



ZWIĄZEK  
BANKÓW  
POLSKICH

# Housing Finance Market in Poland

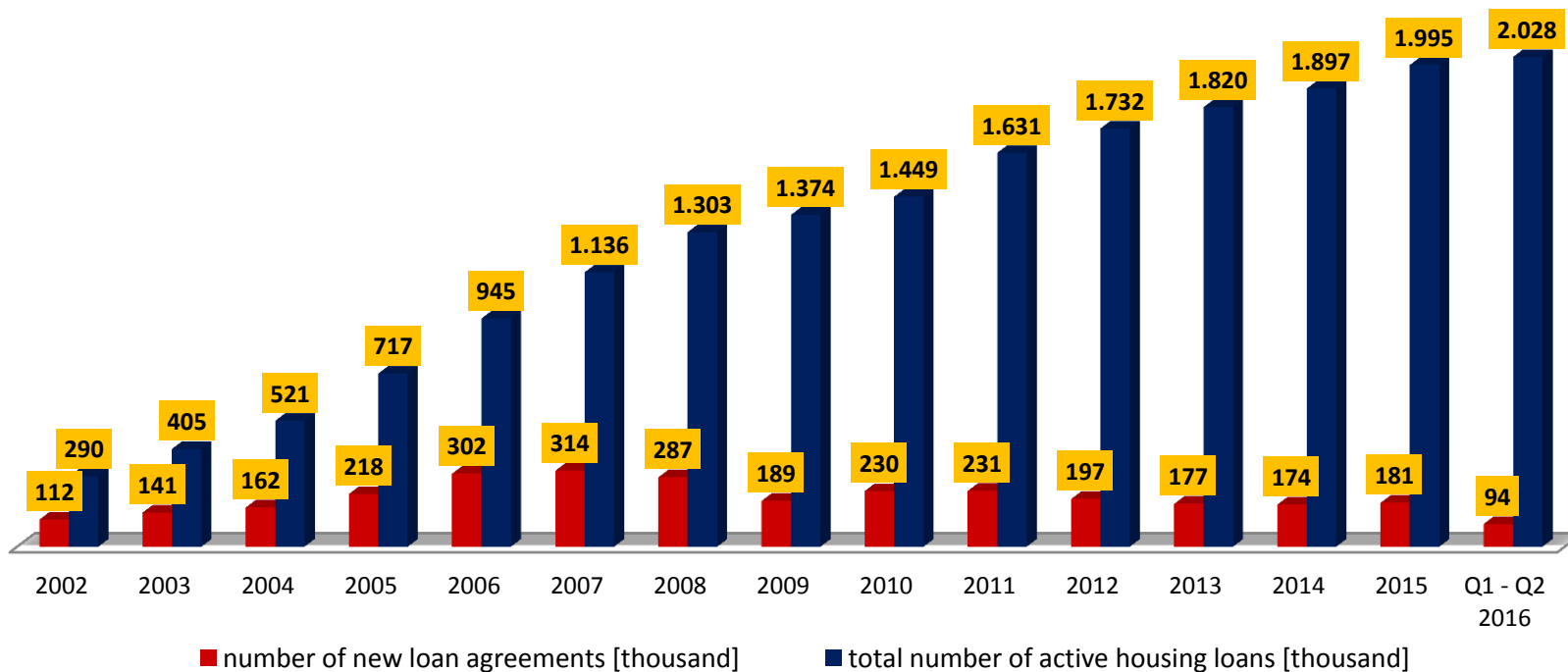
## Regulations & Initiatives

**Dr. Jacek Furga**  
**Chairman of the Real Estate Finance Committee**  
**at Polish Banks Association**



ZWIĄZEK  
BANKÓW  
POLSKICH

# Situation on housing loans market

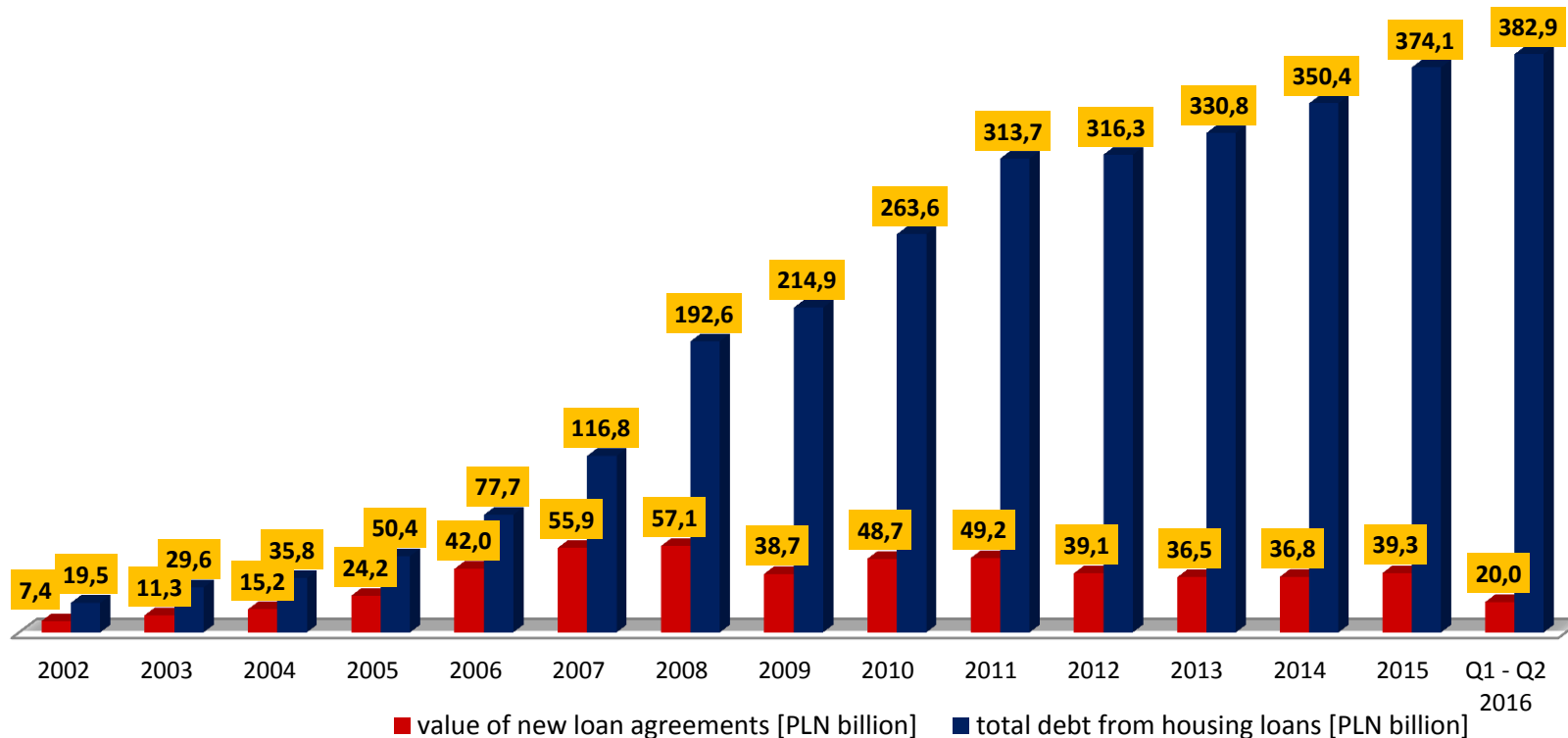


Source: Polish Banks Association - SARFiN



ZWIĄZEK  
BANKÓW  
POLSKICH

# Situation on housing loans market



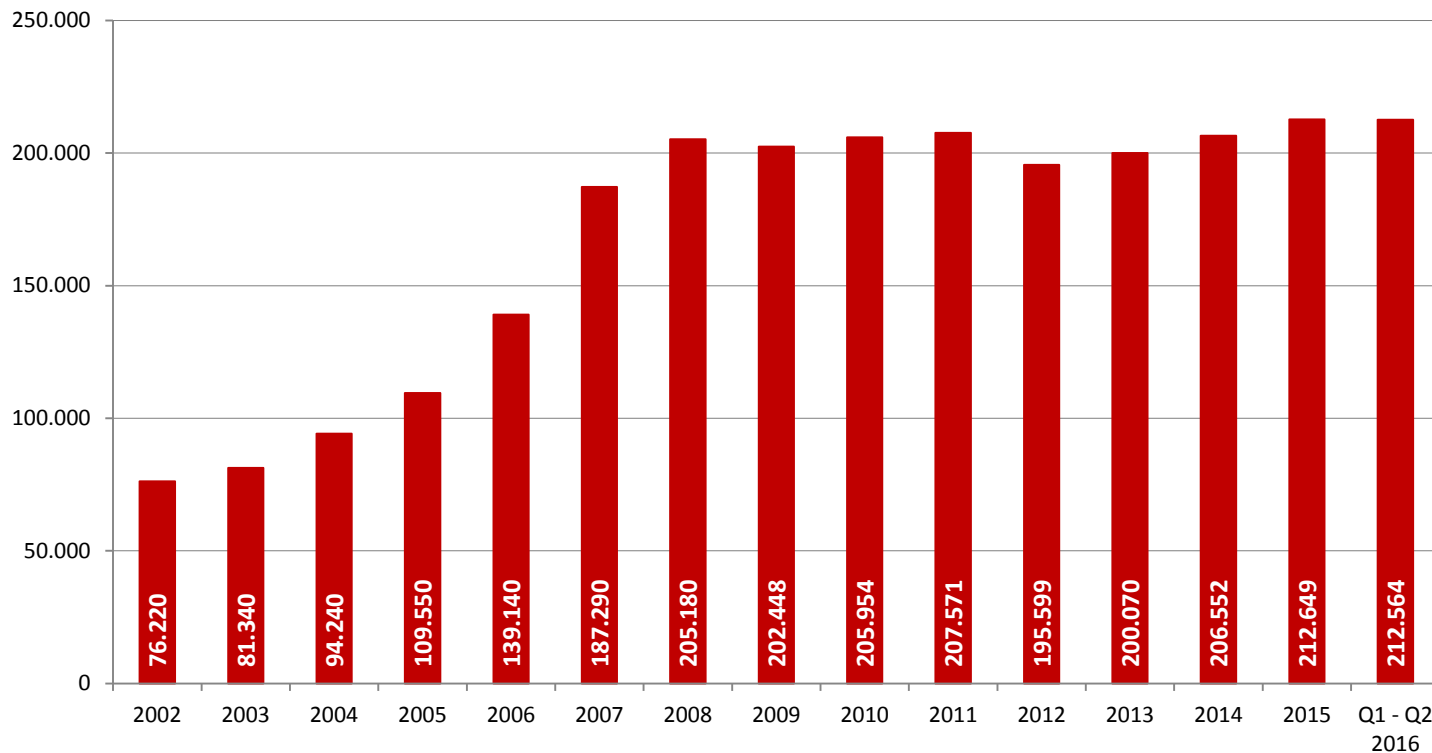
Source: Polish Banks Association - SARFiN



ZWIĄZEK  
BANKÓW  
POLSKICH

# Average value of a housing loan

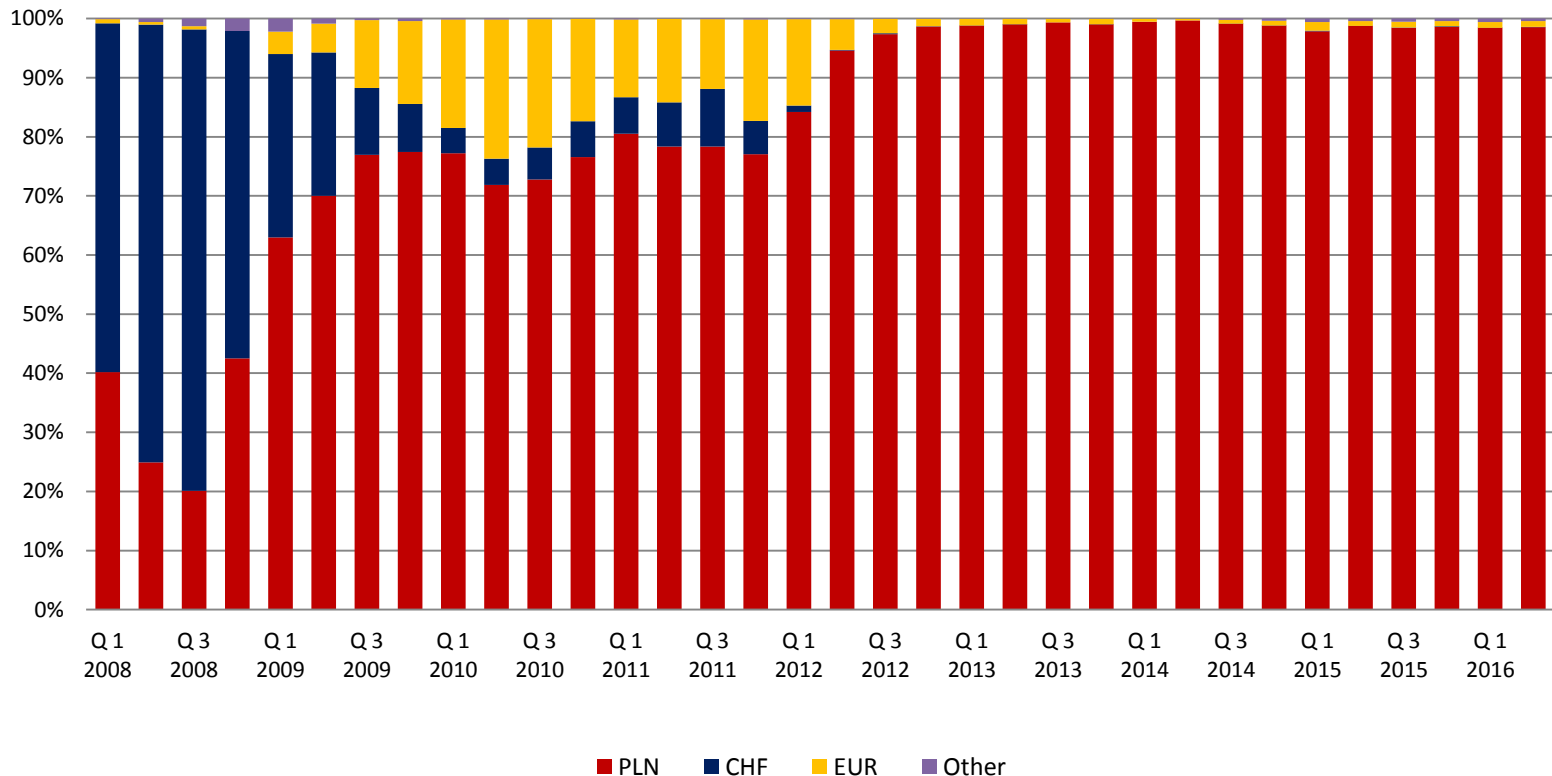
(in PLN; € 1 = PLN 4,3)





# Currency structure of the value of new loans

ZWIĄZEK  
BANKÓW  
POLSKICH

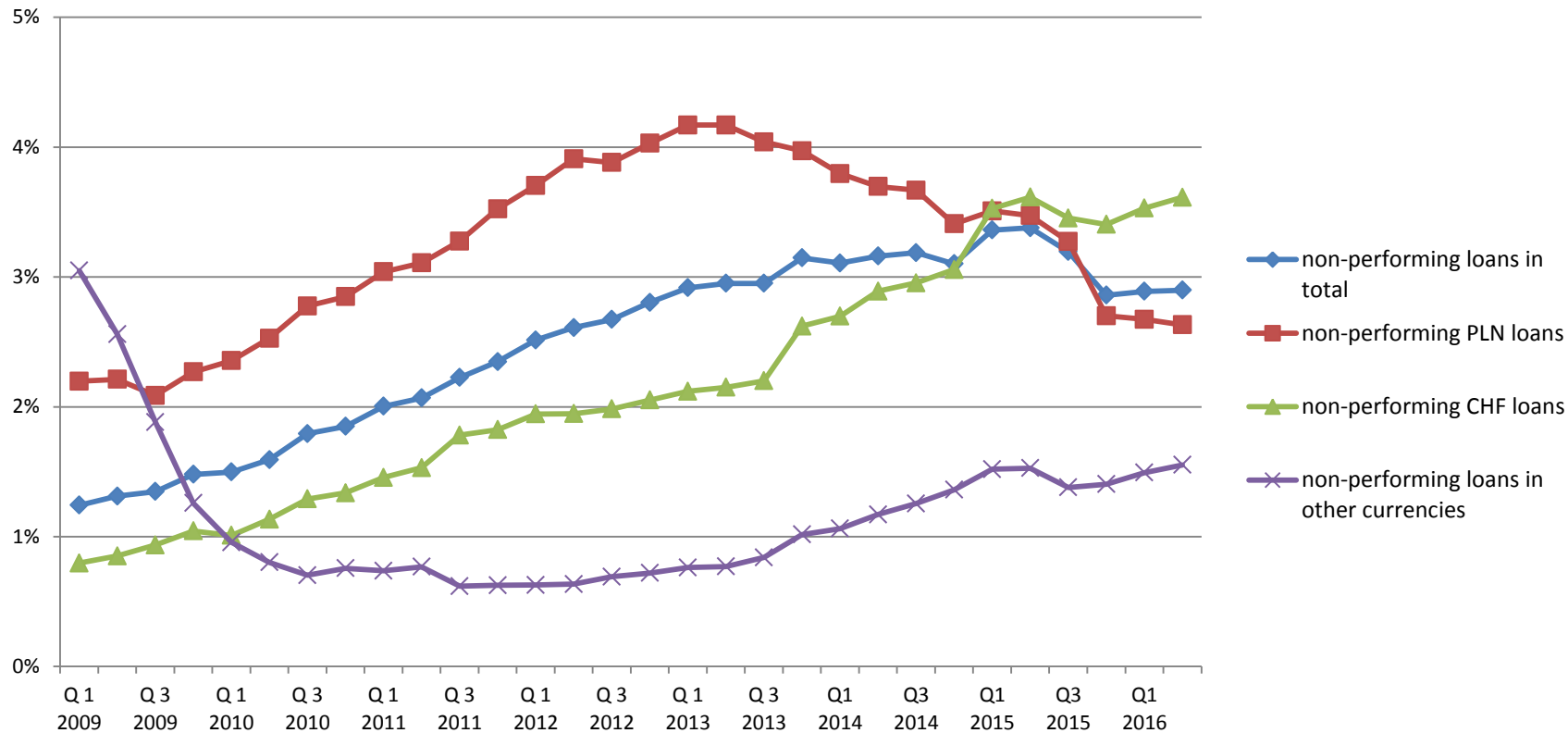


Source: Polish Banks Association - SARFiN



# Quality structure of mortgage portfolio

ZWIĄZEK  
BANKÓW  
POLSKICH

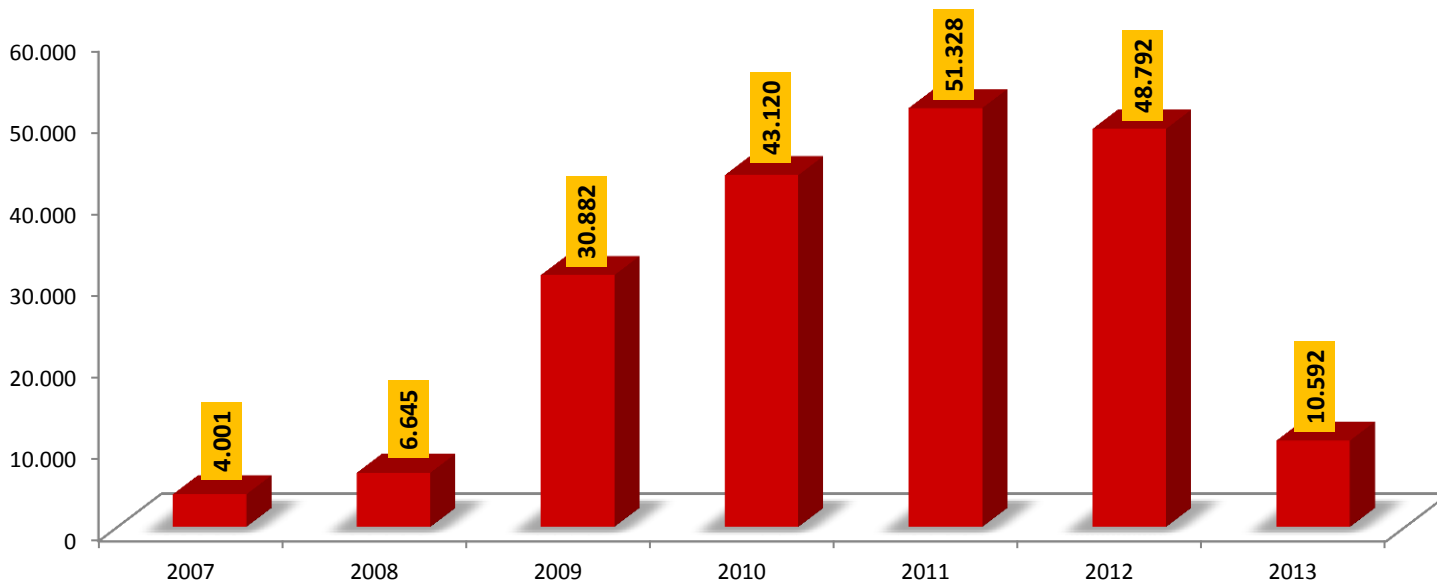


Source: National Bank of Poland



ZWIĄZEK  
BANKÓW  
POLSKICH

## Number of new housing loans granted under the 'Family On Its Own' Programme (RnS)

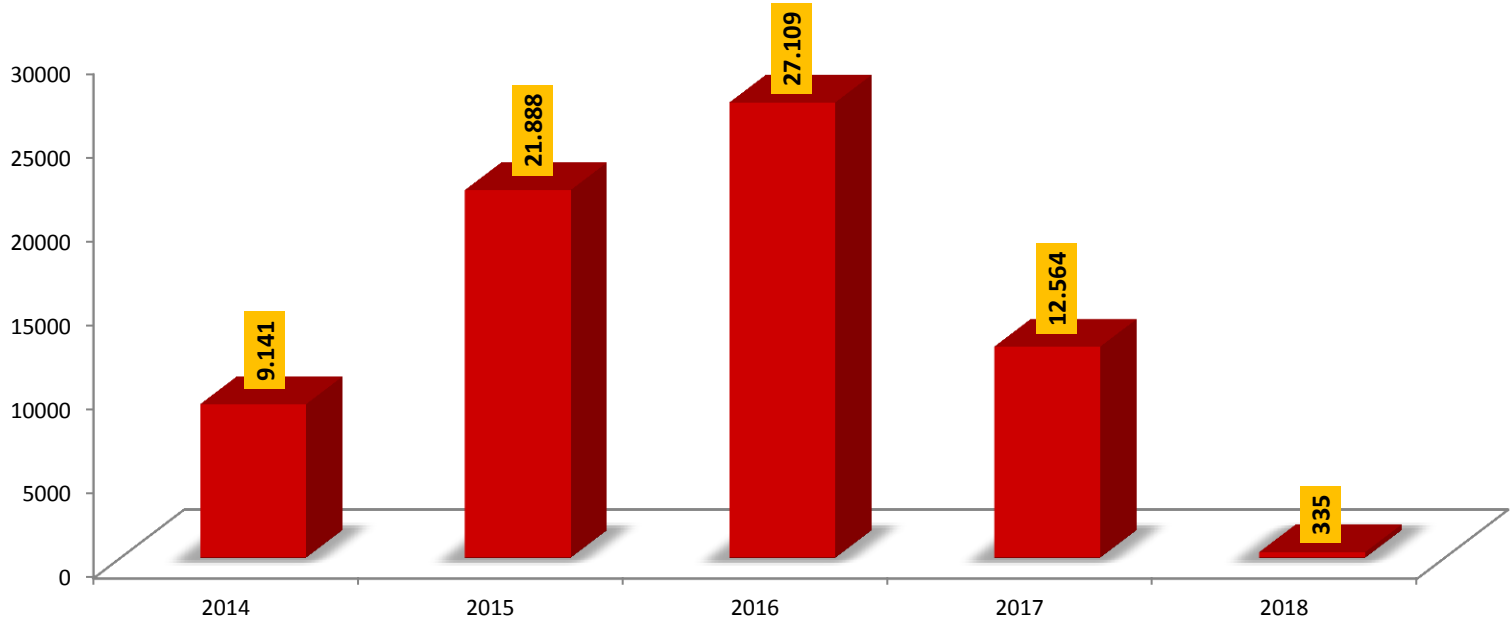


Source: BGK



ZWIĄZEK  
BANKÓW  
POLSKICH

## Number of new housing loans granted under the 'Flat for Youth' (MdM) Programme



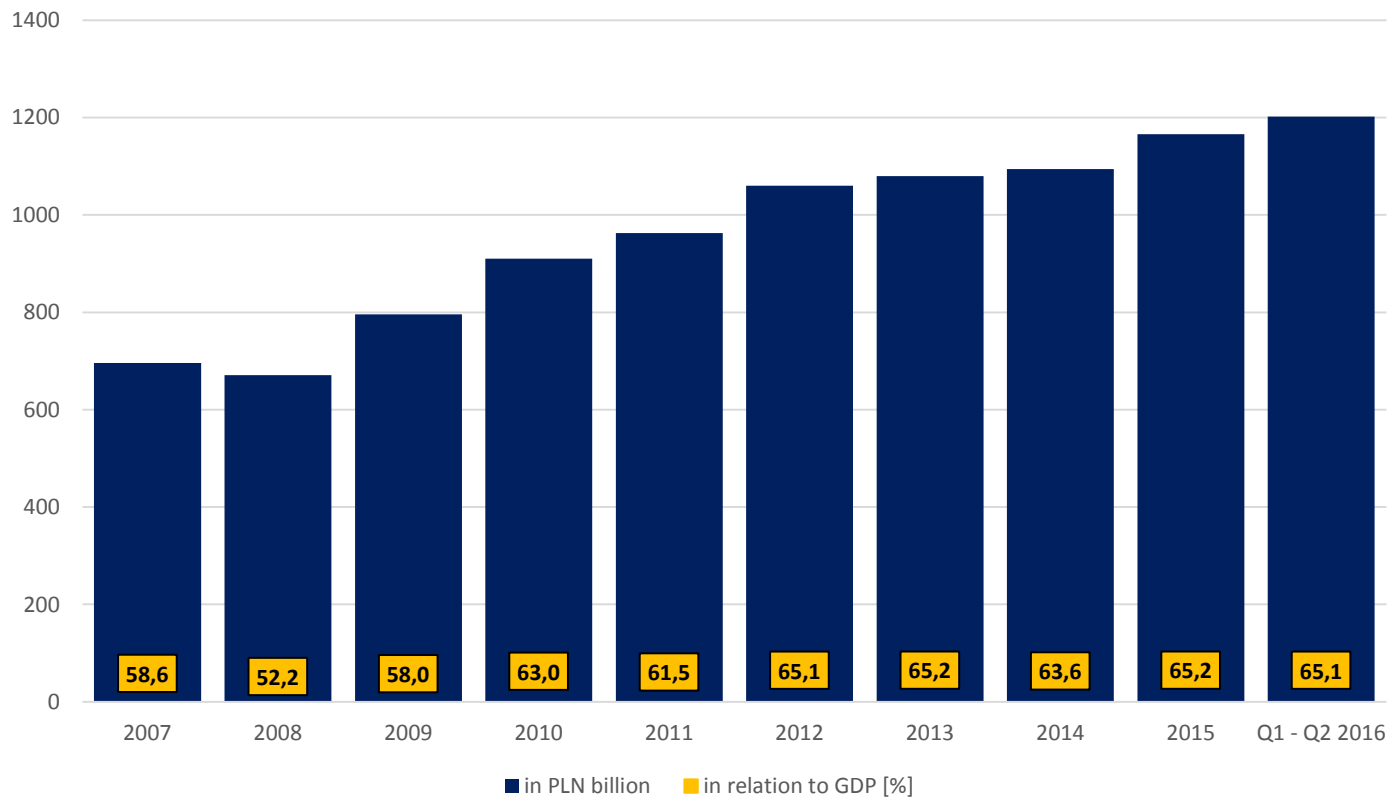
Source: BGK





ZWIĄZEK  
BANKÓW  
POLSKICH

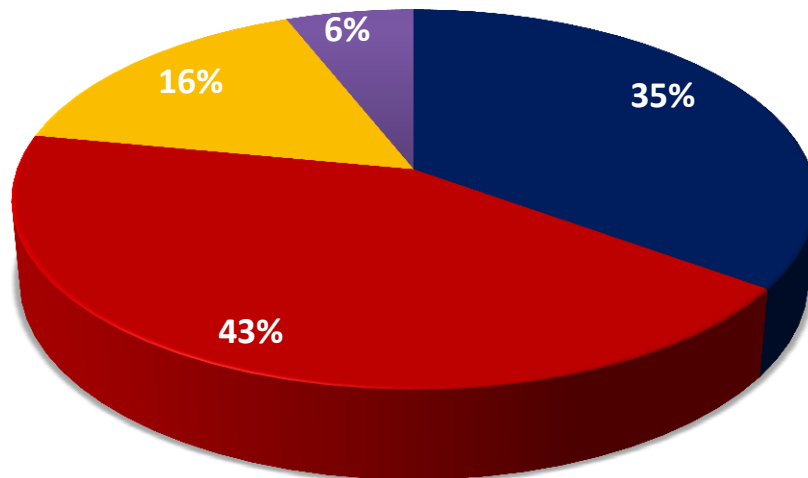
## Households savings [PLN billion]





ZWIĄZEK  
BANKÓW  
POLSKICH

## Propensity to save in Poland



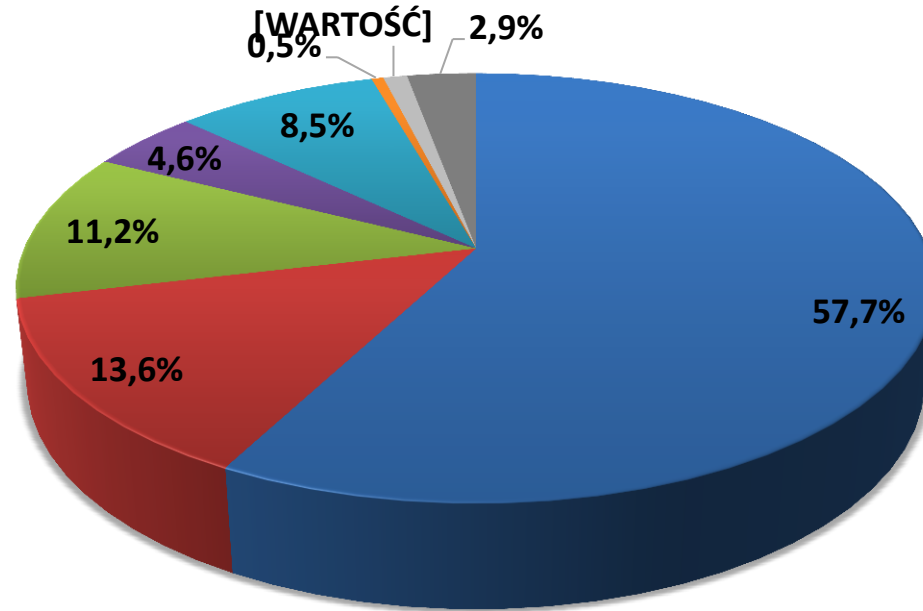
■ don't save ■ occasional saving ■ systematic saving ■ no answer



ZWIĄZEK  
BANKÓW  
POLSKICH

# Structure of household savings in June 2016

(total € 279 billion)



- deposits
- OFE
- investment funds
- government bonds

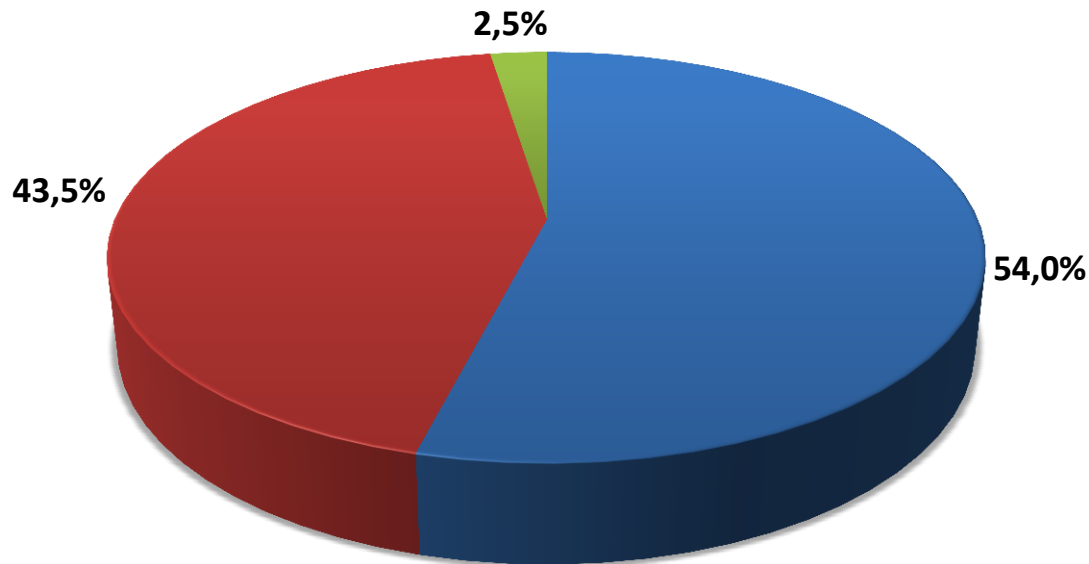
- cash
- capital insurance funds
- foreign investment funds
- stocks



# Structure of bank deposits of households in June 2016

(total € 160 billion)

ZWIĄZEK  
BANKÓW  
POLSKICH

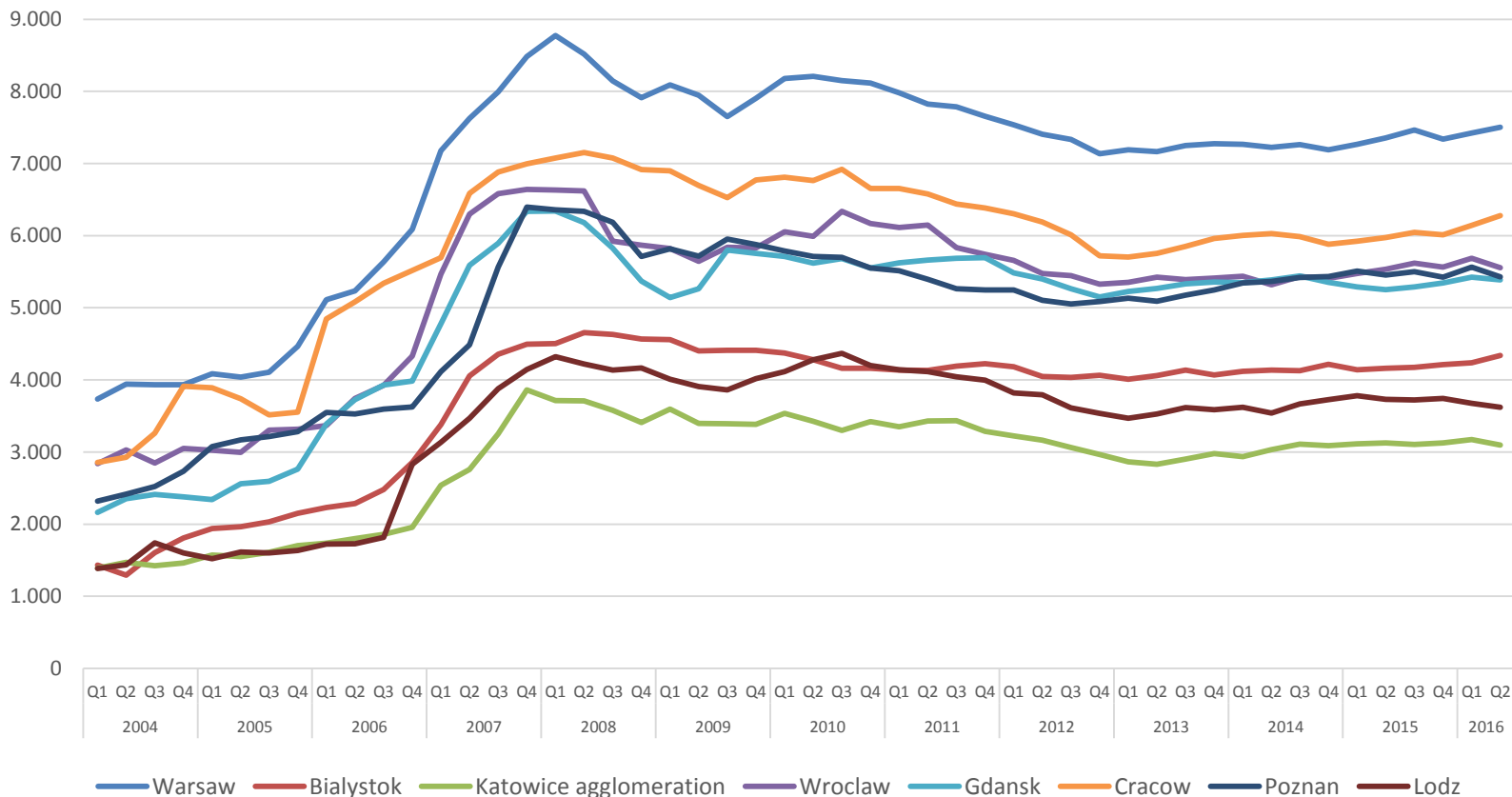


- overnight deposits
- deposits with agreed maturity of up and including two years
- other fixed-term deposits



ZWIĄZEK  
BANKÓW  
POLSKICH

## Prices of dwellings in major Polish cities (PLN per sq. m.)



Source: AMRON Centre



# National Housing Programme ('Flat Plus' Programme)

## First pillar : Apartments for rent constructed on the State land:

- Dedicated to families who do not have credit worthiness to get a mortgage and their incomes are sufficient to pay the market rent;
- Assumed rental fee: PLN 10-20 per sq. m. per month (construction cost) + building operation costs
- 'The ownership path' as a possible option (rental fee higher by 20%);
- Construction projects financed by selling the land from the 'land bank' (the State Treasury, local government units and private entities land transferred in exchange for the investment certificates enabling to participate in the National Housing Fund profits);
- Start of construction projects: first half of 2018



# National Housing Programme ('Flat Plus' Programme)

## Second pillar: State's support for the social rental housing:

- Programme supporting construction of housing with low or moderate rent, used in the formula of social rental housing;
- Programme intended for people whose income is too high to get a house from the municipality and too low to purchase or rent an apartment on the market;
- Local governments allowed to apply for funding in the amount of 35-55% of the project construction costs;
- Local governments, municipal companies and social housing societies allowed to apply for preferential loans at Bank Gospodarstwa Krajowego
- Start of application process: year 2018



# National Housing Programme ('Flat Plus' Programme)

## Third pillar: State's support for saving for housing purposes:

- Savings collected on **Individual Housing Accounts (IKM)**, held by banks and credit unions;
- Tax exemptions (concerning interest accrued on deposited savings) and additional support in the form of State's bonuses are planned;
- Planned value of the support: approx. PLN 1 billion per year ;
- Implementation schedule: adoption of the draft law by the Council of Ministers in the second quarter of 2017, first saving accounts (IKM) in 2018.





ZWIĄZEK  
BANKÓW  
POLSKICH

# National Housing Programme ('Flat Plus' Programme)

## Savings collected on **Individual Housing Accounts (IKM)**

saving rules:

- minimum period of saving: 60 months,
- no limit on the length of saving period,
- one saving account (IKM) per one saver,
- maximum limit of savings entitling to tax exemption and maximum level of State bonus to be specified in the Act;



# Responsible Development Strategy (Capital Building Programme)

A comprehensive plan to create a voluntary capital saving system and long-term investment products in Poland

## 8 key pillars of the Programme:

1. Employee Capital Plans (PPK);
2. Individual Capital Plans (IPK) for microenterprises;
3. Polish Development Fund;
4. Central Electronic Registry of pension schemes;
5. Public Real Estate Funds ('Polish REITs');
6. Premium bonds and project bonds;
7. Lower taxes on income from long-term investments lasting more than 1 year;
8. Reconstruction model of the Open Pension Funds (OFE).



ZWIĄZEK  
BANKÓW  
POLSKICH

# Capital Building Programme

- Estimated total cost of PPK and IPK fiscal incentives: approx. PLN 2.2 billion (0.11 percent. of GDP) during the first two years and PLN 1.7 billion (0.08 percent) in the following years.
  
- **Capital Building Programme** expected results:
  - 5.5 million more participants of the third pillar pension system (assumptions: participation of 75% employees ),
  - more than PLN 12 billion new savings in the third pillar per year at an average premium of 4%,
  - more than PLN 120 billion (nearly 5 percent of GDP) inflow of the new funds to the Polish capital market after 10 years,



ZWIĄZEK  
BANKÓW  
POLSKICH

**Thank you for your attention**

**[jacek.furga@amron.pl](mailto:jacek.furga@amron.pl)**