Central Asia, UN Development Program and the International Red Cross together with several other international NGOs and housing think tanks. We actively took part in the preparation of the event by inviting high level Hungarian government politicians to address the conference. Our staff members gave lectures, helped in logistics, our National Director facilitated the international press conference where Jonathan Reckford, CEO of HFHI was the most distinguished guest. The Forum was a great opportunity to learn about sustainable social housing developments in the region from Liverpool (UK) to Bishkek (Kyrgyzstan) and to share best practices from housing finance to advocacy.

There are 100,000 young couples who cannot count on any support from their families and they do not have any savings to have access to a decent home.

INTRODUCING SOCIAL RENTAL AGENCIES FOR THE EFFECTIVE MANAGEMENT OF SOCIAL RENTAL UNITS

Our housing need research showed that there are at least 150,000 families in poverty housing for whom access to a social rental unit would be the affordable and sustainable solution. Hungary has a very small social rental sector by European standards (3% of the total housing stock) and even this little rental stock is in very bad condition, and badly managed by local governments. On the other hand, several studies have shown that there is a surplus of empty privately owned flats in the country on the supply side . Habitat's solution would be the development of social rental agencies (SRAs) that would rent housing units for the socially needy people from the private rental market. These agencies will mediate between the private landlords and the needy households, providing a guarantee for the landlords for regular rent payment and proper use of the rental unit, and a priority access for the needy households to tenancies supplemented by rental allowance. The SRA initiative will be our flagship advocacy project in the coming years.

Helped 340 families with renovations

Housing Finance Services

In 2011 we hosted 10 GV teams, more than 200 volunteers worked on our sites

In order to scale up our program and reach social impact by helping a critical mass of families affected by poverty housing we have been designing programs in which we help families to have access to fair and affordable financial services. We also help them with construction technical advice to find the best and most cost-effective solution.

"THERE IS A CHANCE!" – REPAIR LOAN FOR LOW INCOME FAMILIES

After years of preparation, we launched this microfinance repair loan program this spring in partnership with a commercial bank. In the poorest region in Hungary 150 familes can have access to a favorable loan and construction technical assistance provided by Habitat.

Many Hungarians live in old flats or houses. They don't have savings for any repairs and because of bad insulation and





old heating systems maintenance costs are very high. This is a vicious circle: they can't save to start any home improvement because they spend all their money on heating bills. For these situations "There is a chance" loan is a viable solution.

Those families can apply for this loan and service who have some regular income from registered work but for whom affordable loans are not available on the financial market. Habitat makes sure also that only those families should be eligible whose ordinary living is not threatened by taking a new loan.

Fuel poverty affects hundreds of thousands; people with the lowest income spend a big part of their income on extremely high energy costs, getting into a hopeless poverty cycle.

The average amount of the loan will be USD 2500, the period is maximum 5 years, the interest rate is the lowest on the market of consumer loans, there is no collateral needed. The aim of the intervention should be energy efficiency, preventing life-threatening situations, health protection.

Habitat consultants will provide independent construction technical advice to make sure the money is spent in a way that serves the long-term interests of the family especially to reduce maintenance cost wherever possible.

Hungary is first among EU countries in the number of arrear payers



Housing Support Services

HFHI recently worked out a new strategic direction to improve all non-construction and non-lending related services and introduced the term Housing Support Services (HSS). Habitat in Hungary has had a wide variety of projects in this field including different educational programs, giving construction technical advice (CTA) for both individuals and institutions, and in one case, we were involved in a tenure securing initiative. Early this year we were selected to become the pioneers and peer-teachers of developing Housing Support Services in the framework of HFHI's Strategic Innovation Grant as part of the 10-country global learning group.

FINANCIAL LITERACY PROGRAM – SUSTAINABLE HOUSING

Financial literacy is very low in all segments of society in Hungary which makes people even more vulnerable to debts, and to an irresponsible consumption of consumer goods. Realizing that poverty housing is often a result of the lack of financial knowledge and skills, Habitat started a financial education program to make low-income families more aware of their household budget. The course consists of a theoretical and a practical session to teach families basic finances, inform them about the features of different types of loans, confront them with the amount and price of goods and services they consume and teach them how to run a sustainable family budget.

With our public awareness raising media campaigns in this year we have reached more than 10 million people in Hungary

CONSTRUCTION TECHNICAL ADVICE IN DISASTER RESPONSE

In a difficult, unexpected housing crisis situation like natural disasters sometimes the most valued help is the good advice by an independent, experienced technical expert who could truly represent the best interests of those in need against dishonest contractors. Floods hit Northern Hungary heavily last summer. The Hungarian Red Cross asked our help to send a skilled professional to give construction technical advice (CTA) for affected families. Our senior site manager spent there a week and gave CTA to almost 100 families. This incident gave us the impetus to start to develop a standard Disaster Response-CTA service for similar situations.

Complex interventions for disadvantaged groups

Our current strategy focuses on scalable housing finance and housing support services with a strong advocacy program. Yet, we take part in smaller scale demonstration projects where in partnership with other NGOs we can design complex interventions for disadvantaged groups and make recommendations based on the lessons drawn from these for better housing- and social policies.

COMPLEX POVERTY RELIEF PROGRAM

This program started in 2009. The beneficiaries are families living in deep poverty, especially Roma families who are willing to take part in a savings program with a definite asset goal for 6-18 months. After the savings period the sponsors of the program provide the same amount of matching fund each family saved. They are also eligible to get a cheap and affordable loan. All these resources should be used for a smaller home improvement intervention. During the program they have to attend finance education and home maintenance trainings and they are also helped by local social workers. Currently there are more than 100 families enrolled in the program at 11 different locations in Hungary. This program is the nicest example of a big coalition between different NGOs and municipalities. The following chart shows how the program works:



1 **Family** opens a savings account and stars regular deposit wich go on for 6–18 months

2 At the end of the savings period, donors provide a matching fund

3 **Mikrohitel** provides a loan double to the value of the family's savings and the matching fund

4 The entire sum is used for **a renovation** where CTA is provided by **HFH Hungary**

5 **Family** participates in the project as appropirate and pays the loan back to **Mikrohitel**

Families will attend a course in home finances developed by Autonomia. Family care will be provided by the municipalities and other NGOs with relevant experties

INVOLVING DISADVANTAGED GROUPS IN COMMUNITY BASED ACTION

This was a highly innovative pilot project designed by another NGO which is run by talented young students. Tenants with big arrears living in social rental units were involved in a community based action in the town of Nagykanizsa. We renovated 6 social rental units involving the arrear tenants, the students and Habitat's international volunteers. The units were almost a hundred years old, with no insulation, causing high heating bills and thus arrears for the tenants. The municipality who owned the flats did not have any money for renovations but they reduced the tenants' debt on the basis of the hours they worked on the site. This program served as a demonstration project because it improved housing conditions, reduced debts and maintenance cost, and contributed to the social integration of unemployed, mostly Roma people. The program was supported by a strong community development element and was supplemented with finance education and employment advice training. We received huge media coverage and it became an often quoted example of a well-designed community based housing project. With the same partner organization we will implement a similar community based action in August.

Built 150 new homes in 7 communities

Habitat for Humanity® Hungary

Sweat and mortar...

In our community based repair program we offer volunteer work and professional project management for partner organizations who run social housing projects. Typical projects include renovation of social rental units owned by municipalities, homeless shelters and temporary shelter for families run by NGOs, institutions for physically or mentally challenged people or homes for the elderly. Habitat provides volunteers, site management and pre-financing. This summer we are helping 3 organizations to provide decent shelter for vulnerable groups

IMPROVING THE LIVING CONDITIONS OF PEOPLE WITH DISABILITIES IN BUDAPEST

Merek Rehabilitation Centre works with disabled people to help their rehabilitation and their integration into society. The institution provides accommodation and services for 118 people. With volunteer groups we helped the center to paint rooms, bathrooms and a corridor to create a better home for the residents.

With education and CTA we helped 865 families

WORKING TOGETHER WITH AUTISTIC PEOPLE IN MISKOLC

Symbiosis Foundation supports the education, social integration and employment of mentally challenged people. When one of their residential buildings was flooded during massive floods in June 2010 the foundation asked Habitat to help with volunteers to renovate the building, and to prevent similar flooding in the future. A wall was built with a diversion ditch at the bottom, damaged paint and mudding were removed, fixed and repainted. Habitat also helped the foundation to renovate windows of the other residential building.

GV TEAMS HELP INSULATE SOCIAL RENTAL UNITS IN BEREKFÜRDŐ

The municipality of Berekfürdő asked our help to renovate some badly insulated, moldy social rental units. As improving the social rental sector is our top priority in Hungary, we took the challenge to implement a demonstration project in partnership with the municipality. Insulating the buildings will enable the families to live in a warmer, more energy efficient and healthier home. The project will be delivered with the help of seven international volunteer teams, and will be finished by the end of August.

Habitat for Humanity® Magyarország



Ildikó is a single mother, she lives with her 4 children in Berekfürdő in a house which insulation was very bad.



Mária and her family from Kisvejke, participates in Complex Interventions.



János lives in Berekfürdő with his family. He had heart attack, he lost his job. There was no insulation on their house.

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