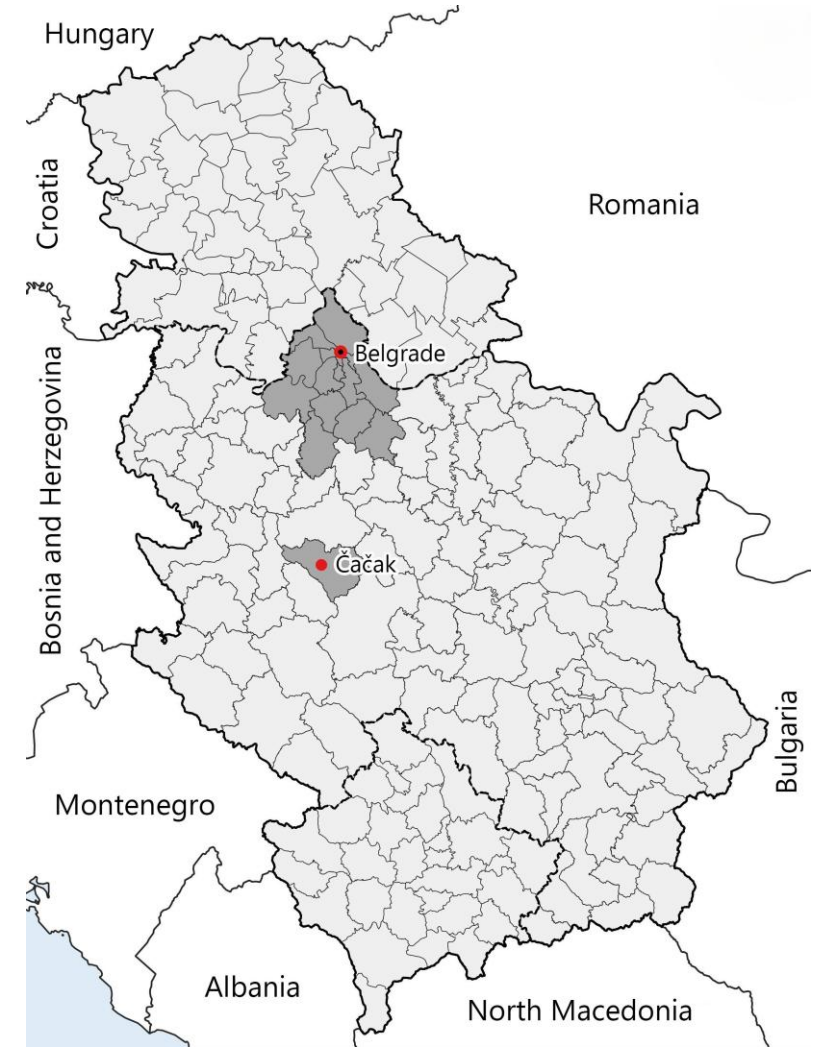


SOCIAL HOUSING PROJECT IN ČAČAK: CHALLENGES AND PERSPECTIVES

Brankica Jelić

Zlata Vuksanović-Macura

Stuttgart, May 2025



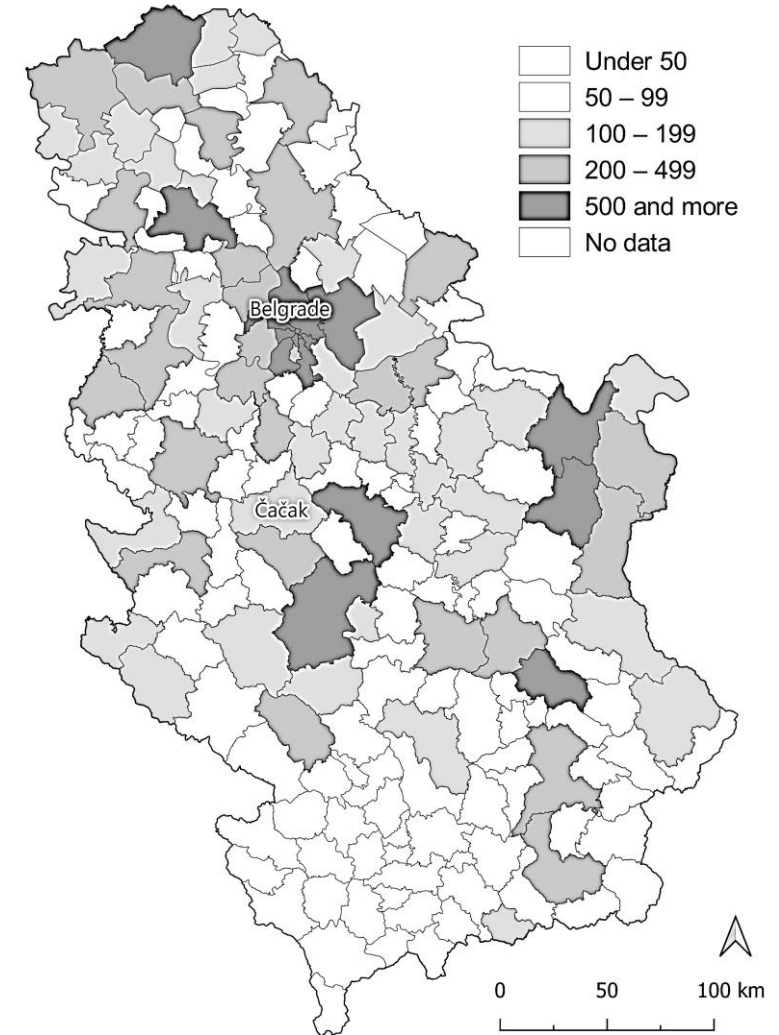
SOCIAL HOUSING IN THE SERBIAN CONTEXT

Zlata Vuksanović-Macura

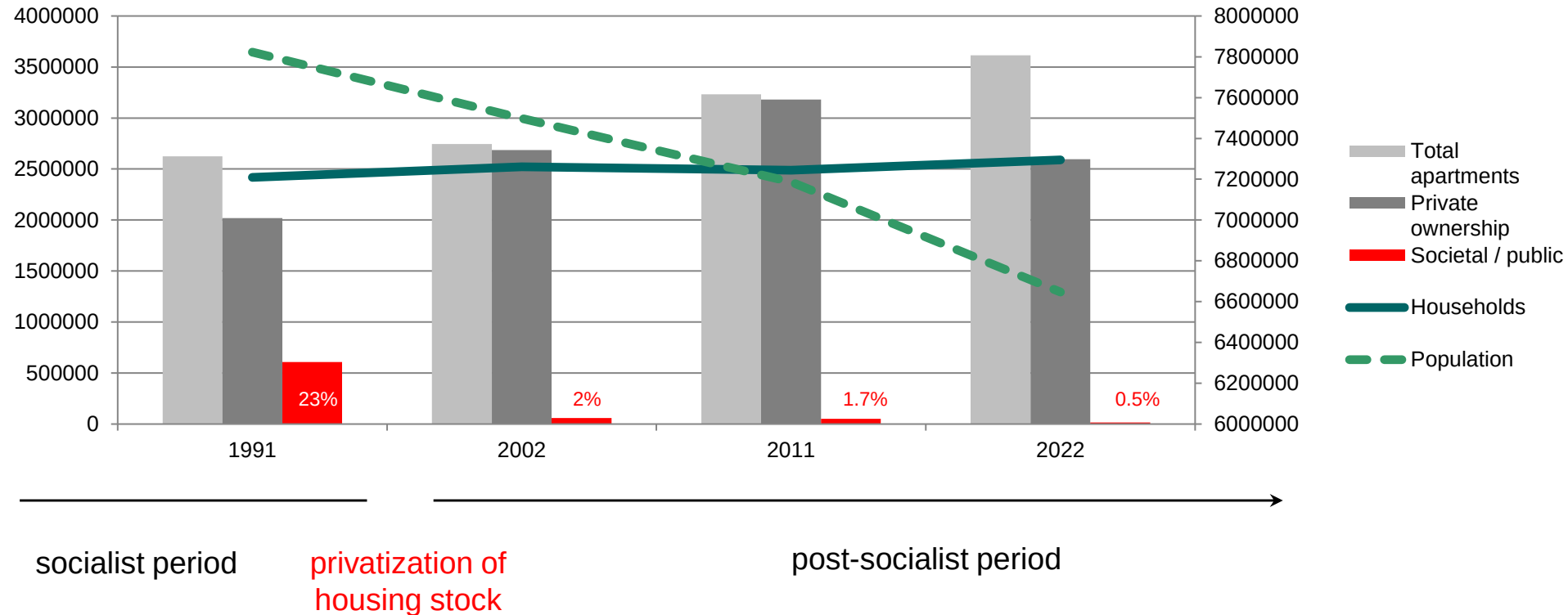
Geographical Institute “Jovan Cvijić” of the Serbian Academy of Sciences and Arts

Changes in Housing Politics

- Privatisation of housing stock in the 1990s
- Shift from housing as a societal good, a right, and an obligation of society to a market-oriented private matter.
- Rapid decline in the share of apartments in public ownership - from 23% to 0.5% - between 1991 and 2022, respectively
- Owner-occupied housing dominates
- A long-term national housing policy has not been established yet
- Low institutional capacities
- Housing issues remain low on the political agenda.



Serbia: Housing Stock and Demographics



Social Housing Concept and Practice

- Introduced as a new concept in the early 2000s
- Social housing is defined as “any form of housing support to persons who are unable to fulfil the housing need for themselves and their household under the market conditions with their own funds due to social, economic and other reasons”.
- In legislation, social housing follows a universalist model, open to a broad cross-section of the population.
- In practice - targeted model - allocation is focused on low-income, vulnerable populations and key workers.
- Social housing provision is based on housing programs/projects.





SOCIAL HOUSING PROJECT IN ČAČAK: CHALLENGES AND PERSPECTIVES

Brankica Jelić and Dejan Živković



CITY OF ČAČAK

The City of Čačak is the administrative, economic, and cultural center of the Moravica District, located in central Serbia, approximately 144 km southwest of the capital city of Belgrade.

According to the 2022 census, the City of Čačak has approximately 69,600 inhabitants, while the entire administrative area has about 105,600 inhabitants.

Today known as Čačak, the city was formerly called Gradac. The name Čačak was first recorded in 1408.



The "City Housing Agency" Čačak (hereinafter referred to as the "Agency") was established by a Decision of the Čačak Municipal Assembly in 2005, in accordance with the Law on Public Agencies.

It was renamed the "City Housing Agency" Čačak in 2007, in accordance with the Law on the Territorial Organization of the Republic of Serbia, after the municipality of Čačak was granted city status.

THE "CITY HOUSING AGENCY" ČAČAK

SIRP

The SIRP project, referred to as the Settlement and Integration of Refugees Programme, was implemented with the technical support of UN-HABITAT and financed by the Government of Italy. The program was launched in 2005 to address the housing needs of refugees and other vulnerable groups in Serbia.

PROJECT

The project was part of a broader effort to improve living conditions and integrate refugees into society by providing safe and adequate housing.

SIRP PROGRAM IN ČAČAK

SETTLEMENT AND INTEGRATION OF REFUGEES PROGRAMME

GENERAL INFORMATION

Total number of housing units built: 76 apartments

Beneficiaries:

- 61 apartments for refugees
- 15 apartments for socially vulnerable local citizens

LOCATION AND FACILITIES

Neighborhood:
Košutnjak, Čačak

Apartment types:
Studios, one-bedroom,
and two-bedroom
apartments

Building type:
Multi-story residential
building

PROGRAM GOALS

- Social integration through housing within the local community
- Support for vulnerable local families

SIRP PROGRAM IN ČAČAK

SETTLEMENT AND INTEGRATION OF REFUGEES PROGRAMME

FINANCING

Total project value:
Approximately €1,100,000

FINANCIERS:

- **Government of Italy** - main donor within the SIRP program
- **UN-HABITAT** - technical and organizational support

FINANCIERS:

- **City of Čačak** - co-financier; provided land, permits, and infrastructure
- **Commissariat for Refugees and Migration of the Republic of Serbia** - beneficiary management

MOVE-IN AND USAGE

- Move-in date: April 2008
- Housing arrangement: Fixed-term lease agreements for a period of 3 years, with the possibility of contract renewal

CHALLENGES IN THE IMPLEMENTATION OF THE SIRP PROGRAM IN ČAČAK AFTER 2008

STATUS OF APARTMENTS AND TENANTS:

- Tenants of the SIRP program apartments (since 2008) were not granted the right to purchase their apartments.
- The apartments were allocated under the model of rental social housing (i.e., occupancy with an obligation to pay rent).
- A total of 76 apartments in 10 buildings were allocated: 61 to refugee households and 15 to local households.



CHALLENGES IN THE IMPLEMENTATION OF THE SIRP PROGRAM IN ČAČAK AFTER 2008

TENANTS' DISSATISFACTION

- Shortly after moving in, beneficiaries began expressing dissatisfaction because they were not granted the right to purchase their apartments.
- Requests to purchase the apartments became increasingly frequent and were submitted to state institutions, local authorities, ministries, and international organizations.
- A working group was established, comprising representatives of participating cities and municipalities, together with representatives of the beneficiaries.
- After nearly a year of negotiations and efforts to prepare amendments to the Law on Refugees that would address the beneficiaries' concerns, the proposed amendments were rejected by the legislative authorities. The working group was subsequently dissolved, further increasing dissatisfaction among beneficiaries.

CHALLENGES IN THE IMPLEMENTATION OF THE SIRP PROGRAM IN ČAČAK AFTER 2008

DEBT AND LEGAL CONSEQUENCES:

- Many beneficiaries failed to pay rent, resulting in substantial accumulated debt over the years.
- The City of Čačak initiated legal proceedings to recover outstanding rent payments.
- Although enforceable court judgments were issued in several cases, enforcement was often not possible due to:
 - institutional pressure on public authorities
 - political backlash
 - media coverage and NGO advocacy
 - the perception of these cases as socially sensitive

CHALLENGES IN THE IMPLEMENTATION OF THE SIRP PROGRAM IN ČAČAK AFTER 2008

BROADER CONTEXT

- This case highlights a legal gap that existed at the time of the project's implementation: the international agreement was not aligned with the national legal framework, which was adopted only later.
- It reveals a mismatch between beneficiaries' expectations and the programme's original purpose. The programme was designed to provide long-term rental housing under protected conditions, not home ownership, and therefore did not include the option to purchase the apartments.



RHP PROGRAM IN ČAČAK:

The Regional Housing Programme (RHP) is a joint initiative by Serbia, Bosnia and Herzegovina, Montenegro, and Croatia, launched with the support of international partners, with the goal of providing durable housing solutions for displaced persons.

As part of this program, the City of Čačak implemented construction and housing allocation projects for the most vulnerable categories of beneficiaries

In Čačak, apartments were allocated to beneficiaries from among the refugee and displaced populations from Bosnia and Herzegovina and Croatia, who met the criteria defined in a public call (25 apartments consisting of studios, one-bedroom, and two-bedroom units).

RHP PROGRAM IN ČAČAK:

MAIN CHALLENGES

01

Social Integration of Beneficiaries:

Mixed communities often include families from diverse backgrounds and lifestyles, which may lead to tension.

02

Building Maintenance:

New tenants are often not sufficiently informed about their responsibilities regarding the upkeep of common areas, which may result in rapid deterioration of the buildings.

03

Economic Sustainability of Beneficiaries

Some beneficiaries lack stable income, making utility and maintenance costs an additional burden.

04

Administrative Challenges:

Possible complaints about the apartment allocation process, demands for decision reviews, and legal disputes over apartment use.

RHP PROGRAM IN ČAČAK:

FUTURE SOLUTIONS

- **Post-Program Support for Beneficiaries**

Organizing workshops on proper apartment usage and maintenance, as well as skill-building sessions to strengthen beneficiaries' economic capacities.

- **Building Maintenance Fund**

Establishing a mandatory maintenance fund to finance essential repair works on the buildings.

- **Monitoring and Evaluation**

Regular monitoring of apartment conditions and beneficiaries' quality of life, with the ability to intervene promptly when needed.

ADVANTAGES OF THE RHP PROGRAM

COMPARED TO PREVIOUS HOUSING SUPPORT PROGRAMS

Compared with previous housing support initiatives, particularly the Settlement and Integration of Refugees Programme (SIRP), the Regional Housing Programme (RHP) has introduced several important improvements for beneficiaries.

ADVANTAGES OF THE RHP PROGRAM

COMPARED TO PREVIOUS HOUSING SUPPORT PROGRAMS

Unlike previous models, RHP is the only program fully implemented under the provisions of the Law on Refugees, providing beneficiaries with:

- Use of apartments during the first six months under extremely favorable rental conditions.
- Following that period, beneficiaries had the option to sign purchase agreements for the apartments, under the following conditions:
 - Repayment period of up to 25 years,
 - No interest charged on the remaining purchase amount,
 - Option to repay the remaining amount in full at any time without additional costs.
 - A mortgage on the purchased apartment was established in favor of the City of Čačak as collateral for repayment during the repayment period.

ADVANTAGES OF THE RHP PROGRAM

COMPARED TO PREVIOUS HOUSING SUPPORT PROGRAMS

This model significantly facilitated the housing process for refugees and displaced persons, ensuring them legal security, financial predictability, and a realistic opportunity for a permanent housing solution.

POTENTIAL FUTURE CHALLENGES

DURING THE REPAYMENT PERIOD AND PROPOSED SOLUTIONS

Although the conditions for purchasing apartments under the RHP in Čačak are highly favourable, several challenges may arise during the repayment period:

1. Risk of Default

- Given the repayment period of up to 25 years, some beneficiaries may face financial difficulties that affect their ability to meet their repayment obligations.
- In such cases, foreclosure and debt enforcement procedures may be initiated, creating additional challenges for both beneficiaries and the local administration.

2. Limited Legal and Financial Literacy

- Some beneficiaries may not fully understand the obligations arising from the purchase agreements, particularly those related to repayment schedules, deadlines, and early repayment options.
- This may lead to misunderstandings, missed payments, or other contractual issue

POTENTIAL FUTURE CHALLENGES

DURING THE REPAYMENT PERIOD AND PROPOSED SOLUTIONS

3. Maintenance of Apartments During the Repayment Period:

- As ownership is transferred only after the loan has been fully repaid, responsibility for the maintenance of common areas and shared building facilities may become unclear during the repayment period.

4. Strengthening Collective Building Maintenance:

- Establishing professional building management or strengthening homeowners' associations, with support from the local government, could help ensure that buildings are properly maintained during and after the repayment period.

5. Monitoring and Early Intervention:

- Establishing a system to monitor repayment performance and provide timely counselling or support at the first signs of financial difficulty could help prevent more serious consequences, including default and legal proceedings.

PROPOSED SOLUTIONS

TO POTENTIAL CHALLENGES

1. Establishing a System for Regular User Communication:

- Organize annual information sessions and send written notifications on the rights and responsibilities of beneficiaries.
- Introduce personalized advisory support (social workers, legal advisors)

2. Flexibility in Repayment Terms:

- Consider the option of repayment restructuring for users facing short-term financial difficulties (e.g., temporary reduction of monthly installments or extending the repayment period).

3. Encouraging Early Repayment:

Further promote the possibility of early repayment without interest or additional costs as the most beneficial long-term solution for beneficiaries.

PROPOSED SOLUTIONS

TO POTENTIAL CHALLENGES

4. Strengthening Building Maintenance Mechanisms:

- Establish professional building managers or tenant assemblies with city support to ensure buildings remain in good condition during and after the repayment period

5. Monitoring and Early Intervention:

- Create a system for monitoring repayment regularity and provide timely counseling to users at the first sign of difficulties, before serious consequences occur.

CONCLUSION

The Regional Housing Programme (RHP) in Čačak has demonstrated significant progress compared to previous housing support models, particularly through the implementation of the Law on Refugees, which allowed beneficiaries to use apartments under highly favorable conditions, purchase them without interest, and gain long-term housing security.

However, the allocation of apartments is not the end of the process—long-term success depends on the ability to anticipate and address challenges during the repayment period, such as the risk of non-repayment, maintenance of housing facilities, and social integration of beneficiaries.

The proposed action plan offers concrete measures to:

- Support beneficiaries in fulfilling their obligations,
- Strengthen legal security and user awareness,
- Preserve the functionality and value of apartments and shared spaces.

CONCLUSION

By implementing this plan, the City of Čačak can further improve the outcomes of the RHP program, ensuring sustainable, humane, and successful housing solutions for one of the most vulnerable population groups

NON-PROFIT HOUSING CONSTRUCTION PROGRAM

CITY OF ČAČAK

01

FOUNDATION

- National Housing Strategy (2012)
- Law on Social Housing (2009)

02

PROGRAM OBJECTIVE

- Construction of apartments for rent to socially vulnerable families

03

IMPLEMENTATION LOCATIONS

- Zrenjanin, Kikinda, Kragujevac, Kraljevo, Niš, Pančevo, Čačak

04

PROJECT IN ČAČAK

- Obrež neighborhood, cadastral municipality of Atenica
- 6 buildings, 24 apartments, total area of 1,664 m²

NON-PROFIT HOUSING CONSTRUCTION PROGRAM

CITY OF ČAČAK

05

FINANCING

- **RSD 47 million $\approx$ € 401.709**
funds provided by the Republic Housing Agency
- Total estimated project value in Čačak:
RSD 94 million $\approx$ € 803.419
- The remaining amount was covered by the budget of the City of Čačak

06

RESPONSIBILITIES OF THE CITY HOUSING AGENCY

- Land acquisition and provision of infrastructure
- Procurement of project documentation and permits
- Construction management and supervision

NON-PROFIT HOUSING CONSTRUCTION PROGRAM

CITY OF ČAČAK

07

RESULTS

- Construction completed ahead of schedule
- **Savings in public procurement:**
RSD 23,3 million ≈ € 199.145
(24.79% of the planned value)
- Final value of completed works:
RSD 70,7 million ≈ € 603.392

08

PRIORITY BENEFICIARIES

- Persons with disabilities
- Young married couples with multiple children
- Individuals over the age of 65
- Children without parental care
- Single parents

NON-PROFIT HOUSING CONSTRUCTION PROGRAM

CITY OF ČAČAK

09

ADDITIONAL WORKS

- Paving and installation of curbs on Dijana Budisavljević Street.
Value of works: approx RSD 2 million ≈ € 17.094
- Installation of public lighting system (2023.)



NON-PROFIT HOUSING CONSTRUCTION PROGRAM

PROSPECTS FOR BENEFICIARIES

Possibility of Apartment Purchase - Beneficiaries who have been living in the apartments for more than 10 years could, if legally permitted, gain the right to purchase their apartments under favorable conditions (such practices have already been implemented in some municipalities)

Increased Housing Security – Long-term residence strengthens the right to lease renewal, which further stabilizes the beneficiaries' living conditions

Potential for Investment in Renovation – Long-term tenants may, with the city's approval, invest in apartment upgrades (e.g., modernization, energy efficiency improvements)

Community Integration – Well-developed local infrastructure (schools, kindergartens, public transport) makes the neighborhood attractive for long-term living

Property Value Appreciation – Since the area is a well-planned neighborhood with quality infrastructure, the market value of the apartments may increase, providing beneficiaries with an added perspective in the event of a purchase

HOUSING SUPPORT PROJECT FOR VULNERABLE GROUPS WITH EU AND UNOPS SUPPORT

- Project funded by: UNOPS
- Partners: City of Čačak, City Housing Agency, Čačak Center for Social Work, “Zračak” Čačak, Initiative for Development and Cooperation Belgrade
- Implementation period: 2021–2023
- Total project value: USD 1,314,322.60

PROJECT GOALS

- Improve housing conditions for the most vulnerable groups
- Support economic empowerment through training and donations
- Integrate beneficiaries into the local community

HOUSING SUPPORT PROJECT FOR VULNERABLE GROUPS WITH EU AND UNOPS SUPPORT

TARGET GRUPS

- Women – survivors of domestic violence
- Children from foster families
- Members of the Roma community
- Persons with developmental disabilities

KEY ACTIVITIES

- Construction of 2 residential buildings (12 apartments)
- Purchase of houses for Roma families
- Purchase of construction materials
- Requalification and upskilling programs, and support for self-employment

RESULTS

- 44 families received housing solutions
- Economic empowerment programs implemented
- Formation of new social networks within the community
- Increased independence of beneficiaries

HOUSING SUPPORT PROJECT FOR VULNERABLE GROUPS WITH EU AND UNOPS SUPPORT

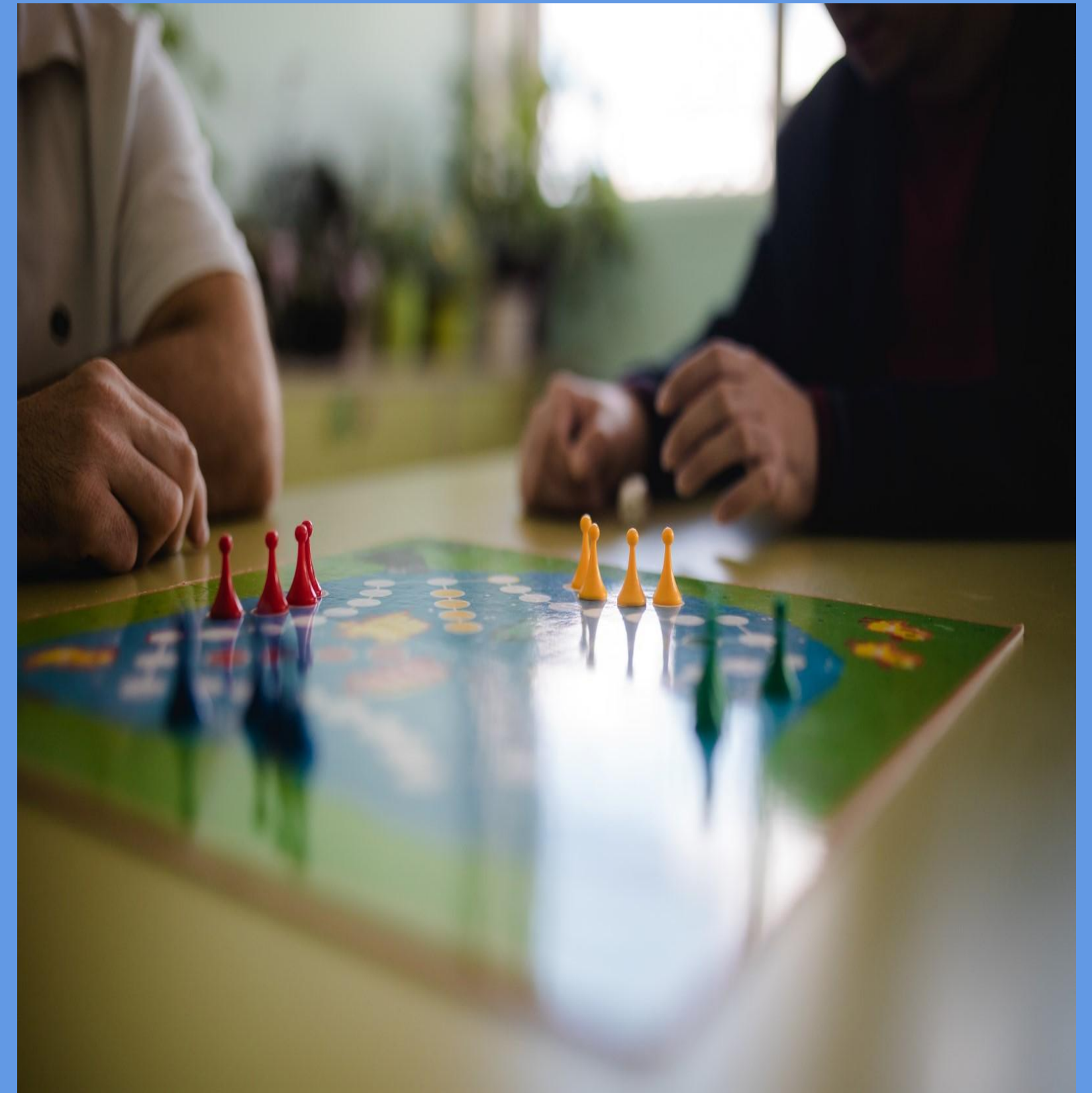
PROJECT BENEFITS

- Systemic approach to solving housing problems
- Infrastructure-ready location (Obrež)
- Improved economic and social inclusion
- Multisectoral cooperation (local government, NGOs, social institutions)

PROJECT LIMITATIONS

- Potential social isolation at the new location
- Limited number of beneficiaries compared to actual needs
- Sustainability of economic inclusion depends on continued support

HOUSING SUPPORT PROJECT FOR VULNERABLE GROUPS WITH EU AND UNOPS SUPPORT



HOUSING SUPPORT PROJECT FOR VULNERABLE GROUPS WITH EU AND UNOPS SUPPORT

FUTURE OUTLOOK FOR BENEFICIARIES

- Greater opportunities for employment and financial independence
- Stable housing environment enabling better quality of life
- Strengthening of social ties within the community
- Continued need for support through education, healthcare, and employment programs

CONCLUSION

This project represents an important step toward social justice and the inclusion of the most vulnerable groups.

While challenges remain, the project's success demonstrates that strategic collaboration and focused support are key to long-term improvements in the living conditions of these population groups.

MIKRONASELJE



PROJECT INFORMATION

- Location: Mikronaselje, Čačak

Type of Work: Building reconstruction, annex construction, and installation of bathrooms (replacement of external toilets)

- Number of Apartments: 20 (across two sections)

Beneficiaries:

- Members of the most vulnerable categories (users of the Center for Social Work and Public Kitchen)
- Persons without regular income, often dependent on collecting secondary raw materials

Funding: City of Čačak and UN-Habitat

Project Goals:

- Improving housing quality
- Enhancing hygiene and living conditions
- Promoting social inclusion of the most vulnerable citizens

MIKRONASELJE



MIKRONASELJE

PROJECT SHORTCOMINGS

- **Inadequate response to beneficiaries' social needs:**
While infrastructure improvements enhanced the technical housing conditions, they did not address the root issues of poverty and social exclusion.
- **Lack of support programs:**
The project did not include components for economic support, education, employment, or psychosocial assistance.

MANE PROJEKTA

- **Risk of rapid facility deterioration:**
Due to harsh living conditions and tenants' inability to maintain the property, there is a high risk of rapid physical degradation of the renovated spaces.
- **No systemic sustainability:**
Without additional social policy measures, beneficiaries remain trapped in the cycle of poverty, regardless of improved housing conditions.

MIKRONASELJE

PROJECT OUTLOOK

- **Need for a comprehensive approach:**
To provide long-term solutions, it is essential to develop additional social integration programs such as skill-building trainings, employment incentives, psychological support, and healthcare access.
- **Establishment of community support services:**
Organize joint workshops, psychosocial support sessions, and ongoing collaboration with the Center for Social Work and NGOs.

MANE PROJEKTA

- **Model expansion potential:**
If social programs are added alongside technical interventions, this model can serve as a best practice example for other vulnerable communities in Serbia.
- **Investment in maintenance:**
It is necessary to secure funding or mechanisms for regular building maintenance and to educate residents on property care in order to preserve the infrastructure long-term.

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