„ERASMUS + Ways out of homelessness”

„Overview of homelessness and housing policies in Hungary”

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Content

• Homelessness – some major facts on homelessness in Hungary, service provision system, funding
• Objectives of the National Strategy proposal to tackle homelessness
• 3 February findings
• Main projects/schemes providing ways out of homelessness
• - supported housing projects (state funded, EU funded)
• - one project focusing on the chronically homeless population

• Housing and homelessness
  - Some main indicators of the housing stock
  - Access to housing (foreign currency mortgages, social rentals)
  - Affordability
Some major facts

- No comprehensive strategy officially adopted to tackle homelessness (not yet…)
- Dominating stare case model (with all its disadvantages)
- Coercive approach
- Very low proportion of social rentals (~2.9%)
- Adequately developed and over controlled service provision system (Crisis phone lines, street outreach services, low threshold shelters, temporary hostels, day centres, 24-hour health centres, residential homes for the elderly homeless)
- Institutions not originally designed for homeless service provision (except for some day centres as well as newly built hostels and health centres in Budapest)
- Inadequate amount of social benefits, access to benefits has become even more conditionally (Workfare regime)
- Limited number of service providers run employment services as well
Objectives of the Hungarian strategy proposal

The document covers three strategic objectives:
The first strategic objective is about **access to housing as well as sustaining housing**. Its major points are as follows:

- Instead of supporting housing purchase rental subsidies should be provided
- the number of social rentals should be increased by the introduction of housing associations for building and operating rentals, supporting private rentals
- Harmonizing and enlarging the current housing subsidies
- Strengthening the security of housing in the rental sector, reducing rent and public utility arrears by regulating the debt management procedures of local governments and public utility service providers, making eviction procedures more difficult for local authorities to enforce

Bakos Péter, ReFoMix Nonprofit
Kőzhasznú Kft.
Objectives of the Hungarian strategy proposal

The second strategic area aims at the re-organization of the regulation of homeless services:

- To replace the present definition of ‘homeless’ by introducing the definition of ‘houseless’
- Transformation of the current normative financing of institutions into service financing
- Integration of the supported housing programs currently operated by periodic project funding into the system of housing subsidies as reintegration support for homeless people
- Establishment of a Homeless Program Agency responsible for the implementation of homeless policies
Objectives of the Hungarian strategy proposal

The third strategic element sets the target of reducing the number of rough sleepers with the following elements:

• Introducing the practice of the so called ‘positive zero tolerance’ in order to define the conditions threatening the lives of rough sleepers in such a fatal way that people can not be left in the street any longer
• Partnership agreement and monitoring system should be developed with the family support services, childcare institutions, mental health institutions, addiction treatment centres as well as prisons in order to prevent people from relapsing
• Low threshold night shelters and temporary hostels in order to facilitate access for rough sleepers
• Operation of day centres for active daytime assistance

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Funding sources

1. State normative funding by the type of services
2. Local government complementary funding
3. Grant application schemes (Public Foundation for the Homeless)
4. EU Funds
5. Fund raising activities (minor proportion of service providers)
Definition, main causes

The Act III of 1993 on social administration and social services defines the definition of homelessness as follows:
‘a person is homeless if he or she does not have a registered place of residence except for those whose registered place of residence is a homeless institution’. Under the second definition of the same law ‘any person shall be considered homeless who spends nights in public places or other kind of places unfit for human habitation.’

Main causes
- Relationship breakdown
- Financial problems (this cause has became more frequent recently)
- Leaving institutional care
Regular data collection since 1999 - 3rd February findings

- **Background information on the data collection**
- The survey does not meant to be the "census" of homeless people.
- The survey is done on a voluntary basis, not all service providers and not all homeless people took part.
- The survey covered only those people who are in connection with the services currently.
- The aim of the survey is not to "count".
- The research aims at the analysis and comparison of the situation of homeless people in order to provide basic facts for professional and policy development.

Source: [http://www.bmszki.hu/eves-adatfelvetelek](http://www.bmszki.hu/eves-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
3rd February findings

- **68%** of hostel and shelter residents in Budapest responded
- **88%** of hostel and shelter residents in other cities responded
- **77%** of hostel and shelter residents in the country responded on a voluntary basis on 3 February

Source: [http://www.bmszki.hu/eves-adatfelvetelek](http://www.bmszki.hu/eves-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
How many homeless people can be accommodated?

<table>
<thead>
<tr>
<th>City</th>
<th>Temporary Hostels</th>
<th>Night Shelters</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest</td>
<td>2842</td>
<td>2365</td>
<td>811</td>
<td>6018</td>
</tr>
<tr>
<td>Other cities</td>
<td>2295</td>
<td>2163</td>
<td>565</td>
<td>5023</td>
</tr>
<tr>
<td>Total</td>
<td>5137</td>
<td>4528</td>
<td>1376</td>
<td>11041</td>
</tr>
</tbody>
</table>

The survey covered **77 settlements** and **257 homeless service providers** (out of the 308 operating in the participating cities)

<table>
<thead>
<tr>
<th>City</th>
<th>Hostels and shelters</th>
<th>Rough sleepers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest</td>
<td>3492</td>
<td>836</td>
<td>4328</td>
</tr>
<tr>
<td>Other cities</td>
<td>3736</td>
<td>2395</td>
<td>6131</td>
</tr>
<tr>
<td>Total</td>
<td>7228</td>
<td>3231</td>
<td>10459</td>
</tr>
</tbody>
</table>

Source: [http://www.bmszki.hu/eves-adatfelvetelek](http://www.bmszki.hu/eves-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit
Közhasznú Kft.
Increasing number of respondents

<table>
<thead>
<tr>
<th>City</th>
<th>Hostels and shelters</th>
<th>Rough sleepers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest</td>
<td>+326</td>
<td>-221</td>
<td>+105</td>
</tr>
<tr>
<td>Other cities</td>
<td>+196</td>
<td>+365</td>
<td>+561</td>
</tr>
<tr>
<td>Total</td>
<td>+522</td>
<td>+144</td>
<td>+666</td>
</tr>
</tbody>
</table>

Source: [http://www.bmszki.hu/eves-adatfelvetelek](http://www.bmszki.hu/eves-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit
Közhasznú Kft.
Number of rough sleeper respondents

<table>
<thead>
<tr>
<th>City</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest</td>
<td>1189</td>
<td>1360</td>
<td>1252</td>
<td>1150</td>
<td>876</td>
<td>1057</td>
<td>836</td>
</tr>
<tr>
<td>Other cities</td>
<td>1376</td>
<td>1502</td>
<td>1816</td>
<td>1720</td>
<td>1463</td>
<td>2030</td>
<td>2395</td>
</tr>
<tr>
<td>Total</td>
<td>2565</td>
<td>2862</td>
<td>3068</td>
<td>2870</td>
<td>2339</td>
<td>3087</td>
<td>3231</td>
</tr>
</tbody>
</table>

3 February working group 2014

Source: [http://www.bmszki.hu/eyes-adatfelvetelek](http://www.bmszki.hu/eyes-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
3rd February findings - Major cities

- 82% of the respondent homeless people live in the participating 16 major cities (including Budapest).

- In 5 of these cities the number of respondents has significantly increased (Budapest, Pécs, Miskolc, Székesfehérvár, Tatabánya) since 2009.

- In 3 cities the number of respondents homeless people has declined in the last four years.

- At least 100 rough sleepers answered the questionnaire in Budapest and its region, Szeged, Pécs, Debrecen, Miskolc, Székesfehérvár and Tatabánya.

Source: [http://www.bmszki.hu/eyes-adatfelvetelek](http://www.bmszki.hu/eyes-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
• According to the findings of the 3 February WG

During the last five years at least

48 000 people

experienced homelessness for a while and slept rough or were accommodated in a hostel or shelter

Source: [http://www.bmszki.hu/eves-adatfelvetelek](http://www.bmszki.hu/eves-adatfelvetelek)

Bakos Péter, ReFoMix Nonprofit
Közhasznú Kft.
On 3 February

- 1 out of 12 homeless people had regular work
- 2 out of 10 homeless people had occasional work
- Almost 3 out of 10 homeless people lived on begging and scavenging
- 2 out of 10 homeless people received benefit from local government
- 1 out of 10 homeless people had no money at all and was supported by others
- 2-3 out of 10 homeless people is considered to be Roma by their company
- 6 out of 10 homeless people were over 50
- 5 out of 10 homeless people had only elementary education
- 4 out of 10 homeless people had not been homeless one year before

Source: http://www.bmszki.hu/eyes-adatfelvetelek

Bakos Péter, ReFoMix Nonprofit
Közhasznú Kft.
Ways out of homelessness (housing options)

- Shelter Foundation (Menhely Alapítvány) voucher system to support the accommodation of service users in workers hostels, number of people supported: 100-300 per year
- Pilisi Forest project (70 homeless people involved, 49 proved to be successful)
- Supported housing projects coordinated by the two public foundations
- Off the street program (Public Foundation for the Homeless)
- ESF funded supported housing projects from 2008-2014 (announced 5 times) combined with employment or employability elements
- Habitat For Humanity Hungary projects

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Supported housing schemes – resources and the number of people supported per year

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of program</th>
<th>Amount of support</th>
<th>Number of homeless people supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Supported housing</td>
<td>163 200 000</td>
<td>554</td>
</tr>
<tr>
<td>2006</td>
<td>Supported housing</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>Supported housing</td>
<td>39 934 000</td>
<td>202</td>
</tr>
<tr>
<td>2008</td>
<td>Supported housing</td>
<td>54 924 000</td>
<td>356</td>
</tr>
<tr>
<td>2012</td>
<td>Of the street</td>
<td>104 065 000</td>
<td>302</td>
</tr>
<tr>
<td>2012</td>
<td>Of the street</td>
<td>41 969 000</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td><strong>HKA Összes</strong></td>
<td><strong>362 043 000</strong></td>
<td><strong>1403</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of program</th>
<th>Amount of support</th>
<th>Number of homeless people supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Supported housing</td>
<td>110 000 000</td>
<td>464</td>
</tr>
<tr>
<td>2006</td>
<td>Supported housing</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>Supported housing</td>
<td>63 400 000</td>
<td>281</td>
</tr>
<tr>
<td>2008</td>
<td>Supported housing</td>
<td>56 820 000</td>
<td>193</td>
</tr>
<tr>
<td>2009</td>
<td>Supported housing</td>
<td>69 450 000</td>
<td>232</td>
</tr>
<tr>
<td>2010</td>
<td>Supported housing</td>
<td>68 400 000</td>
<td>203</td>
</tr>
<tr>
<td></td>
<td><strong>OKA Összes</strong></td>
<td><strong>318 620 000</strong></td>
<td><strong>1373</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of support</th>
<th>Number of homeless people supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>273 200 000</td>
<td>1106</td>
</tr>
<tr>
<td>2006</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>123 834 000</td>
<td>483</td>
</tr>
<tr>
<td>2008</td>
<td>111 644 000</td>
<td>548</td>
</tr>
<tr>
<td>2009</td>
<td>69 480 000</td>
<td>232</td>
</tr>
<tr>
<td>2010</td>
<td>68 400 000</td>
<td>203</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>146 054 000</td>
<td>477</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>576 578 000</strong></td>
</tr>
</tbody>
</table>

Programs of 2005 went on.

There was no call because of the launch of EU funding to be allocated for the same purpose.

Programs of 2005 went on.

There was no call due to uncertain circumstances concerning the abolishment of the organization.

Bakos Péter, ReFoMix Nonprofit Közhásznú Kft.
Off the street program

main aim:
- expanding the means of homeless services for the inclusion of rough sleepers

- Primary target group – chronically homeless with multiple needs

- 90% managed to end sleeping rough by tailor made help and adapting the shelter services to their needs

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Off the street program – main aim: expanding the means of homeless services for the inclusion of rough sleepers

• Four main type of services:
• 1. *Enabling hostels and shelters to accommodate the chronically homeless including:*
  • a. minor reconstruction in accommodation services (smaller units providing personal space, privacy and security, enabling the accommodation of couples, establishment of low threshold capacities, etc.);
  • b. reorganization of the regulations and the structure of accommodation services in order to promote the accommodation of the chronically homeless (providing accommodation after the referral of street outreach and crisis phone line services, release of fees in hostels, accommodation of both men and women and that of groups, wet shelter, tolerated alcohol consumption, staying in daytime, provision of food and lavation);
  • c. freeing capacities for the chronically homeless by supporting the secondary target group to move on towards independent living or helping them moving to residential homes.

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Off the street program – main aim: expanding the means of homeless services for the inclusion of rough sleepers

• 2. Capacity building during the period of the program (1 March 2012. - 31 October 2012.) by establishing and running low threshold accommodation in case of emergency (life saving) situation and keep the chronically homeless within the institution system.

• 3. Enabling long term residential services to accommodate rough sleepers needing long term accommodation because of their age or health condition so that they can access to complex services they need.

• 4. Implementation of tailor made, complex, diagnosis based programs developed by the case worker and the service user (mainly people who chronically sleeping rough
  • a. supporting individual living by accommodating them in private rentals
  • b. accommodating them in long term residential homes according to their needs (taking over fees or other costs).
  • c. helping them getting work income, improving employability, employing them (even for a couple hours a day).
  • d. assessing and improving their health and mental condition, helping them access to health care.
  • e. supporting their health rehabilitation by purchasing medication and nursing services).

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Off the street program – main aim: expanding the means of homeless services for the inclusion of rough sleepers

- 18 projects supported (out of 7 in Budapest)
- 302 homeless people supported (75% chronically homeless)
- 5 projects included employment services
- 5 projects focused on only the chronically homeless population
- 10 projects enabled their services to meet the needs of the chronically homeless (tackling substance abuse and mental illnesses)
- 4 projects established low threshold services
- 1 project supported the renovation of 2 social rentals
- Mental and physical condition of the target group improved significantly

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Housing– Short review
Promoting home ownership

- Government subsidized home loans from 2001 (Home Creation Program)
- In 2003 number of newly built homes reached 1% of the housing stock
- Too generous state subsidies (and said to have been unsustainable)
- From 2004 foreign currency mortgages started to increase
- By 2008 about 1 million households had foreign currency mortgages
- Monthly repayments increased significantly (~40%)
Foreign currency mortgage crisis and the major measures taken

- Exchange rate cap system (2011, 2012)
- Repayment at a fix exchange rate (2012)
- Establishment of the National Asset Management Agency (2011)
- Phasing out foreign currency mortgages and converting them into HUF (2015)
- Question: How much did the foreign currency loans cost the country?

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Social rented housing

- In 1990 social rentals represented 19% of the total housing stock ~721 300 (out of 395 800 in Budapest)
- Transferred from state to local authorities after the transition
- Sold to sitting tenants for 10-30% of market price
- Peak: 1995 – 105 000 sold
- In 2000 the social rented housing stock shrank to 4%, by 2015 2.9% (114 000)
- Need for 400-500,000 rentals (Newly built dwellings by local governments in 2013: 55, 2014: 180)
- Involvement of the private rented sector
- Social rental agency (see the project of Habitat for Humanity and the Metropolitan Research Institute)

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
383 thousand vacant dwellings in the country, over 300 thousand families are in need of affordable housing.

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
# Number of dwellings owned by local governments

<table>
<thead>
<tr>
<th>Időszak</th>
<th>Hulladéktárolóval el nem látott lakóépületek és otthonházak aránya (%)</th>
<th>Az összes lakás száma (db)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007. év</td>
<td>38.1</td>
<td>139 049</td>
</tr>
<tr>
<td>2008. év</td>
<td>38.3</td>
<td>135 039</td>
</tr>
<tr>
<td>2009. év</td>
<td>38.9</td>
<td>132 233</td>
</tr>
<tr>
<td>2010. év</td>
<td>38.5</td>
<td>129 806</td>
</tr>
<tr>
<td>2011. év</td>
<td>38.5</td>
<td>128 171</td>
</tr>
<tr>
<td>2012. év</td>
<td>38.7</td>
<td>126 529</td>
</tr>
<tr>
<td>2013. év</td>
<td>38.7</td>
<td>124 849</td>
</tr>
</tbody>
</table>
Number of newly built dwellings

Bakos Péter, ReFoMix Nonprofit
Közhasznú Kft.
Number of newly built dwellings (by local governments)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1,559</td>
</tr>
<tr>
<td>1992</td>
<td>902</td>
</tr>
<tr>
<td>1993</td>
<td>431</td>
</tr>
<tr>
<td>1994</td>
<td>620</td>
</tr>
<tr>
<td>1995</td>
<td>168</td>
</tr>
<tr>
<td>1996</td>
<td>205</td>
</tr>
<tr>
<td>1997</td>
<td>492</td>
</tr>
<tr>
<td>1998</td>
<td>244</td>
</tr>
<tr>
<td>1999</td>
<td>297</td>
</tr>
<tr>
<td>2000</td>
<td>199</td>
</tr>
<tr>
<td>2001</td>
<td>344</td>
</tr>
<tr>
<td>2002</td>
<td>1,424</td>
</tr>
<tr>
<td>2003</td>
<td>1,487</td>
</tr>
<tr>
<td>2004</td>
<td>825</td>
</tr>
<tr>
<td>2005</td>
<td>735</td>
</tr>
<tr>
<td>2006</td>
<td>301</td>
</tr>
<tr>
<td>2007</td>
<td>287</td>
</tr>
<tr>
<td>2008</td>
<td>124</td>
</tr>
<tr>
<td>2009</td>
<td>177</td>
</tr>
<tr>
<td>2010</td>
<td>54</td>
</tr>
<tr>
<td>2011</td>
<td>137</td>
</tr>
<tr>
<td>2012</td>
<td>62</td>
</tr>
<tr>
<td>2013</td>
<td>140</td>
</tr>
</tbody>
</table>

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Vacant flats

• 2011 census: nearly half a million (477 873) dwellings 10.9% of the total housing stock vacant or not in residential use.
• Potential for a Social Rental Agency, ~ 150 000 suitable units (see the project of HFHH and the Metropolitan Research Institute)
• 85 000 vacant dwellings are in the capital, 65 000 in cities with county rights.
• nearly 14 thousand (13,911) vacant apartments are owned by local governments (mainly in the capital and cities with county rights).
### Evictions 2009-2011 (by local governments)

<table>
<thead>
<tr>
<th></th>
<th>Number of households evicted in 2009</th>
<th>Because of squatting</th>
<th>Because of arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budapest</strong></td>
<td>276</td>
<td>34</td>
<td>238</td>
</tr>
<tr>
<td><strong>Country total</strong></td>
<td>747</td>
<td>76</td>
<td>667</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of households evicted in 2010</th>
<th>Because of squatting</th>
<th>Because of arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budapest</strong></td>
<td>184</td>
<td>23</td>
<td>161</td>
</tr>
<tr>
<td><strong>Country total</strong></td>
<td>479</td>
<td>55</td>
<td>395</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of households evicted in 2011</th>
<th>Because of squatting</th>
<th>Because of arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budapest</strong></td>
<td>359</td>
<td>15</td>
<td>343</td>
</tr>
<tr>
<td><strong>Country total</strong></td>
<td>838</td>
<td>48</td>
<td>733</td>
</tr>
</tbody>
</table>

Source: Hungarian Central Statistical Office
Housing related costs - Affordability

- 413,000 households are estimated to have utility arrears for over 90 days,
- 810,000 households have some kind of loan arrears
- 64% of those living under the poverty line had some kind of arrears
- Eurostat data 2012, EU MS 10.8% of the population are unable to properly heat their home, In Hungary: 14.5%

The utility price cuts and the low inflation (recently deflation) meant little relief

**Housing benefit does not provide substantial support** (its average monthly amount was 3,700 HUF, cca. 12 EUR in 2013).

While the market price of a smaller rental in Budapest amounts to ~250 EUR

In other major cities 130-200 EUR

Bakos Péter, ReFoMix Nonprofit
Kőzhasznú Kft.
Housing deprivation

File: Severe housing deprivation, 2011–12 (% of population) YB14 II.png


Bakos Péter, ReFoMix Nonprofit
Közhasznú Kft.
45.7% of the Hungarian population lives in overcrowded homes. The poorer households: 70.1% of families live in overcrowded housing.


Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Housing poverty among children

There is no indoor flushing toilet in the home of 170,000 children (8.4%)

There is neither a bathtub, nor a shower in the home of 136,000 children (6.7%)

197,000 children live in dark homes (9.7%)

620,000 children live in a home with a leaking roof, damp walls, floors or foundation, or rotting window frames of floor (30.6%)

Source: HFHF Housing report 2013

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Meanwhile in the countryside - disadvantaged micro-regions

According to a survey (2011) of the National Development Agency

- 300 thousand people live in segregated residential areas
- 1600 segregated areas in 823 settlements and 10 Budapest districts

Bakos Péter, ReFoMix Nonprofit Közhasznú Kft.
Thank you for your attention!

peter_bakos@refomix.hu