

The City of Poznań as a large academic hub has a considerable potential for attracting young people. Also, the level of unemployment is very low. Combining those two characteristics makes many young people want to stay and start a family here. A major obstacle that they encounter is the lack of affordable housing. Young people starting their adult life have relatively low income and work on civil law contracts which makes them ineligible for a loan. On the other hand, they are not interested in long-term financial obligations. Their main aim is to gain professional and economical stability and because of that they are willing to move in order to find a job. Long-term and stable tenancy agreement could be helpful to solve those problems. There have also appeared unfavourable demographic changes – suburbanization and population aging. The City of Poznań and its company Poznań Social Housing Association (PTBS) decided to introduce a housing programme “Apartment for graduate”. This initiative emerged in 2012/2013 and its aim was to create a competitive offer for people who fulfill the specified conditions. The idea of such a big, young-oriented investment has turned out to be path-breaking on the national level. It is also an impulse for the further creation of apartments for graduates.

A very important factor which contributed to the success of the programme was the choice of localization for the investment and the finances. PTBS at that time had already had experience in housing investments, possessed an appropriate real estate which is well communicated with the whole city and own financial funds combined with a loan. Apart from that PTBS was entitled to charge the participation fee. All those, combined with a small support from the City Hall, allowed PTBS to gather the full amount needed to close the investment. After having accepted the final regulations, the programme started.

What does the whole system look like? Tenants are chosen on the basis of applications. There are a few criteria that have to be met. Applicants have to be university graduates, graduate not earlier than 5 years from applying, not be older than 36 years, not own any other apartment in Poznań, work or run a business in Poznań and pay taxes there. Also there is an upper and a lower income limit. One person can rent the flat for the period of up to 10 years and after that they have to leave the apartment which will be granted to another tenant.

The whole venture functions on the basis of rental housing model, therefore a tenant has to cover the following costs:

- Repayable participation in the apartment development costs – up to 30% (for a single-room flat with surface area of about 38m<sup>2</sup> – about PLN 28,500; for a two-room flat with surface area of about 45m<sup>2</sup> – about PLN 34,000);
- Rent – up to 4% of the replacement value (for a single-room flat – about PLN 470 + utilities; for a two-room flat – about PLN 550 + utilities);
- Reimbursable deposit equal to 6 monthly rental fees (for a single-room flat – PLN 2,800; for a two-room flat – PLN 3,300).

Combination of affordable pricing and good conditions has resulted in a very high demand on the flats from the programme. The number of applications is very high and most of them moved to PTBS apartments. In the first recruitment there were 250 applicants and later about 130 more. The residential estate at Palacza Street embraces 4 residential buildings with 143 apartments, including 77 one-room and 66 two-room flats, and two underground garage areas.

The programme is very popular among young people and even now PTBS gets requests on the possibilities of renting a flat. The target group was defined correctly, however most of the tenants complained about high costs of participation and deposit. Most of them were

interested in renting a 2-room apartment. There were also people interested in 3-room apartments which at first were not provided in the buildings. Tenants are willing to enter into a permanent contract because they need more stability and have plans to start or expand their family. To address their needs a new programme will be set up – “Lease with ownership rights”. It allows to buy a flat in 5 to 25 years since joining by systematically repaying the price of the flat.

The programme, however successful, has turned out to have some disadvantages. It is crucial to specify the target group very carefully. In particular, their financial situation has to be taken into account. The biggest obstacle for young people who wanted to take part in the programme was the participation fee. It could be replaced by higher rent or balanced by lower standard. Also, during creating the project, apart from the majority of 2-room flats, some 3-room flat should be planned as well. Young people would also appreciate a wider offer including various localizations, various standard and rent or renting period. Another option, crucial for retaining youth in the city, is a possibility of purchasing the apartment.