

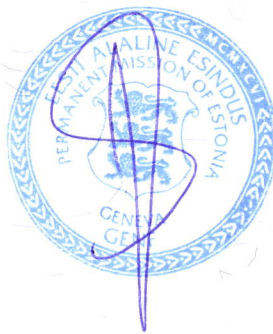
*Permanent Mission of Estonia
Geneva*

No. 10-6/394

The Permanent Mission of the Republic of Estonia to the United Nations and Other International Organisations in Geneva presents its compliments to the Office of the High Commissioner for Human Rights and in response to the Latter's letter from 5 April 2012, has the honour to forward the reply of the Government of Estonia to the questionnaire on housing financing policies and programs.

The Permanent Mission of Estonia to the United Nations and Other International Organisations in Geneva avails itself of this opportunity to renew to the Office of the High Commissioner for Human Rights the assurances of its highest consideration.

Geneva, 25 May 2012



OHCHR REGISTRY

31 MAY 2012

Recipients: SPD

Enclosure: Response of Estonia, 7 pages

Estonian National Housing Development Plan 2008-2013, 44 pages

Office of the High Commissioner for Human Rights

GENEVA

Response of Estonia to the questionnaire on housing finance institutions, policies and programmes.

- 1. Is your country promoting housing finance policies or programmes aiming to enable access to homeownership and/or other affordable housing by the poorest segments of society, by providing credit through financial institutions (public, private or quasi-private)?**

Pursuant to the Constitution and the Local Government Organisation Act, it is the responsibility of a local government to organise housing and utilities in its administrative territory.

The functions of local governments include establishment of a procedure for keeping account of persons who lack a dwelling or the right to use a dwelling, and also who are in need of assistance in improving their living conditions; establishment of a procedure for possessing, using and disposing residential buildings included in municipal property; and making of other decisions which have been subjected by law to the powers of local government council. Consequently, local governments have an obligation to guarantee that the target groups which need economic or social protection are provided with a suitable residential building, and to decrease homelessness by increasing the number of social housing units and residential buildings in the social or municipal rental housing fund.

The state is responsible for developing a strategic policy of the area. It is the state's obligation to create in the housing market such conditions (legal regulatory framework, institutional organisation and measures for support) which would enable the residents to solve their housing problems independently, and the associations engaged in the housing industry to develop the area. The main objectives, courses of action and implementing measures of the national housing policy are provided for in the area's development plan.

The establishment of the national policy of the area is based on the development strategy "Estonian housing development plan for 2008 to 2013" approved by the Government of the Republic on 17 January 2008 which specifies various measures for increasing access to residential buildings and for improving possibilities for acquisition thereof. The development plan is funded from the state budget in line with political priorities and budgetary means. For improving housing conditions, allowances are allocated to families with at least 3 children, people who have independently acquired a dwelling are supported through refund of income tax on account of housing loan interest, and from 2004 to 2008 support was allocated to local governments for the purposes of increasing the relative importance of the municipal rental housing fund.

Since the state budget funds have been scarce, the said measure has not been applied after 2008 and the main focus is on the improvement of the housing conditions of families with at least 3 children as persons in need of state attention and support the most. The home support measure for improving the living conditions of families with many children has been applied since the year 2008 and it will be continued within the next few years to promote the improvement of the living conditions and decrease in the social exclusion of the target group which is the poorest one in society (in general).

In addition to home support, the measures applied include also national loan suretyships, the aim of which is to enable young families with children (raising at least one child under 16 years of age) and young specialists who have obtained a vocational or higher education, and lessees dwelling in houses returned to the rightful owners since 1994 to acquire a housing on better conditions than those applied in usual business. The improvement of possibilities for funding the acquisition of housings by households has been facilitated through national loan suretyships as of the year 2000.

The exemption of housing loan interests from income tax is an additional financial instrument applied nationally for the purposes of supporting people who have bought their own home.

Therefore, several support measures described above have been applied nationally to make housing more affordable for people with insufficient income. Furthermore, local governments are required to offer residential buildings with a subsidized price for those persons who are unable to solve their housing-related matters themselves. People with low income have the possibility to apply for subsistence benefit or single benefits paid by local governments, e.g. to compensate for heating expenses.

All of the above benefits and suretyships for specific purposes are funded from the state budget. The funds of the international financial institutions mentioned in the questionnaire are not applied.

2. Please provide any available assessment of the impact of such policies and programmes on the housing situation of the poor or other categories of beneficiaries.

Application of a national policy has helped to improve living conditions and, in general, compared to the overall level in the world Estonia does not have any problems with self-creating slums and homeless people, and also squatting (illegal occupation) is not widespread.

- a) The percentage of non-official settlement in Estonia is zero because all residential buildings have a registered owner.
- b) Sewerage services (either public or local sewerage system) have been guaranteed for 83.7 per cent of dwellings based on the Population and Housing Census of the year 2000. The said percentage includes also summer-houses and garden houses which are not used all year round. By the present time, the percentage of supply of sewerage services has increased considerably, since by 2011 local governments carried out extensive public water

supply and sewerage system installation projects pursuant to the European Directive in force. Since the data of the Population and Housing Census of the year 2011 has not been statistically processed by the present time, it is not possible to note a more accurate percentage at the time.

- c) 99.6 per cent of residential buildings have electrical connection according to the data of the Population and Housing Census of the year 2000. By today, the said number has also somewhat increased; electrical connection is lacking only in very few low density areas (e.g. islands and islets, swamps) which mostly lack permanent settlement.
- d) 100 per cent of residential buildings have either an owner entered in the land register or an owner who has registered the property in case of movable property.

3. Please also provide information on programmes or policies concerning construction or provision of public housing for sale or rental in the country (including privatization of public housing). Please describe any significant reforms or developments in this sector over the last thirty years. Please provide (in annex) any relevant documents, laws, regulation or policies.

With a view to an overview of the state's housing policy over the last 30 years it should be noted that in 1982 Estonia was a part of the Soviet Union and no independent housing policy was applied here. Based on the mass housing construction policy in the Soviet Union, the housing stock expanded by 12,000 to 14,000 dwellings in the 1970s and 1980s.

In 1991 when Estonia regained its independence a new course of action was adopted at the national level to return buildings belonging to the public sector to their rightful owners and to privatise apartments. The Principles of Ownership Reform Act was passed with the aim of reorganising ownership relations. In order to organise the privatisation of residential buildings, the Government of the Republic adopted on 17. June 1993 the Privatisation Act which determines the objects, subjects, and conditions of and the procedure for privatisation.

The privatisation and return of residential buildings was commenced in 1994. The privatisation took place on the basis of privatisation vouchers and the actual financial expenses incurred by people were very low. Social objectives (creation of private ownerships and private owners, establishment of security) dominated over economic ones. Pursuant to the law, local governments had the possibility to leave a part of the housing stock out of the privatisation so it could later be leased as social living premises or used for other purposes.

In 1992, before the actual start of the reforms, 25.8 per cent of the residential buildings in Estonia belonged to the state, 34.7 per cent to local governments, 5 per cent to housing cooperatives and 34.5 per cent to private owners. Based on the Population and Housing Census of the year 2000, the structure of the housing stock was as follows: the public sector as an owner of residential buildings (6.0 per cent, the majority was owned by local governments), and in private ownership 94.0 per cent of

all the residential buildings. According to a research carried out in 1998 by the Estonian Institute of Economic Research, the living premises returned to their rightful owners or their successors amounted to 2.6 per cent of the entire housing stock. The municipal housing stock which was not privatised was used to ensure housing to social risk groups. In 2005 the private sector owned 96 per cent of the housing stock and the public sector owned 4 per cent (1.2 per cent belonged to the state and 2.8 per cent to local governments). The data of the Population and Housing Census of the year 2011 has not been statistically processed by the present time but the percentage of private ownerships with regard to residential buildings in the housing stock has probably risen even higher, considering the real estate boom during 2005 to 2008.

The interference of the public sector in the regulation of the housing market has constantly decreased, and there has been a transfer to market relations in the housing sector. Subsidies favouring demand, in particular the subsistence allowance, have become the principal political measures. Beside subsistence allowances, the availability of housing has improved to a certain extent also with the help of the national system of soft loans (directed at young families, young teachers, cooperatives, lessees in and rightful owners of returned houses) which is being offered through Kredex.

KredEx (intermediary) was founded by the Ministry of Economic Affairs and Communications. A KredEx housing loan guarantee is designed for people who want to take out a loan to buy a new home or renovate the existing one, and to decrease their down payment obligation. A housing loan guarantee allows you to buy an apartment, house, property or summer cottage. The objective of the property purchase must be to build a residence on the property and in the case of a summer cottage, to renovate it into a year-round dwelling. From year 2000, when KredEx started to issue housing loan guarantees, more than 14,000 young families, almost 8 000 young specialists and 69 tenants of restituted houses have improved their housing conditions, which makes a total of 22,000 households. Stricter terms for housing loans, an increase in payment risks and remarkable fall in the value of guaranteed property in year 2011 kept share of housing loans with Kredex guarantee at 9,2% of the total volume of housing loans issued in Estonia in year 2011. In year 2011, the volume of housing loan guarantees of Kredex reached 31.1 million Euros. The volumes of housing loans are stated on Kredex 2011 yearbook page 24: <http://www.kredex.ee/aastaaruanne2011/en/index.html>

The state refunds income tax paid on housing loan interest after filing of a tax return.

The deductions for housing loan interest, training expenses, gifts, donations and trade union entrance and membership fees are altogether limited to 1920 Euros (for income in 2012) per taxpayer during a period of taxation, and to not more than 50 per cent of the taxpayer's income of the same period of taxation, after the deductions relating to enterprise have been made (§ 282 of the Income Tax Act).

We have not involved international finance institutions to promote housing finance policies to enable access to homeownership or affordable housing to certain segment of society because there is no demand or need for it.

Social housing is provided and managed by local authorities. For example Tallinn City Council has prepared guidelines to implement the new social housing program aimed at providing shelter for families who need it.

The national housing policy is implemented by the Ministry of Economic Affairs and the Estonian National Housing Development Plan for 2008-2013 is approved by the Government of the Estonian Republic on 17 January 2008:

http://www.kredex.ee/public/Eluasemevaldkonna_arengukava_eng_19.09.2008.pdf

The study of "Access to Housing for Vulnerable Groups in Estonia" was carried out in 2003 financed by the European Commission within the Community Action Programme on Combating Poverty and Social Exclusion: <http://pdc.ceu.hu/archive/00001650/01/raport.pdf>. Already in 2003 the electricity was missing for less than 0.2% households, in 2012 it's even less. The Improved water source; percentage of urban population with access to the importer water source in Estonia was reported at 99.00 in 2008.

European Observatory on Homelessness: Statistics Review 2004-2005 Estonia: http://www.feantsa.org/files/national_reports/estonia/Estonia_Statistics_Report_2005%20or%202004.pdf.

Recently, there were The Population and Housing Census held in Estonian. The preliminary results will be published in May 2012. But the results will reveal also data concerning Demographic characteristics of the population; Geographic characteristics of the population; Educational characteristics of the population; Economic characteristics of the population; Characteristics of households and family nuclei; Living conditions of the population and households; Number of residents with a long-term illness or health problem; Characteristics of conventional dwellings and buildings containing conventional dwellings.

There was also a poll carried out by Tallinn Social Work Centre from September to November 2011 at places where homeless people gather and live such as, in soup kitchens, shelters and hospitals in Tallinn. According to the poll, there were around 400 people who live in the streets and around 450 who live in homeless shelters and social housing units. Since around 400 are in a queue to get a place in social housing units, then the estimated amount of homeless people is around 1,000-1,500 in the capital of Estonia.

A total of 37 institutions offered homeless shelter services and rehabilitation services for persons released from prisons in Estonia in 2010, two fewer than 2009.

The Local Government Organisation Act stipulates that local authorities are responsible for the organisation of housing economy and utilities in their administrative territories. It is a duty of local authorities to establish the procedure for keeping account of people who do not have housing or the right to use housing, and persons who need help with the improvement of their living conditions; to establish the procedure for possession, use and disposal of housing in municipal ownership; and to decide on other issues placed in the competency of the local government by law. Local authorities are

therefore obliged to guarantee that target groups are supplied with suitable housing and to reduce homelessness by increasing the proportion of social housing units and housing belonging to the fund of social or municipal rental properties.

The need to allocate housing is evaluated pursuant to the Social Welfare Act. § 2 of the Social Welfare Act stipulates the definition of 'social housing'. Social housing means housing in municipal ownership provided to a person in need of social services. Pursuant to § 14 of the Social Welfare Act, local government authorities are required to provide housing for persons or families who are unable or incapable of securing housing for themselves or their families and to create, if necessary, the opportunity to lease social housing. The procedure for provision and use of social housing will be established by the rural municipality or city council. The rural municipality government or city government must help persons who have difficulties with moving about, caring for themselves or communicating in a residence to adapt their housing or to obtain more suitable housing.

In Estonia public housing is being rented out. State owned housing fund is mostly rented to state officials, for example border guards, but also Defence Forces Service Act states that the employer may provide a regular member of the Defence Forces with a dwelling.

The use of residential buildings in the possession of local governments is determined by the respective local municipality. In general, municipal housing is primarily ensured for people coming from the orphanage, tenants of returned buildings and people released from custodial institutions. As a rule, people with insufficient financial standing, as well as persons with physical disabilities or special mental needs, can apply for social housing. Additionally, depending on the local municipality, single parents, families with 3 or more children, and other vulnerable groups can be eligible for municipal housing. Rent levels in municipal housing are mostly cost-rent, i.e. the income gained from the rent should cover only costs of housing utilities and housing maintenance. However, in most municipalities, rent levels remain lower than would be necessary to pay for housing maintenance (municipal housing stock is often amortised). In new municipal residential buildings, higher rents are applied in order to cover the costs related to construction.

The need for affordable municipal housing for low-income groups exceeds supply, especially in the main towns. At the end of 2011 there were altogether 1868 applications submitted for social housing which were not satisfied. Most of these applications (1615 applications, i.e. 90,2% of unsatisfied applications) were submitted in Tallinn. However, as can be seen from the following tables, the situation has gradually improved. In Tallinn, new municipal dwellings have been built and a portion of existing municipal housing stock has been renovated since 2002.

Number of recipients of housing service (both municipal housing and social housing) and number of housing spaces at the end of the year, 2007–2011

	2007	2008	2009	2010	2011
Number of local governments, which provided housing services	151	160	166	176	177
Total number of recipients of the service	8 957	8 781	9 458	9 409	10 057
Below pensionable age	6 456	6 709	7 168	7 113	7 624
Pensionable age	2 501	2 072	2 290	2 296	2 433
Persons with special needs from all the recipients of the service	1 364	1 160	1 156	1 185	1 210
Number of spaces	6 393	6 392	7 045	7 058	7 505
incl especially adapted for persons with special needs	302	293	340	343	342
Number of occupied housing units	5 796	5 742	6 366	6 376	6 644
Number of unsatisfied applications for housing services	2 933	2 312	2 065	2 019	1 868
Total number of persons in need of housing	4 588	3 786	3 419	3 086	2 857

Source: Ministry of Social Affairs

According to submitted reports there were 2857 people in need of housing services at the end of 2011. The general real need is somewhat smaller, since during a year approximately 10-12% of the persons to whom housing service have been provided, leave from the service (1238 persons in 2011). Taken also into account the medium size of a family in need of social housing (ca 1, 5-1,6 members) there are approximately 1700 persons or 1100 families in need of housing.

In the end of 2011 there were altogether 184 local governments (81,4% of all local governments) which had spaces for social and municipal housing, 42 local governments did not have spaces for social housing and municipal housing. The situation has improved, since in 2007 157 local governments (69,2% of all local governments) has spaces for social and municipal housing and 70 local governments lacked such spaces.

At the end of 2011 there were 10 057 persons living in municipal or social housing units. More than half of the recipients of housing service lived in larger cities: 2406 in Tallinn, 1764 in Narva, 721 in Tartu and 535 in Pärnu. 24,2% of recipients of housing service (2433 persons) were in pensionable age and 12% (1210 persons) were persons with special needs. Proving of housing services was in 2011 financed in the range of 97% from the budget of local governments, 1% from state budget and 2% from other sources.

Please note that the Estonian National Housing Development Plan 2008-2013 is attached to the response, totally 44 pages.

Approved by the Government of the Estonian Republic on 17 January 2008



**Ministry of Economic Affairs and
Communications**

**Estonian National Housing
Development Plan**

2008-2013

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INTRODUCTION

The Estonian National Housing Development Plan for 2008-2013 (hereinafter referred to as the Development Plan) constitutes a strategic basis for developing the housing sector over the next seven years, and sets out the directions and principles for resolving the individual issues specific to the housing field. The Development Plan was prepared in cooperation with the Ministry of Economic Affairs and Communications, the Ministry of Social Affairs, the Ministry of Internal Affairs, the Ministry of Justice and the Credit and Export Guarantee Fund KredEx (hereinafter referred to as KredEx). The objectives and measures of the Development Plan shall serve as a basis for planning the state budget resources as well as for funding from the EU Structural Funds and the Cohesion Fund during the period of 2007-2013¹. The more important individual activities and courses of action have been identified for the near term. A detailed implementation plan is developed on an annual basis in line with the state budget strategy.

The principal aims in the field of housing are ensuring access to suitable and affordable housing for the population of Estonia, achieving high quality and sustainable housing stock and building diversified residential areas which are developing in a balanced and sustainable manner.

The duty of the state is to create conditions on the housing market (i.e. through legislation, institutional arrangements and support measures) for the inhabitants to independently resolve their housing problems and for the associations involved in the housing sector to further develop the field. The main goals, courses of action and implementing measures of the state housing policy shall be provided for in the sectoral development plan. Employment, welfare and regional policy measures must complement the implementation of the housing policy.

The state manages housing policy development by creating the applicable legislation and by implementing its budgetary, regional, employment and social welfare policies. The state also continues to improve the legislation concerning access to housing services, the conditions ensuring the quality of housing, the milieu value, energy conservation possibilities and security of housing. Cooperation with non-profit umbrella organisations active in the field of housing shall be continued along the established lines.

Pursuant to the Constitution and Local Government Organisation Act the task of organising housing and utility services on its administrative territory rests with the local government.

Local governments have the obligation to establish the procedure for keeping records of persons who have no dwelling, no right to use a dwelling, or who need assistance in improving their living conditions; to establish the procedure for the possession, use, and disposal of municipal property, including maintenance and repair rules; and to resolve other issue-assigned, by law, to the powers of the local government council. Local governments must also ensure the development of planning and building activities as well as their legality and reporting. The tasks of individuals in the field of housing include performance of the obligations placed on them and management, maintenance and improvement of dwellings in their ownership or use, as well as in the surrounding living environment in conformity with legislation and good practice in the community.

¹ The EU funds are planned for seven-year periods, the next programme period is 2007-2013

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Over the past years several strategy documents have been prepared in Estonia, aimed at a number of different aspects and objectives in the field of housing, but these documents lacked a comprehensive and coherent vision. For the years 2003-2007 the Ministry of Economic Affairs and Communications prepared and implemented a sectoral strategy, the Estonian Housing Development Plan for 2003-2008. According to this document the overall objective of the state during these years was to guarantee every inhabitant of Estonia the possibility of choosing their housing. The solution of urgent problems and ensuring sustainable development of the Estonian housing sector was to be achieved through preservation of the existing housing stock, increasing the flexibility of regional housing markets, diversifying the forms of housing and improving financing possibilities for housing.

In general the implementation of the national housing policy, accompanied by the active operation of the private sector in 2003-2007 was a success. However, relatively little attention was paid to the provision of municipally owned dwellings for social target groups, renovation of depreciated housing stock restituted to the legal successors and to the planning of residential areas. The existing national housing policy had to be revised in order to focus more on the above issues, incl. facilitating the acquisition of affordable housing by families with coping difficulties, preventing and reducing homelessness, promoting the development of residential areas and contributing to increased energy efficiency of apartment buildings. The need for more coherence in housing, employment and welfare policies became apparent as well. This Development Plan for the years 2008-2013 was prepared, as a logical sequel, to the Estonian Housing Development Plan for 2003-2008, adding further strategic goals to deal with the above-mentioned areas and to solve the problems that had emerged.

Proceeding from the general goal this Development Plan sets out the objectives for the state to pursue in resolving the urgent problems and ensuring sustainable development of the housing sector for the years 2008-2013. The objectives are: to create access to housing for all inhabitants of Estonia; to improve high quality, energy efficient and sustainable housing stock; and to ensure diversified residential areas developing in a balanced and sustainable manner.

The main objectives in the field of housing arise from the need to extend the life of existing dwellings, primarily by not allowing the apartment buildings to fall into disrepair because of poor maintenance and repairs, to increase the energy efficiency of dwellings, to improve the quality of the living environment, to raise residents' awareness about housing maintenance and to broaden the financing possibilities of social target groups for housing.

On the basis of this Development Plan the state shall invest into increasing municipally owned housing stock, making available housing services, enhancing the quality and energy efficiency of the housing stock and into works needed to develop residential areas. Training and informing the population about the relevant housing issues is of paramount importance. It is the duty of the state to exercise supervision over local governments, in their capacity as bodies responsible for construction supervision and over providers of services in the construction sector.

The target groups to be supported within the framework of the Development Plan are the following: young specialists and young families, children and adolescents without parental care, disabled persons, the elderly, large families, released offenders and probationers, the homeless, owners of restituted dwellings, students, apartment associations, building associations and communities of apartment owners, as well as specialists engaged in planning and developing the living environment.

Approved by the Government of the Estonian Republic on 17 January 2008

The national housing policy is implemented by the Ministry of Economic Affairs and Communications, the Ministry of Social Affairs, the Ministry of Internal Affairs, the Ministry of Justice together with KredEx, as well as by local governments and the relevant non-profit associations active in this field.

A review of the Development Plan is conducted at the end of every year and the plan is supplemented on an as needed basis. Implementation of the Development Plan is based on annual implementation plans, which define the nature and volume of the measures to be applied during the next period and the organisation thereof. The implementation plan is funded from the state budget, the Government of the Republic extra budgetary ownership reform reserve fund, the EU Structural Funds and the own funds of KredEx. Supervision over implementation of the Development Plan is based on regular evaluation of the progress achieved in implementing the measures and sub-activities contained in the implementation plan. A supervisory committee shall be established for monitoring the implementation of the Development Plan.

I BASES FOR DEVELOPMENT PLAN

1.1. DEFINITIONS

Housing is a dwelling or a part thereof suitable for accommodating one or more households throughout the year. In exceptional cases housing can consist of several dwellings, this is the case, for example, when members of one and the same household are using several neighbouring dwellings. From the social point of view housing can be deemed the same as home.

Living environment, for the purposes of this Development Plan, means that residential areas that have or are being developed as a sociologically unified system. The living environment includes the built-up and natural environment, as well as social structures and relationships of human groups.

Residential area consists of several residential buildings, but as a rule encompasses a smaller territory than a local government unit. A residential area may fall within the same borders as a city district, neighbourhood or a quarter, but could also be defined in other ways, if needed.

Energy audit is an analysis based on measurement results and data collected, to determine energy use in buildings for which energy is used to condition the indoor climate or in a separately used part thereof, and to provide an overview of the technical condition of the building, energy losses and potential measures for saving energy and fuel, and for improving the indoor climate in the building.

Rational use of energy means sustainability and environmental awareness in producing, transporting and using fuels, as well as in generating, transformation, transmission, distribution and consumption by the users, of electricity and heat.

Private housing stock consists of dwellings owned by natural persons or private property based legal persons, including dwellings owned by members of apartment associations, and dwellings owned by building associations (incl. former dwelling associations), which may be rented or in the use of the owner.

Person with special needs, for the purposes of this Development Plan, means a person, whose specific behavioural difficulty, health disorder or disability necessitates changes or modifications in the person's living environment.

Building association is a commercial association the purpose of which is to support and promote the economic interests of its members through joint economic activity in the ownership and administration of an immovable or a right of superficies and of buildings which form a part thereof enabling the members of the building association sole use of specified parts of the buildings.

Homeless person is a person who has no housing and who sleeps outdoors, in premises unsuitable for living throughout the year or in social welfare institutions providing such accommodation services.

Apartment building consists of at least three apartments that as a rule can be entered from a common vestibule, corridor or staircase. The apartment buildings are predominantly multi-storey buildings. A terraced house divided into apartment ownerships could also be an apartment building.

Approved by the Government of the Estonian Republic on 17 January 2008

Courtyard area of an apartment building/slow traffic area is the area surrounding one or more apartment buildings or the area between them, which borders with the boundary of the adjacent plot.

Apartment association is a non-profit association established by apartment owners for the purpose of shared management of the legal shares of the building and plot of land, which are part of the object of the apartment ownership and representation of the shared interests of the members of the apartment association.

Household comprises persons who live together at one address and who are connected by joint housekeeping (shared budget and shared food). A person living alone is also considered a household. Relationship or kinship between household members is not necessarily required. If a person shares a dwelling with some other person but buys food himself/herself and has a separate budget, then he/she is considered a separate household.

Housing is a dwelling or a part thereof suitable for accommodating one or more households throughout the year. In exceptional cases housing can consist of several dwellings, this is the case, for example, when members of one and the same household are using several neighbouring dwellings. From the social point of view housing can be considered the same as home.

Milieu valuable residential areas are built-up areas of cultural and environmental value designated by a plan, whose integral milieu is to be preserved because of their historical street network, greenery, building style, general characteristic architecture or other reasons of public interest.

Municipally owned housing is housing owned by a local government, which is rented on the basis of the distribution scheme to low income social groups as determined in the social register and to other persons whom the local government deems necessary to be accommodated on its residential space.

Reconstruction is the modification of enveloping structures and the modification and replacement of load bearing and stiffening structures of construction works.

Renovation is partial or total renewal of a thing/facility.

Restoration comprises works that ensure the preservation of the authentic historical and architectural state of a building by removing additions (contributions) that are of little value and spoil the general appearance and by restoring missing elements in a scientifically justified form.

Social housing is rented housing subsidised by the public sector for accommodating households in need of social housing services.

Social housing service is the grant of use, by the public sector, of municipal and social housing to households with coping difficulties and disabled persons, who are unable or incapable of securing housing for themselves or their families. Local governments evaluate the need for social housing services and provide housing to those in need, in keeping with their requirements and possibilities. The services can be provided by the local government, the private sector or the non-profit sector.

Sustainable development is a concept for development that meets the needs and aspirations of the present generation without compromising the ability of future generations to meet their own needs. In Estonia the following elements comprise sustainable development: enhanced quality of life, to be achieved through preserving the Estonian cultural space, significantly increasing coherence of the society and maintaining ecological balance.

Approved by the Government of the Estonian Republic on 17 January 2008

Sustainable renovation is renewal of buildings through modernization while preserving and making maximum use of the values of historical buildings. Unlike restoration, sustainable renovation does not require unconditional adherence to conservation and restoration principles, but can also be used for buildings, which, even if not under state protection, are special because of their nature, materials or construction and as such deserve to have their main parameters preserved.

Subsistence benefit is financial assistance ensuring means of subsistence to persons living alone or to families in the case of need, which includes covering fixed expenses connected with dwelling to the extent that they apply to standard allotted living space.

Student hostel is a building or complex of buildings in the ownership of an institution of higher education or any other institution or person, providing (long-term) accommodation services to (mostly) students (at less than the market prices for residential leasing).

1.2. RELATIONSHIP WITH OTHER STRATEGY DOCUMENTS AND STUDIES

The legal environment and development trends in the field of housing are determined by legislation and a number of national development strategies. The legal aspects related to the possession, use and disposal of dwellings are regulated by different branches of law: in addition to the principles of the law of obligations (contracts of use), property law (apartment ownership, right of superficies in apartments) and company law, administrative law (planning and building) also applies to legal relationships arising from housing.

The National Housing Development Plan determines the spheres of responsibility and activities which are directly related to the field of housing. But a number of other national strategies, development plans and programmes are being prepared or implemented that also touch upon the field of housing. The following strategy documents and trends contained therein have important implications for the National Housing Development Plan:

Estonian Environmental Strategy 2030 and National Environmental Action Plan of Estonia for 2007-2013 (responsible: Ministry of the Environment). The themes and objectives of the Environmental Strategy are closely related to this Development Plan. The Environmental Strategy and Action Plan sub-objective: „Environment. Health and Quality of Life” has a close bearing on the housing stock and living environment issues dealt with in this Development Plan.

Estonian Rural Development Plan 2007-2013 (responsible: Ministry of Agriculture). One of the sub-objectives of the Rural Development Plan is to increase employment in rural areas, especially in the secondary and tertiary sectors. One of the measures to achieve this goal is to support activities aimed at improving dwellings provided by the employer. Such activities coincide with the measures to be implemented within the framework of the accessibility of housing objective of this Development Plan.

Regional Development Strategy of Estonia 2005-2015 (responsible: Ministry of Internal Affairs). The aim of the Regional Development Strategy is to better meet the basic needs of the people everywhere in Estonia, including ensuring better quality of the living environment and higher level of well-being, which is also one of the principal objectives of this Development Plan.

General Principles of Estonian Cultural Policy (responsible: Ministry of Culture). This document calls for more attention to be given to the conservation and restoration of cultural monuments in order to stop the growing disintegration of the valuable structural heritage of our forebears. This Development Plan includes the same objective in the section dedicated to developing the living environment.

Estonian National Development Plan for Tourism 2007-2013 (responsible: Ministry of Economic Affairs and Communications) contains a number of measures to strengthen the regional-tourist sector. The planned activities include taking care of natural features and cultural sites, which also include milieu valuable areas, and improving the living environment through enhanced efficiency of the infrastructure. Several activities to achieve the same aim are designed in this Development Plan.

Bases of Estonian National Architectural Policy and the Programme for Implementing the Architectural Policy 2004-2008 (responsible: Ministry of Culture). The goal of architectural policy is to consider the built environment as part of Estonia's national wealth and to conserve and increase its value, based on the principle that everyone has a fundamental right to live in a safe, well-operating and well-designed environment, which the state guarantees through legislation and organisation of the living

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environment. The architectural policy is being implemented on the basis of the corresponding action plan for 2004-2008. The following measures of the action plan support the measures designed for improving the living environment in this Development Plan: enhancing the administrative capacity of the state and local governments, organisation of architectural competitions, conducting studies of heritage architecture, informing the public thereof and training specialists.

Estonian National Strategy on Sustainable Development: "Sustainable Estonia 21" aims to ensure the preservation of the Estonian cultural space, growth in welfare, coherence of the society and ecological balance. The measures to be implemented in all three main fields of this Development Plan contribute to achieving the objectives of sustainable development.

Estonian National Strategic Reference Framework 2007-2013 deals with all three special aspects in the field of housing set out in this Development Plan: access to housing by reducing social exclusion: activities aimed at creating social housing stock and adapting apartments for disabled persons; developing more sustainable housing stock through promoting energy efficiency and improving the living environment through targeted regional development.

National Energy Efficiency Programme 2007-2013 (responsible: Ministry of Economic Affairs and Communications) includes the objective of promoting energy efficiency in the housing sector as well, listing the possibilities of increasing energy conservation in residential buildings. The relevant implementation measures coincide in this Development Plan and the Energy Efficiency Programme as follows: measures 1.5. and 1.6. under Objective I „Availability of Energy Efficiency Information in the Energy Efficiency Programme are the same as measures 2.2 and 2.3. of this Development Plan; measure 3.5. under Objective III „Energy Efficiency Improvements in Consumption, Generation and Transmission of Energy” of the Energy Efficiency Programme coincides with measure 2.1. of this Development Plan.

Social Welfare Concept (responsible: Ministry of Social Affairs) lists as the measures to guarantee every inhabitant of Estonia decent housing: improved access to risk groups, the need to avoid deterioration of living conditions and loss of home, assistance to the homeless in returning to normal life, preventing the emergence of neighbourhoods consisting solely of the poor and the excluded and improved allocation of social assistance. Most of the themes covering the field of housing in the Social Welfare Concept are reflected in the accessibility of housing section of this Development Plan.

Long-term Public Fuel and Energy Sector Development Plan until 2015 (responsible: Ministry of Economic Affairs and Communications) besides other aspects the current plan lists the following targets: increasing the efficiency of energy consumption, ensuring that modern know-how and specialists are constantly available in all fields of the fuel and energy sector and maintaining the volume of primary energy consumption at the level of the year 2003. The measures to achieve the above goals are also dealt with in this Development Plan.

Rural Architecture and Rural Landscape. Study and Maintenance. Development Plan 2007-2010 (responsible: Ministry of Culture). As a result of implementing the development plan settlements and milieu valuable landscapes have been maintained and building traditions, as well as building types and the surrounding landscape characteristic of the region, have been preserved. The intended activities in the third section of this Development Plan and those of the Development Plan "Rural Architecture and Rural Landscape. Study and Maintenance" coincide to a large extent, especially as regards the studying and valuing of these areas, organization of counselling to the people, increasing public awareness, shaping value judgements and applying support measures. The main difference lies in the focus – the

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measures of this Development Plan are mostly aimed at developing milieu valuable settlements, whereas those of the Rural Architecture and Rural Landscape Development Plan deal with whole rural milieu valuable areas.

Strategy for Increasing the Protection of Rights and Inclusion of the Disabled 2006-2015 (responsible: Ministry of Social Affairs). The Strategy for Increasing the Protection of Rights and Inclusion of the Disabled focuses on improving the coping possibilities of the disabled and their better integration into the society. The issue of better accessibility of disabled persons to buildings and especially residential buildings is dealt with in this Development Plan as well.

National Report on Strategies for Social Protection and Social Inclusion 2006-2008 (responsible: Ministry of Social Affairs). Prevention and diminishing of poverty and social exclusion and reduction of the number of people living in poverty are the main challenges for Estonia's economic and social development. In light of the aforesaid one of the key areas of the National Report on Strategies for Social Protection and Social Inclusion 2006-2008 is ensuring accessibility of housing. This Development Plan directly touches upon the section in the National Report on Strategies for Social Protection and Social Inclusion dealing with social coping and development, which lists as one activity: „development and implementation of welfare services (including housing services) for the elderly, people with disabilities and other target groups.

Transport Development Plan 2006-2013 (responsible: Ministry of Economic Affairs and Communications). The primary task of the transport system is to guarantee all persons (including persons with reduced mobility) and enterprises access to sites necessary for their daily activities. This Development Plan ties in with the Transport Development Plan mainly through the third objective of the latter: to create spatial balance and diminish developmental differences within the country. The activities to be pursued under this objective include streamlining the process of planning the living environment and organisation of transport and preparation of guidance materials for implementing the activities.

Strategy for Labour Market Measures (responsible: Ministry of Social Affairs). The employment strategy deals with the principles of providing labour market measures, employment services, the support system of the unemployed and assistance to risk groups in finding jobs. There is a direct connection with the accessibility of housing issues dealt with in this Development Plan, given that housing problems of the above groups are linked with the developments on the labour market and vice versa.

National Master Plan Estonia 2010. The trends and intended activities of this Development Plan are in line with the general concept of spatial development of the country outlined in the National Spatial Plan Estonia 2010 and more particularly with the principles of “spatial safeguarding of basic human needs everywhere in Estonia and spatial balancing of settlement” contained therein.

Development of the housing sector, in line with this Development Plan, ought to be included in all county strategy documents and county plans, in development plans for all cities and rural municipalities. Sadly this is not always the case.

The following studies and forecasts served as a basis for drafting the Development Plan and setting the goals:

- “Eesti eluasemete kinnisvaraturu areng ja olukord” (Development and State of Estonian Real Estate Market in Housing, Bank of Estonia) 2006;

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- „Eluasemete kättesaadavus riskigruppidele Eestis”, Poliitikauringute keskus PRAXIS („Access to housing for vulnerable groups in Estonia”, A. Kährnik, E.-M. Tiit, J. Kõre, S. Ruoppila (PRAXIS 2003);
- “Kohalike omavalitsuste uuringud, 2006” (Local Government Surveys 2006, Ministry of Economic Affairs and Communications);
- „Leibkonna eelarve uuring (LEU) 2006” (Household Budget 2006, Statistics Estonia), www.stat.ee;
- „Leibkonna elujärg 2005” (Household Living Conditions 2005, Statistics Estonia), www.stat.ee;
- „Leibkonna eelarve uuringud 2006 ja 2007” (Household Budget 2006 and 2007, Statistics Estonia), www.stat.ee;
- „Munitsipaaleluasemete vajaduse uuring, 2005” (Municipal Housing Needs 2005, Ministry of Social Affairs);
- “Tallinna tagastatud majade üürnike eluasemetingimused, sotsiaalmajanduslik olukord ja eluasemestrategiead” (Housing Conditions and Socio-economic Situation of Tenants of Restituted Houses in Tallinn and Housing Strategies), Jüri Kõre, Tartu 2005;
- “Tartu tagastatud majade üürnike olukord ja eluasemestrategiead” (Situation of Tenants of Restituted Houses in Tartu and Housing Strategies), Jüri Kõre, Tartu 2005;
- „Miljöväärtused linnas” (Milieu Valuable Urban Areas), Lilian Hansar, Ministry of the Environment, Tallinn 2004.

1.3 IMPLEMENTATION OF HOUSING POLICIES TO DATE

The state has been implementing the following support measures in line with the Estonian Housing Development Plan for 2003-2008 and the Social Welfare Act:

1. Expanding the municipally owned housing stock

Since 2003 KredEx has been implementing the national measure of building municipally owned housing. A total of 102.8 million EEK from the state budget and the ownership reform reserve fund was earmarked for expanding the municipally owned housing stock in 2003-2006. By the end of 2006 the local governments had used these funds for building 998 municipally owned dwellings for tenants in houses returned to their legitimate owners and 33 new municipal dwellings for the target group of new labour arriving in the region.

2. State guarantees to housing loans of young families, young specialists and tenants of houses returned to their legitimate owners

KredEx has been providing housing loan guarantees through banks since 2000. The years 2000-2006 saw good progress in granting housing loan guarantees to young families, young specialists and tenants of houses returned to their legitimate owners. Altogether 11 248 young families could acquire or renovate a home during 2000-2006 with the help of this measure. The average loan amount was 417 098 EEK, granted for the average term of 19 years. In addition 5 255 young specialists could improve their living conditions. The average loan amount was 475 626 EEK, the term of the loan was 20 years and the amount of the average guarantee was 98 185 EEK. 53 tenants of houses returned to their legitimate owners had used the state guarantee for acquiring a new home by 2007, of them 5 cases occurred in 2006. At the end of 2006 the total amount of obligations arising from housing loan guarantees was 564 269 476 EEK and the value of the collateral was 5 273 211 129 EEK. The average amount borrowed is 435 780 EEK and the money has been mostly used for buying apartments.

Table 1. Overview of KredEx activities in guaranteeing housing loans until 2007.

Target group	Period	No of contracts	Average loan amount (EEK)	Average guarantee (EEK)	Average term of loan	Area with largest share of lending	Purpose of loan
Young family	01.03.00-31.12.06	11 248	417 098	80 945	19	Tallinn, Tartu	Purchase of apartment
Young specialist	01.03.01-31.12.06	5 255	475 626	98 185	20	Tallinn, Tartu	Purchase of apartment
Tenants of houses returned to legitimate owners	01.10.02-31.12.06	53	449 702	99 418	16	Tallinn, Tartu	Purchase of apartment
Apartment building	01.08.01-31.12.06	99	461 975	328 964	8.94	Tallinn, Pärnu, Valga, Harju County	Renovation of apartment building

Source: KredEx

3. Reconstruction of apartment buildings and the relevant awareness-raising

The following two national measures have been implemented in order to increase the durability and enhance the energy efficiency of the housing stock: guarantees to loans for the renovation of apartment buildings and grants for the conduct of reconstruction and technical inspection. Since 2005 energy audits of buildings have also been part of the technical inspection for which grants are issued. The following

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figures characterise the implementation of the housing policy in 2003-2006: the 10 per cent reconstruction assistance has been granted for improving the condition of 1 411 residential buildings; technical inspection was conducted in 2 495 apartment buildings; 519 applications were submitted for compensating the costs of energy audits; a total of 4 106 heads of (apartment and building) associations and property managers received training; 99 loan guarantees have been granted for the reconstruction and renovation of apartment buildings in the total amount of 45.7 million EEK. The volume of guarantees was 32.5 million EEK.

4. Allocation of subsistence benefits

In order to guarantee subsistence level income 19 229 households (ca 3.4 per cent of the total number of households) received subsistence benefits in 2006. Supplementary allowances were paid to 51 000 families. The average amount per application (to guarantee subsistence level incomes) was 1 199 EEK in 2006. A total of 135 million EEK was paid out in subsistence benefits, an estimated 46 per cent of the amount was used to compensate housing costs (pursuant to the new methodology)². 57 million EEK went for supplementary allowances from the subsistence benefits budget. Thus the total social benefits in 2006 amounted to 193 million EEK. 27 per cent of the subsistence benefits budget was used to pay benefits to the people in Ida-Viru County. Among the applicants who were granted the benefit 66 per cent were families with unemployed person(s), 36 per cent were families with a child/children, 11 per cent were retired families and 9 per cent families with disabled person(s).

Table 2. Use of subsistence benefits in 1998-2006

County	Subsistence benefit (to guarantee subsistence level income), thous. EEK	Of which		Supplementary allowances	Total subsistence benefits funds, thous. EEK	% of subsistence benefits of all benefits
		Housing costs, thous. EEK	% of housing costs in subsistence benefit			
2000	305 302	81 292	27	10 007	315 309	97
2001	353 308	71 412	20	1 065	354 373	100
2002	326 556	82 824	25	21 306	347 862	94
2003	308 249	82 597	27	16 904	325 153	95
2004	216 842	54 552	25	18 230	235 071	92
2005	207 830	36 533	18	43 918	251 748	83
2006	135 450	27 374	20	57 380*	192 758	70

Source: Ministry of Social Affairs

* Supplementary social benefit of 200 EEK for applicants of subsistence benefit whose all family members are minors (§22¹ of Social Welfare Act)

5. Use of social housing

In 2006 the total number of social housing (social apartments and spaces) was 2 987, of which 142 dwellings were adapted for persons with special needs (the respective figures in 2000 were 1 577 and 115). In 2006 the number of inhabitants in social dwellings was 4 020 (1 394 in Tallinn). The 21st century has seen a steady increase in the number of tenants in social dwellings (1 682 inhabitants in 2000). 1 630 of the inhabitants of social housing were of pension age and 1 070 were persons with special needs. 81 per cent of the funding for housing services came from local government budgets, 18 per cent was own financing by the recipients and 1 per cent came from the state budget.

² The new methodology for calculating the compensation of housing costs for the purposes of the subsistence benefit started to be applied from 2005. To ensure comparability the amounts in table 2 paid to compensate housing costs are calculated by using the old methodology.

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Table 3. Number of inhabitants and places in social apartments or spaces 2000-2006

Indicator/year	2000	2001**	2002	2003	2004	2005	2006
No of inhabitants	1 682	1 891 (2 233)	2 653	3 224	3 439	3 584	4 020
incl. residing alone	1 119	1 208	1 494	1 866	2 065	2 246	2 435
residing as family	563	683	1 159	1 358	1 374	1 338	1 585
No of inhabitants							
younger than pension age	625	671	1 379	1 765	1 972	2 041	2 390
of which persons with special needs	190	172	367	450	561	554	555
of pension age	1 057	1 220	1 274	1 459	1 467	1 543	1 630
of which persons with special needs	150	200	351	353	392	448	515
No of places	1 577	1 700	2 055	2 553	2 727	2 844	2 987
incl. adapted for persons with special needs	115	89	137	141	125	144	142

Source: Ministry of Social Affairs

1.4 PROBLEMS IN THE FIELD OF HOUSING

The main problems to be tackled within the framework of this Development Plan are the following:

Housing is not accessible to every resident in Estonia. Problems related to accessibility of housing have become more topical year-by-year. They concern mostly new households with lower incomes about to enter the housing market. Less competitive groups also face difficulties in accessing housing on the market due to lower incomes. Purchase prices and rents on the private housing market are not affordable for the majority of such persons and the public sector offers only a very limited number of dwellings. In a situation where only 4 per cent of the housing stock is owned by the state and local governments the possibilities of the state to develop and implement housing and social policies are extremely limited. Therefore it is important to create more municipally owned housing, especially units of social accommodation. Given the active demographic trend of ageing among the Estonian population more efforts should be aimed at offering suitable housing for the elderly. Overheating of the real estate market accompanied by a high borrowing rate can have negative impacts on many borrowers, especially young households in the event of an economic downturn. Therefore the state should plan preventive measures as well as support measures to be applied if such an event were to occur.

Limited number of apartments adapted for person with special needs. Almost one-third of the disabled require adapted housing for independent coping. Given that disabled persons often belong to lower income groups they need public sector support for the modification of their dwellings.

Amortization and decreasing quality of housing stock. The residential construction volumes of the past decade are considerably lower than the average in 1950-1989 and the houses built half a century ago are gradually reaching the end of their life as prescribed by the applicable standards. Although there is no direct danger of falling into disrepair the apartment buildings still are in need of reconstruction. Any delay in commencing reconstruction will allow the situation to deteriorate further and result in higher costs in the future. Almost 3 300 units of residential space in multi-storeyed apartment buildings have to be reconstructed every year (ca 150 000 sq metres annually). In light of the sharp rise in dwelling construction volumes in the 1960s and 70s the next decade will see the need for reconstruction go up several times (more than 8 000 apartments, i.e. more than 350 000 sq metres annually in 2010-2014, even more in the subsequent decades). Therefore the state needs to put in place tools already now to influence the private sector to invest more actively in reconstruction works.

High energy costs of housing stock. The issue of energy conservation of the housing stock has come to the limelight with the transposition of the EU directive on the energy performance of buildings. The average energy consumption per square meter is higher in Estonian residential buildings in comparison with the other EU member states (in Estonia ca 250 kWh/m²; in Finland and Sweden below 150 kWh/m²). The cost of district heating varies greatly in Estonia³. According to experts proper reconstruction and renovation of apartment buildings could yield an average 20-30 per cent saving in energy, which translates into an up to 0.5 billion EEK annual total for the whole of Estonia. Reconstruction or construction of only low energy consumption residential buildings with recommended heating energy demand indicators remaining below 15 kWh/m² per year would enable a 90 per cent cut in the heating energy demand of the buildings. This would lead to a reduction in imported fossil fuel volumes, increased energy independence of the Estonian housing sector, better resistance in case of

³ Ranging from 306 EEK/MWh in Narva to up to 900 EEK/MWh in some small district heating system, note that these prices do not include VAT.

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emergencies and a cut in Estonia's CO₂ emissions. Therefore the combination of support measures aimed at reconstruction with energy efficiency issues would serve the dual purpose of improving the quality of the housing stock and reducing the maintenance costs thereof.

Inefficient planning of the living environment. Estonia is currently lacking a comprehensive and established plan on how to combine the technical, social, environmental and economic aspects in designing the living environment and urban space. This has led to chaotic development of this field and has not always been the most efficient. It is necessary to start working on implementing measures that support a comprehensive development of the urban environment. More attention should be focused on increasing the competence and knowledge of the persons responsible for planning and creating the built environment and on providing the various state and local government units with the required number of the relevant specialists.

Deterioration of the situation of milieu valuable residential areas. Today Estonia is lacking a common approach towards designating, improving and designing the future of milieu valuable residential areas. Many of milieu valuable areas are in danger of destruction because of the limited environmental awareness of private owners and their activities that do not pay due respect to such areas. The development has been made even more chaotic by the limited interest displayed by the public sector towards shaping the future of such areas. Raising the awareness of persons and institutions would contribute to a more sustainable development of the living environment. More efforts are thus needed in the field of restoration and sustainable renovation of valuable residential areas and in establishing the relevant counselling system.

Problems related to ownership of slow traffic areas and poor cooperation between the local government and the people. The provision of public services and amenities in slow traffic areas causes problems in areas of apartment buildings. Although the apartment and building associations have the obligation to take care of the immediate area surrounding the associations, the slow traffic areas between the apartment buildings are in municipal ownership or are located on state land which has not undergone any reform yet and thus the associations have no direct obligation or even right to provide public services and amenities in slow traffic areas. The initiatives taken by local governments and apartment and building associations to provide public services and amenities in slow traffic areas must be supported, since they have an immediate bearing on the quality of life in the residential areas.

Problems with awareness among the residents. The majority of management and maintenance tasks have been placed on the residents of the buildings but they are lacking the required knowledge and professional skills to carry out such tasks. As a result decisions are taken that may not be the best for improving the residential building and ensuring its sustainability, often materials of poor quality and workers with no professional skills are used. This is especially detrimental to milieu valuable areas, because the general mistakes made out of ignorance are compounded by the loss of the special nature and value of the area. More attention should be paid to educating and informing the people about the developments in the housing sector in order to ensure the sustainable preservation and development of the housing stock.

II DEVELOPMENT PLAN

2.1. VISION AND MISSION

When designing the measures and activities for developing the housing sector it is necessary to have a vision about the targets to be achieved by a certain moment in time. Estonia has the following vision for the housing sector in 2013:

VISION

Suitable and affordable housing is accessible to every resident in Estonia, the housing stock is of high quality and residential areas are diversified and developing in line with the principles of sustainable development.

The mission of the Ministry of Economic Affairs and Communications, Ministry of Social Affairs, Ministry of Internal Affairs, Ministry of Justice, Ministry of Culture and the Ministry of the Environment, i.e. the ministries responsible for the development of the housing sector is the following:

MISSION 2013:

To develop the Estonian housing sector so that housing and the residential areas meet the needs of the people, support social inclusion, follow the principles of sustainable development, support economic operation and balanced regional development.

2.2. STRUCTURE OF DEVELOPMENT PLAN OBJECTIVES AND MEASURES

Given the problems of the Estonian housing sector and in line with the mission and vision of the housing policy the objectives and measures of this Development Plan are the following:

ACCESSIBILITY OF HOUSING

Description of the current situation

Objective: To make housing accessible to every resident in Estonia

Measures:

1. Improving access to dwellings
2. Improving possibilities for acquisition of housing
3. Improving housing conditions
4. Ensuring compensation of housing costs to persons with coping difficulties
5. Improving the legal environment and increasing administrative capacity

HOUSING STOCK

Description of the current situation

Objective: To achieve high quality and sustainable housing stock

Measures:

1. Increasing the quality and energy efficiency of the housing stock
2. Increasing awareness to improve the housing stock
3. Mapping the condition of the housing stock
4. Improving the legal environment and increasing administrative capacity

LIVING ENVIRONMENT

Description of the current situation

Objective: to ensure diversity, and balanced and sustainable development of residential areas

Measures:

1. Improving the quality of the living environment
2. Tidying up apartment building areas
3. Developing urban areas
4. Valuing milieu valuable residential areas
5. Shaping a secure living environment
6. Improving the legal environment and increasing administrative capacity

2.3. ACCESSIBILITY OF HOUSING

HOUSING MARKET

According to the 2000 Population and Housing Census there were 617 400 dwellings in Estonia, the current statistics estimated that on 1 January 2007 there were 638 200 dwellings in Estonia, with most of them (96 per cent) in private ownership. Consequently there are more dwellings than households in Estonia. In 2006 the estimated number of households was 573 400, the average household had 2.3 members. In 2000 the respective figure was 575 300, thus the number of households has decreased by two thousand over six years. Every third household lived in Tallinn or in the surrounding Harju County in 2006. 65.7 per cent of dwellings are situated in cities and towns and 34.3 per cent in the country. 10 per cent of all households live in farmhouses, 19.5 per cent in family dwellings and terraced houses and 70.5 per cent in apartment buildings⁴. The relatively large share of apartment buildings in the housing stock resulted from the structure of construction activities in 1950-1990, when most of the residential houses built were apartment buildings. An estimated 70 per cent of dwellings built before World War II were private houses and privately owned rented dwellings. According to the Ministry of Justice data there were 8 204 apartment associations and dwelling associations in Estonia in June 2006. Estonia is unique in the world in that ca 60 per cent of the population are members of apartment associations.

As at the first half of 2007 91.8 per cent of the dwellings were permanently inhabited. The total floor area of inhabited dwellings was 38 760 000 m² and the average floor area per capita was 28.9 m². Two-room apartments make up the biggest number of dwellings, i.e. 229 860 apartments or 36 per cent of the total. As regards the supply of housing Estonia ranks among the relatively well stocked European countries. Although according to statistics Estonia has no housing problem, since there are uninhabited and vacant dwellings and one household normally has more than one dwelling, still many dwellings are shared by several households. There are both economic and social reasons for sharing dwellings. According to the 2000 Population and Housing Census 92.6 per cent of households resided separately and 7.4 per cent did not have their own dwelling. Four per cent or 22 629 of the households think that the lack of separate dwelling is a serious problem. In addition to difficulties in entering the housing market high housing costs is another serious problem, considered significant by 30.7 per cent of the households.

57.8 per cent of the households reside in dwellings where the number of rooms is equal to or smaller than the number of household members. 42.2 per cent of Estonian households have more than one room per household member. More than one-sixth of households think it is a problem that their dwelling is too small and has too few rooms; more than one-tenth consider the same a serious problem. In addition the dwellings' structure is too rigid and unchangeable. However, most of Estonian households are generally satisfied with their dwelling with only less than one-tenth dissatisfied.

SOCIO-ECONOMIC SITUATION AND ACCESS TO HOUSING

Estonia's population is ca 1 342 409, incl. 302 409 of under 20-year-olds, 810 784 of 20-65 years of age and 229 159 of persons over 65, the latter constituting 17 per cent of the total population. The population decreased by 3 000 people in 2005, 2 800 people in 2006 and 2 275 in 2007 due to negative natural population growth. The real incomes of the population have constantly grown over the recent years, i.e. the increase in incomes has exceeded the increase in prices. Thus the economic situation of the people has

⁴ Database of Statistics Estonia 2007

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improved steadily. In the first half of 2007 the average gross salary was 10 936 EEK. The average monthly net income of a household member was 4 343 EEK. The average income levels vary considerably by county – the income levels in Harju County exceed those in Võru County, with the lowest income levels, by a third. Large families, families with a single parent and families where the head of household has no vocational education have the smallest incomes. The data concerning target groups with coping difficulties in need of subsidised housing are the following: according to social workers' estimates there are about 3 000 – 3 500 homeless persons in Estonia (2 000 in Tallinn). Every year ca 300 children without parental care become adults and need housing; otherwise they will join the ranks of the homeless. Ex-convicts also require housing. In 2006 2 183 persons were released from prisons. The 65 900 retired households, as well as students with economic difficulties and thus belonging to the five lowest income deciles, would also be the potential tenants of municipally owned housing.

Housing costs constituted 15.2 per cent and household costs 5.9 per cent of the expenditure of households in 2006. The housing costs were the highest in Tallinn. The share of households falling below the absolute poverty line has decreased over the years: in 2000 it was 26 per cent, in 2007 – 14 per cent.

OWNERSHIP RELATIONS IN THE FIELD OF HOUSING

In 2007 96 per cent of the housing stock was in private hands and 4 per cent was owned by the public sector (25 per cent of the public sector housing stock was owned by the state and 75 per cent by local governments). Ca 85 per cent of households has their own residential space and about 15 per cent are tenants⁵. Most of the private rented dwellings are held by small owners, which renders the sector difficult to control for tax purposes and the state lacks an adequate overview of the sector.

44 per cent of municipal and social dwellings are in residential buildings owned by local governments, 56% are scattered in so-called apartment buildings of mixed type⁶. The dwelling reserve is practically non-existent in all local governments. Tallinn differs from other local government in having a larger share of reconstructed or new dwellings (ca 26 per cent of dwellings have been built or reconstructed after 2000). At the same time ca 30 per cent of municipally owned dwellings in Tallinn have no standard amenities. About 67 per cent of the Estonian local governments make a distinction between municipal dwellings and social dwellings and ca 93 per cent of the local governments keep detailed account thereof. 58 per cent of the local governments would need more municipal and social dwellings than they currently have at their disposal. The larger the administrative unit, the bigger the need for such dwellings: the demand exceeds the supply in Tallinn and in all major cities. Across Estonia the local governments would need an additional 6 000 municipal and social dwellings. The major cities suffer the most from the lack of municipal and social dwellings.

According to estimates about 10 per cent of the population in Estonia and in other European countries is made up of disabled persons. This would amount to 135 000 in Estonia. About half of the disabled (67 500 persons) have a physical disability and five per cent among them (3 375), a profound physical disability. Most wheelchair users live in apartments that have not been adapted for their use and they have difficulties accessing their apartments (stairs in apartment buildings). The disabled persons have serious difficulties in modifying their dwellings to meet their needs and thus face problems of coping independently in their living environment. As regards the living environment 20 per cent of the disabled persons experience difficulties in moving about, and this complicates coping with their daily routine.

⁵ Household Living Conditions 2005

⁶ Munitspaaleluasemete vajaduse uuring, 2005 (Municipal Housing Needs 2005, Ministry of Social Affairs)

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Stairs, doorways and thresholds need adapting the most, since they are the biggest obstacles that do not permit safe movement of disabled persons and their engagement in daily activities. Among the more specific problems are unsuitable furniture, switches and allergens⁷. Local governments are not always in a position to offer dwellings adapted to the needs of the disabled and/or the elderly. Generally the adaptation possibilities offered are either insufficient in volume or none are offered altogether. According to the estimates of local governments another 570 dwellings should be adapted for the disabled and 970 dwellings for the elderly.

There are just a few local governments that cooperate with the private sector in order to offer housing for certain target groups (2.5 per cent of all local governments)⁸. However, there is a growing recognition of the need for contemplating and actual engagement in cooperation.

VISION SUITABLE AND AFFORDABLE HOUSING IS ACCESSIBLE TO EVERY RESIDENT IN ESTONIA

OBJECTIVE 1 TO MAKE HOUSING ACCESSIBLE TO EVERY RESIDENT IN ESTONIA

The principal aim of housing policy is to ensure access to suitable and affordable housing for everyone. In order to fight social exclusion in the society the state has to help solve the housing problems of the various target groups with coping difficulties and increase the choices available on the housing market. To do so the housing market has to operate in a more efficient manner and the possibilities of renting municipally owned apartments must be improved in local governments.

IMPACT INDICATOR 2013 Satisfaction of the population with the type, size and price of dwelling used by them is growing:⁹ **10 %**

TARGET GROUP Low income households: large families, young families and young specialists, children and adolescents without parental care, disabled persons, the elderly, students, ex-convicts and probationers and also local governments.

Measure 1.1

IMPROVING ACCESS TO DWELLINGS
The Estonian housing stock has not been built or adapted with access and usability by persons with special needs in mind. Therefore it is necessary to focus on bringing housing in line with the special needs of the disabled and the elderly. Guidance and best practice materials should be produced for carrying out the renovation works and creating technical solutions for making the housing better suited and more convenient for persons with special needs.

⁷ Puuetega inimeste uuring (Survey of the Disabled), 2005, Ministry of Social Affairs

⁸ Munitsipaaleluasemete vajaduse uuring, 2005 (Municipal Housing Needs 2005, Ministry of Social Affairs)

⁹ In order to evaluate the various impact and result indicators of this Development Plan a comprehensive satisfaction survey will be conducted every two years. The methodology of the survey is being developed in 2008 and the first survey, aimed at establishing the reference values, will be carried out in 2009.

RESULT INDICATOR

Result by 2013:

The number of housing adapted so as to create better access for persons with reduced mobility, in addition to the existing adapted housing stock: **1 540**

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Support to adapting the housing to meet special needs.
- Production of guidelines for technical solutions aimed at creating access to buildings.

In the process of adapting housing for the special needs support is given to the relevant activities of the local governments, apartment and building associations, communities of apartment owners. Activities involving adaptation of dwellings must be aimed at improving the living environment of persons with special needs, especially persons with physical disabilities and the elderly.

In order to improve the situation of persons with reduced mobility guidelines shall be prepared for apartment and building associations, communities of apartment owners and local governments to help them in adapting the apartment buildings for special needs.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The number of housing adapted with the help of the support (both in the public and private sectors)	1 540 dwellings (increase)
✓ The principal guidelines have been prepared	31.12.2008 ¹⁰
✓ Updating the guidelines	ongoing

RESPONSIBLE

Ministry of Economic Affairs and Communications

Measure 1.2

IMPROVING POSSIBILITIES FOR ACQUISITION OF HOUSING

Several groups have difficulties in acquiring housing and resolving their housing problems independently, therefore it is necessary to focus on activities that would grant such groups better opportunities for improving the quality of their housing through acquisition thereof. The activities of the measure are aimed at facilitating acquisition of housing by certain target groups, the young in particular. The activities to achieve this aim include continuation of the programme of state guarantees to housing loans and provision of tax incentives with regard to housing loan interest.

RESULT INDICATOR

Result by 2013:

The share of persons in the target group, who have been able to acquire housing solely on account of this measure, of the total Estonian population¹¹ **7 % (increase)**

¹⁰ REFERENCE VALUE: there were no guidance materials in 2007.

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Deduction of housing loan interest paid from taxable income
- State guarantees to housing loans

Pursuant to the provisions of the Income Tax Act a resident natural person has the right to deduct interest payments made during a period of taxation for a loan or finance lease taken in order to acquire a house or apartment for himself or herself from the income which he or she receives during the period of taxation. Interest payments for a loan or lease taken in order to acquire a plot of land in order to build a house may be deducted from income under the same conditions. An analysis shall be conducted about the conditions of implementing the measure in the future.

As regards state guarantees to housing loans, such guarantees are extended to persons belonging to target groups established by the Government of the Republic. The share of own funding to be provided by the persons shall be determined annually in the action plan and may vary by target group.

**OUTPUT
INDICATORS
RESPONSIBLE**

INDICATORS	Target value 2013 or deadline
✓ The number of households that have used a state guarantee for acquiring housing or improving their living conditions	10 000 households ¹²
Ministry of Economic Affairs and Communications	

Measure 1.3

IMPROVING HOUSING CONDITIONS

In order to combat social exclusion among persons with coping difficulties and contribute to improving their housing conditions, such persons should be offered the possibility to rent municipally or privately owned housing (social housing) at subsidised prices. Given that the rented housing sector remains unregulated, the objective of the measure is also to map the developments of the rental market and support the persons developing and managing the rented housing stock in their activities of improving the existing housing and building new housing.

Result by 2013:

**RESULT
INDICATOR**

Housing conditions of persons belonging to the target groups have improved: **14 000 households**

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Home support for large families
- Support for increasing municipally owned housing stock
- Offering reverse mortgage for the elderly

¹¹ To be evaluated on the basis of a survey to be conducted.

¹² REFERENCE VALUE: 16 503 in 2006.

- Mapping the rental housing stock
- Support for PPP projects of the rental housing stock

Home support is aimed at families with three or more children for acquiring a home or for improving their housing conditions. The terms and conditions of the measure shall be drafted and prescribed in a relevant law.

Activities shall also be aimed at increasing the municipally owned housing stock through cooperation between the state and local governments in the acquisition, reconstruction and construction of space. Municipally owned spaces differ by quality and also by the social and labour market services provided there. The space so created shall be used for accommodating members of the target groups and persons chosen by the local government, as well as new labour arriving in the region. The share of the state in developing municipally owned housing shall be determined annually in the implementation plan.

An analysis shall be conducted in order to determine the need for a measure aimed at increasing the quality of life of the elderly, and the relevant proposals shall be forwarded to the Government of the Republic.

The aim of mapping the rental housing stock is to get an overview of the developments in the sector. To this end support is given for conducting rental housing market surveys and developing and implementing a system for using the data so gathered.

In cooperation the state and local governments are attempting to increase the currently small share of municipally owned and rented housing in the housing stock. The state will co-finance and support the construction of high quality rented housing.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The number of households that have received home support	7 900 ¹³
✓ Increase in the number of municipally owned housing	6 000 ¹⁴
✓ The share and condition of rented housing in Estonia has been mapped	31.12.2008, revision in 2 years ¹⁵
✓ More municipally owned housing developed by PPP	700
RESPONSIBLE Ministry of Economic Affairs and Communications, Ministry of Internal Affairs, Ministry of Social Affairs	

¹³ REFERENCE VALUE: the activity starts in 2008, thus the reference value for 2007 is zero.

¹⁴ REFERENCE VALUE: in 2007 local governments owned a total of 121 893 dwellings.

¹⁵ REFERENCE VALUE: the activity starts in 2008, thus no mapping of rented housing existed prior to that.

Measure 1.4

ENSURING COMPENSATION OF HOUSING COSTS TO PERSONS WITH COPING DIFFICULTIES							
<p>In order to ensure that the housing costs of persons with coping difficulties are compensated so as not to increase their poverty, it is necessary to specify the calculation of fixed expenses associated with dwelling, taking into account the repair costs incurred to preserve the housing stock and to increase energy efficiency. The locally based social information register is currently being replaced by a new data register of social services (STAR) to obtain a better understanding about the use of subsistence benefits across Estonia. The necessary changes will be made in the Social Welfare Act within the framework of the measure.</p>							
RESULT INDICATOR	<p>Result by 2009 Specification of the calculation of fixed expenses associated with dwelling to be compensated to persons with coping difficulties and partial compensation of costs incurred to repair apartment buildings.</p>						
	<p>The national data register of social services (STAR) is operational and has replaced the current locally based register (SIS).</p>						
<p>COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE</p> <ul style="list-style-type: none"> • Aligning the bases for the operation of social registers • Specification of housing costs compensated as part of the subsistence benefit (Amendment of Social Welfare Act) <p>Common bases for the operation of social registers shall be developed to be implemented in all local governments.</p> <p>In order to ensure that the housing costs of persons with coping difficulties are compensated to the required extent the types of housing costs shall be mapped and the list of expense items to be taken into account in determining the subsistence benefit shall be specified.</p>							
OUTPUT INDICATORS	<table border="1"> <thead> <tr> <th>INDICATORS</th> <th>Target value 2013 or deadline</th> </tr> </thead> <tbody> <tr> <td>✓ The Social Welfare Act has been amended to establish common bases for the operation of the social registers</td> <td>31.12.2009¹⁶</td> </tr> <tr> <td>✓ The fixed expenses associated with dwelling have been specified in the law</td> <td>31.12.2009¹⁷</td> </tr> </tbody> </table>	INDICATORS	Target value 2013 or deadline	✓ The Social Welfare Act has been amended to establish common bases for the operation of the social registers	31.12.2009 ¹⁶	✓ The fixed expenses associated with dwelling have been specified in the law	31.12.2009 ¹⁷
	INDICATORS	Target value 2013 or deadline					
✓ The Social Welfare Act has been amended to establish common bases for the operation of the social registers	31.12.2009 ¹⁶						
✓ The fixed expenses associated with dwelling have been specified in the law	31.12.2009 ¹⁷						
RESPONSIBLE	Ministry of Social Affairs						

¹⁶ REFERENCE VALUE: the activity starts in 2009 thus there is no reference value for 2007.

¹⁷ REFERENCE VALUE: the activity starts in 2009 thus there is no reference value for 2007.

Measure 1.5

IMPROVING THE LEGAL ENVIRONMENT AND INCREASING ADMINISTRATIVE CAPACITY

In order to ensure effective and sustainable operation of the housing sector the legal environment has to be well defined and up-to-date. Within the framework of implementing the measure the required legislation is drafted and updated on an ongoing basis to accurately reflect the developments in the field of housing and to create a background that would enable access to housing for every resident in Estonia.

RESULT INDICATOR

Result by 2013:
The legal environment in the field of housing has been updated.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The legal environment and legislation are up-to-date, coherent, easy to implement and take into account the special nature of the field of housing	31.12.2013

RESPONSIBLE

Ministry of Justice,
Ministry of Economic Affairs and Communications,
Ministry of Social Affairs

2.4. HOUSING STOCK

CONDITION OF THE HOUSING STOCK

Estonia is relatively well stocked with housing as regards the number, but its quality and energy consumption leaves to be desired in comparison with the more developed EU member states. Dwellings in Estonia are smaller, older and in some cases have poorer standard amenities and the share of apartments is larger than that of private houses. In addition to the amortization of the structures and technical systems of residential buildings the supporting infrastructure and utility systems are obsolete.

Table. 4 Distribution of dwellings by year of construction

Period	Number	%
Before 1919	60 030	9.41
1919-1945	90 850	14.24
1946-1960	65 700	10.29
1961-1970	125 880	19.72
1971-1980	136 880	21.45
1981-1990	125 110	19.60
1991-1995	17 960	2.81
From 1996	7 400	1.16
Unfinished	8 370	1.31
Total	638 180	100

Source: *Statistics Estonia 2007*

According to housing statistics the annual average volume of new dwellings in the period 1919-1945 was 3 000 – 3 300. Given that the figures have been calculated on the basis of the number of dwellings, older than 50 years which are still in use today, the then construction volumes were probably even higher by 10-15 per cent, since dwellings no longer in use today should be taken into account as well.

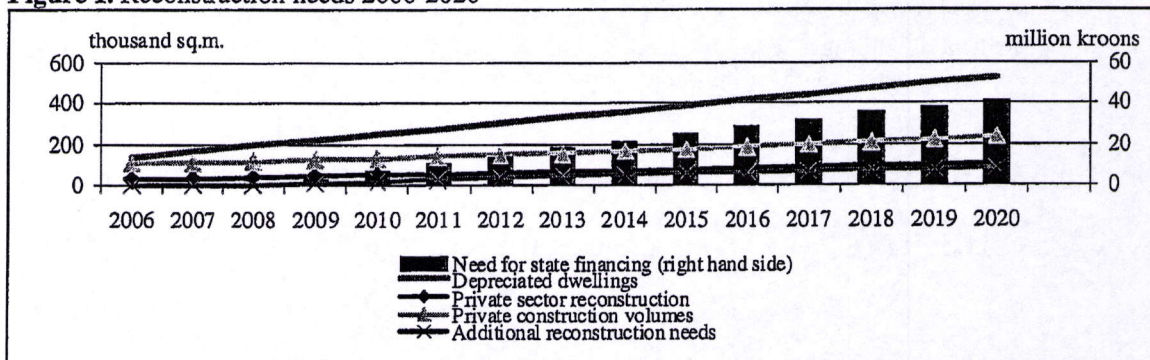
After World War II the volume of residential construction started to grow gradually. In 1946-1960 an average 4 380 new dwellings were built in a year, however the next decade saw a real building boom. 1961-1990 was a period of high overall residential building volumes, with an average of 13 374 new dwellings added every year (amounting to ca 700 000 - 800 000 m² per year). As a result whole quarters of apartment block residential areas emerged. After restoration of independence in the early 1990s there was a severe downturn in Estonian construction volumes – the drop was almost 15 times over the whole decade. A number of reasons caused the shrinking of construction volumes: uncertainties arising from the period of transition, difficulties in financing construction and last but not least the slowness of the property privatisation and registration processes and ownership disputes arising from privatisation. The recession continued into the 21st century.

In comparison with earlier developments construction volumes of new buildings are not too high in today's Estonia. Assuming that the Estonian housing stock grew on account of newly built residential buildings, the share of such buildings of the housing stock was ca 6 per cent in the 1960s, 4 per cent in the 1970s and 3 per cent in the 1980s. By comparison, 4 per cent is considered necessary to be added annually to the housing stock to ensure its renewal in welfare states with highly developed economies. In Estonia the share of new buildings in the housing stock has been less than one per cent from the 1990s onwards, under 0.2 per cent in 1995-2002 and has risen to 0.7 per cent in 2002-2006. Consequently the Estonian housing stock has been gradually deteriorating due to age over the past decade.

Approved by the Government of the Estonian Republic on 17 January 2008

In light of the current construction rate (and assuming its acceleration on account of economic growth) and although the construction business has been on an upward trend during the last few years, it is inevitable that the new buildings do not make up for the residential buildings leaving the housing market at the end of their life. In 2005 a total of 918 700 m² of dwellings were built and in 2006 – 1 311 100 m² resulting in the highest increment of the housing stock of recent years at 1.02 per cent.

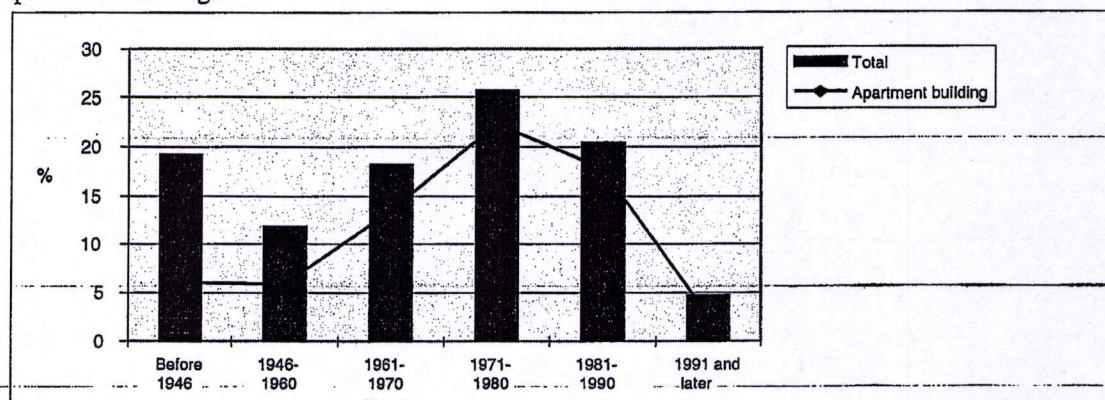
Figure 1. Reconstruction needs 2006-2020



Source: Analysis by Ministry of Economic Affairs and Communications 2006.

The share of new buildings in today's housing stock is relatively small – in 2000 only 4 per cent of the dwellings were less than 10 years old. And on top of that the quality of the existing housing stock is poorer in comparison with the European Union. As regards standard amenities, more than one-fifth of Estonian dwellings have no water closet, hot running water and washing facilities, whereas in the old EU member states only a few per cent of such dwellings exist. The quality of housing varies greatly in the Estonian housing market. Satisfaction of households with their housing is to a large extent determined by the general condition of their dwelling, which in its turn is in direct correlation with the year of construction. Very few households are living in new residential buildings in present-day Estonia (ca 5 per cent live in residential buildings constructed after 1991), and the majority of dwellings is a couple of decades old (figure 2). Lack of standard amenities is a serious problem for 9 per cent of households, i.e. they have no possibilities for meeting the basic hygienic needs (this problem is particularly pronounced among families with three or more children and families where the head of the household is unemployed).

Figure 2. Distribution of households by age of dwellings (%), incl. the share of households living in apartment buildings



Source: Statistics Estonia 2005

A considerable amount of energy is consumed for heating, ventilating, cooling and lighting of buildings and for producing hot water. Although there is no separate statistics about energy consumption by residential buildings in Estonia, experts estimate that about 40-50 per cent of the energy and fuel provided for the end-user goes for heating of buildings. The sharp rise of all types of energy prices over the past two years has brought the issue of energy efficiency of the Estonian housing stock more than ever into the limelight. The more active and environmentally aware owners of residential buildings have already taken steps to reconstruct buildings to increase their energy efficiency. Such behaviour should be encouraged on a larger scale. The state has no reliable overview of the reconstruction volumes of residential buildings and the results thereof, and the quality of estimates concerning the energy efficiency potential of the buildings cannot be deemed satisfactory.

VISION THE HOUSING STOCK IS OF HIGH QUALITY AND SUSTAINABLE

OBJECTIVE 2 TO ACHIEVE HIGH QUALITY AND SUSTAINABLE HOUSING STOCK

Estonia's housing stock is obsolete, depreciated and consumes high amounts of energy, therefore it is necessary to first map the condition of the housing stock and carry out reconstruction of the residential buildings on the basis of the results of the mapping, in order to improve the housing quality of the people. To guarantee sustainable development of the existing housing stock the owners of residential buildings and persons responsible for the provision of public services and amenities must receive training and have better awareness about renovation works and its implications.

IMPACT INDICATOR 2013 Satisfaction of the population with the technical condition and increased energy efficiency of the dwelling in their use grows **20 %**

TARGET GROUP Apartment associations, building associations, communities of apartment owners, owners of apartment buildings built prior to 1940 (incl.) and persons involved in providing public services and amenities

Measure 2.1

INCREASING THE QUALITY AND ENERGY EFFICIENCY OF THE HOUSING STOCK	
In order to improve the technical condition and increase the energy efficiency of residential buildings the basic structures of many apartment buildings require reconstruction. It is also important to encourage full renovation solutions for residential buildings and large-scale construction works.	
Result by 2013	
The average expected useful life of the housing stock (apartment buildings) has increased by ¹⁸	30%
The share of apartment buildings falling into the highest energy efficiency category is	10%

**RESULT
INDICATOR**

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Support to renovation of apartment buildings
- State guarantees to renovation loans
- Renovation support to owners of apartment buildings built prior to 1940 (incl.)
- Support to the development and dissemination of standard renovation projects for apartment buildings

The following shall be supported upon the renovation works of apartment buildings built prior to 1993: renovation of the enveloping structures and load bearing structures, and renovation works related to the modification and replacement of electricity and heating systems and gas installations. The target groups to be supported within the framework of these activities are apartment associations, building associations (including the former dwelling associations), communities of apartment owners and owners of restituted apartment buildings. The amount of state support shall be established annually in the implementation plan. The state shall also recognize associations and communities whose reconstruction efforts have produced residential buildings with low energy consumption.

State guarantees to renovation loans allow apartment associations, building associations (including the former dwelling associations) and communities of apartment owners to apply for a state guarantee to loans taken to reconstruct and renovate apartment buildings.

The state support to renovation activities constitutes renovation loans to owners of apartment buildings built prior to 1940 for carrying out renovation and reconstruction works aimed at improving the quality of the housing stock and housing offered for rent. The beneficiaries of this activity are owners of apartment buildings built prior to 1940 and indirectly, also the tenants.

In order to contribute to the process of improving the condition of apartment buildings standard renovation projects shall be developed for apartment buildings constructed after World War II to be made available to all interested parties free of charge.

**OUTPUT
INDICATORS**

INDICATORS	Target value 2013 or deadline
✓ The number of apartment buildings renovated with the help of renovation support	8 000 ¹⁹ (increase)
✓ The share of residential buildings that have undergone energy audits, implemented the recommended measures and reduced their energy consumption	20%
✓ Increase in renovations of restituted	30% of such

¹⁸ To be evaluated on the basis of a satisfaction survey.

¹⁹ REFERENCE VALUE: At the end of 2006 the number was 1 411.

Approved by the Government of the Estonian Republic on 17 January 2008

	apartment buildings	residential buildings
	✓ The share of renovation loans with state guarantees of the total volume of renovation loans	1.5% ²⁰
	✓ Standard projects have been developed	31.12.2010 ²¹
RESPONSIBLE	Ministry of Economic Affairs and Communications	

Measure 2.2

RESULT INDICATOR

INCREASING AWARENESS TO IMPROVE THE HOUSING							
<p>The renovation of apartment buildings helps preserve and improve the quality and prolong the life of the existing housing stock. In order for the works to be carried out in a reasonable and competent manner awareness building and training is required for the various target groups. Within the framework of the measure training and information activities shall be used to raise the awareness of persons engaged in maintenance and management of residential buildings. Awareness raising campaigns will also be devoted to energy efficiency issues.</p> <p>Result by 2013 The share of housing stock badly managed because of ignorance shall be reduced by 30%²²</p> <p>COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE</p> <ul style="list-style-type: none"> • Public awareness raising campaigns on energy efficiency issues • Training and information activities aimed at persons engaged in maintenance and management of residential buildings <p>Public awareness raising campaigns on energy efficiency issues shall be conducted on a broad scale and on a regular basis.</p> <p>Every year specialists organise training and information activities for persons dealing with maintenance and management of residential buildings, which include technical, legal, economic and energy efficiency related subjects.</p>							
OUTPUT INDICATORS	<table border="1"> <thead> <tr> <th>INDICATORS</th> <th>Target value 2013 or deadline</th> </tr> </thead> <tbody> <tr> <td>✓ A training and information module has been developed</td> <td>31.01.2008</td> </tr> <tr> <td>✓ The share of persons of the target group who have undertaken training and information activities of the total target group</td> <td>50%²³</td> </tr> </tbody> </table>	INDICATORS	Target value 2013 or deadline	✓ A training and information module has been developed	31.01.2008	✓ The share of persons of the target group who have undertaken training and information activities of the total target group	50% ²³
	INDICATORS	Target value 2013 or deadline					
✓ A training and information module has been developed	31.01.2008						
✓ The share of persons of the target group who have undertaken training and information activities of the total target group	50% ²³						
RESPONSIBLE	Ministry of Economic Affairs and Communications						

²⁰ REFERENCE VALUE: In 2006 – 2.6%.

²¹ REFERENCE VALUE: The activity is launched in 2008, thus no standard projects existed in 2007.

²² I.e. not meeting the requirements of the Estonian standard of maintenance and services of real estate EVS 807:2004.

²³ REFERENCE VALUE: In 2006 the target group consisted of 10 000 persons.

Measure 2.3

RESULT
INDICATOR

MAPPING THE CONDITION OF THE HOUSING STOCK

Given that accurate data concerning the condition of the housing stock are currently lacking, it is necessary to map the technical condition and energy consumption of existing apartment buildings. In order to raise awareness of the population such data must be made public and accessible via the corresponding databases. Energy audits and expert analyses are required for obtaining more detailed information about each particular building. Various activities shall be undertaken within the framework of the measure to map the condition of the housing stock and make the data collected available.

Result by 2013

The condition of the housing stock has been mapped²⁴.

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Support to conducting expert analyses and energy audits of buildings
- Mapping the technical condition of the housing stock

The energy audits and expert analyses ordered by the associations and communities of apartment owners and conducted by the relevant professionals shall be supported in the form of co-financing. The proportion to be covered by the state shall be determined annually in the implementation plan.

In order to map the technical condition of the housing stock experts shall carry out technical surveys in the various types of apartment buildings and establish the main technical problems related to construction. The technical surveys shall be carried out on an ongoing basis. The results shall be brought together and made available via the relevant databases.

OUTPUT
INDICATORS

INDICATORS	Target value 2013 or deadline
✓ A methodology for mapping the technical condition has been developed	01.01.2008
✓ The technical condition of the different types of apartment buildings has been mapped	95% ²⁵
✓ The percentage of expert analyses conducted in the apartment buildings of the target group	50% ²⁶
✓ The percentage of energy audits conducted in apartment buildings	30% ²⁷

RESPONSIBLE

Ministry of Economic Affairs and Communications

²⁴ Included here will be apartment buildings whose general technical condition, year of construction and type of building, as well as the specific information concerning their technical condition and energy consumption are known. A special methodology shall be developed for the evaluation.

²⁵ REFERENCE VALUE: the activity is to be launched in 2008 so the reference value in 2007 is zero.

²⁶ REFERENCE VALUE: At the end of 2006 support had been given to expert analyses conducted in 1 976 buildings.

²⁷ REFERENCE VALUE: At the end of 2006 support had been given to 519 energy audits.

Measure 2.4

IMPROVING THE LEGAL ENVIRONMENT AND INCREASING ADMINISTRATIVE CAPACITY

In order to ensure effective and sustainable operation of the housing sector the legal environment has to be well defined and up-to-date. Within the framework of implementing the measure the required legislation is drafted and updated on an ongoing basis to accurately reflect the developments in the field of housing and to create a background that would ensure high quality and sustainable housing stock in Estonia.

RESULT INDICATOR

Result by 2013

The legal environment in the field of housing has been updated.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The legal environment and legislation are up-to-date, coherent, easy to implement and take into account the special nature of the field of housing	13.12.2013

RESPONSIBLE

Ministry of Economic Affairs and Communications

2.5. LIVING ENVIRONMENT

CONDITION OF RESIDENTIAL AREAS

The development of residential areas in Estonia has been influenced by the political ideologies and building traditions prevailing in the different eras. Until 1945 private owners were the principal developers of housing. Between 1918 and 1935 one- or two- storey wooden houses with a few apartments were the main trend, the 1930s saw the emergence of stone houses and houses of mixed type. The ideology dominating the period from 1946 to 1990 and the scarcity of housing at that time led to the building of 5-9 storey apartment blocks in the outskirts of cities, thus whole homogeneous townships were born. Similar structures were erected in free plots of land in city centres, resulting in breaking up established ensembles of residential areas. The 1990s were mostly characterised by the construction of private houses in the close vicinity of growth centres. In the new century an active process of constructing new apartment buildings in free plots in cities and their hinterland (mostly Harju County) was launched. Since 1991 housing development has followed the principles of liberal market economy. The role of the public sector has been modest, which is reflected in relatively anarchic building activities and an urban sprawl into the hinterland of major cities. Although the planning activities have become ever more active in recent years, the urban sprawl has accelerated even more and increased the need for more comprehensive spatial planning solutions.

As a rule today's residential areas are socially fragmented and lack the required architectural diversity. Often there is no direct access to primary services in a residential area, effective public transport is nonexistent, the environment is not safe and is used ineffectively, especially in areas of apartment buildings. Urban residential areas that were developed earlier are fairly well covered with the public transport network and other infrastructure facilities (bus stop, shop, school and kindergarten). The lack of infrastructure is a serious problem, though, in rural areas (especially in sparsely populated regions) and in some new housing developments. Despite the regional differences in Estonia, the regions share pretty much the same problems and could use similar solutions for resolving them.

Preservation of historical milieu valuable residential areas, built mostly before World War II has become a topical issue in Estonia. The renovation and construction activities of private owners and real estate developers have often turned out to be in conflict with the sustainable development of such areas. The living environment in many areas can be deemed special and in need of special regulation. Each local government must make an independent decision about the number and importance of these areas and establish land use and building requirements needed for preserving their value. Architecture and green areas, but also the street network and allotment have an impact on the milieu²⁸. It is such areas that have been designated as milieu valuable areas, i.e. areas where all of the above has been well preserved and the general impression is holistic and harmonious. Often it is not the individual house that is valuable, but rather the resulting ensemble or community. Since 2001-eight milieu valuable areas have been established in Tallinn²⁹. Work along the same lines has been carried out in Pärnu, Tartu, Sillamäe and other regions. Today there are about 40 milieu valuable areas in the cities of Estonia. Given that other sites, e.g. sections of streets, villages, natural communities, can be designated as milieu valuable area, there could potentially be hundreds of such areas. Methodologies need to be developed for the preservation of milieu valuable residential areas, to help preserve and map such areas. In 2004-2005 the Estonian Heritage Board has prepared 15 sets of restoration guidelines that are available free of charge

²⁸ Hansar, L. *Miljöväärtused linnas* (Milieu Valuable Urban Areas). Ministry of the Environment, Tallinn 2004

²⁹ www.tallinnlv.ee

Approved by the Government of the Estonian Republic on 17 January 2008

and also in the Internet. There is a definite need to carry on and expand this good work. The Ministry of the Environment put together a methodology for milieu valuable urban areas in 2004.

Poor safety record is a growing problem in residential areas. 13 per cent of the population (16 per cent of the urban population) are concerned about safety in their residential area and 5 per cent think that this is a burning problem. People living in North East Estonia perceive themselves to be the worst off, with one-third regarding their residential area as unsafe. The situation is better in rural regions.

Tidying up slow traffic areas found around and between apartment buildings is another problem for such regions. While the apartments are mostly in private hands and apartment buildings are being managed by associations, the slow traffic areas are either owned by the local government or the state (or are located on state land still waiting for the reform to determine their status). Thus the associations have no direct right, obligation or motivation to deal with putting these areas into order. Therefore often there are not enough green areas, children's playgrounds or recreation areas in such regions. According to the local governments the number slow traffic areas in need of reconstruction across Estonia is around 2 500.

VISION **THE RESIDENTIAL AREAS ARE DIVERSIFIED, BALANCED AND THEIR SUSTAINABLE DEVELOPMENT IS GUARANTEED**

OBJECTIVE 3 **TO ENSURE DIVERSITY, AND BALANCED AND SUSTAINABLE DEVELOPMENT OF RESIDENTIAL AREAS**

Common and firm principles for developing the residential areas and the urban space in general must be put in place in order to create and maintain a high quality living environment, which is comfortable for the people, socially operative, economically viable, environmentally sustainable and culturally diversified. The inhabitants and their associations must be encouraged to take independent responsibility for shaping and developing the residential areas and implementing the activities necessary to achieve this aim.

IMPACT INDICATOR 2013 The proportion of inhabitants satisfied with their living environment³⁰ **50 %**

TARGET GROUP Apartment associations, building associations (incl. former dwelling associations), communities of apartment owners, owners of restituted residential buildings, organizers of architectural and planning competitions, planners of the living environment, architects and local governments

Measure 3.1

IMPROVING THE QUALITY OF THE LIVING ENVIRONMENT

Access to services constitutes an important element of the quality of life of a region. Plans for new residential areas must include measures to meet the social needs of the inhabitants locally: areas for public use should be planned for the

³⁰ To be evaluated on the basis of a satisfaction survey.

RESULT INDICATOR

settlements; primary services should be made available in the settlement or through access to convenient public transportation. Primary services are those that must be found in the thematic plan of the social infrastructure of any county (e.g. child care, elementary education, basic education, upper secondary school education, community house, family practitioner, pharmacy, library, internet access, leisure facilities etc). An additional plan should be developed to meet any other particular local needs for services that the local government or county may have. The residential areas must be aesthetical, functional, architecturally holistic and environmentally friendly. Within the framework of the measure support shall be given to the organisation of architectural and planning competitions to ensure the functional and aesthetic development of the densely-populated residential areas and preparation of planning guidelines for the residential areas.

Result by 2013

The housing quality in new residential areas has improved^{31,32} **30%**

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Support to the organisation of architectural and planning competitions
- Support to preparation and distribution of standard housing projects by architects
- Preparation of guidelines to achieve balanced development of residential areas

The state shall finance part of the costs of architectural and planning competitions for residential areas organised by local governments. The amount of state support shall be established annually in the implementation plan.

The state shall organize a national architectural competition for residential building design plans. The winning plans shall be made available free of charge.

The state shall support the preparation and distribution of guidelines for developing functional, architecturally holistic and environmentally friendly residential areas.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The number of architectural and planning competitions supported	30 ³³
✓ The main guidelines have been drafted	31.12.2009 ³⁴
✓ Updating guidelines	Ongoing

RESPONSIBLE

Ministry of Culture,
Ministry of Economic Affairs and Communications,
Ministry of Internal Affairs

³¹ To be evaluated on the basis of a satisfaction survey.

³² To be evaluated on the basis of data derived from monitoring the thematic plans of county social infrastructure.

³³ REFERENCE VALUE: The activity is launched in 2008, thus the reference value in 2007 is zero.

³⁴ REFERENCE VALUE: The activity is launched in 2008, thus there are no guidelines in 2007.

Measure 3.2

RESULT INDICATOR

TIDYING UP APARTMENT BUILDING AREAS

Improving the aesthetic appearance and functionality, as well as the safety of apartment building areas plays an important role in enhancing the quality of the living environment. Therefore it is necessary to tidy up and improve the functionality of the slow traffic areas around apartment buildings in line with the needs of the various user groups. To improve the living environment dangerous apartment buildings that have fallen into disrepair and are an eyesore in the area, have to be demolished. Activities shall be conducted within the framework of the measure which improve the aesthetic and functional appearance and improve the safety of apartment building areas.

Result by 2013

In the opinion of the inhabitants the provision of public services and amenities in the apartment building areas has improved³⁵ 50%

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Inclusion and raising the awareness of the population
- Support to demolition of municipally owned apartment buildings that have fallen into disrepair
- Support to tidying up slow traffic areas around apartment buildings

The activities include support to the community initiatives aimed at promoting the development of residential areas and raising the awareness of the community. Non-profit associations are the target groups to receive support under this activity.

Within the framework of another activity the state and local government shall cooperate in demolishing apartment buildings that have fallen into disrepair. A part of the demolition cost of such buildings shall be supported. The local governments are the target groups to receive support under this activity.

Support to tidying up slow traffic areas around apartment buildings takes the form of covering part of the costs of ordering reconstruction projects and carrying out reconstruction works in the slow traffic areas. The local governments that have concluded cooperation agreements with associations and communities of apartment owners are the target groups to receive support under this activity.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The number of community initiatives supported	500 ³⁶
✓ The proportion of demolished housing that have fallen into disrepair of the total number	40%

³⁵ To be evaluated on the basis of a satisfaction survey.

³⁶ REFERENCE VALUE: The activity is launched in 2008, thus the reference value in 2007 is zero.

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	of municipally owned housing in need of demolition	
	✓ The number of projects ordered for tidying up slow traffic areas that have received support	1 000
	✓ The number of slow traffic areas tidied up with the help of support	750
RESPONSIBLE	Ministry of Economic Affairs and Communications Ministry of Internal Affairs	

Measure 3.3

DEVELOPING URBAN AREAS		
	The activities scheduled to be accomplished within the framework of this measure include development of the public urban space, reconstruction or establishment of green areas and recreational areas and planning the use of areas in public use with the aim of putting these areas into more efficient use.	
RESULT INDICATOR	Result by 2013 More use is being made of the public urban space ³⁷	30%
	COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE	
	<ul style="list-style-type: none"> • Development of the public urban space and recreational and green areas in cities and the outskirts (city centers, squares, parks, beaches and coastal areas etc) • Preparation of plans for areas designated for public use 	
	Local governments can apply for support for the development of the public urban space and recreational and green areas.	
	Local governments can apply for support for preparing plans for areas designated for public use.	
OUTPUT INDICATORS	INDICATORS	Target value 2013 or deadline
	✓ The area in hectares of green areas and recreational areas developed or reconstructed in urban regions	At least 75 ha (increase)
	✓ The number of plans prepared and established for areas in public use has increased	30% ³⁸
RESPONSIBLE	Ministry of the Environment, Ministry of Economic Affairs and Communications, Ministry of Internal Affairs	

³⁷ To be evaluated on the basis of a satisfaction survey.

³⁸ The reference value is to be added and target value is to be specified.

Measure 3.4

RESULT
INDICATOR

VALUING MILIEU VALUABLE RESIDENTIAL AREAS

The urban milieu is influenced by architecture, green areas, the street network, but also allotment and the percentage of built-up space. Milieu valuable areas are those where the above has been well preserved and the general impression is that of harmony. Each era in the development of a city is characterised by its own special way of planning, use of construction materials, architectural style and green areas. All of this has to be taken into account in order to preserve the milieu characteristic of the era. Original decorative elements must not be removed in the course of repairing and restoring the buildings. The principles of restoration and sustainable renovation must be applied, and use must be made of traditional, time-honoured materials that preserve the nature. On the whole more attention and care should be given to the urban architectural environment as a cultural environment. The general public must be able to understand and comprehend the need to preserve the architectural heritage and appreciate what has been created in earlier times. The activities to be undertaken within the framework of the measure include mapping of milieu valuable areas pointing to the special nature and problems related to them, preparation of guidance materials for the restoration and sustainable renovation of residential buildings and development of a counselling system for informing and training the population. There are also plans to support the commissioning of expert analyses needed for the preservation of milieu valuable residential buildings. The actual restoration and sustainable renovation works conducted in such buildings shall be supported as well.

Result by 2013

The share of individual sites located in milieu valuable residential areas that have been tidied up to preserve their special nature 25%

COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE

- Support to the commissioning of expert analyses
- Preparation of guidance materials
- Mapping of the special nature, problems and solutions to the problems of milieu valuable residential areas and disclosing the results of the exercise
- Establishing a counselling system, informing and training of the population
- Support to restoration and sustainable renovation works

With the aim of conducting restoration and sustainable renovation works in milieu valuable residential areas support shall be given to the commissioning of the relevant expert analyses. The experts shall evaluate the technical condition, architectural and historical value of the buildings and make the initial recommendations for the maintenance and restoration thereof. Support shall be granted to apartment associations, communities of apartment owners and owners of restituted houses located in milieu valuable residential areas for commissioning the expert analyses. The amount of state support shall be established annually in the implementation plan.

Specialists shall develop principles and guidelines for the restoration and sustainable renovation of apartment buildings located in milieu valuable residential areas. The guidance materials shall be made available to all.

Specialists shall designate and map milieu valuable residential areas, determine the problems related to such areas and find the necessary solutions. The results shall be made available via the corresponding databases and web pages.

The expert analyses shall be complemented by an ongoing counselling system for training and informing the inhabitants as regards the preservation of residential areas and milieu valuable residential buildings. The counselling services are available for all.

Within the framework of the activity of restoration and sustainable renovation of apartment buildings located in milieu valuable residential areas support shall be given to apartment buildings located in milieu valuable residential areas designated as such by the building regulation of the local government or built prior to 1940 (incl.), for the purposes of restoration and sustainable renovation of their basic structures (enveloping and load bearing structures), and for renovation works related to the modification and replacement of electricity and heating systems and gas installations. The target groups to be supported within the framework of these activities are apartment associations, building associations (including the former dwelling associations) and communities of apartment owners located in milieu valuable residential areas, designated as such by the local government. The amount of state support shall be established annually in the implementation plan.

OUTPUT INDICATORS

INDICATORS	Target value 2013 or deadline
✓ The number of residential buildings that have received support for commissioning an expert analysis in order to make preparations for restoration or sustainable renovation.	700 ⁴⁰
✓ The principal guidance materials have been completed	2010 ⁴¹
✓ Updating guidance materials	Ongoing
✓ The share of mapped milieu valuable residential areas	50% ⁴²
✓ The number of residential buildings where restoration and sustainable renovation works have been carried out	1.050
✓ Training and information modules have been	

³⁹ The precepts referred to here are the precepts issued by the Heritage Board, the Technical Inspectorate and local governments to residential buildings where reconstruction and restoration works have been carried out by violating the relevant legislation and applicable practices.

⁴⁰ REFERENCE VALUE: The activity is launched in 2008, thus the reference value in 2007 is zero.

⁴¹ REFERENCE VALUE: The activity is launched in 2008, thus the reference value in 2007 is zero.

⁴² REFERENCE VALUE: In 2004 the number of mapped areas was 40.

	completed	01.01.2008
	✓ The proportion of trained and informed persons belonging to the target group of the total target group	45%
	✓ Reduction in the number of precepts ³⁹	50%
RESPONSIBLE	Ministry of Culture, Ministry of Economic Affairs and Communications, Ministry of Internal Affairs	

Measure 3.5

RESULT INDICATOR

SHAPING A SECURE LIVING ENVIRONMENT	
<p>A secure urban space and living environment is key to crime prevention. Assessment and mapping of security risks and using urban planning means to ensure the security of the population are new to Estonia. Therefore it is necessary to improve information sharing and training activities to raise the awareness of the relevant target groups and to start applying such urban planning measures for general plans and for designing buildings. The activities scheduled to be undertaken within the framework of the measure include the preparation and distribution of guidance materials to facilitate the planning of the various residential areas in line with their particular needs; and training of specialists involved in planning.</p>	
<p>Result by 2013 The standard "Crime Prevention – Urban Planning and Architecture" has served as a basis for plans and design projects</p>	<p>in 50% of the cases (increase)</p>
<p>COURSES OF ACTION AND ACTIVITIES UNDER THE MEASURE</p> <ul style="list-style-type: none"> • Preparation of guidance materials • Organisation of training for different target groups 	
<p>TK-12⁴³ established by the Ministry of Justice and the Estonian Centre for Standardisation shall coordinate the preparation of implementation guidelines for the standard "Crime Prevention – Urban Planning and Architecture".</p>	
<p>Themes dedicated to enhancing the security of the living environment shall be added to the training and information programme of persons engaged in the maintenance of residential buildings. Specialists dealing with planning design work and development of residential areas shall also receive additional training in shaping a more secure living environment. The share of state support to such training shall be determined annually in the implementation plan.</p>	
INDICATORS	Target value 2013 or deadline

⁴³ Technical Committee for Secure Living Environment

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OUTPUT INDICATORS	✓ The principal guidance materials have been completed	31.12.2010 ⁴⁴
	✓ Updating guidance materials	Ongoing
	✓ The proportion of trained and informed specialists of the target group of all specialists of the target group	60%
RESPONSIBLE	Ministry of Justice, Ministry of Economic Affairs and Communications, Ministry of Internal Affairs	

Measure 3.6

IMPROVING THE LEGAL ENVIRONMENT AND INCREASING ADMINISTRATIVE CAPACITY		
In order to ensure effective and sustainable operation of the housing sector the legal environment has to be well defined and up-to-date. Within the framework of implementing the measure the required legislation is drafted and updated on an ongoing basis to accurately reflect the developments in the field of housing and to create a background that would ensure the diversity of Estonia's residential areas and a balanced and sustainable development thereof.		
RESULT INDICATOR	Result by 2013 The legal environment in the field of housing has been updated.	
	INDICATORS	Target value 2013 or deadline
OUTPUT INDICATORS	✓ The legal environment and legislation are up-to-date, coherent, easy to implement and take into account the special nature of the field of housing	31.12.2013
RESPONSIBLE	Ministry of Culture, Ministry of Economic Affairs and Communications, Ministry of Internal Affairs	

⁴⁴ REFERENCE VALUE: The activity is launched in 2008, thus the reference value in 2007 is zero.

III MONITORING AND ADMINISTRATION OF DEVELOPMENT PLAN IMPLEMENTATION

The Development Plan shall be implemented by the Ministry of Economic Affairs and Communications, the Ministry of Social Affairs, the Ministry of Internal Affairs, the Ministry of Justice, the Ministry of Culture and in cooperation with the Credit and Export Guarantee Fund KredEx, Enterprise Estonia, National Heritage Board, local governments and NGO-s involved in the field of housing. The Development Plan shall be updated at least once in four years. The Development Plan shall be implemented on the basis of annual implementation plans, defining the specific nature, volume and organisation of the activities to be carried out during the nearest year.

The Ministry of Economic Affairs and Communications shall be directly responsible for the implementation of the Development Plan and evaluate the progress of the activities undertaken on the basis of the impact and output indicators specified in the Development Plan. Evaluations shall be conducted on a quarterly basis and also at the end of the year, based on the quarterly reports and comprehensive annual reports submitted by KredEx. Data necessary for evaluation shall also be collected via surveys (the household budget surveys and censuses by Statistics Estonia and specific surveys commissioned by the ministries). In addition to monitoring the above-mentioned indicators in-depth studies and analyses in the field of housing shall be conducted in order to update the Development Plan and evaluate its progress.

Supervision over the implementation of the Development Plan shall be based on an ongoing evaluation of the measures and sub-activities contained therein. A Supervisory Committee for Monitoring the Development Plan shall be established to carry out this task. The Supervisory Committee shall give progress reports to the Government of the Republic and if necessary, make proposals concerning additions to the Development Plan or termination thereof.

Juhan Parts
Minister

Marika Priske
Secretary General