New Housing Policy for Reconstruction

Ellen Hamilton

IFC International Finance Corporation WORLD BANK GROUP
Creating Markets, Creating Opportunities

THE WORLD BANK IBRD • IDA | WORLD BANK GROUP

sector DEEPDIVES

UKRAINE'S HOUSING RECOVERY:

Mapping Ukraine's Housing Needs

Version: 8/28/2025

3.8 million Internal Displaced Persons (1.25 million Households)

7 million Refugees

A 1.9M IDPs from temporary occupied territories (TOTs)

B 1.3M IDPs with disabilities

C 1M IDPs at age of 60 or older

E 760K IDPs permanently employed

F 500K hhds (returnees and non-IDPs) live in housing damaged due to the war

D 1 in 10 hhds single-parent

G 600 multi family buildings (60K hhds) and 2,300 single family houses destroyed

H 6,000 MFBs require restoration (600K hhds)

Sources:
A-D: IOM Data
G-H: Data Estimates from the Registry for Damaged and Destroyed Property

Pre-Existing Challenges

I 650K hhds on municipal waiting lists

J High rates of overcrowding (est. 45 percent)

K 50,000 homeless people

Pre-war mortgage markets < 1% of GDP, no bank project finance for developers, non-transparent alternative funding schemes by developers

L 40 percent of Soviet-era units in need of capital repairs

Sources:
CEDOS, UN Habitat, SSSU

How to increase housing supply (ordered by time and cost)

- Bring vacant units into use--little cost, very short term
- Repair damaged units--less expensive and takes less time than building new
- Repurposing existing buildings such as hostels--less expensive and takes less time than building new
- New construction--most expensive and takes more time

Improving new housing supply

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

GPURL (Global Planning, Urban, Resilience and Land Practice)
Develops programs to help client countries tackle urban planning, disaster risk management, resilience and land challenges

FCI (Financial Competitiveness & Innovation)
Works mainly with governments (and private sector) to improve financial stability, access to finance and risk management including housing finance

Access to land

City Planning and building regulations

Infrastructur
e and
services

Developmen
t and
Building
Materials

Smart Subsidies

Developer finance

End-user finance

IFC Cities, INR and PPPs[1]

IFC MAS*

IFC MAS*
Works with developers and building materials manufacturers to grow housing supply

IFC FIG*
Works with financial institutions to grow and deepen housing finance solutions

IFC Upstream
Works on reforms/upstream projects that have a **clear line of sight to an IFC investment** including in housing

IFC

Note: [1]IFC's Cities Initiative develops long-term relationships with mayors working with them to develop and implement solutions for key urban infrastructure challenges. Client relationship managers coordinate across IFC's investment and advisory services teams, PPP and WB colleagues to deliver holistic solutions for infrastructure development.
*IFC Upstream can also develop MAS / FIG projects in these highlighted areas of the value chain as long as they are initiatives that will lead to an IFC investment in the next 5 years

UKRAINE'S HOUSING RECOVERY:

Scale and Urgency of Housing Needs Calls for an Ambitious Housing Reform Agenda

Version: 8/28/2025

Housing Strategy to Guide the Overall Reform Agenda

Prioritized Reforms

I: Immediate (initiate/accelerate now), Short-Term (start within 6 months), Mid-Term (start within 6-12 months)

Enabling Environment

- Adoption of the Fundamentals Housing Law, resulting in the repeal of the Soviet-era housing code and associated regulations (I)
- Strategy (6 months after Fundamentals Law) (I)
- 'Smart' Subsidies (prioritization/rationalization) – in support of housing repairs, reconstruction and access to adequate housing (including through housing finance) (ST)
- Develop rental market regulations and targeted financing mechanisms, including clearly defined rights and procedures for tenants and landlords (MT)

Supply - How to Improve Efficient Delivery of Affordable Housing

- Strengthen building permit processes in facilitating adequate housing supply (ST)
- Strengthen social and affordable housing framework covering eligibility criteria, selection procedures, a sustainable operational model to ensure proper maintenance, and integration into urban planning to promote social inclusion, while safeguarding fiscal sustainability (ST)
- Establish a coherent strategic and urban planning system focusing on efficient land-use policies and zoning (MT)
- Enhance regulatory framework for developers (MT)
- Strengthen management of the multi-family housing stock (MT)
- Streamline regulatory framework for green construction materials and support regulatory improvements in green building taxonomy, building codes and urban planning documentation (MT)

Demand - How to Improve Access to Affordable Housing

- Strengthen enabling environment for mortgages (including foreclosure, war risk, property valuation reform) (I)
- Enhance regulation of construction finance schemes for currently exposing households to risks; deal with unsupervised shadow lending (I)
- Implement securitization and covered bonds legislative frameworks, strengthen project finance framework (ST)
- Create the legal basis for a broader affordable housing finance product offering, e.g, rent-to-own (MT)

Anticipated Results

- Increased access to housing and housing finance solutions
- Economic growth by creating both direct and indirect jobs throughout the housing value chain
- Leveraging private financing for mortgage lending and construction finance
- EU accession focus: EU-aligned legal and regulatory framework
- Building back better: increased sustainability, improved accessibility, and energy efficiency

WORLD BANK GROUP

A Memorandum of Understanding on Housing was signed between the Government of Ukraine and the World Bank Group in June 2024, establishing a framework for collaboration to advance Ukraine's housing reform agenda and support the reconstruction and revitalization of the housing sector, including the housing finance solutions.

Questions?

Ellen Hamilton
Lead Urban Specialist
ehamilton@worldbank.org