Resi4Rent

Submitted By: European Bank for Reconstruction and Development (EBRD)



Organization Profile

Organization Name: European Bank for Reconstruction and Development (EBRD)

Organization Type: Financial institution

Website: https://www.ebrd.com

Practice Details

Country(ies): Poland

City(ies): Warsaw, Krakow, Gdansk

Start Year: 2019 **Ongoing:** Yes **End Year:** N/A

Main Adequate Housing Components:



Housing Thematic Areas:

- Housing Affordability & Financing
- Rental Housing
- Housing Rights & Social Inclusion
- Housing in Crisis & Displacement Contexts

Relevant SDGs:



UN-HABITAT

Problem & Context

Despite the growth of residential development in recent years, residential sector in Poland still experiences an acute shortage of units. The demand for houses was high even before the war on Ukraine, short of an estimated 1.5-2 million housing units per 1,000 inhabitants as compared to the EU average. Furthermore, the influx of refugees from Ukraine has exacerbated the problem, with most of the displaced population expected to remain for several years. Specifically, the demand for apartments has significantly spiked in Polish cities, resulting in shortage of number of flats offered in the market. As such, a failure to expand the housing supply amid high numbers of refugee influx is expected to cause a significant problem for both the host and refugee populations. Against such a backdrop, the project supports preservation of the livelihoods and adaptability of the people directly or indirectly affected by the war, with the provision of vital services - housing.

Solution Developed

The project was implemented under the EBRD's Resilience and Livelihoods Framework, which is part of the War on Ukraine - EBRD Resilience Package. Through the project, EBRD supported the delivery of 7,700 additional housing units, on top of 2,300 existing units, focusing on the high-demand apartments for rent.

Through provision of residential asset class at scale, EBRD aimed to tackle the systematic shortage of housing units provoked by the war on Ukraine. Although the housing targets both host and refugee populations, Resi4Rent's apartments have increasingly housed Ukrainian youth and families, releasing pressure in the market.

In addition, the project will directly support the new employment opportunities for Ukraine workers. With the construction of new residential units, the company opened up new employment opportunities, which they committed to inclusion of Ukrainian refugees by at least 10% of new force in sales, technical assets and headquarters. This not only supports the livelihood of Ukrainians residing in Poland, but also ensures a sustainable and resilient inclusion of refugees to the community.

Implementation

As part of the solution to promote sustainability of the project, the client has committed to achieve BREEAM certification, targeting “Very Good” level to ensure building resilience and sustainable community development. Also, the client has committed to hire Ukrainian workforce for at least 10% of the newly created jobs from this project. Furthermore, the client will engage in policy dialogues to expand the outreach of inclusive and affordable rental housing concept.

Also, in partnership with Habitat for Humanity Poland, the client has committed to raise awareness and skills in its value chains regarding inclusive housing solutions by delivering

training to its main construction partner, ECHO Investment, regarding practices supporting affordable housing in the construction sector. The training will focus on various means to deliver wider housing affordability solutions, such as recycling of used material.

The company envisaged the development of 10,000 units in Poland by 2026. For the full implementation of the project, the company has planned 5 stages for development. The first property was completed in December 2019, and the last apartment in the pipeline is expected to complete by Q1 2026.

EBRD provided financing to support the development and operation of the portfolio residential assets in 2022, under the Resilience and Livelihoods Framework. In 2024, EBRD has provided a top-up financing for the company to support the development of additional 730 units.

Enablers & Obstacles

The client has an ambitious goal to become a market leader in affordable rental housing, which drove their goals of establishing and growing the platform to the sufficient scale.

Also, market demand were very high and how quickly the early projects were leased up gave the enabling signals, which reassured the company and EBRD that there is a real need for the solution.

Finally, it was a strong desire of EBRD to help Ukrainian refugees by putting in place ambitious Resilience and Livelihoods Framework and providing a strong support for housing. This initiative was very innovative for Poland at the time, which enabled and promoted EBRD's strong support.

There was no major obstacles for this project.

Results & Impact

Through EBRD's engagement, the client is encouraged to achieve greeen building certification for at least 3 new developments at the level of BREEAM “Very Good” or higher. As a result, the primary energy consumption reduction of 130 GJ/y, greenhouse gas emission savings of 12 tonCO2/y and water saving of 2,413 m3/year water consumption are expected.

Expansion of housing units are expected to bring vital housing services to at least 10,000 families in Poland. Furthermore, as a result of the company's commitment to hire new employees for the construction of the new apartments, Resi4Rent will increase its direct workforce from 65 staff to 119 staff by 2025 and at least 10% will be hired from Ukrainian community.

The project is directly and indirectly going to release the burden of the housing market through provision of new apartments both for host community and Ukrainian community. Also, it supports the value of "Inclusion", by preserving the livelihoods and strengthening the human capital, as well as enhancing the adaptability of the people affected by war. In addition,

achieving the green building certification, as well as sustainability features of the development (e.g. adoption of renewable energy, energy efficient appliances and waste recovery system) would ensure that the buildings will lead to low-emission economic transition in a long term, and enable efficient usage of resources.

Replication & Scale Up

The residential-for-rent housing practice is highly replicable as there is a high demand and the outcomes are successful. As part of the project, EBRD developed an assignment with key Social Rental Agencies (SRA) operating in Poland to develop a functioning SRA model. SRAs are public organisations attached to municipalities that rent flats at a discount and sub-let to households who cannot find housing on the market. The client will provide inputs as a private developer, and this will lead to a replication of the sustainable and inclusive residential-for-rent models across the country.

To accommodate the high demand, there is a pressing need to scale up such housing practices. Expanding the supply of rental units will require coordinated efforts among multiple stakeholders. International Financial Institutions, such as the EBRD, can play a pivotal role by offering loans on more favourable terms than market rates and by providing guarantees to support development and planning. In parallel, national and municipal authorities should facilitate the process by introducing legal and regulatory measures that streamline permitting procedures.

Policy Uptake

This housing practice has informed or been partially integrated into policy discussions, strategies, or pilot-level policy instruments.

The project supports the development of better policies to facilitate more equal access to quality housing. One of the recent policies enacted in Poland have been Social Rental Agencies (SRAs), which are public organisations to rent out the flats from private developers to deprived households at a discounted rate. EBRD launched the assignment to identify optimal models for SRAs, and deliver capacity building and policy advice to those agencies as well as municipalities. The client will participate in discussions, to help make the initiative more attractive to private rental sector players.

Lessons & Takeaways

The client is an institutional residential-for-rent developer in Poland. The success of the Resi4rent platform has inspired many other market participants to enter the market and try to replicate R4R's business model, showing that residential-for-rent concept has the high potential for replication. In future projects, it would be advisable to incorporate more diverse residents, with the potential support from the council and municipality.