Ending homelessness in Central and Eastern Europe: making the shift to a housing-led system in Romania

Introduction

World Habitat believes that housing is a fundamental human right and that housing-led approaches offer a lasting solution to homelessness. Housing-led approaches focus on getting people experiencing, or at risk of homelessness, into a secure home as soon as possible and minimising the amount of time spent in temporary or emergency accommodation.

This policy briefing is part of a research project completed by the Metropolitan Research Institute and the Budapest Institute for Policy Analysis. The main report considers the barriers, challenges and opportunities for countries in Central and Eastern Europe to move to a housing-led approach as a means of ending homelessness. This work has been commissioned by World Habitat.

Summary

Current national data relating to the number of people experiencing homelessness in Romania is out of date and unreliable. Existing housing-led initiatives are sporadic and small-scale and the homelessness sector is overwhelmingly dominated by emergency and temporary responses rather than (services aimed at) preventing or ending homelessness. Low-intensity support services, like emergency shelters and day centres, comprise the bulk of available services and are implemented by Non-Governmental Organisations (NGOs), some of which receive limited state funding.

Housing affordability problems are fuelled by increasing house prices, growing market rents and utility costs. The social housing sector is very small (around 4% of housing stock) and does not prioritise people with experience of homelessness. People without identification or registration documents and those from Roma communities face additional structural barriers in accessing housing and support.

Core conditions for housing-led approaches are largely missing in Romania. However, prioritising (and accessing) EU funding for housing-led initiatives, training staff, piloting models that distinguish between housing management and social support, is vital. With strategic advocacy and partnership working, feasible steps could be taken to shift from a staircase model to a housing-led approach, which focusses on ending homelessness for good.

Levels of homelessness

In Romania, the number of people rough sleeping was around 15,000 in 2019, predominantly living in large cities, with a large share of young people and families experiencing homelessness.

Figures in the Romanian context range from 3,000 (public administration estimates) to over 162,000 (2011 Census) in different strategic documents,[1] and the last country-level approximation dates back to 2009.[2] The official definition, as included in the recently launched homelessness strategy, includes: "single persons or families who, for single or cumulative reasons, social, medical, financial, economic or legal, live on the street, live temporarily with friends or acquaintances, are unable to support a rental property or are at risk of eviction or are in institutions or penitentiaries of where they are to be discharged or released within two months and have no domicile or residence."[3]

Service providers have observed a change in the profile of homelessness, with a growing share of young adults, older people, and entire (often Roma) families who fall back onto the streets due to evictions. In parallel with the development of the strategy, a targeted quantitative data collection process was designed and piloted in 2021, covering a whole range of ETHOS (European Typology of Homelessness and Housing Exclusion) categories. So far, no national figures and profiles have been made available (the data collection effort included a sample of 1,220 people nationwide).[4]

1. Brașoveanu, I. M. (2021). Social Support Services offered to Homeless People. In: *Revista Universitară de Sociologie*, XVII(2), pp. 256-265.
2. Pop, L. (2019). *ESPN Thematic Report on National Strategies to fight homelessness and housing exclusion – Romania.* European Social Policy Network (ESPN), Brussels: European Commission.
3. Brașoveanu, I. M. (2021).
4. Ministry of Social Affairs (2022). *Sub-activitatea A.4.3. – Elaborarea modulului IT, ca parte a platformei dezvoltate anterior în proiectul SIPOCA 4 și testarea sa. Raport de analiză a localizării în stradă a persoanelor fără adăpost la nivel național. Proiect: „FIECARE OM CONTEAZĂ! Evaluarea nevoilor persoanelor fără adăpost și a impactului serviciilor sociale existente asupra calității vieții acestora"* SIPOCA 575 (SMIS 126131).

Gaps in the homelessness sector

The homelessness sector is overwhelmingly dominated by emergency and temporary responses rather than those aimed at preventing or ending homelessness. Low intensity support from emergency shelters and day centres for example, comprise the bulk of available services. These services are overwhelmingly offered in urban centres and implemented by NGOs and charitable organisations. The situation is regulated by the central government, which also provides (limited) funding. Some providers – although they run licensed services – decide not to draw on public funding to avoid the significant administrative burdens and/or restricting the access of clients that are excluded from services by law (for example due to the lack of a temporary ID). These organisations therefore need to rely on private fundraising, which challenges the stability of service delivery. EU funds have played a key role in improving facilities and developing and running services as well as co-funding innovative housing-led models which address various forms of (mainly) Roma housing exclusion.

Oversubscribed non-residential support services address basic physical needs and offer meals, clothing and spaces for taking care of personal hygiene and health. Day centres also function as referral services.

Although the 'National strategy on social inclusion of homeless people for the period 2022–2027' was passed by parliament in 2022, there has been little improvement in the field of Housing First and housing-led initiatives.

Based on the strategy, piloting of the Housing First approach in Romania is still a plan for the future, whereas first lessons from small-scale Housing First/led pilot programmes of the past few years by private organisations are available. Still, no systematic steps for shifting the focus towards housing-led approaches have been taken, and the strategy's action plan includes only vague tasks and funding.

Both universal, upstream and crisis prevention services are limited and ineffective. At present, there is no universal prevention system that addresses the affordability issues of the population in general that extends beyond the seasonal heating allowance; there is no upstream prevention system that addresses the needs of groups with an elevated risk of homelessness, and no crisis interventions, such as the prevention of evictions. However, reducing the risk of homelessness and repeat homelessness are key goals of the strategy to end homelessness.

Housing system gaps

Similarly to other post-socialist countries, Romania implemented a large-scale housing privatisation programme, and the social housing sector remains marginal and inadequate. In Romania, outright ownership accounts for the overwhelming majority of tenancy arrangements in the housing system. The share of municipal housing shrank to approximately 4%.

ROMANIA

1%
1%
4%
94%

- Own outright
- Rent (private)
- Rent (subsidised)
- Owner with mortgage
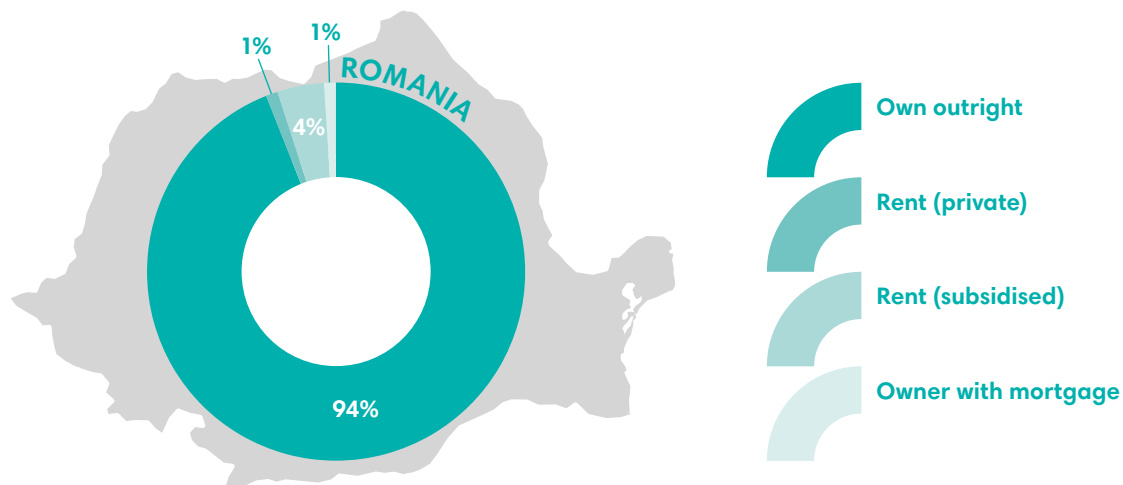
National-level programmes target young families (for example, through loan guarantee programmes) and families from more affluent groups. In the very small subsidised rental sector, revenue from rent typically does not cover costs. The private rental sector partly functions as a grey market, and there is no official data about this sector. The in-kind restitution of nationalised housing stock, mainly in city centres, caused a prolonged period of uncertainty for those in the housing system[5] and is still an important cause of family homelessness, as residents are often forcibly evicted from such housing.

Families living in poverty are exposed to a high level of risk in the private rental sector. A significant proportion of low-income (urban) families have been pushed out of the social rented sector. Despite the large amount of vacant housing – mainly owned by labour market migrants who have moved to other EU Member States – little housing is made available on the private rental market, which is underregulated.[6] Moreover, some social groups, like Roma, are hit especially hard by discrimination.

Housing affordability problems are fuelled by increasing housing prices, growing market rents and utility costs. Housing prices and market rents are very high relative to income, especially in regional capital cities. In Bucharest, the average household spends close to 45% of its income on rent.[7] Housing prices increased by close to 50% between 2015 and 2022.[8] Delays with utility payments or mortgage repayments affect one in seven households.

Policy responses have not been able to compensate for the shortage of affordable housing, a challenge caused by mass privatisation in the 1990s and the ownership-focused shift of the 2000s. Romania has introduced some social housing programmes, however they remain very limited. Also, there is a lack of housing finance products, which means that housing transactions are primarily cash-based and limited to more affluent social groups.

5. Hegedüs, J. (2013). 'Housing privatization and restitution'. In: Hegedüs; Lux; Teller (eds.): *Social Housing in Transition Countries*. New York: Routledge. 33-49. ISBN: 978-0-415-89014-4.
6. Hegedüs, J., Lux, M. and Teller, N. (eds.) (2013). *Social Housing in Transition Countries*. New York: Routledge.
7. Deloitte 2021: Property Index Overview of European Residential Markets, 10th edition, July 2021. Available at: https://www2.deloitte.com/content/dam/Deloitte/at/Documents/real-estate/at-property-index-2021.pdf
8. https://ec.europa.eu/eurostat/databrowser/view/PRC_HPI_A/default/table?lang=en

Conditions for upscaling housing-led approaches in Romania

Core conditions for housing-led approaches are missing – for example, adequate staffing and funding of services and access to secure and affordable housing. These are also the key barriers to implementing the recently adopted national strategy. Responses to homelessness and rough sleeping are limited to basic humanitarian aid (emergency shelters, access to free meals, personal hygiene facilities and counselling at some hotspots). Activities focusing on preventing homelessness and enabling access to affordable social housing are scarce and the challenge of insecure trans-generational housing pathways remains unaddressed.

A few components of housing-led approaches could be scaled up easily. These include increased networking, joint working and efficient service coordination, the training of staff, increasing fundraising expertise and promoting complex and flexible service delivery. Scarce resources have created the need for innovation in service delivery. There are useful examples of family homelessness pilot projects, which demonstrate integrated service delivery and effective fundraising. An administrative and registry system for smoother case management has been developed for the better coordination and efficient use of staff resources, including outreach services.

Key structural challenges need to be addressed to ensure the sustainability of homelessness projects. These include tackling the shortage and quality of affordable homes, addressing tenure insecurity, improving access to integrated support services and prevention, and addressing discrimination. Given that municipalities can provide the housing stock needed for housing-led approaches, it is crucially important to invest further in affordable public housing and adjust welfare schemes. Various tax-based and legal incentives that mobilise private rental housing for families prone to homelessness should be created. Additional resources are needed to run (emergency) services in general because current capacities are very limited and cannot be shifted to create new complex services. As family homelessness often affects Roma households (partly due to forced evictions and restitution claims), addressing discrimination against Roma in various realms of life is also badly needed.

Recommendations

The order of the recommendations reflects the suggested priorities, with the most important/feasible ones listed first.

Recommendations for (NGOs, church- or municipality-affiliated) practitioners

- Improve own service provision to move to a housing-led approach by:
  - » Exploring move-on options to support people into permanent housing (if currently a shelter or emergency service provider)
  - » Delivering training for existing and new staff (to include training on harm reduction approaches, Housing First and trauma informed practice)

» Creating external partnerships and training staff to effectively support clients with integrated services (for example relationships with specialist physical and mental health providers)

» Trialling different tenancy and accommodation types to increase housing supply, flexibility and choice

» Where applicable, delivering services that separate housing management and social support

- Participate in the design of national and regional strategies and European structural and investment funds (ESIF)+ programming, implementation and monitoring

- Raise awareness of the extent and routes into homelessness (and the relevant evidence to back this up) and focus on the dissemination of good practice alongside networks of operational, academic and press partners

- Foster country-wide cooperation (possibly by forming a dedicated umbrella association) and participate in international networks to advocate for change and tap into available international learning and best practice

- Advocate for housing-led nationwide policy improvements and widespread homelessness prevention policies and a phasing out of homelessness policies that prioritise emergency responses as a way of managing homelessness.

Recommendations for local government and city management (municipal)

- Allocate a greater proportion of resources to and prioritise the development and expansion of the municipal housing sector by:

» Supporting and incentivising construction of new social housing

» Directly or indirectly carrying out renovation work to empty or substandard buildings

» Purchasing homes through the private rented sector for use as social housing

» Consider leveraging privately owned housing that is available for rent through a social rented agency model

- Set annual targets for reducing the numbers of people experiencing homelessness in the area by housing them in affordable homes

- Make use of available EU funds to implement new housing-led programmes

- Develop and implement more robust regular evidence and data gathering processes to understand levels of street homelessness – for example street counts and surveys

- Build in homelessness-prevention mechanisms for individuals and families at risk of losing their homes due to the in-kind restitution of nationalised housing stock

- Seek local service delivery partners that prioritise housing-led approaches

- Actively participate in the design of national and regional strategies and the programming, implementation and monitoring of dedicated EU funds

- Advocate for the introduction of a nationwide means-tested housing benefit scheme

- Introduce or expand local welfare benefit programmes targeted at people experiencing homelessness

- Relax or change existing allocations and eligibility criteria for social housing to include people experiencing homelessness

- Improve the low-threshold access of people experiencing homelessness to emergency healthcare services.

Recommendations for policymakers (national/regional)

- Make nationwide data on homelessness and housing poverty publicly available, and integrate forthcoming EU-standard methodology

- Implement the 2022 National Strategy in a way that builds on the lessons of pilot efforts by private providers

- Improve the regulation of the private rental sector to incentivise affordable rental arrangements, e.g. offering tax allowance schemes for landlords

- Commission feasibility studies on the introduction of a nationwide means-tested housing benefit scheme

- Make practitioner participation a cornerstone of devising and implementing national and regional housing and anti-homelessness strategies and action plans

- Introduce and strengthen homelessness prevention mechanisms (as is stressed in the National Strategy), including for those released from institutions

- Combat anti-homeless and anti-Roma discrimination through a combination of legal and communication tools

- Actively promote and help scale-up pilot projects that explore how to develop/expand the municipal housing sector

- Improve low-threshold access to (emergency) services in parallel to developing housing-led approaches, e.g. relaxing the eligibility criteria for people to access welfare services, housing, etc.

- Ensure the sustainability of project-based, intermittent finance programmes by turning them into long-term programmes

- Prioritise and implement sustainable, long-run arrangements for housing-led anti-homelessness programmes.

Recommendations for funders and donors (including the EU)

- Fund programmes which prioritise housing-led approaches to ending homelessness

- Fund further housing-led local pilot efforts by NGO practitioners – for example, through capital investment, staff training, covering core costs, supporting feasibility studies, research, and scoping work (depending on the needs and capacities of NGOs and local contexts)

- Provide support and funding for long-term advocacy and back programmes that focus on effective network and partnership work

- Directly support and fund international and national networks aimed at promoting housing-led approaches

- Insist on (and fund) the proper evaluation and dissemination of supported activities that pilot housing-led and housing-first interventions.