

State and Development of Municipal Housing Stock in the Districts of the City of Prague — 2021 Update

09/2021

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2021 Update

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1. INTRODUCTION

Housing and housing availability are currently two of the most debated issues for contemporary cities. One of the long-term problems that has so far proved typical for housing and housing policy in the context of Prague is the lack of a continuous central system to collect information and data on the current state and development of municipal apartments placed by a City of Prague Statute (generally binding City of Prague Decree No. 55/2000 Coll.) under the management of the individual city districts. The lack of summary information on this decisive part of the municipal housing stock has made it impossible for informed decisions to be taken on the use and treatment of Prague's municipal housing stock on the basis of up-to-date and comprehensive data, therefore also meaning that the groundwork has not been laid for the implementation of a more effective and coordinated housing policy between the City of Prague and the city's individual districts.

The first step towards the fulfillment of this project was initiated by the current councilor for housing and transparency, Mgr. Adam Záborský, who in 2019 presented Prague City Council with a document “on the proposal to address the districts of the City of Prague in order to obtain information about the use of housing stock owned by the City of Prague placed under the management of the city districts by the City of Prague Statute” (approved under no. 440 of 18 March 2019). Data were collected from all 57 of Prague's districts and the results were analyzed by the Prague Institute of Planning and Development and published in the study entitled “State and Development of Municipal Housing Stock in the Districts of the City of Prague” in June, 2019 [Němec, 2019].

In 2021, there was a follow-up to this survey and once again questionnaires were used to address all of Prague's districts; a total of 48 responses were obtained. In all, 9 city districts did not provide any data, despite having been sent a second reminder. However, this is not a fundamental problem as regards the validity and completeness of the results of the analysis, as in 2019 altogether those 9 city districts managed a mere 183 apartments, i.e. less than 0.6% of the total number of municipal apartments in Prague. The aim of the questionnaire was primarily to determine the current number, structure and use of municipal housing stock placed under the management of the city districts by the City of Prague Statute. Unless stated otherwise, the data obtained from the city districts apply as of 20 July 2021. The specific questions and items to be filled in in the questionnaire distributed to the city districts are given in the annex to this analysis (→ Annex P.01). The questions are similar to those used in 2019, although there are certain changes in the formulation or number of questions. Moreover, the 2019 questionnaire contained, for instance, a question about the financial demands of reconstructing apartments, while in 2021 a question was added concerning the reasons why allocated apartments were unoccupied. Although the return on the data collection was not 100% in the 2021 survey, several specific examples indicate that it could still yield more valid results than those from the survey conducted in 2019.

The long-term monitoring of the municipal housing stock managed by Prague City Hall and the city's districts is of crucial importance for putting in place a quality housing policy. Amongst other things, the City of Prague Housing Development Strategy, which was approved in April 2021, sets strategic objective 2.4 as “Coordinate the housing

policy across the city districts”, and under that the measure “Introduce a unified digital system to monitor the status, development and basic characteristics of municipal housing stock managed by Prague City Hall and the city’s districts, as well as data on the number of apartment applications filed” [IPR Prague 2021]. The measure will be further developed in the related Action Plan for the Development of Housing in the City of Prague. The further monitoring of municipal housing stock should therefore ideally no longer be dependent on the initiative of the future housing councilor, but should be a system solution. One particular option is to expand the functionality of the existing City of Prague Real Estate Portal (realitniportalpraha.cz/cs), where the individual city districts could regularly (ideally every year) post information on the housing stock they administer. Alternatively, data and information about municipal housing stock could also be obtained by IPR Prague, which would also draw up annual reports evaluating the state and trend in the number of municipal apartments administered by the city districts (and, for the sake of completeness, also those managed by Prague City Hall). This would eliminate the information deficit in this area and would enable decisions to be taken and the housing policy to be planned on the basis of comprehensive, up-to-date figures, and it would also facilitate the coordination of the policy between the City of Prague and its districts.

This study is an update to the publication from 2019 [Němec 2019]. It will first briefly outline the context of housing availability and apartment ownership in Prague, which is important in order to understand the trends described later in the text. We will also be assessing the state and development of municipal housing stock administered by the city districts. This assessment will be based primarily on information provided by the city

districts in the questionnaires they were issued. We have evaluated practically all the questions whose answers were of adequate informative value. In a later section these figures were supplemented with basic data about municipal housing stock managed by Prague City Hall. We focus more broadly on the spatial distribution of municipal housing stock within Prague. However, unlike the previous study, we will not be comparing the scope of Prague’s municipal housing stock with the situation in other European cities, partly because we assume that the changes that have occurred during the last two years are relatively insignificant.

ABBREVIATIONS

AD	Administrative District
CCR	Census of the Czech Republic

2. CONTEXTS: HOUSING AVAILABILITY AND APARTMENT OWNERSHIP IN PRAGUE

Housing and housing availability are clearly two of the biggest challenges faced by cities today. **The problem of rising housing costs and thus the worsening availability of housing is practically a global issue; there are a number of reasons for this and the problem is a long-term one, even though the trend shows that availability is changing.** After the fall of the communist regime, Prague fully embraced the globalization process and began to see the post-industrial transformation that cities in Western Europe had been experiencing since the 1970s [for more, see Brabec 2021, Sýkora 2001].

Residential building projects on large estates in Prague were completed in the first half of the 1990s. During this time, there was a shift towards neoliberalism, advocating a free market with minimal intervention by the state (or the public sector in general) in the economy and society, and an emphasis on individual responsibility. Neoliberal policy advocated the privatization of public assets as an effective means of increasing economic and social standards. Rather than the construction of new, affordable municipal apartments, the housing policy tends to promote the privatization of housing stock and emphasize individual responsibility in obtaining housing. At this time, the state therefore ceased to fund the construction of municipal apartments. Since 1990, much of the publicly-owned housing stock has been privatised, through its restitution to its original owners or sold off to existing tenants for far less than the market value.

Paradoxically, however, back then there was no working market system capable of ensuring the availability of housing for all the city's inhabitants. At that time the rental housing market was heavily influenced by rent regulation, which, although it did put many tenants at an advantage, it made it far harder to find a new apartment. Even the property market as a whole was not fully functional, as back then there was little financial capital in Czech society and the country did not have a functional banking system to provide cheap mortgages. Housing availability was very poor, with more than 90% of the inhabitants of the Czech Republic rating the conditions for obtaining housing as bad or very bad [CVVM 2021].

The situation began to improve as the economy gradually developed, private residential construction projects began to be implemented and the housing market streamlined. However, Prague was seeing a significant decline in the number of municipal apartments as a result of the ongoing privatization process and the lack of municipal residential development (for more, see section 4.1). There was a highly dynamic increase in property prices until 2008, followed by a slight decline between 2009 and 2013 [see Němec 2017 for more]. Overall, the availability of housing greatly improved, with only 53% of Czechs rating the conditions for obtaining housing as bad

or very bad. At the time, the issue of housing was not seen as a significant and society-wide problem.

The situation began to change considerably in around 2015, i.e. when property prices and rent began to skyrocket. The availability of housing continues to get dramatically worse. In 2021, according to 72% of Czechs, the conditions for obtaining housing were classed as bad or very bad. There are many reasons for this decline in the availability of housing [IPR Prague 2021]. One important factor is the low number of municipal apartments in which the city could provide supported housing to selected groups of inhabitants who need it the most.

On a rhetorical level, there has therefore been a gradual reversal in the housing policy, and the city no longer plans to further reduce its municipal housing stock but actually to expand it. For instance, Section 1.1.C of the approved Prague Strategic Plan (2016 Update), entitled Affordable Housing, stated that there would be the need to “create new systemic tools for the housing policy to ensure the adequate availability of crisis, social and affordable housing, which will be provided to various target groups of the inhabitants of Prague” (IPR Prague, 2016). This principle is further evident particularly in the approved City of Prague Housing Development Strategy (2021), which in several places mentions the need for a new approach to the city's housing policy and the importance of increasing municipal housing stock.

This change is in line with public opinion. According to a representative survey carried out by IPR Prague in 2020, the overwhelming majority of Prague's inhabitants believed that the city should be more active in its housing policy, while only 10% of people stated that the city should do nothing with housing and should leave development to the free market (→ Fig. 2.1). Most people, 56% of respondents, said that the city should build its own municipal apartments. From this it is clear that there is a society-wide demand for an increase in municipal housing stock.

3. STATE AND DEVELOPMENT OF HOUSING STOCK ADMINISTERED BY THE CITY DISTRICTS

The state and development of municipal housing stock managed by the city's districts was identified through a questionnaire survey conducted by the Prague City Council councilor for housing and transparency Mgr. Adam Zábranský in the first half of 2021. The specific questions and items to be filled in in the questionnaire distributed to the city districts are given in the annex (→ Annex P.01). The questionnaire was completed and returned by 48 city districts. For the remaining 9 districts we simply extrapolated the number of apartments from the data from 2019, i.e. on the assumption that there had been no changes in the number of allocated apartments. In the case of the other characteristics, such as level of occupancy, we did not include those city districts in the analysis.

3.1 Number of managed apartments

The information provided by the city districts showed that as of 20 July 2021, they managed a total of 23 080 apartments. As of 31 March 2019, the figure was a total of 24 445

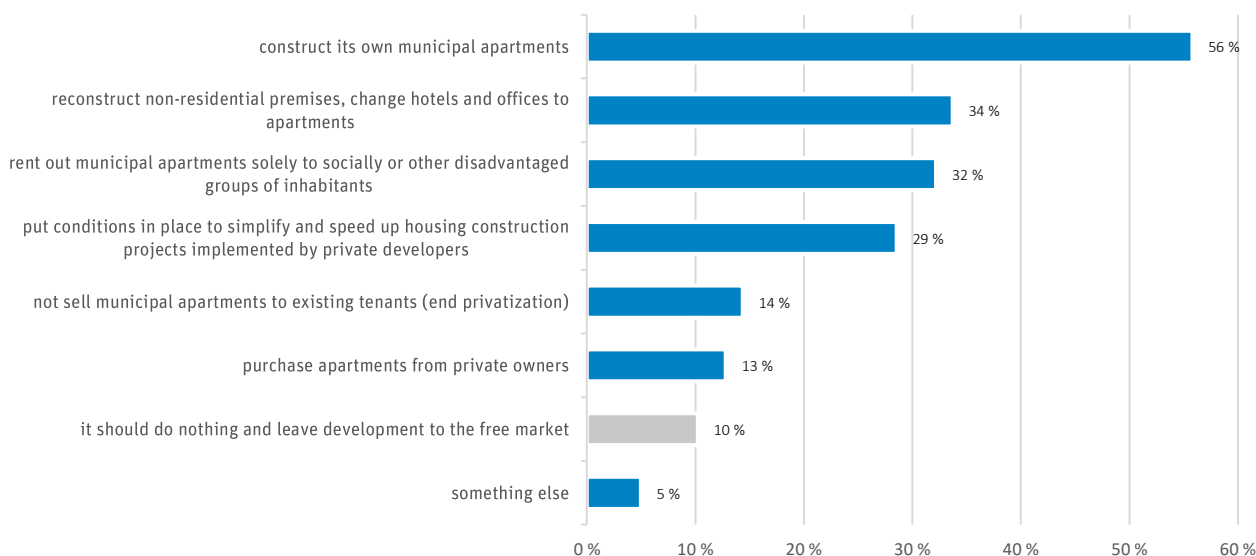
apartments (a 5.6% decrease). Despite the aforementioned (more rhetorical) efforts to increase municipal housing stock, it is clear that the stock is still being reduced, although to a far lesser extent than in the past (see section 4.1). There are considerable differences in the number of municipal apartments possessed by the individual city districts, which naturally means that their ability to play an active part in the housing policy varies greatly.

The spatial distribution of municipal housing stock administered by the city districts is affected by population size, but also by the historical development of the districts. Overall, the largest number of these apartments are situated in large districts such as Praha 10 (which managed a total of 3 359 apartments) and Praha 2 (3 021 apartments). Further removed from these are the district of Praha 3 (2 042 apartments) and the district of Praha 4 (1 887 apartments). More than one thousand apartments were managed by the district of Praha 6 (1 384 apartments), the district of Praha 11 (1 347 apartments), the district of Praha 8 (1 173 apartments) and the district of Praha 1 (1 160). At the other end of the scale there were 10 city districts, generally very small ones, which did not manage even one municipal apartment (→ Fig. 3.1.1).

Given the clear heterogeneity and disparities between Prague's city districts, it seems more illustrative to compare the

2.1 Response from a representative sample of the inhabitants of Prague in 2020 to the question: What should be Prague's main priority in its housing policy? (n=1977)

IPR Prague 2021 / data: IPR Prague, ppm factum 2020



amount of municipal housing stock in terms of the number of inhabitants of each district, or in relation to the total number of all apartments situated within its territory. In 2019 and in 2021 the most allocated apartments in relation to the total number of apartments were in the district of Praha 19 (14.3% of the total housing stock) and the district of Praha 2 (10.5%). A relatively higher proportion can also be found in the district of Praha 16 (9.1%), the district of Praha-Běchovice (8.7%), the district of Praha 17 (7.6%), the district of Praha-Čakovice (7.3%) and the district of Praha 1 (6.4%). Overall it is clear that relatively more allocated apartments can be found particularly in the broader center of the city, i.e. in areas with the highest apartment prices and the highest market rents. In contrast, fewer allocated apartments can be found in the districts on the outskirts of the city or areas with large housing estates.

In general, this is particularly a consequence of historical development, also affected by factors such as the nationality structure in interwar Prague (in the district of Praha 2, for example, there were relatively more properties owned by German or Jewish inhabitants, who were unable to have their apartments restituted after 1989 and those properties remained owned by the city) and the residential development system, when many of the buildings on estates were constructed by housing cooperatives. However, the differences in the numbers of municipal apartments particularly reflects the differentiated

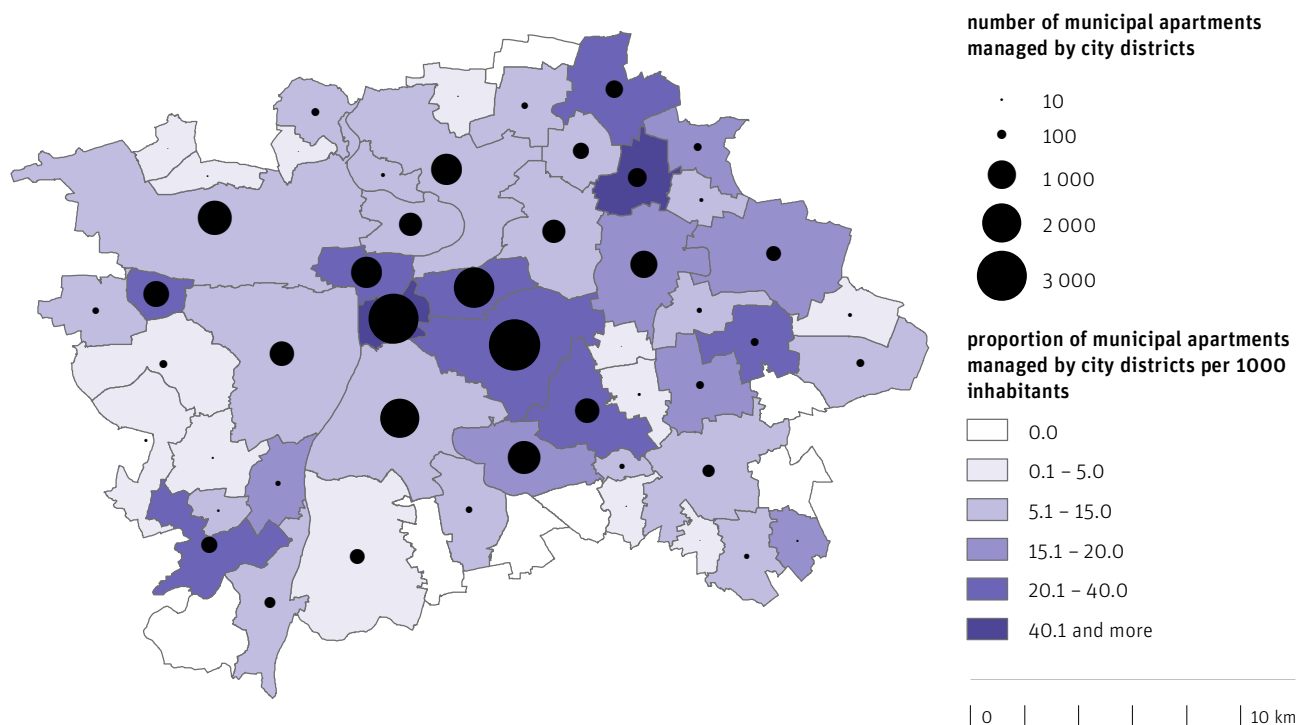
approach taken by the political representatives of the city districts to handling the housing stock entrusted to them during the last 30 years, when they privatized some parts of the housing stock far more than others.

Between the years 2021 and 2019 there were only very slight changes in the total number of allocated apartments in the majority of the city districts (→ Fig. 3.1.2). The greatest reduction was evident in the district of Praha 9, the district of Praha 6 and the district of Praha 13, whose municipal housing stock fell by more than a third. There was a slight increase in a total of 7 city districts. The biggest increase was in the district of Praha 22 (from 78 to 181), although the question here is whether this district stated accurate data in the 2019 questionnaire survey, as it has not built any new apartments since 2019. In 23 of the city districts there was no change in the number of allocated apartments.

The main reason for the decline in the number of allocated apartments is ongoing privatization. The city districts are still getting rid of their apartments, although far less than in the past. The questionnaires submitted showed that during the period 2015–2020 a total of 6 292 municipal apartments were sold, i.e., an average of 1 049 apartments per year (→ Fig. 3.1.3). Nevertheless, it is clear that the number of apartments sold is gradually falling. In 2019 and 2020,

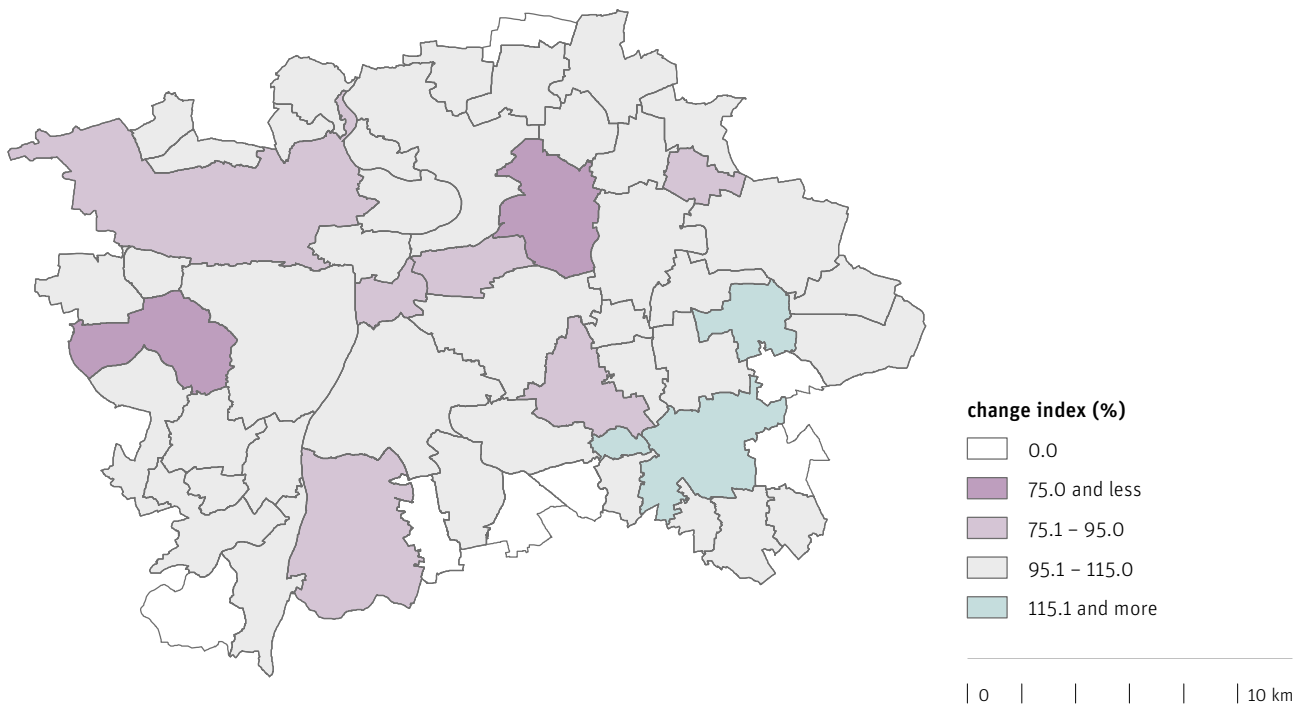
3.1.1 Number and ratio of municipal apartments administered by the city districts in 2021

IPR Prague 2021 / data: Prague City Hall 2021, CSO 2021



3.1.2 Index of the change in the number of municipal apartments managed by the city districts between 2021 and 2019

IPR Prague 2021 / data: Prague City Hall 2019, 2021



3.1.3 Number of sold and newly completed apartments managed by Prague's city districts

IPR Prague 2021 / data: Prague City Hall 2019, 2021



a total of 995 apartments were sold, i.e., an average of almost 500 apartments, which is well below the average decrease in municipal housing stock since 1991.

On the other hand, during this period, only 277 apartments were newly completed (194 of which formed part of the Zahrady Opatov project, which the district of Praha 11 purchased from the developer Sekyra Group, a. s.). **Between 2019 and 2021 there were 60 apartments newly built (the district of Praha-Běchovice purchased 17 apartments from a developer), i.e., slightly below the average for the last 6 years and still a fraction of the total amount of residential development in the capital.** From the balance of sold and newly completed municipal apartments managed by the city districts, there was therefore a decline of approximately 6 thousand apartments during the period from 2015 to 2020. It is also clear that privatization will continue in the future, as it is now planned to sell a total of 293 allocated apartments by the end of 2021 and during 2022.

During the period from 2019 to 2020, the most apartments were sold by the district of Praha 3 (a total of 351 apartments sold), the district of Praha 9 (304 apartments) and the district of Praha 2 (166 apartments). This shows a fall in the number of apartments sold compared to the period from 2015 to 2018, when the district of Praha 9, for example, sold 1 205 apartments and during the course of just 4 years privatized approximately half (52%) of the housing stock it still possessed at the beginning of 2015. On the other hand, during the whole period from 2015 to 2020, there was a relatively high number of city districts that did not get rid of their apartments, or privatized only a very small proportion of their housing stock. These were, with a few exceptions (such as the districts of Praha 1, Praha 12 and Praha 13) generally less densely populated districts that tended to manage a relatively low number of allocated apartments.

3.2 Percentage of apartment vacancies and reconstructions

Of the total of 23 080 apartments managed by Prague's districts as of 20 July 2021, 2 090 were vacant. **The information provided thus showed that the percentage of vacant apartments managed by the city districts was 9.1%.** This is a relatively significant rise against 2019, when there were 1 712 vacant apartments, i.e. 7.2%. However, the rise in the proportion of vacant apartments does not necessarily reflect the actual situation, as the question arises as to whether all the city's districts provided accurate data in the 2019 survey, either intentionally (not wanting to draw attention to the fact that less efficient use was made of their apartments) or unintentionally (due to having understood the given question in the questionnaire in a different manner). In 2019, 33 city districts stated that they did not have any vacant apartments. While city districts that rent out a few dozen or even just a few apartments may genuinely be expected to have their municipal housing stock fully occupied, this seems fairly unlikely in the case of those city districts that possess several hundred apartments. It is highly likely that the survey in 2021 yielded more valid results, which could also be due to the addition of a question concerning the reasons why apartments were unoccupied.

Leaving aside the district of Praha-Štěrboholy, which had just one allocated apartment in 2021, which was vacant, the largest proportion of vacant apartments can be seen in the district of Praha 8 (19.2%), the district of Praha 1 (17.8%) and the district of Praha 2 (14.7%) (→ Fig. 3.2.1). These districts tend to be more populated and manage a greater number of municipal apartments. In contrast, 19 city districts stated that they did not have a single vacant allocated apartment. These were generally smaller districts with fewer allocated apartments.

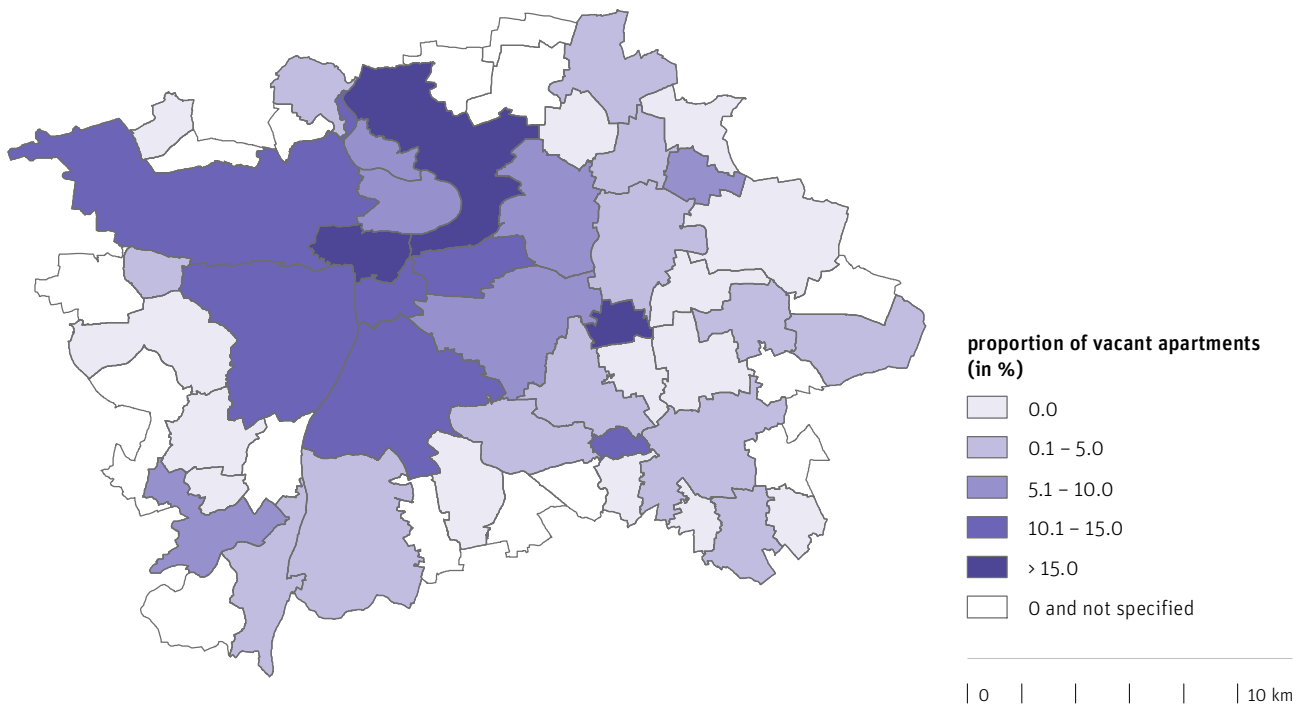
In 2021 an optional question was added to the questionnaire concerning the reasons why apartments were unoccupied. A total of 26 city districts did not respond to this question. **By far the most frequent reason for vacancies was apartment reconstruction (stated by a total of 20 city districts), either in progress or in preparation.** Other significant reasons given were that districts were seeking new tenants or that new tenants were moving (7 city districts), and that those were crisis and asylum apartments, which were being prepared for suitable candidates (4 districts).

In the questionnaires, the city districts also provided information on how many of their allocated apartments had undergone reconstruction since 2019 (→ Fig. 3.2.2). During this two-year period the city districts reconstructed 1 539 apartments, i.e., 6.7% of their housing stock. This is a slight increase in reconstruction speed compared to the period from 2015 to 2018, during which 540 allocated apartments were reconstructed per year.

During the period from 2019 to 2021, the most apartments were reconstructed by the district of Praha 2 (322 apartments), while from 2019 a relatively high number of apartments were

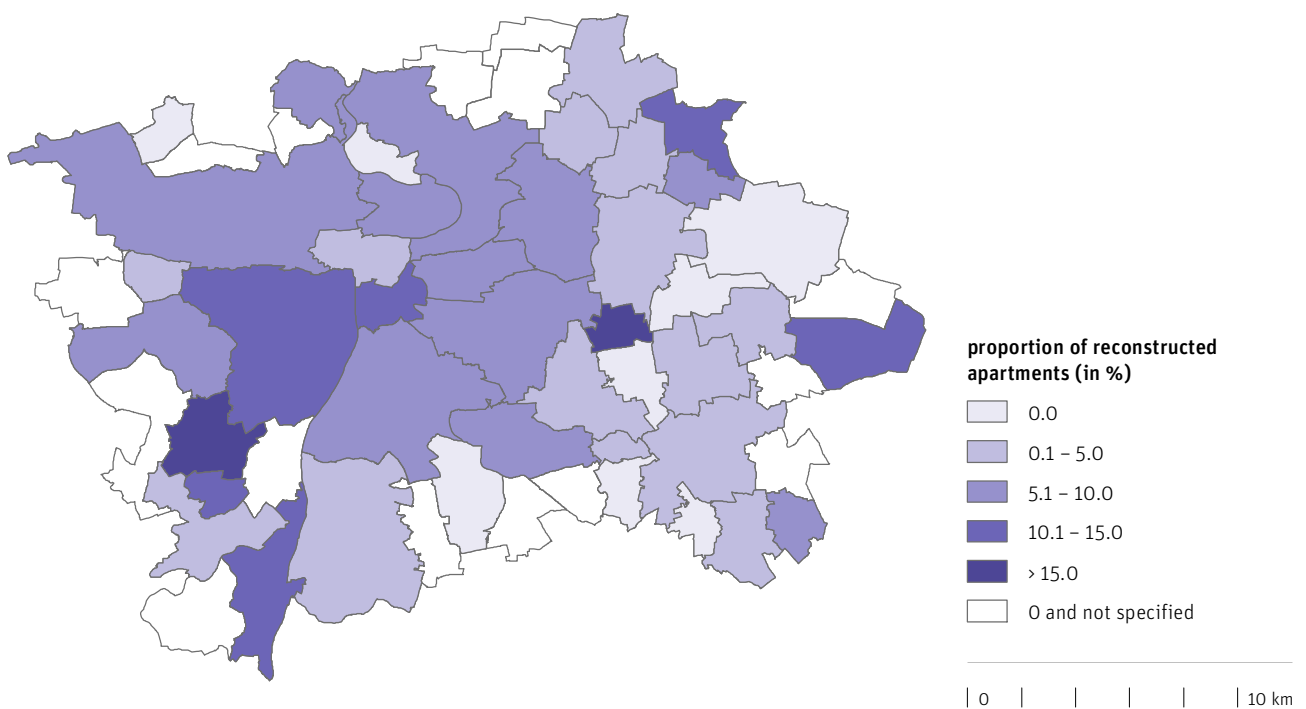
3.2.1 Proportion of vacant apartments in relation to the total number of municipal apartments managed by the city districts in 2021

IPR Prague 2021 / data: Prague City Hall 2021



3.2.2 Proportion of apartments administered by the city districts reconstructed (from 2019 to 2021)

IPR Prague 2021 / data: Prague City Hall 2021



also reconstructed in the district of Praha 10 (225 apartments), the district of Praha 4 (181 apartments) and the district of Praha 3 (175 apartments). These are generally districts with a higher number of allocated apartments. Nevertheless, these districts also have an above-average proportion of reconstructed apartments in relation to the amount of housing stock they manage. The highest reconstruction percentages were achieved by smaller districts such as the district of Praha-Štěrboholy and the district of Praha-Slivenec, although these districts have just 1 and 6 allocated apartments respectively.

3.3 Structure of apartments according to their designated purpose

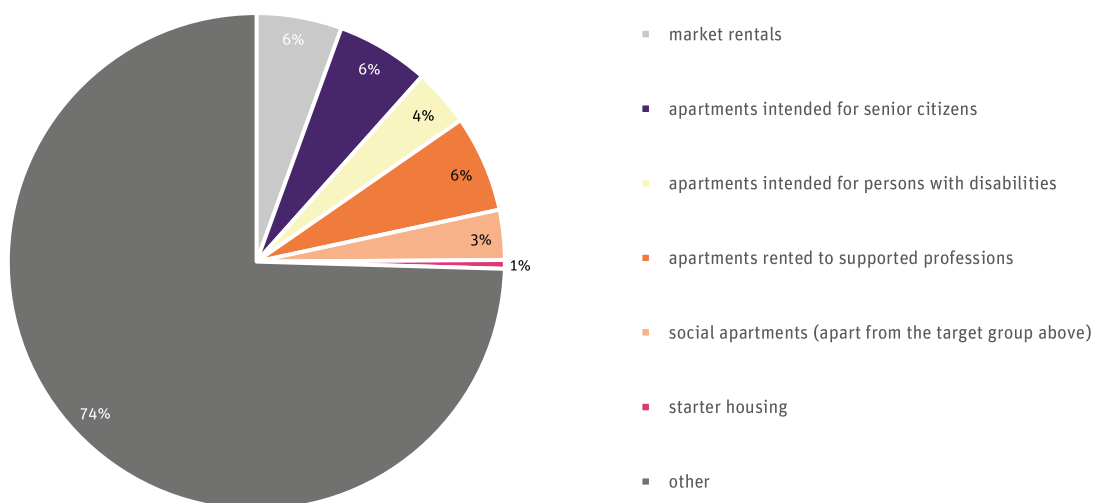
One of the natural roles of municipal housing stock is to provide affordable housing to specific social groups of inhabitants that, owing to low income or some other disadvantage (age, disability, etc.), find it hard or impossible to enter the normal housing market. Another supported group that also tends to be provided with cut-price municipal housing comprises public-sector employees that are of strategic importance to the city (e.g. police officers, firefighters, teachers, nurses, etc.). It is also the case that the city districts rent municipal apartments to basically any citizen of the district that succeeds in a public tender (i.e., market / competitive rental). And last but not least,

there is still a significant number of tenants who use municipal apartments on the basis of historical and open-ended lease agreements, most of which were concluded before 1989. The range of tenants of municipal apartments is therefore relatively diverse, and so in this section we will focus more on outlining the structure of apartments administered by the city districts according to their designated purpose, or tenant structure.

The figures obtained from the city districts implied that in **only very rare cases are municipal apartments occupied by people to whom the apartment was provided due to their belonging to a specific and vulnerable group** (→ Fig. 3.3.1). 74.5% of municipal apartments administered by the city districts (17.1 thousand apartments) fall under the category of “other”, which does not enable the purpose for which the tenant uses their municipal apartment to be identified. This is an increase against 2015–2018, in those years those users made up 71% of allocated apartments (i.e., 16.7 thousand). Nevertheless, it is highly likely that this growth does not reflect the actual situation, but rather the higher quality of the data obtained from 2021 from the more populous district of Praha 4. In 2019, this district reported only allocated apartments whose purpose was specified (a total of 628 apartments were reported), although in 2021 it also stated the total number of allocated apartments, i.e. without specifying the purpose (a total of 1 334 apartments). The situation was also similar in the case of the

3.3.1 Structure of municipal housing stock managed by districts in Prague according to designated purpose in 2021

IPR Prague 2021 / data: Prague City Hall 2021



district of Praha 22 (69 apartments with no purpose specified). In actual fact, the number of allocated apartments with no specified purpose has probably fallen, which is likely due to the freeing up of long-term lease agreements owing to tenants dying or moving and the district's efforts to provide municipal apartments to inhabitants who are in need.

In the 2021 survey, the city districts were asked how many apartments they manage in which the tenants have an open-ended lease agreement. This was a total of 12 294 apartments, i.e., 71.8% of the total number. These are probably mostly leases based on historical agreements, which no longer reflect the current needs and life situation of the existing tenants. It may be assumed that these tenants are often people who occupy municipal apartments with no specified purpose.

The use of municipal housing stock by specific vulnerable social groups is therefore relatively low: 6.0% of apartments managed by the city districts were intended for senior citizens; 3.8% for disabled persons as special-purpose apartments; 6.3% for selected professions important for the running of the city; 3.2% for social apartments (not including the category mentioned above) and 0.6% as starter apartments for young families. The remaining almost 5.6% of municipal housing stock administered by the city districts was allocated on the basis of

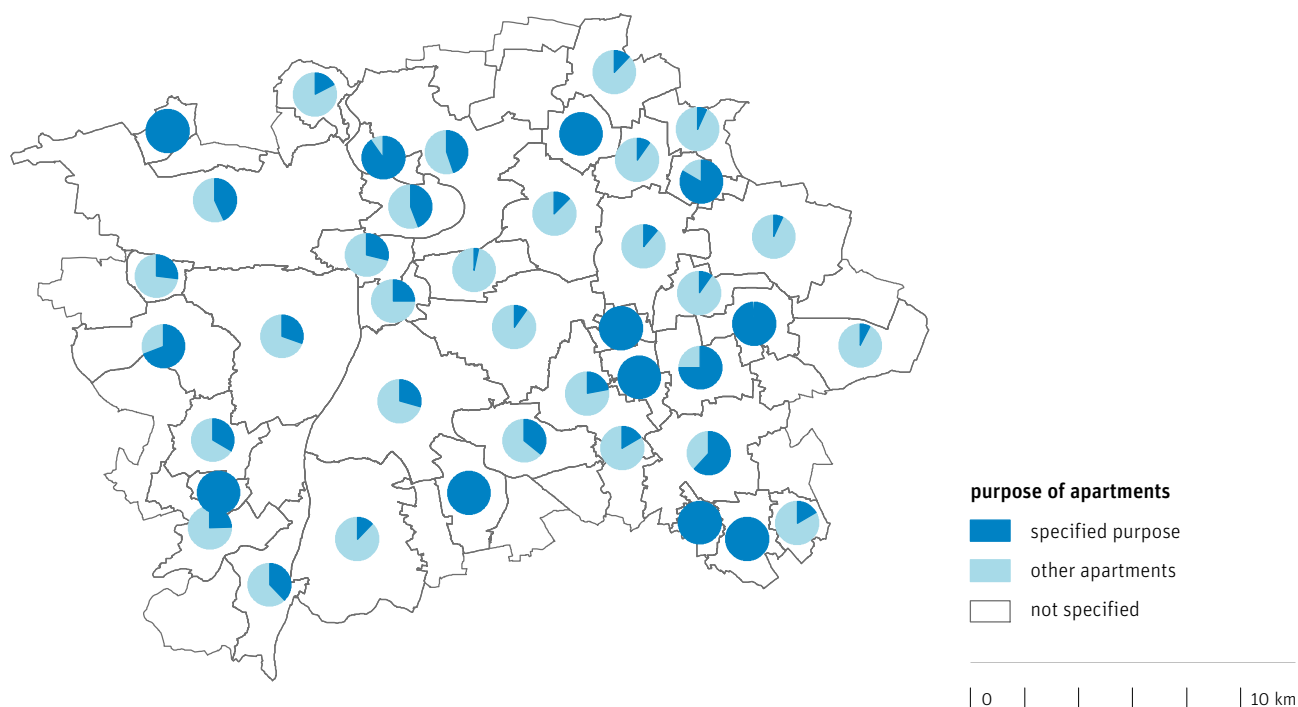
public tenders implemented on the principle of the market or highest offered rent.

In 2019, the question concerning the structure of apartments by their designated purposes was slightly different, and so any comparison will not necessarily be precise. Nevertheless, it is clear that there has been a rise in the percentage of allocated apartments occupied by people in supported professions (in 2019 the figure was 3.8%). In contrast, there was a decrease in the relative proportion of apartments for senior citizens (6.9%) and disabled persons (3.9%), as well as apartments tendered out on a market rent basis (7.0%).

The proportion of allocated municipal apartments occupied by people for which no purpose was specified varies greatly from district to district (→ Fig. 3.3.2). A total of 6 city districts have a percentage of allocated apartments that come under the "other" category, i.e. for which no purpose is specified, higher than 90%. The largest proportion was evident in the district of Praha 3 (96.4%), followed by the district of Praha 20 (93.4%) and the district of Praha-Vinoř (92.3%). On the other hand, the purpose was specified for all the allocated apartments in a total of 8 city districts. However, these tend to be smaller districts with fewer allocated apartments; the only exception is the district of Praha 18, with 318 apartments.

3.3.2 Structure of municipal housing stock managed by the city districts in Prague according to designated purpose in 2021

IPR Prague 2021 / data: Prague City Hall 2021



The varying approaches to the housing policies of the individual city districts when allocating apartments (according to the data stated in the questionnaire) are also evident from the more detailed structure of apartments according to their designated purpose (→ Fig. 3.3.3). Most city districts offer their apartments with no specific purpose particularly to supported professions; these include, for example, the district of Praha 9, the district of Praha 3, and the district of Praha 14. Some districts, such as that of Praha-Kunratice, the district of Praha 19 and the district of Praha 16 focus heavily on providing housing for senior citizens. The district of Praha 12 and the district of Praha-Dubeč have the greatest proportion of apartments for persons with disabilities. Allocated apartments distributed according to the highest bids for (market) rent can be found particularly in the district of Praha 2 and the district of Praha 17. For the sake of completeness it should be added that this picture does not differentiate the total amount of housing stock managed, which varies significantly within the individual city districts.

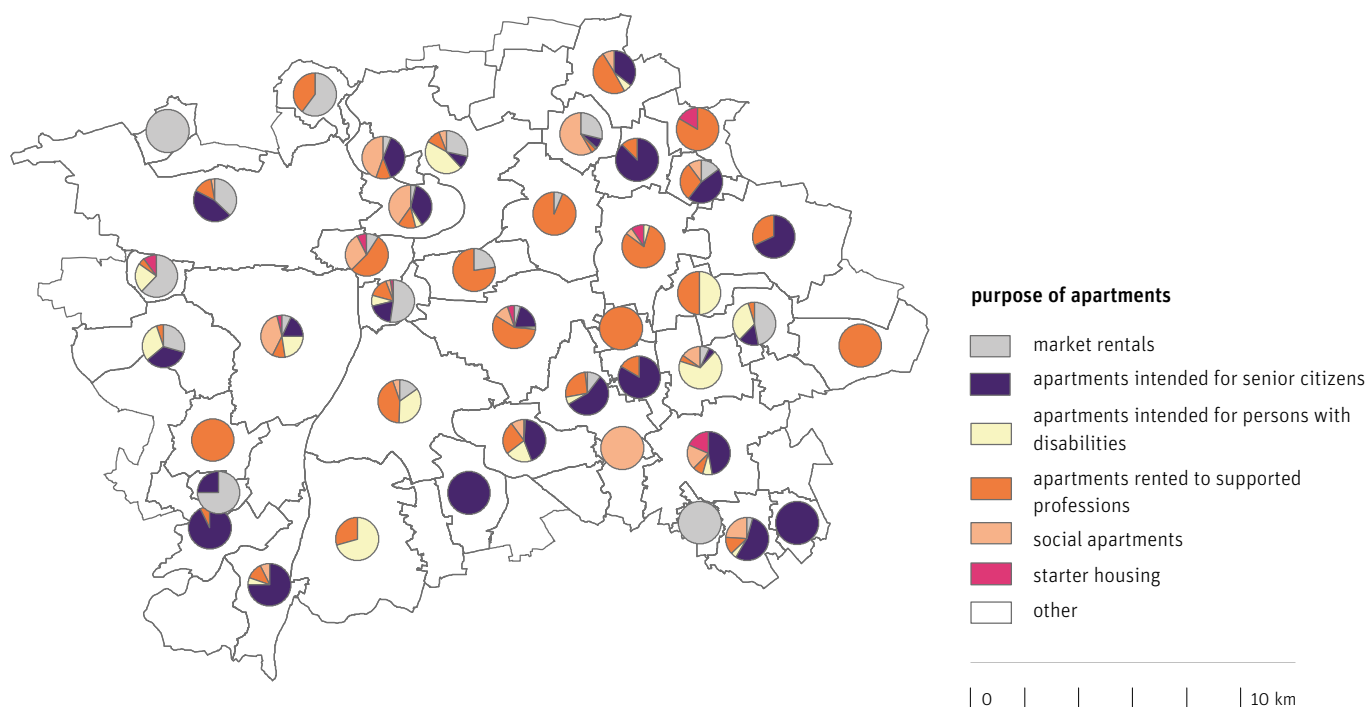
during the first quarter of 2020 the average monthly rent in Prague was 300 CZK per m², while the highest rents have long been charged in the city center and its immediate vicinity [Deloitte 2020]. The highest rent, amounting to 206 CZK per m², was in the district of Praha-Přední Kopanina, although that only has 2 allocated apartments, rented on the basis of the highest rent (market rental). The average rent in 6 districts is between 150 and 165 CZK per m²: the district of Praha-Dubeč, the district of Praha-Kunratice, the district of Praha-Běchovice, the district of Praha 2, the district of Praha 7, the district of Praha 1 (→ Fig. 3.4.1). In the remaining city districts the rent for allocated municipal apartments is two times lower than the average for Prague as a whole. The lowest rent was evident in the district of Praha-Dolní Měcholupy (50 CZK per m²) and the district of Praha 12 (67 CZK per m²). **In general, the differences between the individual city districts are relatively large and are not particularly related to their location in relation to the city center and the structure of their municipal housing stock according to its designated purpose.**

3.4 Price of rent

Overall, it is clear that the rent in municipal apartments managed by the city districts is far below the Prague-wide average market rent. According to a study conducted by the consulting firm Deloitte, commissioned by the City of Prague,

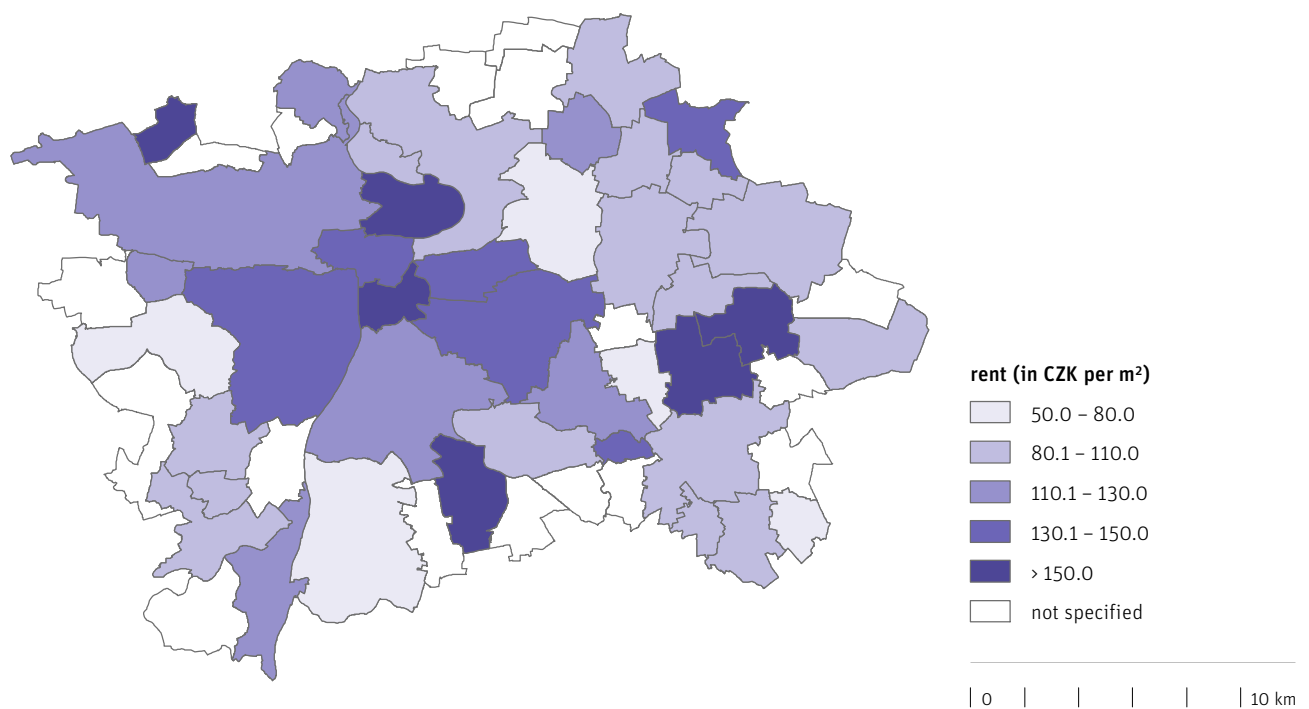
3.3.3 Structure of municipal housing stock managed by the city districts in Prague according to designated purpose in 2021

IPR Prague 2021 / data: Prague City Hall 2021



3.4.1 Average (most usual) rate of rent in municipal apartments according to Prague's districts in 2021

IPR Prague 2021 / data: Prague City Hall 2021



4. STATE AND DEVELOPMENT OF OVERALL MUNICIPAL HOUSING STOCK

While the previous section focused solely on municipal housing stock administered by the individual city districts, in this section we will take a look at municipal housing stock as a whole, meaning that, in addition to housing stock administered by the city districts, we will also assess apartments managed by Prague City Hall. We will focus particularly on the long-term development and spatial distribution of the total municipal housing stock for Prague as a whole and at the district level.

4.1 Long-term trend in the number of municipal apartments in Prague

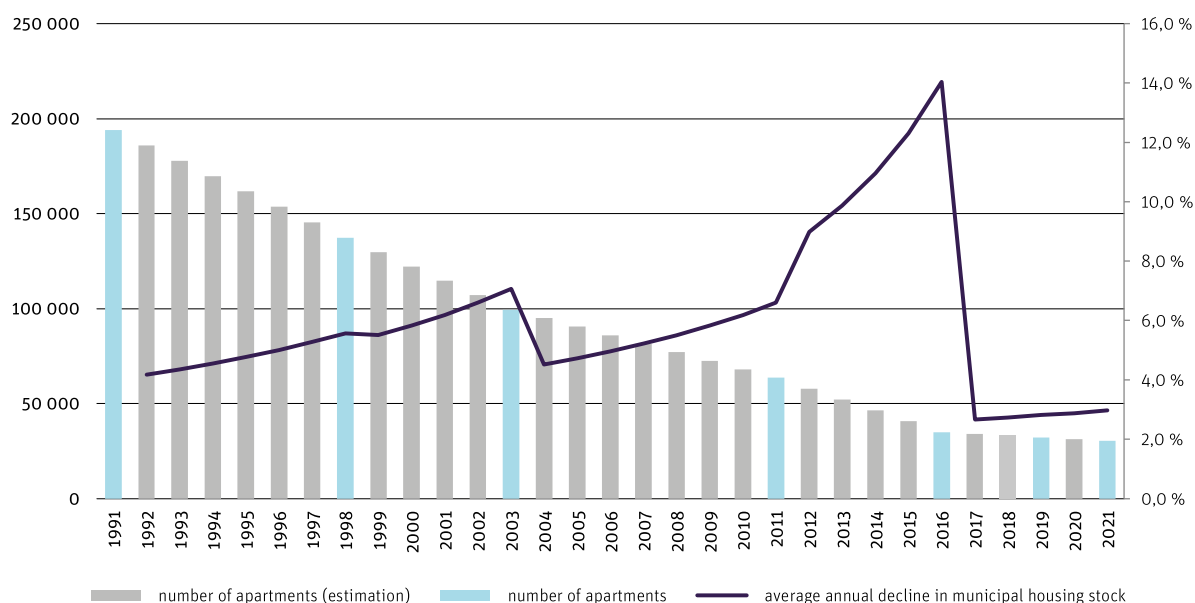
As of 20 July 2021, there were a total of 30 345 municipal apartments in Prague, three quarters of which (i.e., 23 080 apartments) were managed by the city's districts; the remaining quarter (i.e., 7 265 apartments) were managed by Prague City Hall. In Prague there are 44 inhabitants per municipal apartment and municipal apartments make up approximately 4.5% of the total amount of housing stock.

As of 31 March 2019, there were 24 445 municipal apartments managed by the city districts and 7 757 apartments managed by Prague City Hall, i.e., a total of 32 202 apartments.

In the years after 1989 there was a fundamental reduction in the amount of municipal housing stock in Prague. Based on the information stated in the City of Prague Housing Policy Concept for 2004 and the subsequent period, after 1991 approximately 194 thousand apartments came under the ownership of the City of Prague and if we compare that original amount of municipal housing stock with the aforementioned figure from 2021, it may be said that the amount of municipal housing stock in Prague fell by 84% between 1991 and 2021. The trend in the number of municipal apartments during the period from 1991 to 2021 shows that in absolute terms, although the decreases in municipal apartments were most significant between 1991 and 2003, relative decreases, however, were most significant between 2011 and 2016, when the amount of municipal housing stock fell by approximately 7 to 14% per year (→ Fig. 4.1.1, which shows the trend on the basis of figures compiled from various sources; see Němec, 2019). It was only between 2011 and 2021 that municipal housing stock in Prague decreased by more than half.

4.1.1 Trend in the number of municipal apartments in Prague

IPR Prague 2021 / data: Němec 2019, Prague City Hall 2021



4.2 Structure of City Hall apartments by designated purpose

The percentage of unoccupied apartments managed by Prague City Hall was 5.8%, while the figure for apartments managed by the city districts was 9%. In Section 3.3, we focused on the structure of municipal apartments administered by the city districts by designated purpose, stating that 74.5% of allocated apartments fall into the “other” category, which does not identify the purpose for which the tenants use those municipal apartments. The situation is slightly different in the case of municipal apartments managed by Prague City Hall. Here, the percentage of apartments with no defined purpose is 56.2%, a total of 4 083 apartments (→ Fig. 4.2.1). Municipal apartments managed by Prague City Hall should therefore be used more by inhabitants who are vulnerable, socially weaker or more necessary to the city. Apartments managed by Prague City Hall should therefore better reflect the housing policy, with municipal apartments being intended primarily for those who need assistance with housing. This is also reflected by the fact that the average rent in municipal apartments managed by Prague City Hall is lower in relative terms. Prague City Hall stated that the monthly rents in those apartments ranged from 80 to 132 CZK per m². The average rent is then 81.4 CZK per m², which is not even a third of the average rent in Prague (in 2020 this was 300 CZK per m²).

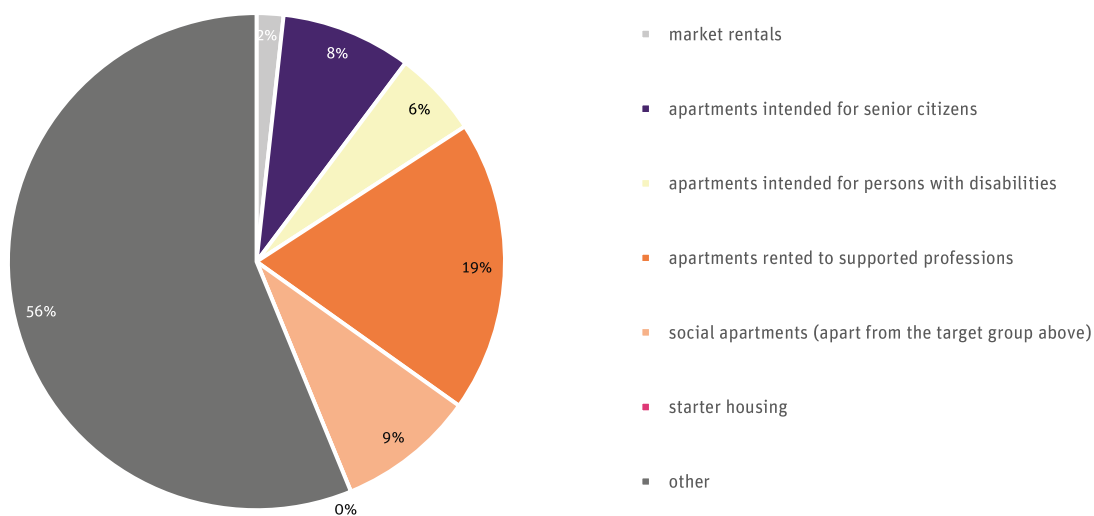
A total of 1 381 municipal apartments managed by Prague City Hall are intended for necessary and supported professions (19%), and those important for the running of the city (such as teachers, firefighters, police officers); the figure was 6% for apartments administered by the city districts. 650 apartments were earmarked as social housing (9%; 3% managed by the city districts). In comparison with the municipal apartments administered by the city districts, those managed by Prague City Hall are also more used by senior citizens and persons with disabilities. In contrast, there is a smaller percentage of starter housing and apartments tendered out for the highest (market) rent.

4.3 Spatial distribution of municipal apartments

For the purposes of this study we contacted Prague City Hall and obtained the numbers of municipal apartments managed by Prague City Hall at the address point level. Therefore, we have information about each city district’s total municipal housing stock. In absolute terms, the most municipal apartments, approximately 3.8 thousand, are available in the district of Praha 14, approximately three quarters of which are managed by Prague City Hall (→ Fig. 4.3.1). There are still more than 3 thousand municipal apartments situated in the district of Praha

4.2.1 Structure of municipal housing stock in Prague managed by Prague City Hall according to designated purpose in 2021

IPR Prague 2021 / data: Prague City Hall 2021



10 (3.7 thousand apartments) and the district of Praha 2 (3.0 thousand apartments).

Overall, the distribution of the number of municipal apartments and their ratio to the population or the total number of apartments is very similar to the distribution of the number of municipal apartments managed by the city districts (see section 3.1). A higher number of apartments managed by Prague City Hall is particularly evident in the district of Praha 14 on the Černý Most estate, where many new municipal apartments were constructed at the turn of the millennium (→ Fig. 4.3.2, Fig. 4.3.3). In total, there are 2 714 municipal apartments concentrated on this estate, making up 37.2% of the total number of municipal apartments managed by Prague City Hall. Another significant area is the Řepy estate, with 593 municipal apartments managed by Prague City Hall. There are 331 apartments in the district of Kunratice, in buildings localized in the streets of Hornomlýnská and Jana Růžičky. A total of 253 municipal apartments can then be found in the block in Limuzská street on the Malešice estate (district of Praha 10). There are 231 apartments in buildings in Karla Hlaváčka street and 217 at Podhajska pole in the district of Praha 8.

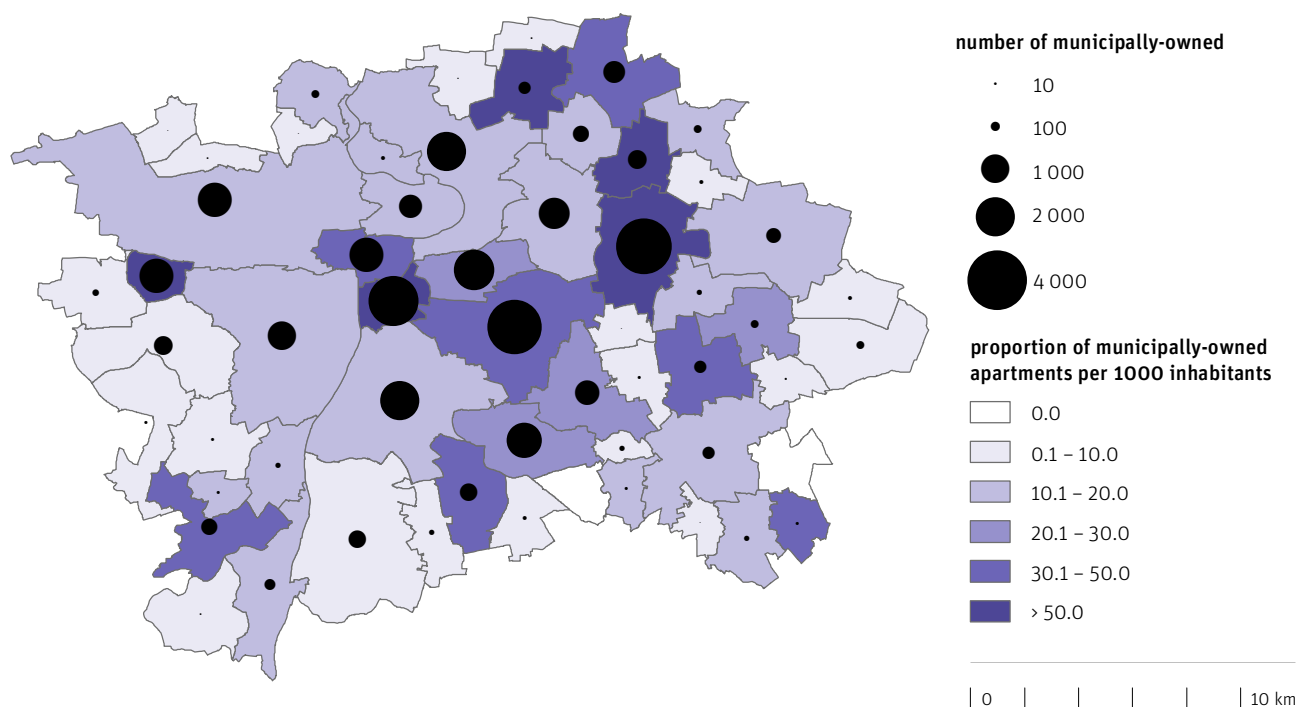
Overall, these more significant localities, which are very often at the level of individual houses and streets, make up more than 55% of the total number of municipal apartments

managed by Prague City Hall. **Municipal apartments managed by Prague City Hall are therefore highly concentrated in spatial terms, which may pose several risks and adverse consequences. Most of all, there is the risk of segregated localities emerging, if the municipal apartments managed by Prague City Hall begin to be used primarily by socially disadvantaged inhabitants, although the city's housing policy should be most focused on these groups.** Therefore, in order to prevent the creation of segregated localities (see the story of the Černý Most estate; more in Sýkora 2010), municipal apartments may be used more by people in a better social situation.

In order to identify the longer-term trend in the amount of municipal housing stock in the individual districts of Prague, specifically within 22 administrative districts, we use CSO data from the Census of the Czech Republic from 2001 and compare those data with this year's current figures on housing stock managed by Prague City Hall and the city districts. This comparison may be slightly inaccurate, as in the results of the 2001 CCR we only have a single figure, which includes municipal as well as state apartments; nevertheless, there should not be too many state apartments to prevent us from tracking the main trends. At the level of Prague as a whole, this comparison showed that the total amount of municipal housing stock has fallen by approximately three quarters during the

4.3.1 Number and ratio of municipal apartments to number of inhabitants in 2021

IPR Prague 2021 / data: Prague City Hall 2021, CSO 2021

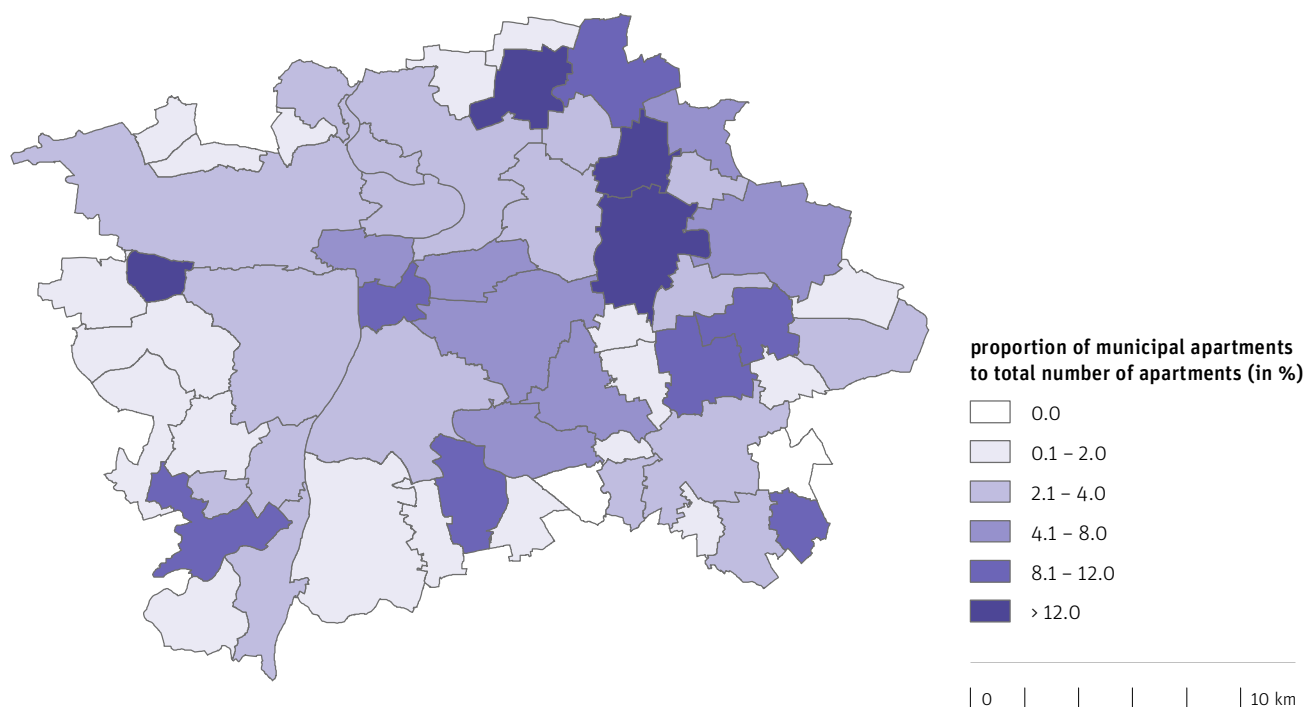


last 20 years, from 123 thousand municipal apartments to 30 thousand.

During the last 20 years, municipal housing stock has decreased by more than 75% in a total of 11 out of 22 administrative districts (→ Fig. 4.3.4). The biggest reduction was evident in AD Praha 13, where the number of municipal apartments fell by as much as 93% during the period in question. The number of municipal apartments in AD Praha 5 then fell by almost 90%. On the other hand, the lowest reduction in the number of municipal apartments was in AD Praha 14 and AD Praha 19, a decrease of just 12%. The lowest decline was observed in AD Praha 22, by a mere 5%. While the main reason for the lower decline in AD Praha 14 was the construction of the new municipal residential development of the Černý Most estate after 2001, the reduction in AD Praha 9 and AD Praha 22 is mainly due to the very low baseline value in 2001.

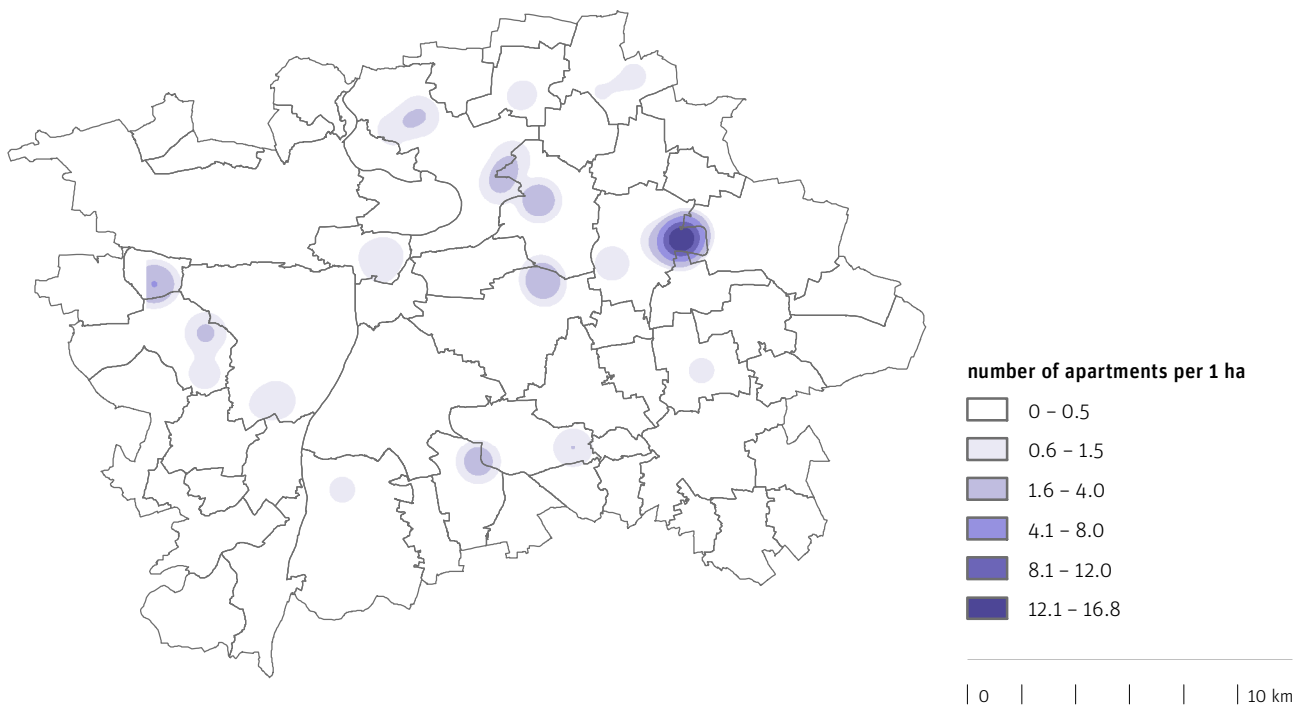
4.3.2 Ratio of municipal apartments to total number of apartments in 2021

IPR Prague 2021 / data: Prague City Hall 2021, CSO 2021



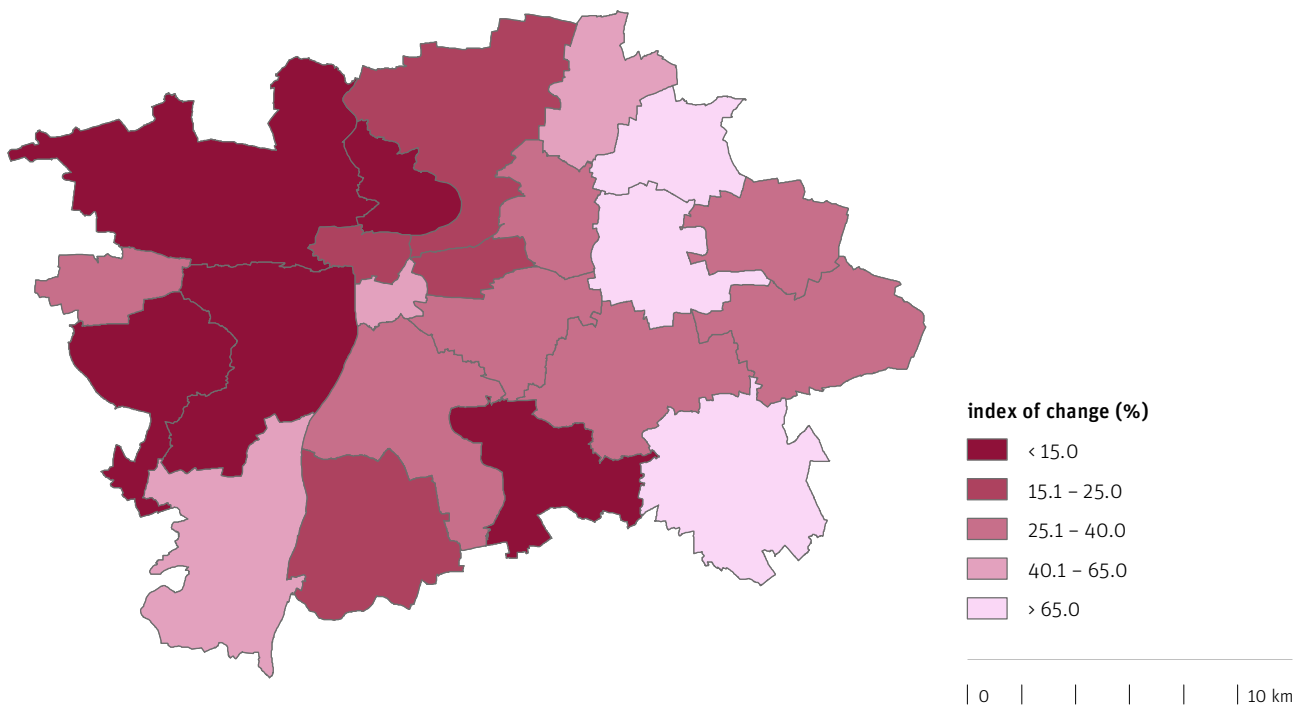
4.3.3 Distribution of apartments managed by Prague City Hall in 2021

IPR Prague 2021/ data: Prague City Hall 2021



4.3.4 Index of the change in the total number of municipal apartments between 2001 and 2021 according to Prague's administrative districts

IPR Prague 2021/ data: Prague City Hall 2021, CCR 2001



5. CONCLUSION

This study has focused on the assessment of municipal housing stock in Prague's city districts, based on a questionnaire survey, and is a follow-up to the previous study conducted in 2019. The main conclusions may be divided up into the trend, structure and spatial distribution. In recent years, when we have seen a dynamic rise in property prices and the increasing unavailability of housing, the city has made a clear effort to turn its housing policy around, so that the amount of municipal housing stock should increase rather than being further reduced. One particular example of this is the approved City of Prague Housing Development Strategy from 2021.

The information provided by the city districts and Prague City Hall showed that as of 20 July 2021 they managed a total of 23 080 apartments. Prague City Hall administered 7 265 municipal apartments. In Prague there are 44 inhabitants per municipal apartment and municipal apartments make up approximately 4.5% of the total housing stock. In total, therefore, there were 30 345 municipal apartments, while in 2019 the figure was 32 202 apartments. It is therefore clear that despite the unquestionable efforts made (e.g. the establishment of Městská nájemní agentura (City Rental Agency) and Pražská developerská společnost (Prague Development Company)) and changes in the approach to the issue of housing, we are still seeing a real decrease in municipal housing stock, rather than an increase. Even so, this is happening to a far lesser extent than in the past. The reasons for the fall in the number of allocated apartments particularly include the ongoing privatization process and the very slow pace of the city's residential development, with 60 municipal apartments built between 2019 and 2021.

Based on the information provided, the percentage of vacant apartments managed by the city districts was 9.1%, while the figure for apartments managed by Prague City Hall was 5.8%. By far the most common reason given for these vacancies was that the apartments were under reconstruction. 74.5% of municipal apartments administered by the city districts (17.1 thousand apartments) fall under the "other" category, where it is not possible to determine the purpose for which tenants use their municipal apartments. The figure for apartments managed by Prague City Hall was 56%. Municipal apartments managed by Prague City Hall should thus be used more by inhabitants who are vulnerable, more socially disadvantaged or more in need by the city. Apartments managed by Prague City Hall should therefore better reflect the housing policy, with municipal apartments being intended primarily for those who need assistance with housing. Overall it is evident that the rent in municipal apartments managed by the city districts and Prague City Hall is far below the average for Prague as a whole.

The spatial distribution of municipal apartments at the city district level is relatively large, and does not depend too closely on their position relative to the city center and the structure of municipal housing stock according to its intended purpose. The main factor that influences this is the long-term development and strategies of the individual city districts. In spatial terms, the municipal apartments managed by Prague City Hall are distributed in a concentrated manner, which can pose several risks and adverse consequences. Most of all, there is the risk of segregated localities emerging,

6. REGISTERS AND LISTS

RELATED LEGISLATION

Decrees

Generally binding Decree No. 55/2000 Coll. of the City of Prague, issuing the Statute of the Capital City of Prague

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ADDITIONAL SOURCES OF IMAGE ATTACHMENT DATA

Magistrát hl. m. Prahy (Prague City Hall). *Questionnaire Survey on the Allocated Housing Stock of Prague's Districts and Prague City Hall.* Prague. 2019

Magistrát hl. m. Prahy (Prague City Hall). *Questionnaire Survey on the Allocated Housing Stock of Prague's Districts and Prague City Hall.* Prague. 2021

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7. ANNEXES

P.01 Questionnaire from 2021

IPR Prague 2021 / data: Prague City Hall 2021

Housing stock allocated to city districts

Questionnaire survey of city districts conducted two years after the previous survey. Please enter figures as of June 2021, unless the question states otherwise. If you do not want to answer a particular question or do not have the requisite data, write e.g. „nothing“ in your answer. Thanks in advance for completing the survey!

1. City district
2. Contact details of person completing the questionnaire
3. What is the total number of apartments managed by the city district?
4. What is the number of vacant apartments managed by the city district?
5. Why are the apartments in point 4 vacant? (Optional question)
6. How many apartments managed by the city district were sold in 2019-2020?
7. How many apartments managed by the city district were sold in 2021 (as of 1 June 2021)?
8. How many apartments managed by the city district are planned to be sold by the end of 2021 and during 2022?
9. How many new apartments has the city district built since 2019?
10. How many apartments has the city district repaired/reconstructed since 2019?
11. What is the total number of apartments rented on the basis of the highest rent (market rentals)?
12. What is the total number of rented apartments intended for senior citizens?
13. What is the total number of rented apartments intended for persons with disabilities (special purpose apartments)?
14. What is the total number of apartments rented to supported professions?
15. If you want, you can write a comment to question no. 14 (such as to which supported professions you rent apartments – teachers, firefighters, etc.) (Optional question)
16. What is the total number of social apartments rented (apart from the target group above)?
17. Here you have the option to write how your city district defines social housing (see question 16) – e.g. according to the apartment rental rules. (Optional question)
18. What is the total number of apartments rented as starter housing?
19. Here you have the option to write how your city district defines starter housing (see question 18). (Optional question)
20. How many apartments are rented for an indefinite period?
21. What is the percentage of unsatisfied applications for apartment rentals for 2020? (You can further specify the proportions in % according to the individual categories.)
22. What is the average (most common) rental rate in the rented apartments (in CZK per m²)?
23. Here you have space for any comments you might have.

P.02 Answers to selected (relevant) questions

IPR Prague 2021 / data: Prague City Hall 2021

1.	3.	4.	6.	7.	8.	9.	10.	11.	12.	13.	14.	16.	18.	20.	22.
Prague City Hall (non-allocated housing stock)	7 265	423	505	0	77	0	849	127	617	407	1 381	650	0	2 535	81
Praha 1	1 160	206	2	0	0	0	25	30	0	3	180	100	25	136	150
Praha 10	3 203	243	33	9	46	14	225	14	65	6	181	34	17	1 521	140
Praha 11	1 347	35	22	1	0	0	70	5	209	98	122	49	0	1 037	86
Praha 12	274	7	0	0	0	0	13	0	0	24	10	0	0	160	67
Praha 13	84	0	0	0	0	0	8	17	20	18	3	0	0	43	78
Praha 14	944	21	10	0	91	0	11	1	0	5	85	6	10	700	85
Praha 15	733	24	0	0	0	18	16	17	90	9	42	3	0	310	120
Praha 16	320	22	0	0	0	0	2	0	72	0	6	0	0	138	97
Praha 17	821	22	0	0	0	0	30	138	0	51	11	0	23	554	130
Praha 18	318	0	8	2	4	0	12	91	25	4	13	185	0	185	113
Praha 19	470	15	0	8	4	0	16	0	42	0	6	0	0	286	86
Praha 2	3 021	444	166	0	7	1	322	394	144	63	115	24	18	1 541	158
Praha 20	286	0	0	0	0	0	0	0	13	0	6	0	0	219	90
Praha 21	93	1	3	0	0	0	10	0	0	0	7	0	0	67	81
Praha 22	181	2	0	0	0	0	2	0	53	8	9	21	21	88	93
Praha 3	2 042	220	351	56	91	0	175	17	0	0	57	0	0	1 518	145
Praha 4	1 887	220	13	1	3	0	181	82	0	193	245	28	5	1 097	125
Praha 5	769	96	37	5	0	0	82	16	42	52	23	90	9	272	143
Praha 6	1 384	183	6	0	0	0	82	223	271	0	87	18	0	448	126
Praha 7	642	33	0	0	0	0	57	11	104	14	38	114	0	373	154
Praha 8	1 173	225	0	0	26	0	97	148	52	238	58	30	0	715	100
Praha 9	639	52	304	14	21	0	51	5	0	0	73	0	0	431	80
Praha-Běchovice	82	1	0	0	0	17	1	38	12	27	4	0	0	34	160
Praha-Benice	1	0	0	0	0	0	0	1	0	0	0	0	0	1	92
Praha-Čakovice	363	3	0	0	0	4	8	0	16	3	22	4	0	147	90
Praha-Dolní Chabry	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Praha-Dolní Měcholupy	12	0	0	0	0	0	0	0	10	0	2	0	0	0	50
Praha-Dolní Počernice	41	0	0	0	0	0	0	0	0	2	2	0	0	35	90
Praha-Dubeč	80	0	0	0	0	2	4	4	3	41	3	9	0	13	165
Praha-Koloděje	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Praha-Kolovraty	42	1	0	0	0	0	2	2	25	2	6	11	0	37	100

1.	3.	4.	6.	7.	8.	9.	10.	11.	12.	13.	14.	16.	18.	20.	22.
Praha-Královice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Praha-Křeslice	3	0	0	0	0	0	0	0	0	0	0	0	0	2	0
Praha-Kunratice	57	0	0	0	0	0	0	0	57	0	0	0	0	0	165
Praha-Libuš	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Praha-Lipence	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Praha-Lochkov	9	0	0	0	0	0	1	9	3	0	0	0	0	0	102
Praha-Nedvězí	6	0	0	0	0	0	1	0	1	0	0	0	0	6	75
Praha-Petrovice	36	5	0	0	0	0	1	0	0	0	0	6	0	2	140
Praha-Přední Kopanina	2	0	0	0	0	0	0	2	0	0	0	0	0	0	206
Praha-Satalice	24	2	0	0	0	0	2	3	9	0	6	2	0	5	100
Praha-Slivenec	6	0	0	0	0	0	1	0	0	0	2	0	0	4	100
Praha-Suchdol	85	3	0	0	0	0	5	9	0	0	6	0	0	56	117
Praha-Štěrboholy	1	1	0	0	0	0	1	0	0	0	1	0	0	0	0
Praha-Troja	20	2	0	0	0	0	0	1	7	0	2	8	0	3	85
Praha-Újezd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Praha-Vinoř	85	0	0	0	0	4	10	0	0	0	5	0	1	15	135
Praha-Zbraslav	148	1	0	0	0	0	16	0	42	3	7	4	0	95	120

State and Development of Municipal Housing Stock in the Districts of the City of Prague

2021 Update

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