# Rental Market Assessment Moldova

**Preliminary findings**

May 2023

Funded by the European Union

# Objective

This assessment aims to shed light on **rental market dynamics, rental housing costs, characteristics, availability and accessibility**, the **experiences of refugee households currently renting their home**, as well as the **market dynamics** of the rental markets of two urban and two semi-urban locations.

Findings are intended to **support the securing of stable, adequate and dignified housing** as a medium to long term accommodation solution for refugees in Moldova.

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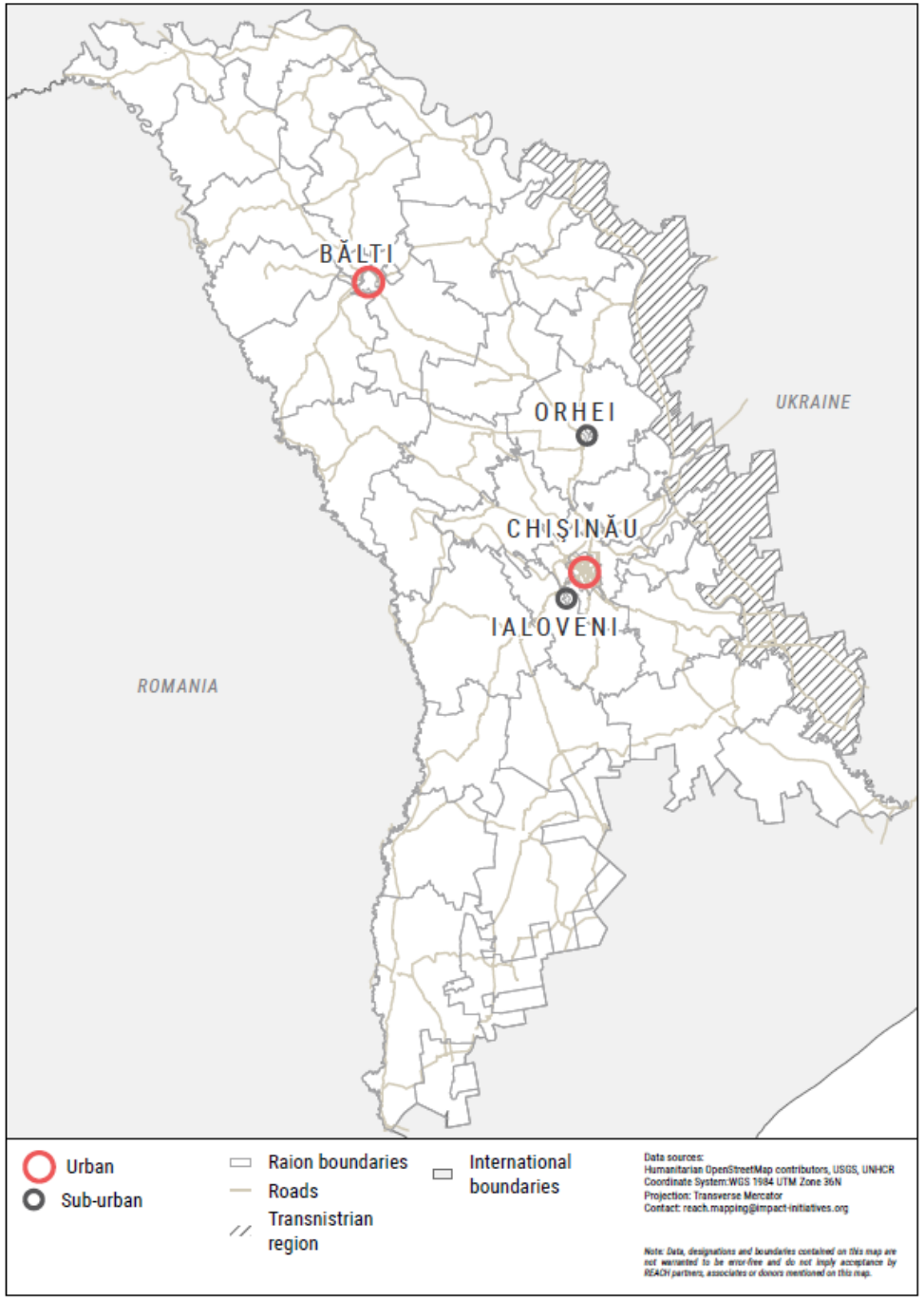
# 01

# Methodology

# Locations

Settlements with a higher known number of refugees were prioritised when selecting the two **semi-urban** (**Ialoveni and Orhei)** and two **urban** (**Chișinău and Bălți**) locations. For semi-urban settlements*, proximity to urban locations was also considered as they may be more feasible for rental assistance interventions.




*For semi-urban, the World Bank standard definition of 'semi-dense' settlements was used:

[How do we define cities, towns, and rural areas? (worldbank.org)]

# Methodology

## Quantitative

**Secondary data analysis**, including gathering data from of the most popular rental advertisement website (999.md)

Surveys with **refugee households** who are currently renting

Key informant interviews with **rental service providers** (both businesses and private individuals)

## Qualitative

Focus group discussions with refugees

Focus group discussions with host community members

Key informant interviews with rental market experts, authorities, and organisations working with refugees in the local context

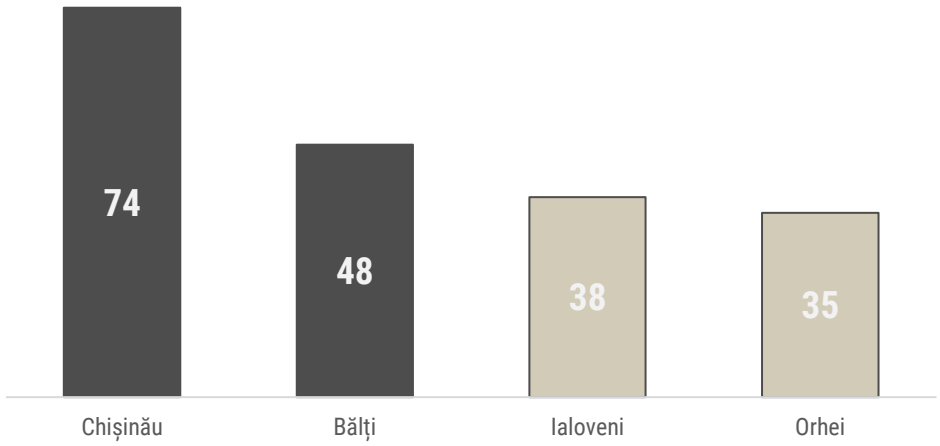
(Analysis of the qualitative components is ongoing and will be included in the final report and presentation)

Data collection took place from **21 March to 21 April 2023**

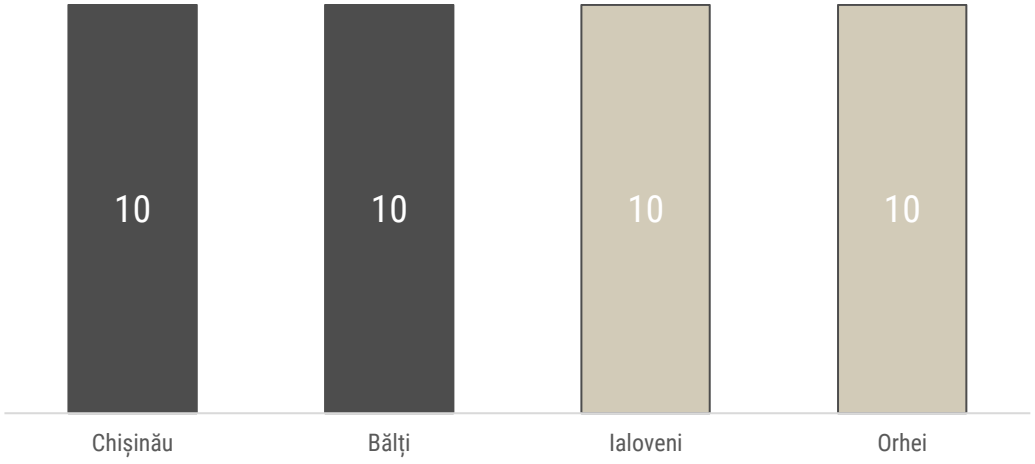
# Sampling

Sampling was purposive. Refugee tenant households were identified via both referrals from government representatives and by approaching respondents at aid distribution points. Rental service providers were identified via scouting the locations for rental agencies or via online message groups and rental advertisement channels.

## Total number of surveyed refugee households

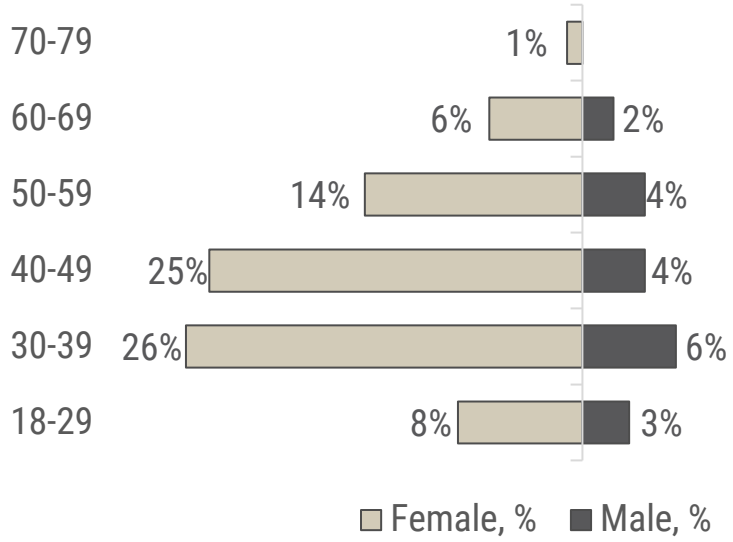



## Total number of interviewed rental service providers

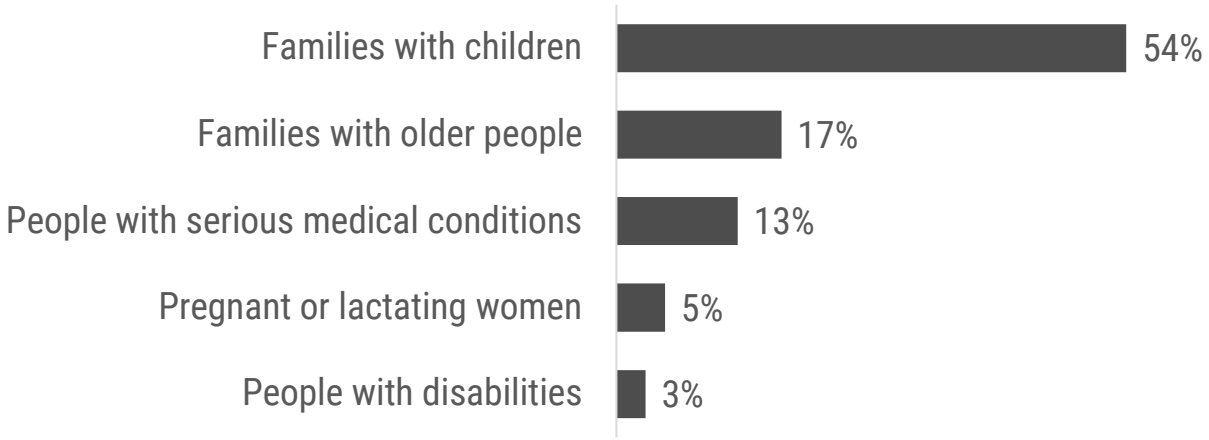


# Refugee household demographics

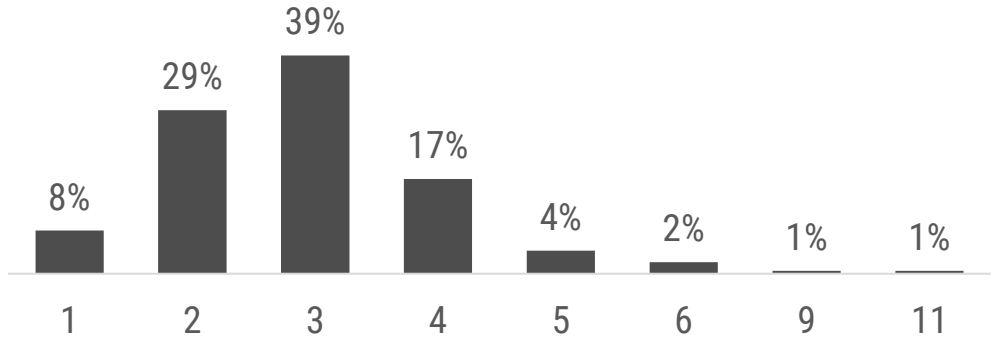
## Refugee respondents by age and sex



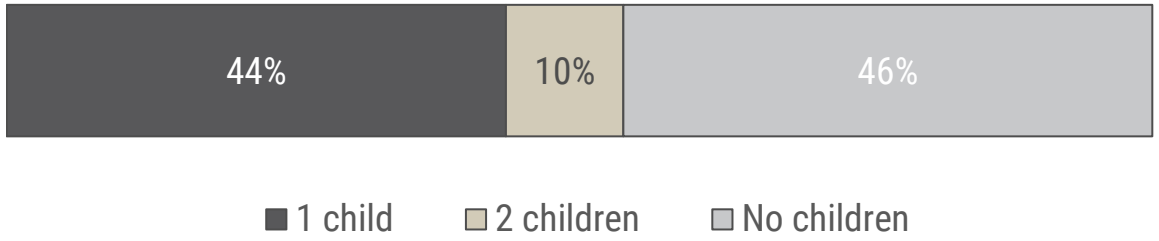

## Presence of vulnerable groups as reported by assessed refugee households



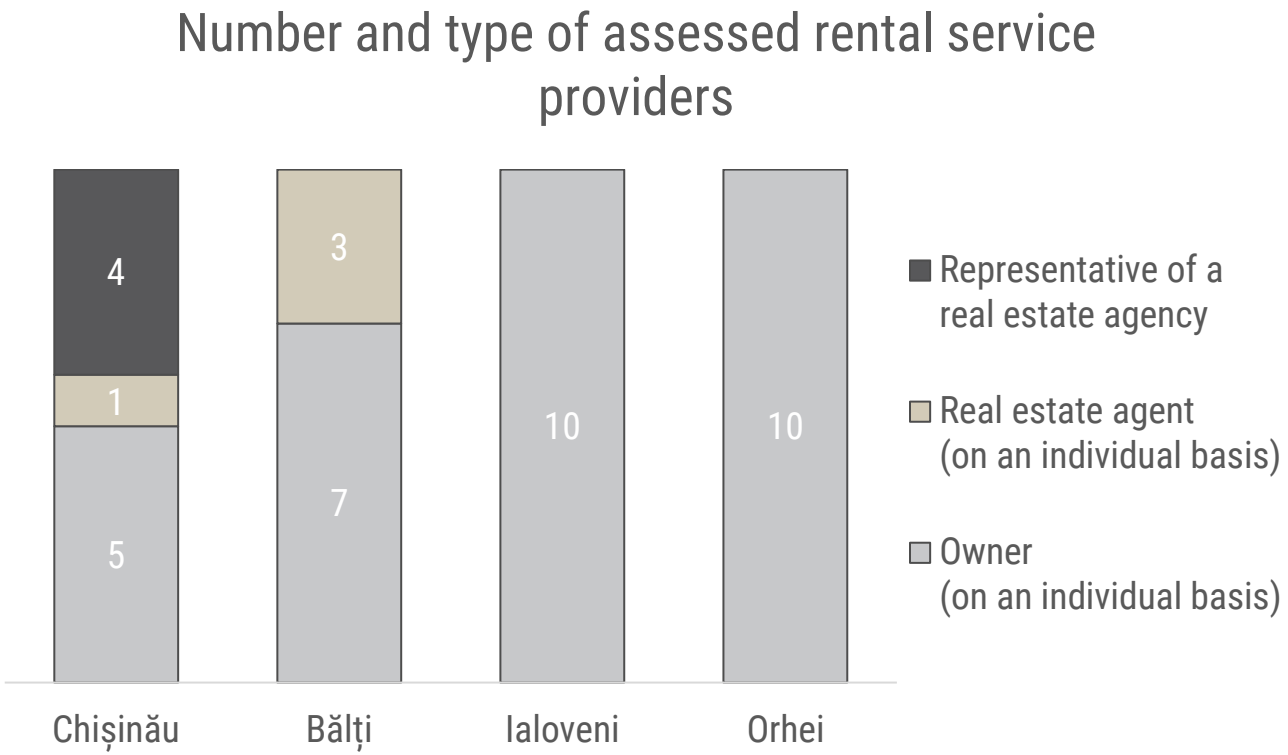

## Number of household members




## Number of children per surveyed refugee household



# Rental service provider profiles




Both individuals and businesses providing rental services were targeted in the sample for all locations. In Chișinău, it was possible to identify five businesses to interview alongside five private rental service providers. However, this was not feasible in the other locations due to an absence of real estate agencies offering rental services. Our sample is therefore mainly private individuals renting a property or room(s) in a property.

02

# Costs, characteristics and availability

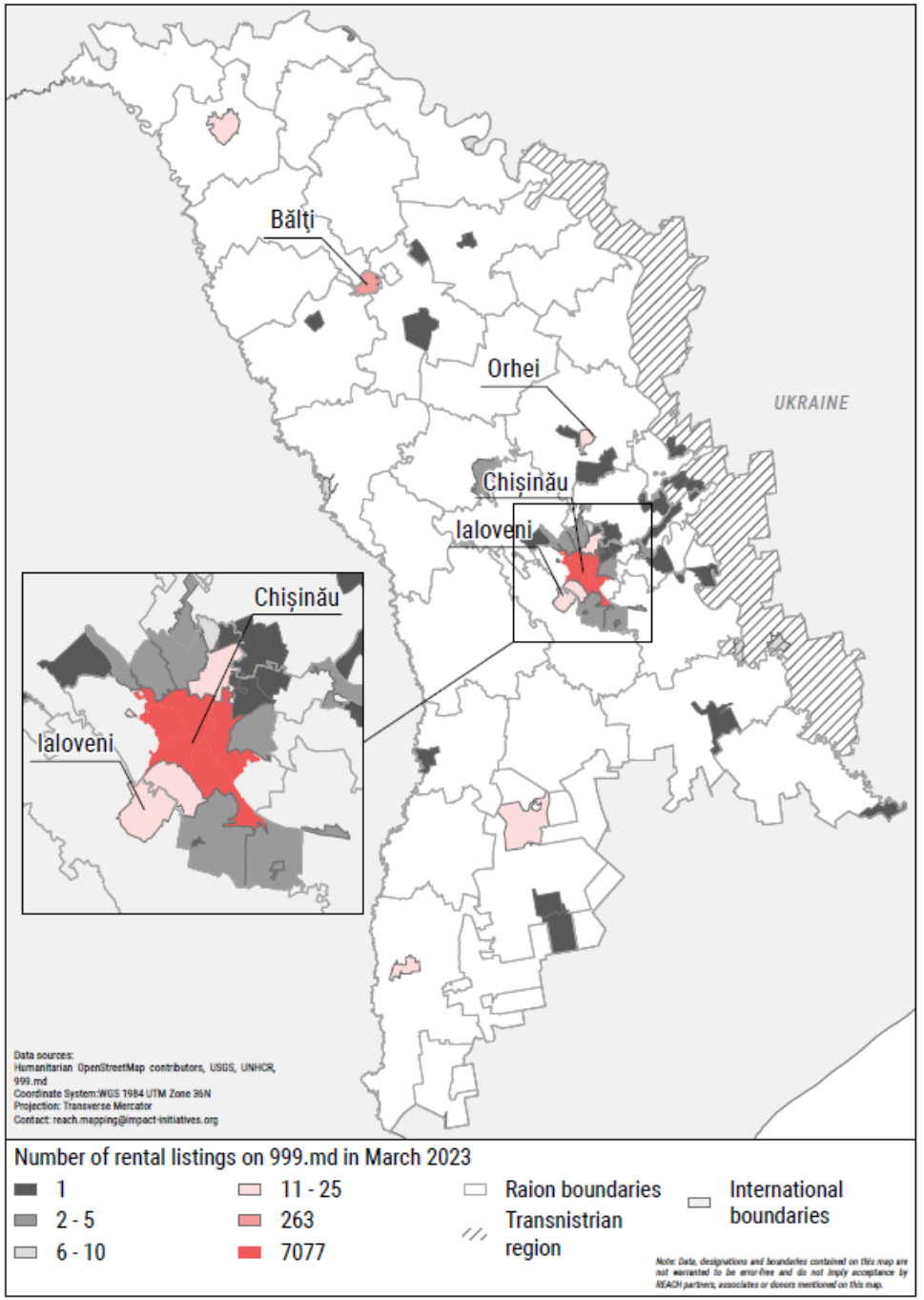
# Online rental advertisements on the 999.md website

The online advertisement platform https://999.md was identified during secondary data review as the most popular platform for advertising rental properties.

We are capturing these advertisements into a dataset, and the total number of listings by locality captured in March 2023 are visualised here.

While there were 7,077 listings in Chișinău and 263 in Bălți (after de-duplication and outlier removal), other localities had either just a few, or no listings at all.

The dataset is valuable in understanding rental property price and availability in the two largest cities, but its use in understanding how this differs geographically is limited.



# Monthly rent costs

Surveyed refugee households were overall paying considerably less than the national average advertised price for the same number of rooms. Given that most of the advertisements are for the capital city, this was to be expected.

***Note:*** *Our understanding of the 'number of rooms' is the number of liveable rooms overall, with the exception of toilets/bathrooms or utility rooms. It is unrelated to the number of bedrooms, which is not specified on 999.md, and not a common way to describe the size and capacity of accommodation in Moldova.*

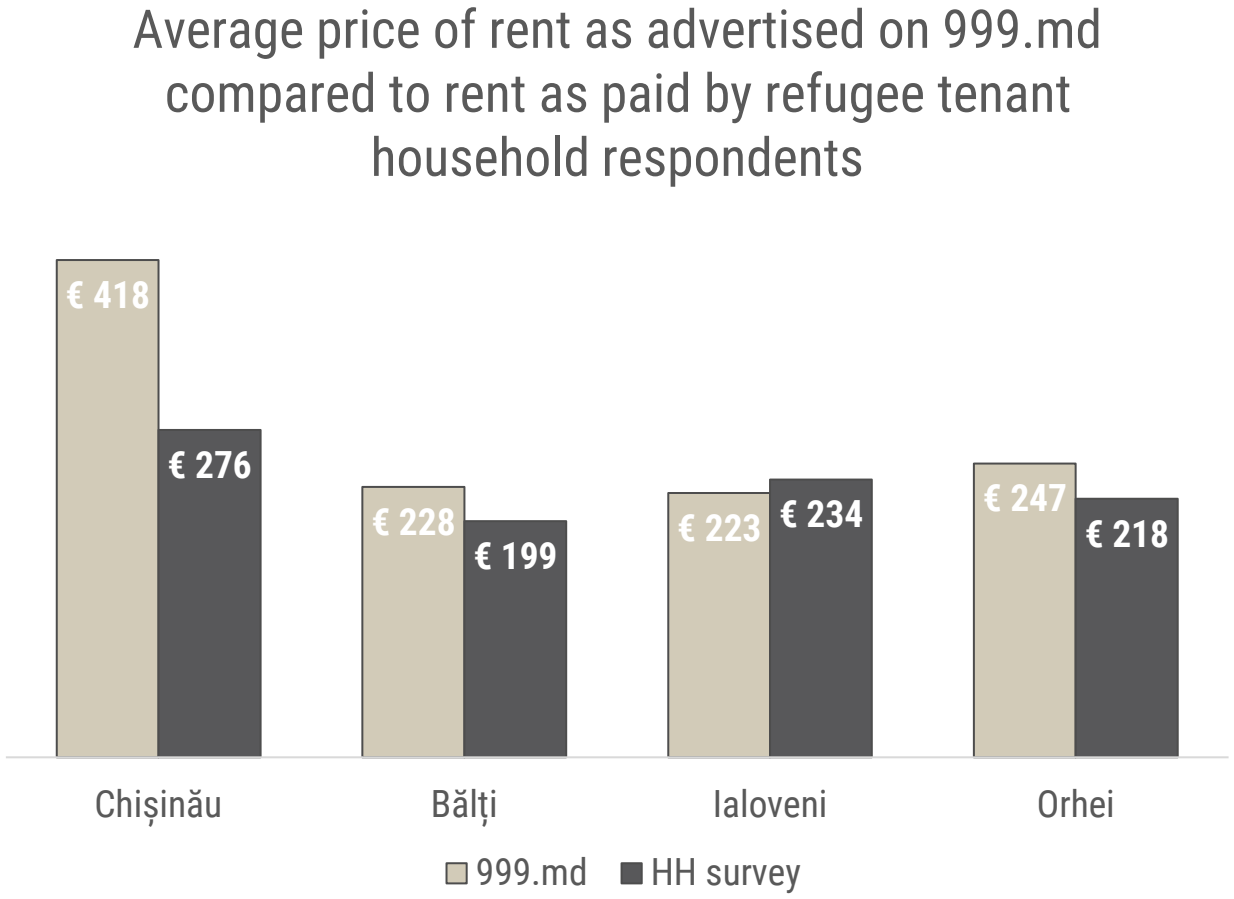
| Surveyed refugee households | One room | Two room | Three room | Four room |
|---|---|---|---|---|
| Average price (EUR) | €219 | €255 | €264 | €235 |
| # respondents | 45 | 90 | 16 | 16 |

*The average amount paid by all surveyed households who are not paying their rent partially or fully in-kind*

| 999.md | One room | Two room | Three room | Four room |
|---|---|---|---|---|
| Average price (EUR) | €350 | €437 | €488 | €581 |
| Average area (meters$^2$) | 43 | 62 | 81 | 110 |
| # advertisements | 2311 | 2715 | 896 | 78 |

*The national average monthly prices of rental apartment and house listings advertised on 999.md during March 2023. Most are in Chișinău.*

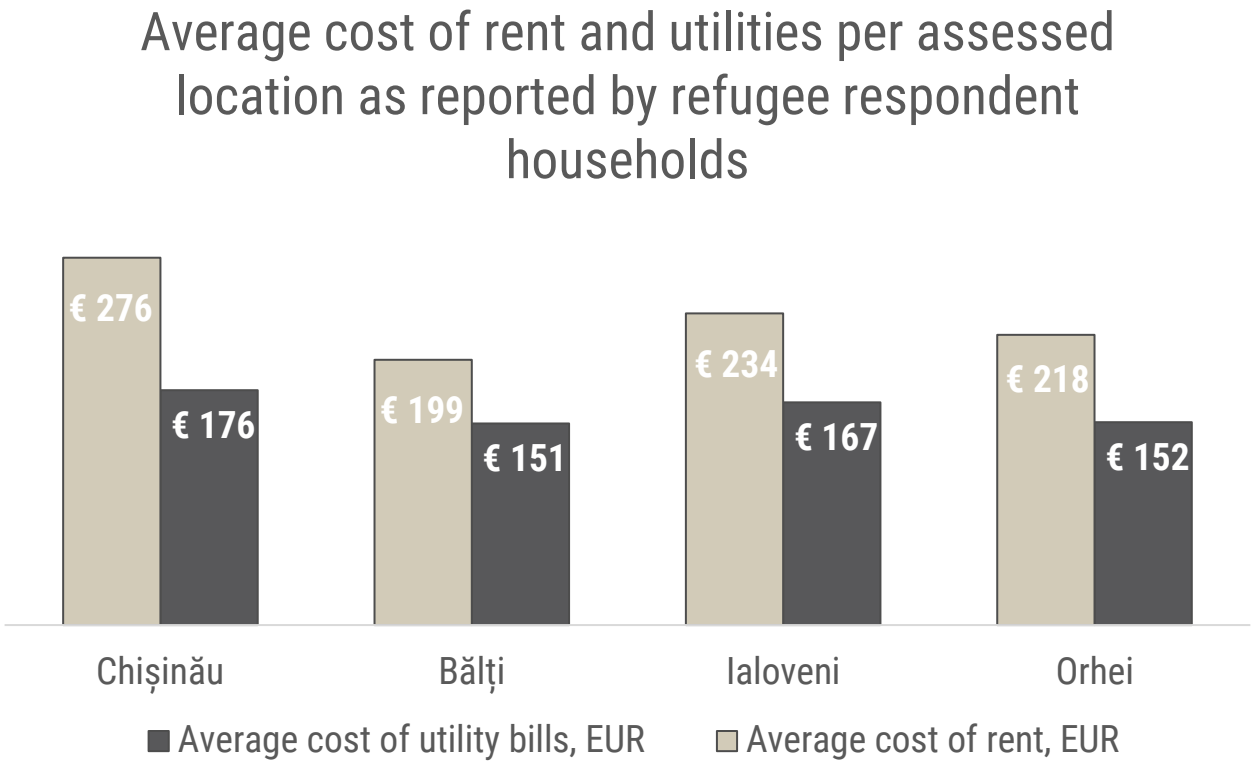
# Monthly rent costs




Refugee households reported paying a similar amount in rent to the average advertised costs in Bălți, Ialoveni and Orhei.

In Chișinău, the average amount paid by respondents was considerably less than the average advertised price. This may indicate that respondents were less willing or able to meet the higher cost of rental accommodation, but also demonstrates that there are lower cost options.

# Cost of rent and utilities by location




**€65**

Average cost of utilities per person in respondent households

-The amount paid for utilities is similar across assessed localities
-Does not take into consideration whether the utilities were partially covered by ongoing government energy subsidy programmes[1].

-For 94% of respondents, no utilities were included in their rental payments

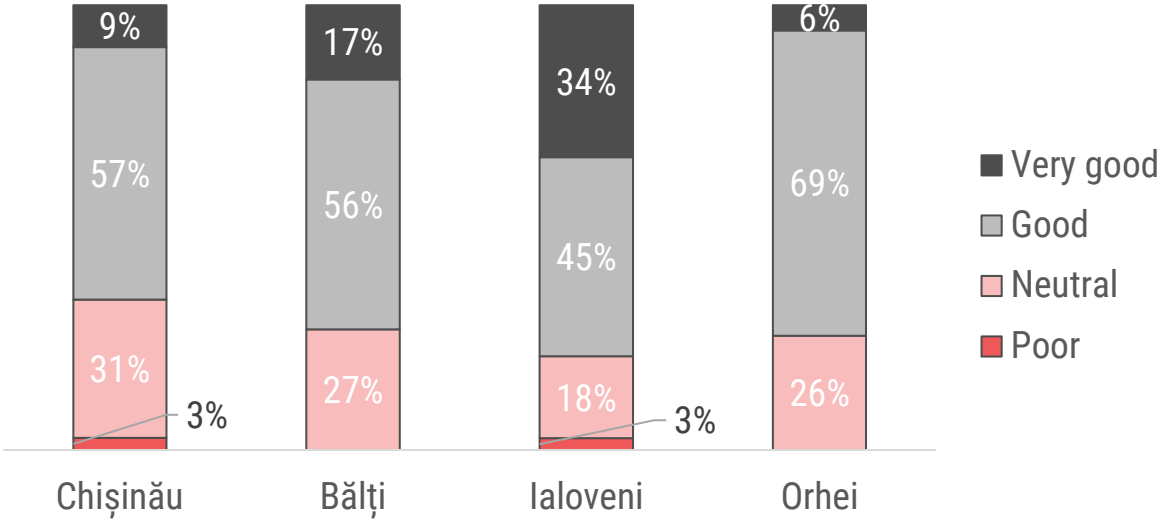
1. REACH Jan 2023, The impact of cost-of-living changes on Moldovan and refugee populations

# Characteristics

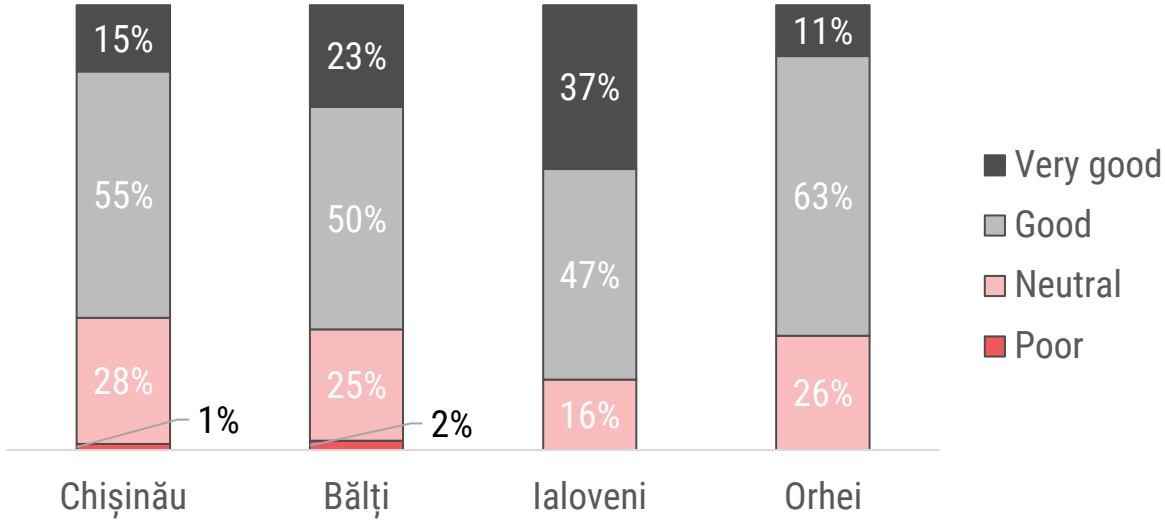
The conditions of the rental accommodations and of the bathrooms/toilets were, reportedly, mostly good or very good in all assessed locations. There were only very rare occurrences of conditions being described as poor, and none described conditions as very poor.

Surprisingly, the conditions reported by respondents in Chișinău do not vary considerably from respondents renting in other locations, despite on average paying less than the average advertised prices on 999.md.

Condition of rented accommodation
as reported by assessed households (n=195)




Condition of bathroom/toilet
as reported by assessed households (n=195)



# Availability

We can assess availability at this stage via three means:

## 999.md advertisements

The number of advertisement listings may indicate a minimum level of availability.

## Rental service provider interviews

Service providers were questioned about the general availability in their locality.

## Difficulties reported by refugee households

Difficulties in securing accommodation may identify if available rental accommodation is scarce.

# Availability: 999.md

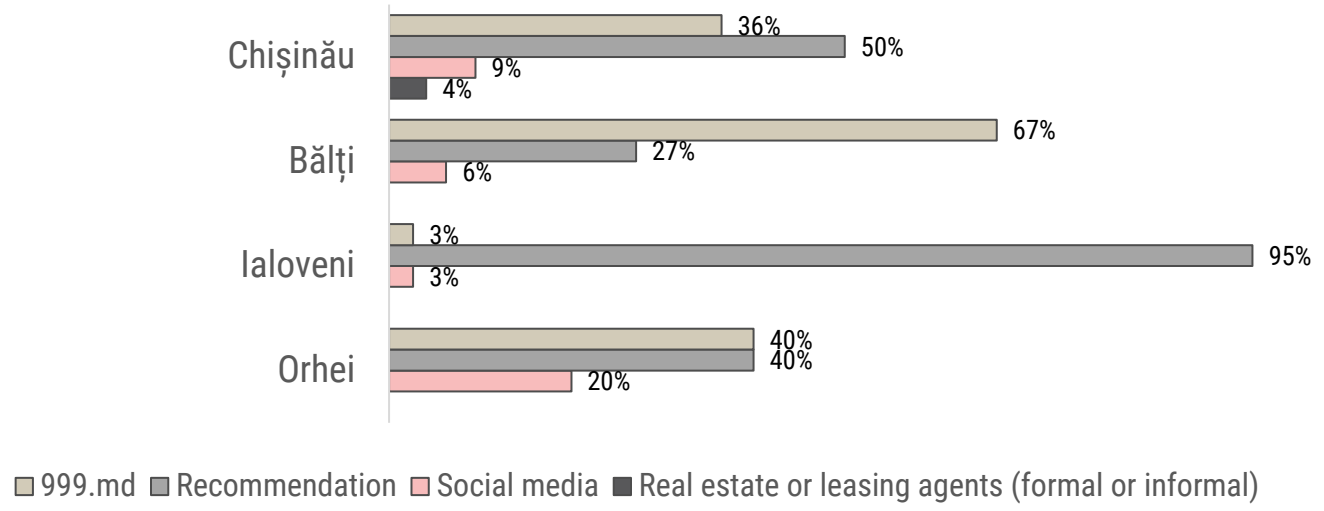
Although the number of rental advertisements on 999.md are low outside of Chișinău and Bălți, it was still frequently reported as a method by which accommodation was found by refugee households, and as a popular advertising channel for rental service providers.

Frequency of listings on 999.md may therefore also be a useful proxy indicator of the availability of rental accommodation in Moldova.

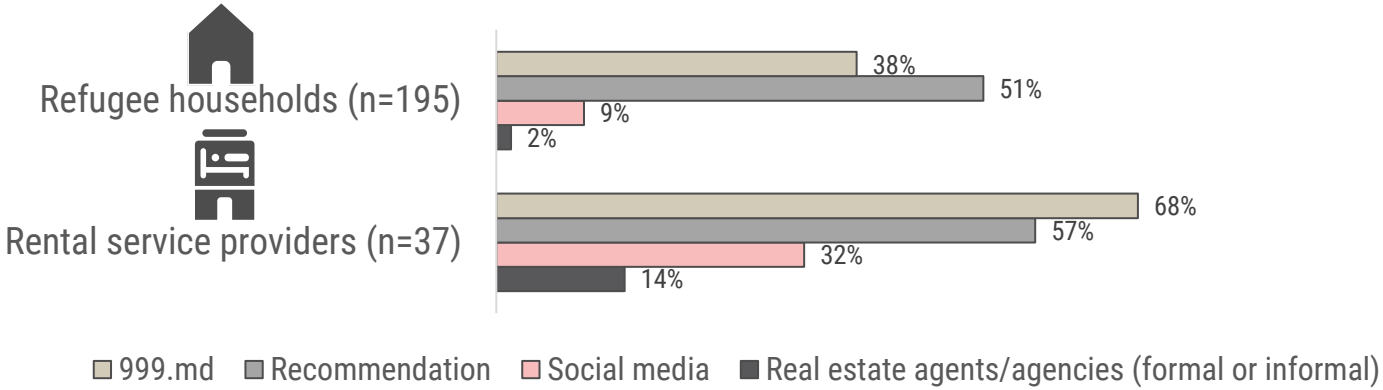
The geographical distribution of rental listings on 999.md may indicate that the rental markets in semi-urban and rural areas are relatively much smaller, and therefore, also have reduced availability .

However, the reported use of social media and word of mouth for finding and advertising accommodation, particularly in Ialoveni, demonstrates that 999.md alone does not give us a complete picture of availability.

## How did respondent households find their current rented accommodation? (n=195)*




## Reported channels for finding and advertising rentals*

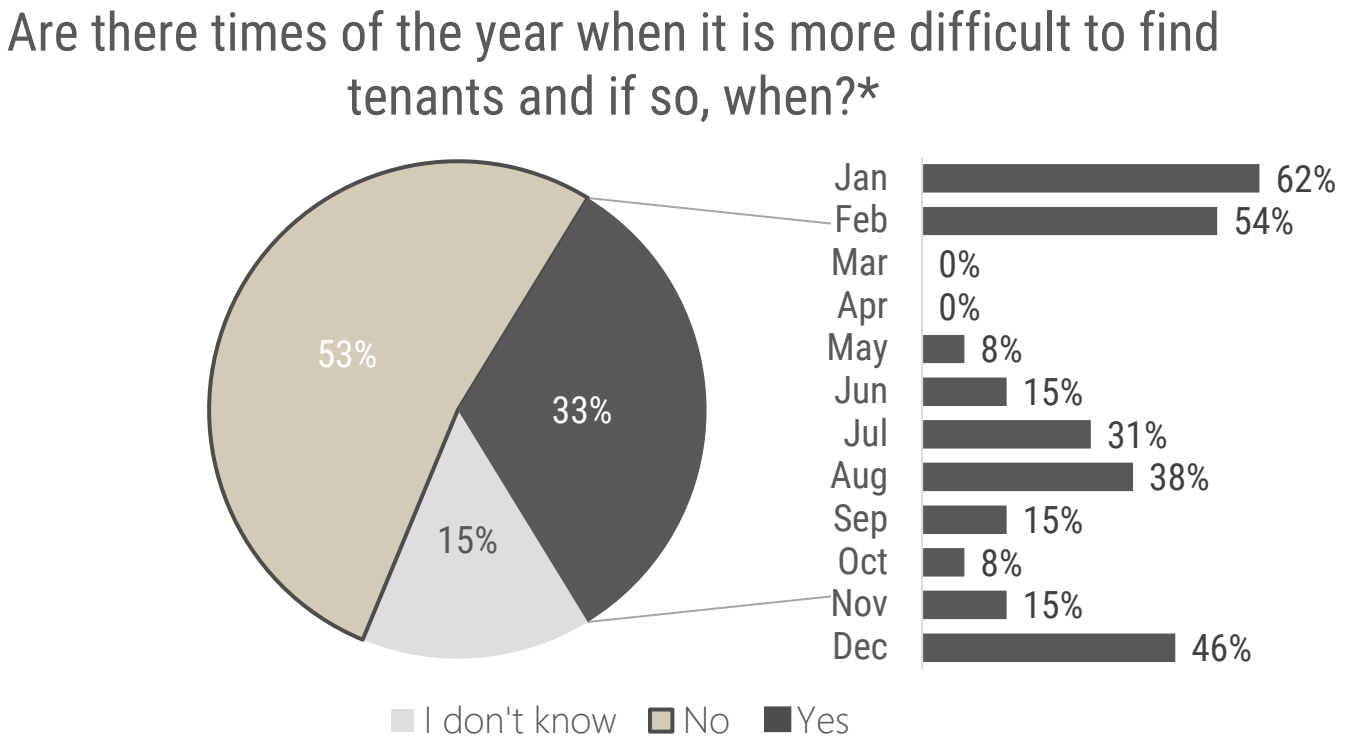



* The sum of individual proportions may not be 100% due to rounding error.

# Availability: Rental service providers

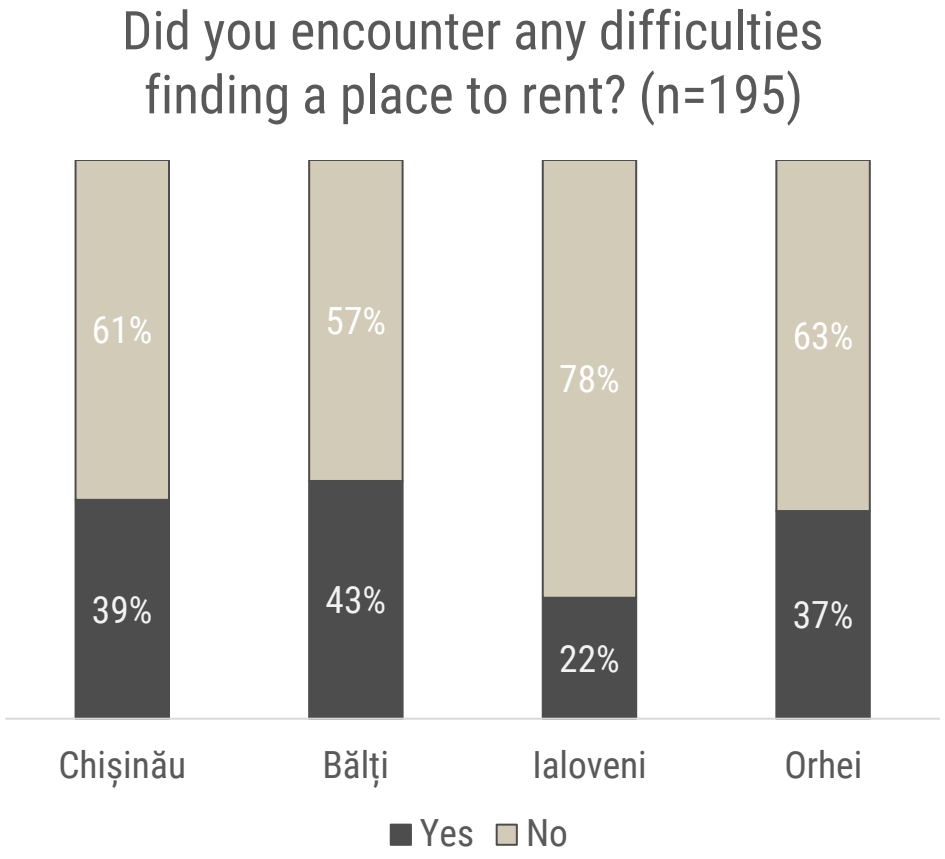
Interviewed rental service providers did not unanimously report on an overall undersupply or oversupply of available rental properties. Of the **eight** real estate agencies interviewed, **one** mentioned lack of supply as a challenge currently facing the rental market in their area, and **one** mentioned lack of demand.

**One third** of interviewed rental service providers report that there are **difficulties finding tenants in the winter and summer months**, indicating a seasonal increase in availability during these periods.




* This question was multiple choice, and therefore the sum of individual proportions may be over 100%.

# Availability: Difficulties faced




Scarcity of available accommodation was the most frequently reported difficulty among surveyed households who faced a difficulty (44%), although most reported no difficulty at all.

# Availability

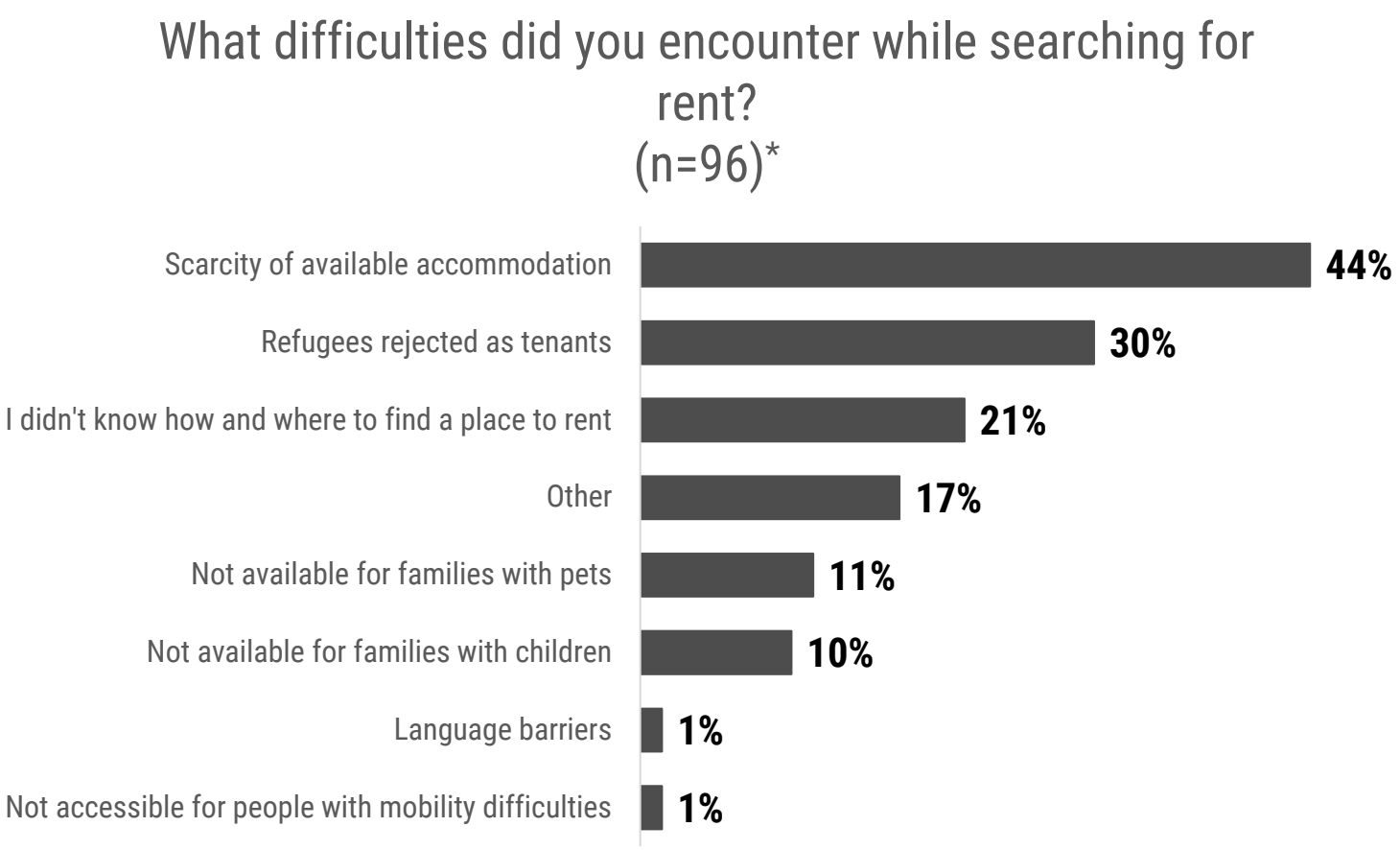
In general, finding accommodation was not a widely reported challenge faced by respondents, and the overall self-reported condition of accommodation found is mostly either good or very good. These findings suggest that **rental accommodation may be both available and adequate in general** in the four assessed locations, at the time of data collection.

The number of listings on 999.md can be useful for measuring a minimum level of availability and may serve as an indicator of overall availability, considering that it is frequently used to find and advertise rental accommodation. If so**, it appears that the sizes of rental markets outside of Chisinau and Balti may be very small in comparison** and would therefore be more sensitive to sudden increases in demand.

03

# Accessibility & adequacy

# Accessibility: difficulties faced




Beyond scarcity, other frequently reported encountered barriers include **refugees being rejected as tenants** and **not knowing how and where to find a place to rent**.

There is the issue of survivorship bias in our sample. Those unable to rent because of such difficulties were not included in our assessment.

A recent ACTED assessment[2] finds that the **price of rent being too expensive is a key reason for not renting**.

* This question was multiple choice, and therefore the sum of individual proportions may be over 100%.

2. ACTED, Providing a multi-sectoral humanitarian response to Ukrainian refugees and vulnerable Moldovan households in Moldova March 2023 vasilisa.forsgren@acted.org

# Accessibility: financial resources

Respondent households frequently reported a reliance on unsustainable sources of income to pay rent, including cash assistance, savings, and financial support from family and friends.

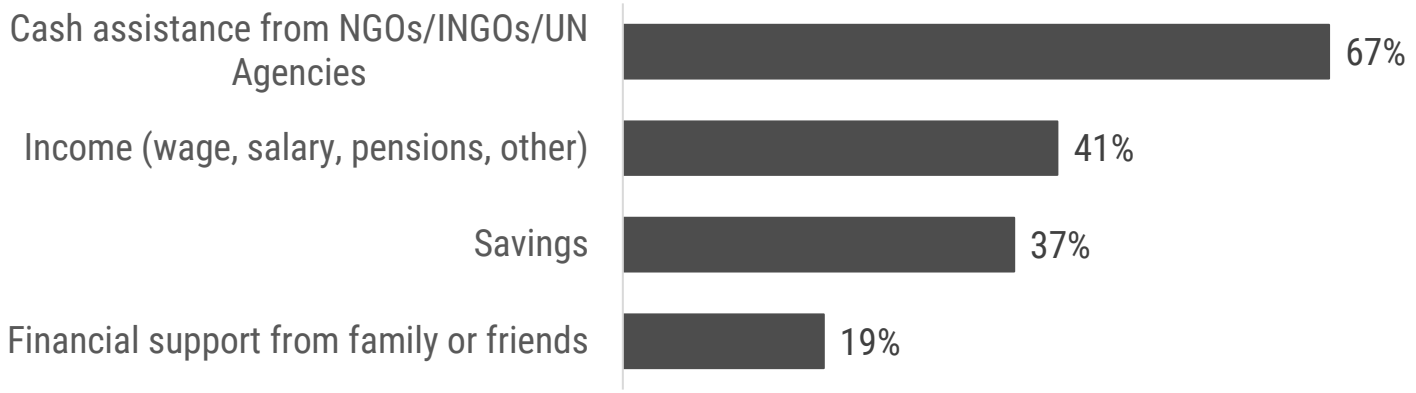
This may indicate that any future change in cash assistance is likely to affect:

- The level to which more unsustainable coping mechanisms are used.

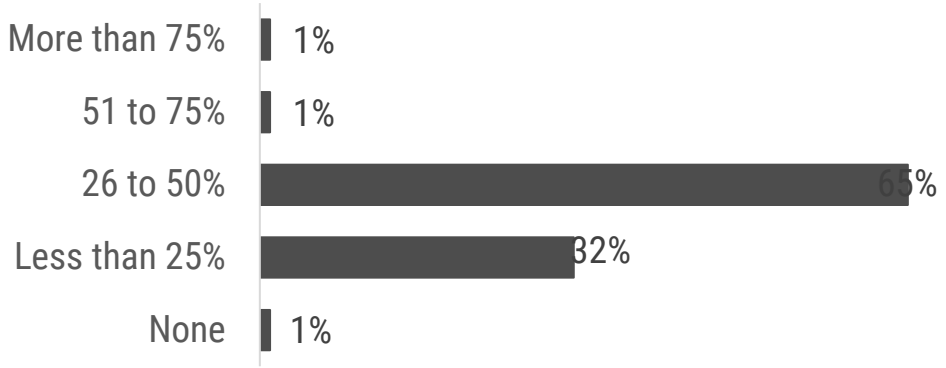
- The risk of evictions due to late or missed payments.

- The magnitude of the financial barriers to entering the rental market.

Financial resources relied on to make the latest rental payment as reported by surveyed households (n=194)*




Proportion of income used for rent for those earning wage, salary, pension or other (n=98)

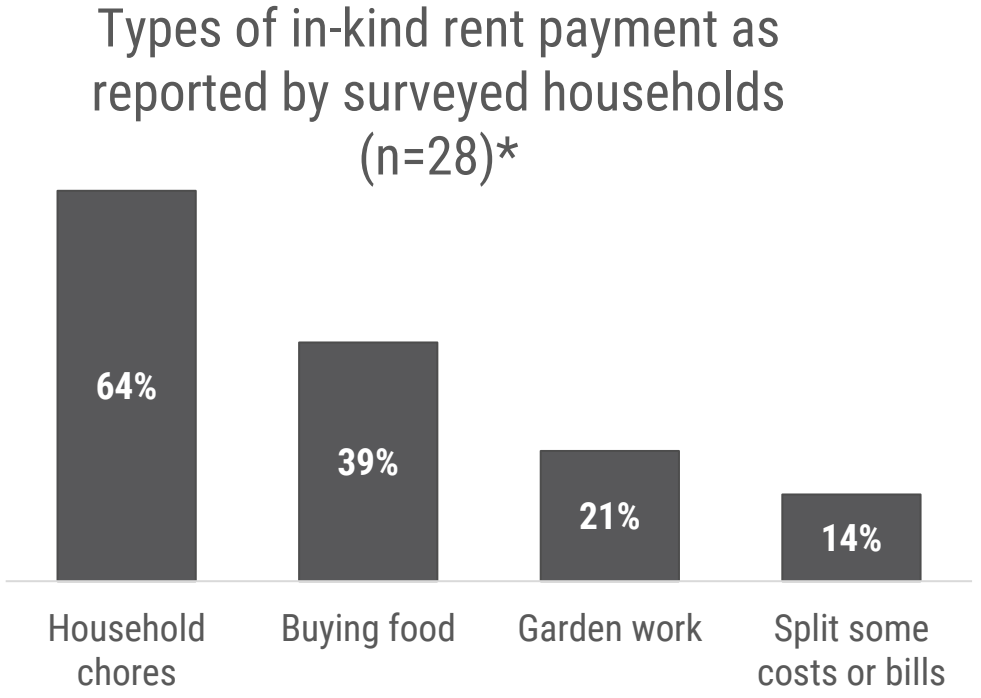



* This question was multiple choice, and therefore the sum of individual proportions may be over 100%.

# Accessibility: in-kind payments

**15%**

of respondents paid their rent fully or partially in-kind.




Another way in which the financial access barrier has been mitigated by respondents is via arrangements where rent is partially or fully paid in other ways than paying cash, such as household chores, buying food, and garden work.

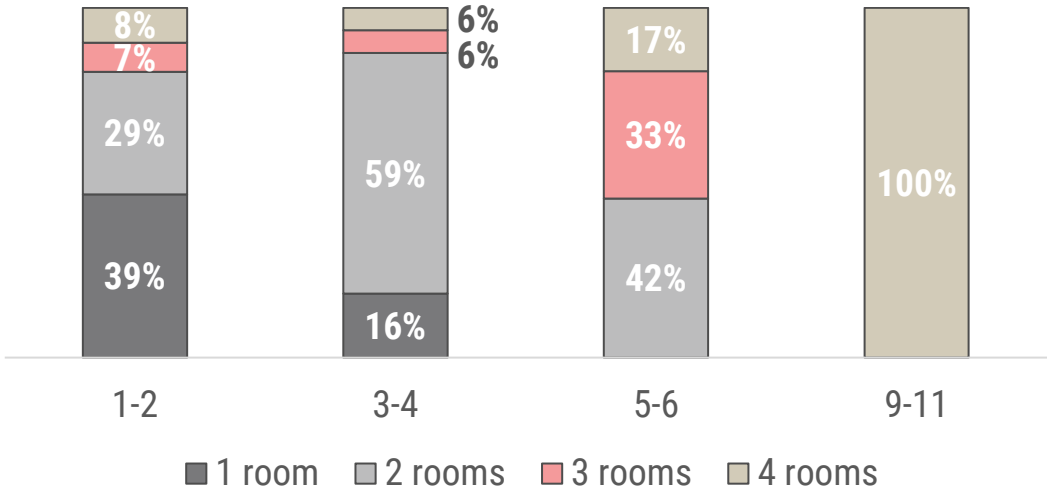
* This question was multiple choice, and therefore the sum of individual proportions may be over 100%.

04

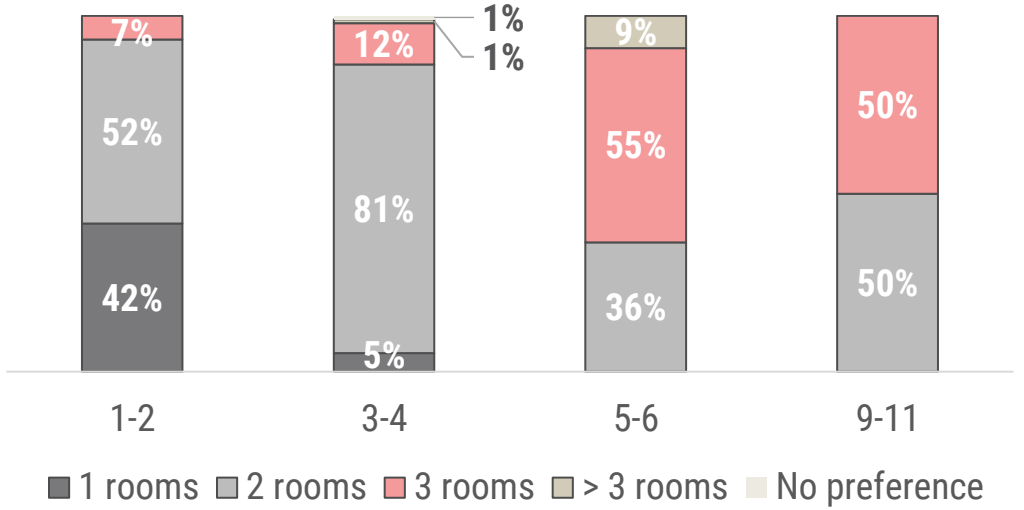
# Accommodation needs and priorities

# Number of rooms

Family size of surveyed households and the number of rooms of their current accommodation (n=195)




Family size of surveyed households and the number of rooms they would prefer (n=168)




Surveyed household sizes of one to two people were likely to be in a one or two room and preferred to be in a one or two room accommodation.

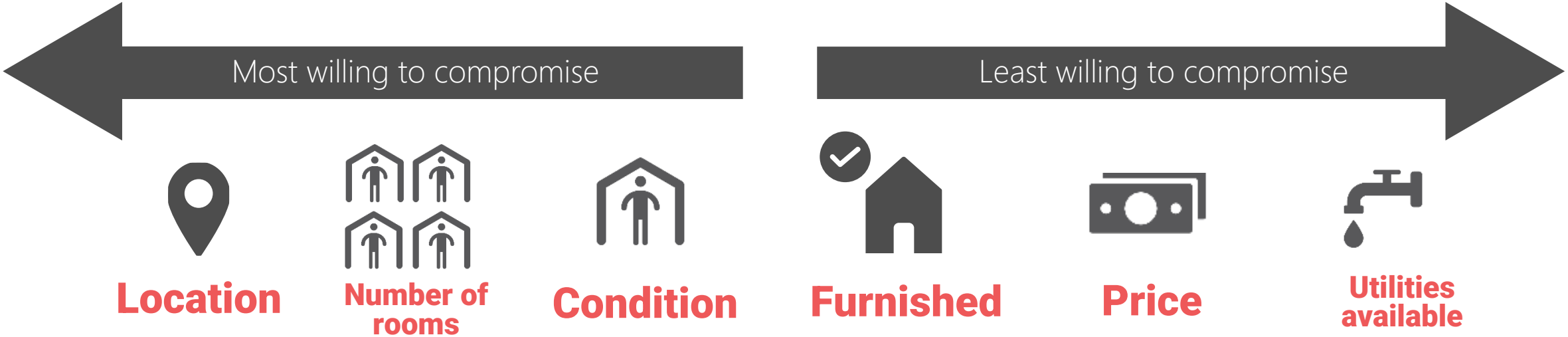
Surveyed household sizes of three to four more frequently lived in two rooms and preferred two rooms.

Surveyed household sizes above four people were infrequent (8%), and were living in two, three or four room apartments.

# Accommodation characteristics

Respondents were asked which characteristics were important to their household when searching for accommodation. Of the options they selected, they were asked which they would be willing to compromise on, if any.

Here are the six most important characteristics reported when surveyed households are searching for accommodation, from most to least willing to compromise



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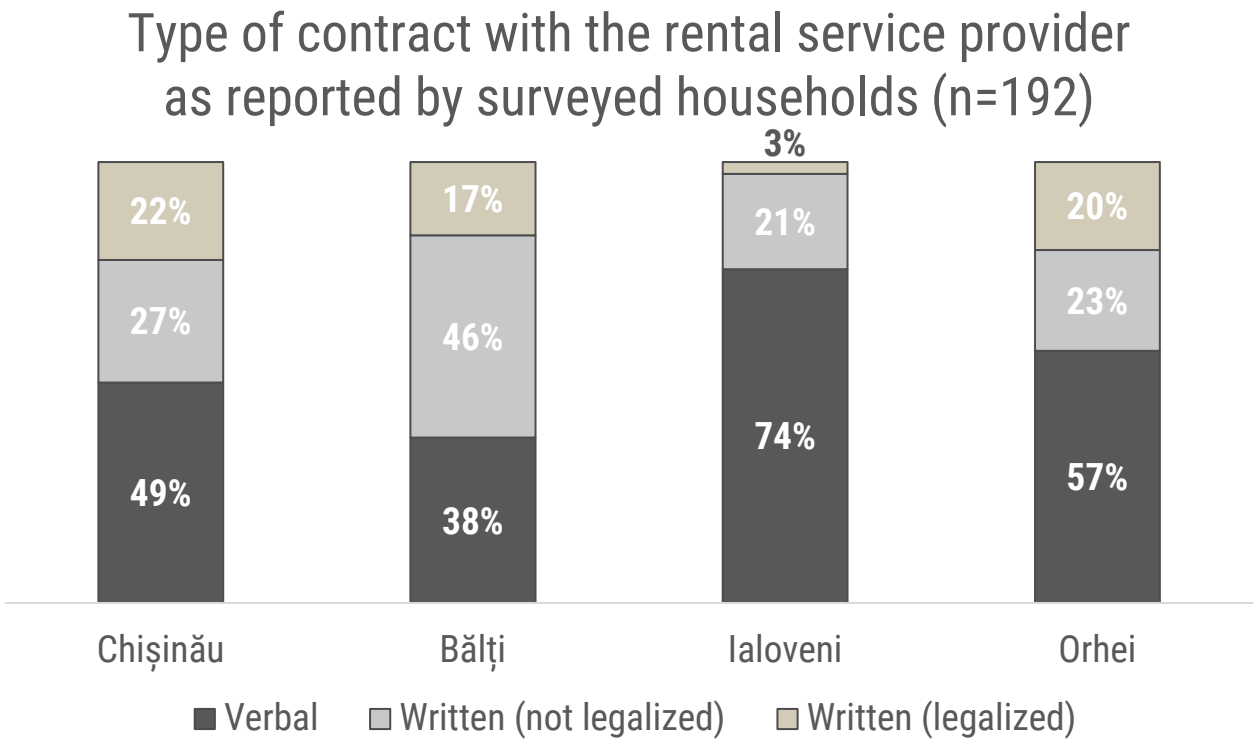
# Security of tenure practices and challenges

# Contract types

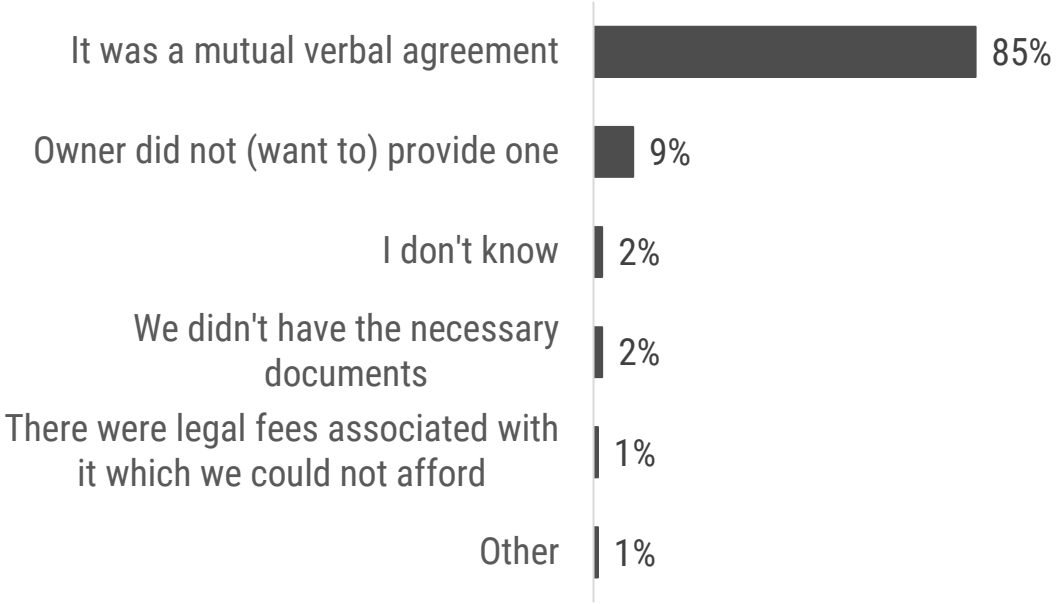



**Written agreements** were the most commonly reported in the urban areas, **Chișinău and Bălți**, and were mostly non-legalized.

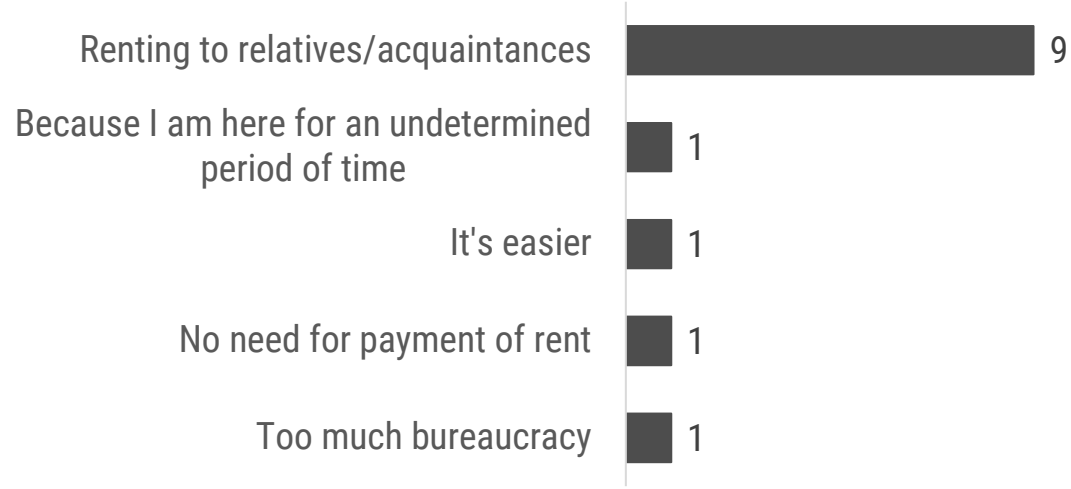
**Verbal agreements** were the most commonly reported contract type among surveyed households in the semi-urban areas, **Ialoveni and Orhei**.

# Why verbal contracts were implemented

## Impediments to signing a written agreement as reported by surveyed households with verbal contracts (n=102)




## Reasons for not providing a written rental contract as reported by surveyed rental service providers (n=13)



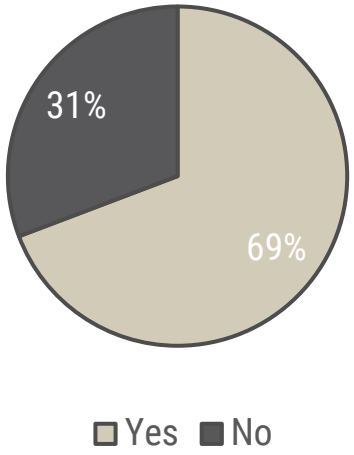

Verbal agreements were mostly mutual according to refugee respondents, although occasionally it was reportedly due to the owner not wanting to provide one. For the thirteen rental service providers who did not provide written contracts, this was typically as they were renting to relatives and acquaintances.

If securing a written contract is required by rental assistance programs, challenges for refugee tenants may include reluctance from some rental service providers, missing documentation, associated legal fees. However, our findings indicate that these issues may not be very frequent.

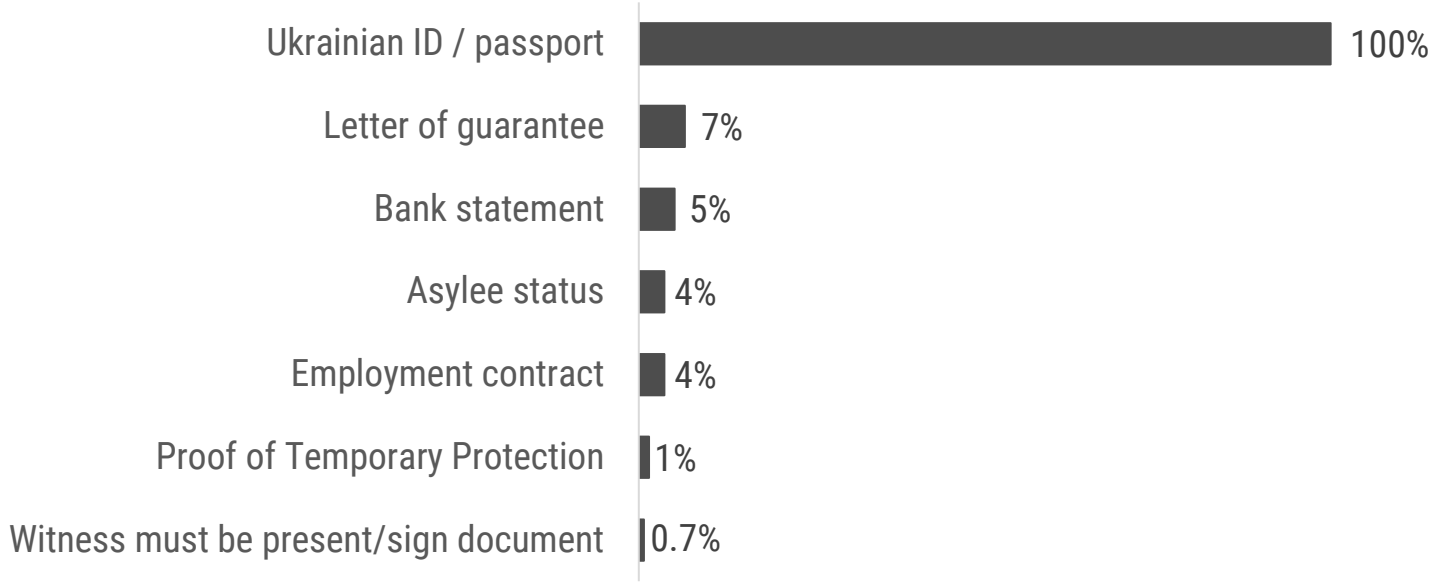
# Required documentation

Most surveyed household members were required to provide documentation for the rental agreement. In every case this included an ID / passport, and rarely, other additional documentation.

## Did you need to provide any kind of documents in order to make the rental agreement? (n=195)




## Documents required of surveyed refugee tenants for a written rental agreement (n=135)*




* This question was multiple choice, and therefore the sum of individual proportions may be over 100%.

# Accessibility: Physical difficulties

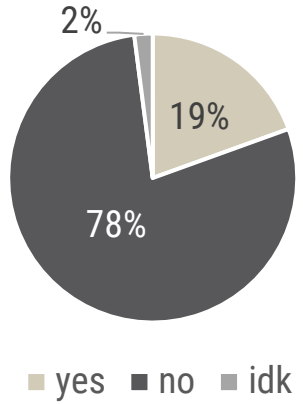
Of the 195 refugee tenant households surveyed, there were 6 that included people with disabilities.

Of those 6 households, 3 reported encountering physical difficulties accessing their home or any of its rooms.

As the low sample size makes this finding difficult to interpret, further research is needed be conducted assess whether households with people with disabilities are compromising their health when searching for accommodation or could benefit from targeted rental assistance interventions.

# Dispute and eviction risks

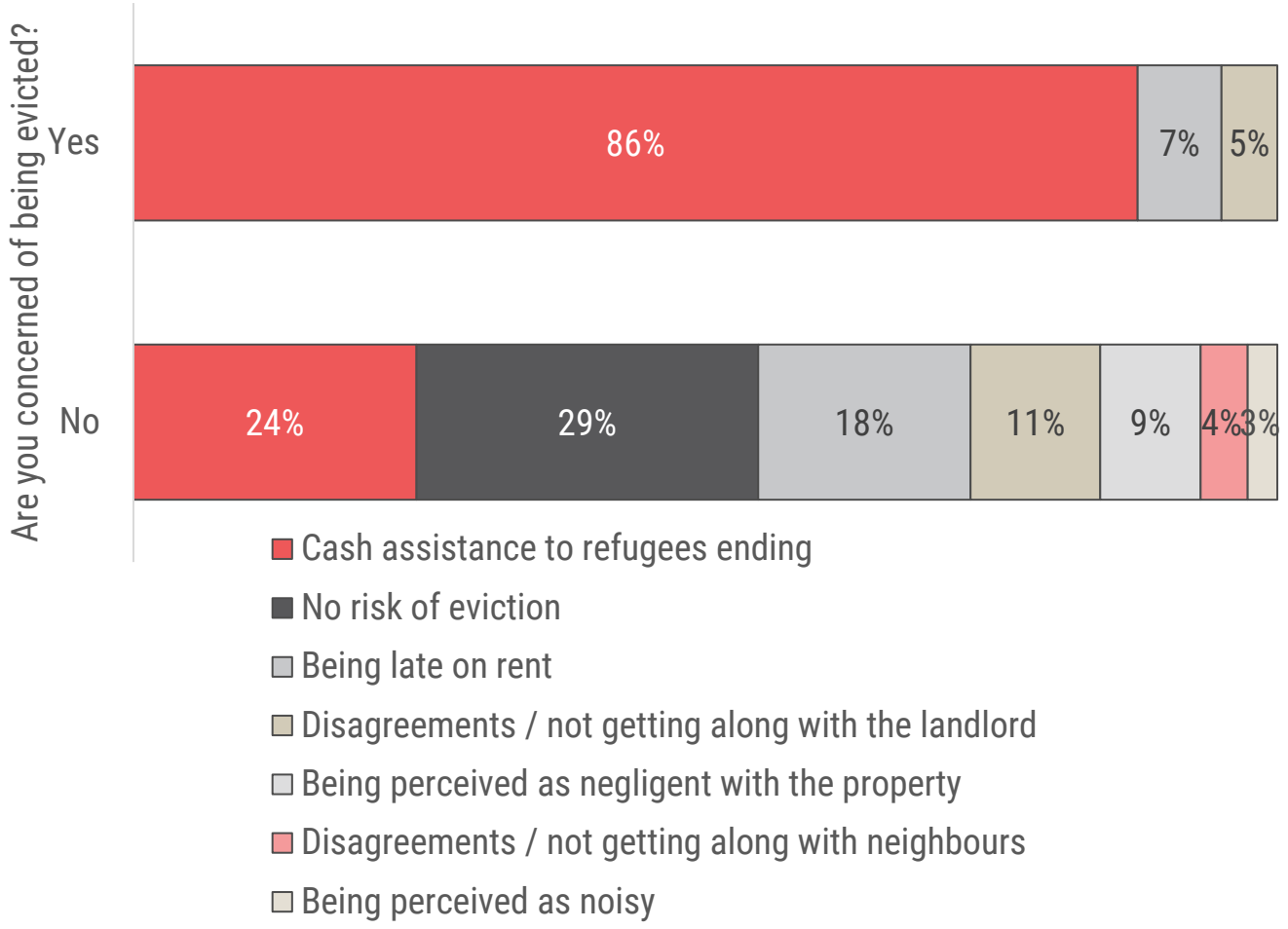
## Proportion of surveyed households afraid of eviction (n=195)




Respondents who reported fear of being evicted mostly attributed the cash assistance to refugees ending as a reason why they would be evicted, further highlighting the high reliance on cash assistance for security of tenure by surveyed households.

Overall, **43%** of respondents cited an ending of cash assistance as a potential cause of eviction.

## Concerns of eviction and potential reasons, as reported by refugee respondents (n=186)*



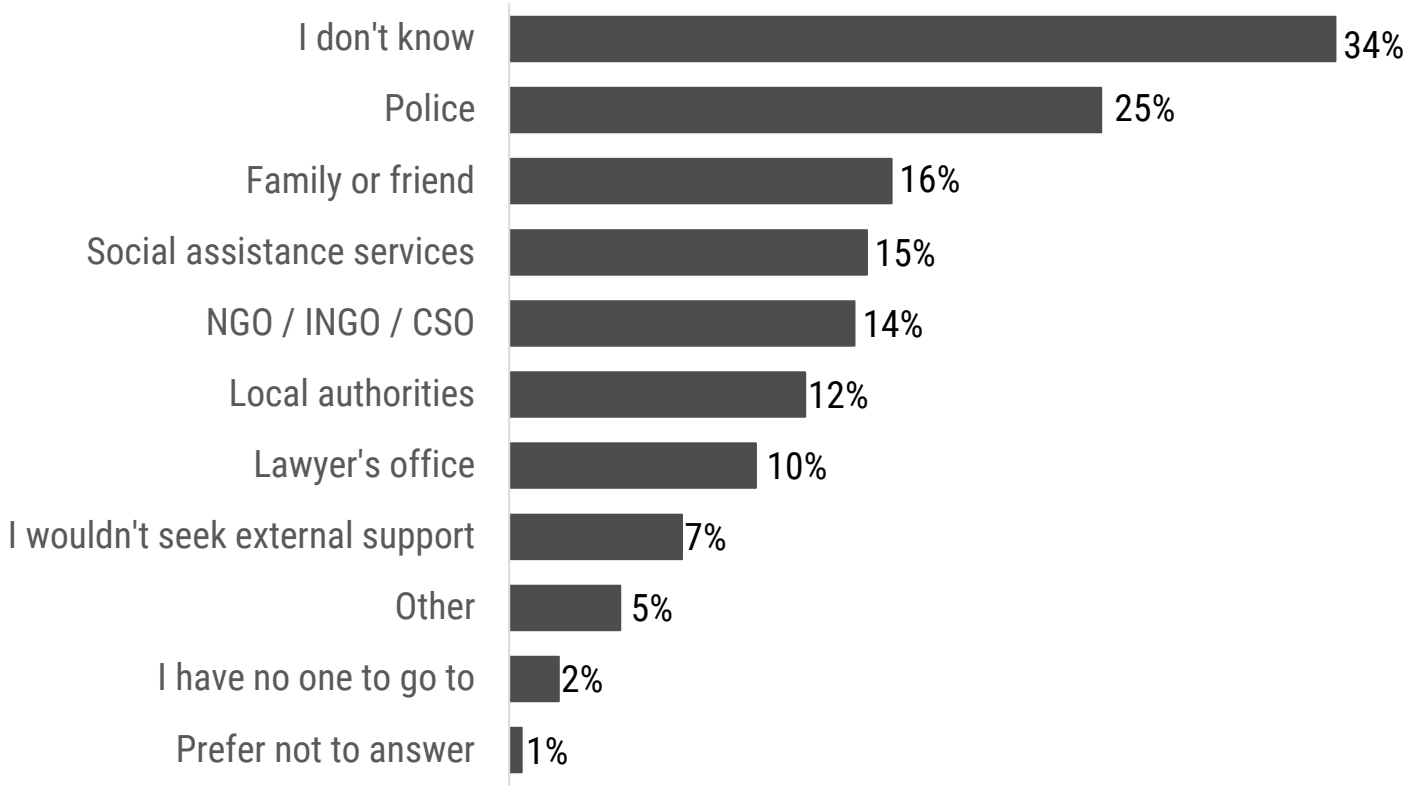

* Excludes 'do not know' responses from both questions.

# Dispute and eviction risks

**One third** of respondents did not know who to go to for support in case of disputes with the landlord or agent.

This may indicate a lack of awareness of resources available to refugees who encounter such disputes while renting.

Who would you go to for support in case of disputes with the landlord or property agent over rental arrangements? (n=195)*




* This question was multiple choice, and therefore the sum of individual proportions may be over 100%.

06

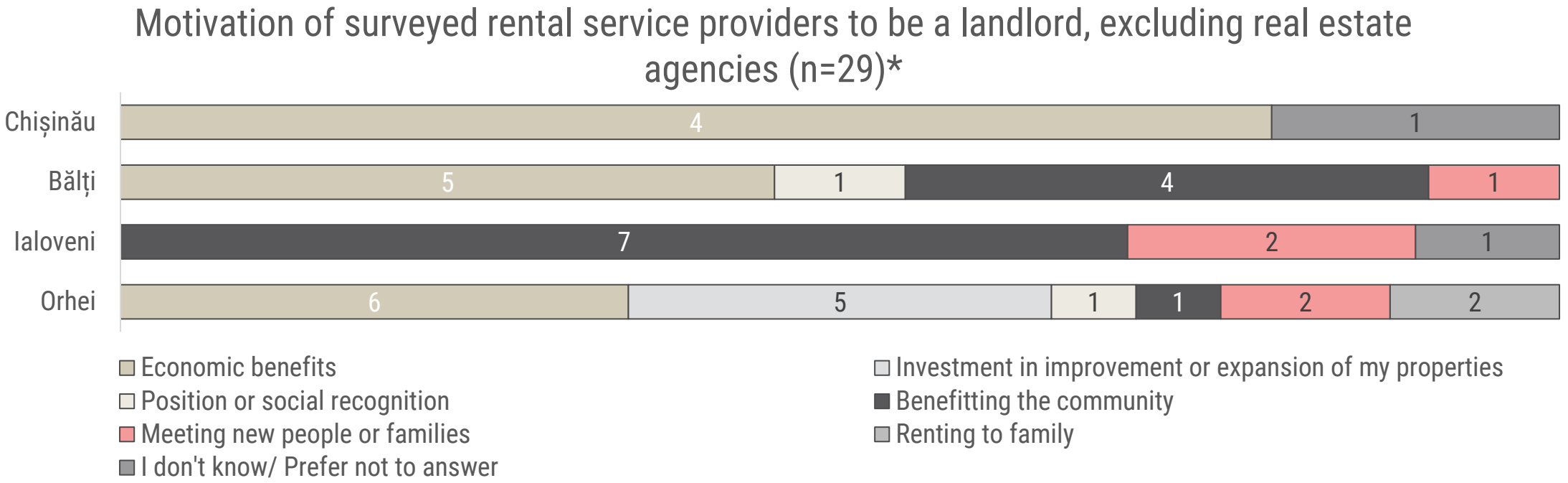
# Relationship dynamics between refugee tenants and rental service providers

# Rental service provider motivation

As it was assumed that the motivation for real estate agencies were primarily economic, other service providers were asked what motivates them to be landlords.

Economic benefits were the most frequently reported motivation, yet other social motivations were also frequently reported. They included benefitting the community, meeting new people, and renting to family.

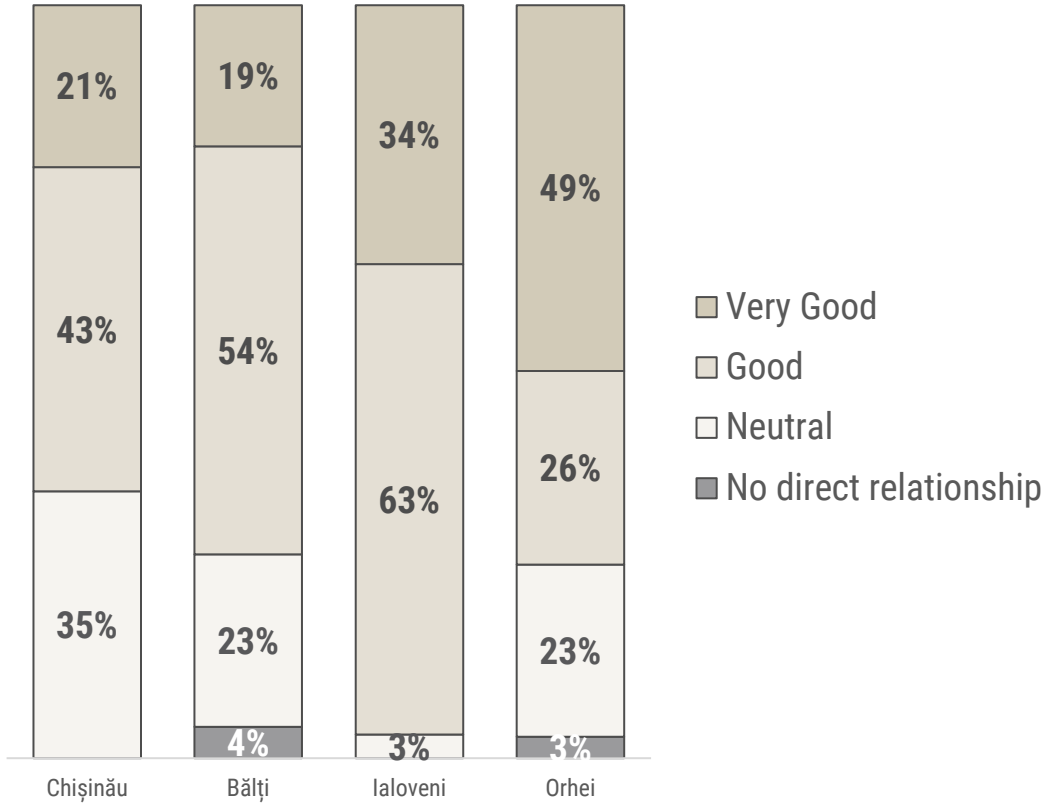
Of the fourteen rental service providers who were not renting to any refugees, and had not done previously, only one reported not being open to leasing to refugees.



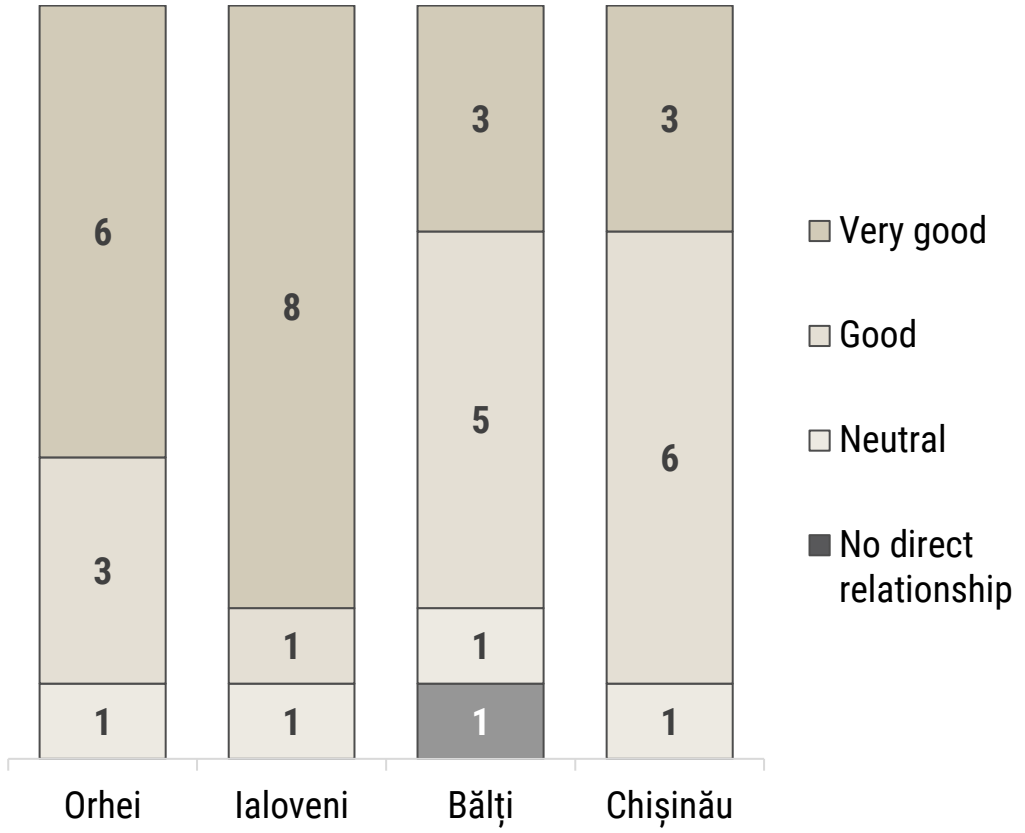

* This question was multiple choice, and therefore the sum of individual responses may exceed the total number of respondents.

# Tenant/service provider relationship

## Relationship with landlord, as reported by assessed households (n=194)

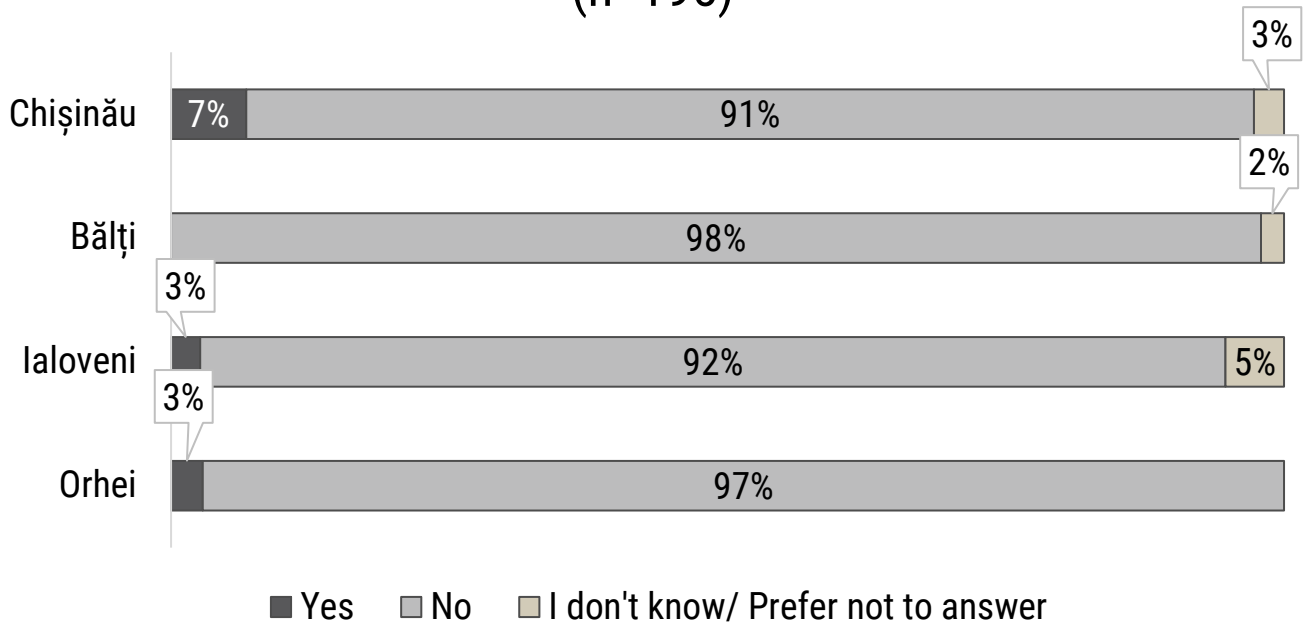



## Relationship with current tenants, as reported by surveyed rental service providers (n=40)



# Tenant/service provider relationship: Refugee perspective

Respondents that reported feeling discriminated against when renting for reasons related to place of origin or nationality, economic status, gender, culture or race, number of children, pets or others (n=195)



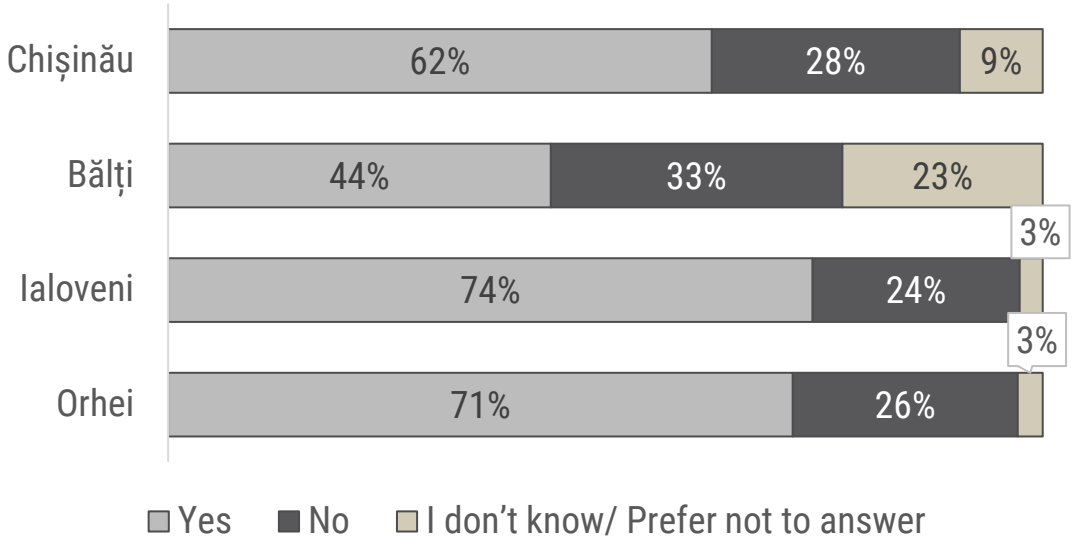

Of the small group of respondents (15) who reported having felt discriminated against (8%), nationality was the only reason provided.

07

# Potential tensions surrounding access to affordable housing

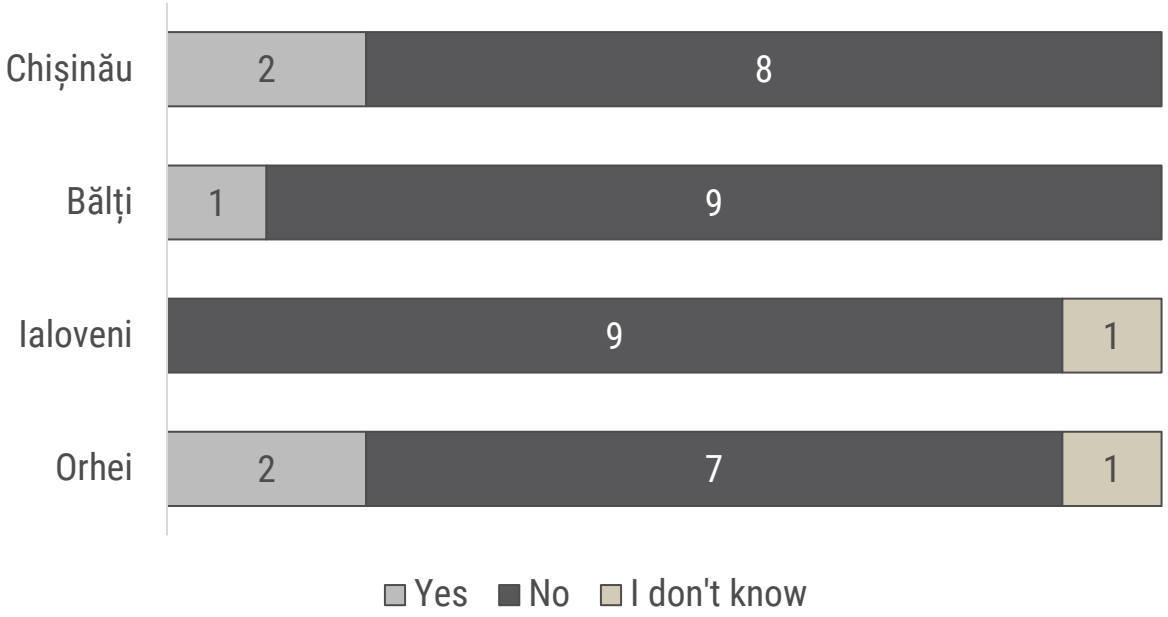
# Community acceptance

Refugee respondents reporting considering their accommodation to be in a community that welcomes their presence (n=195)

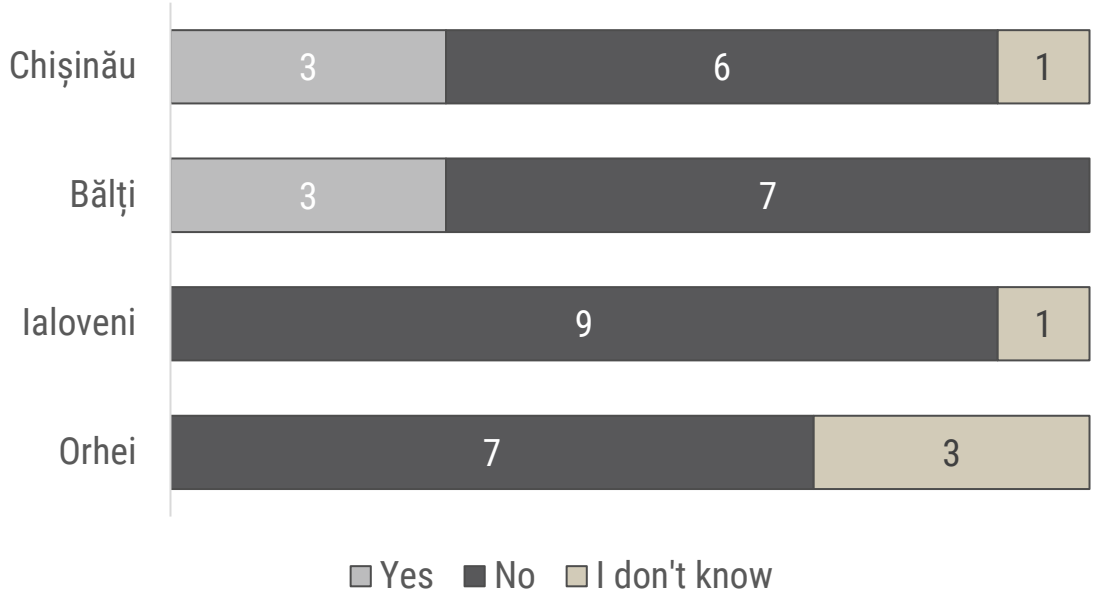


# Tensions observed by rental service providers

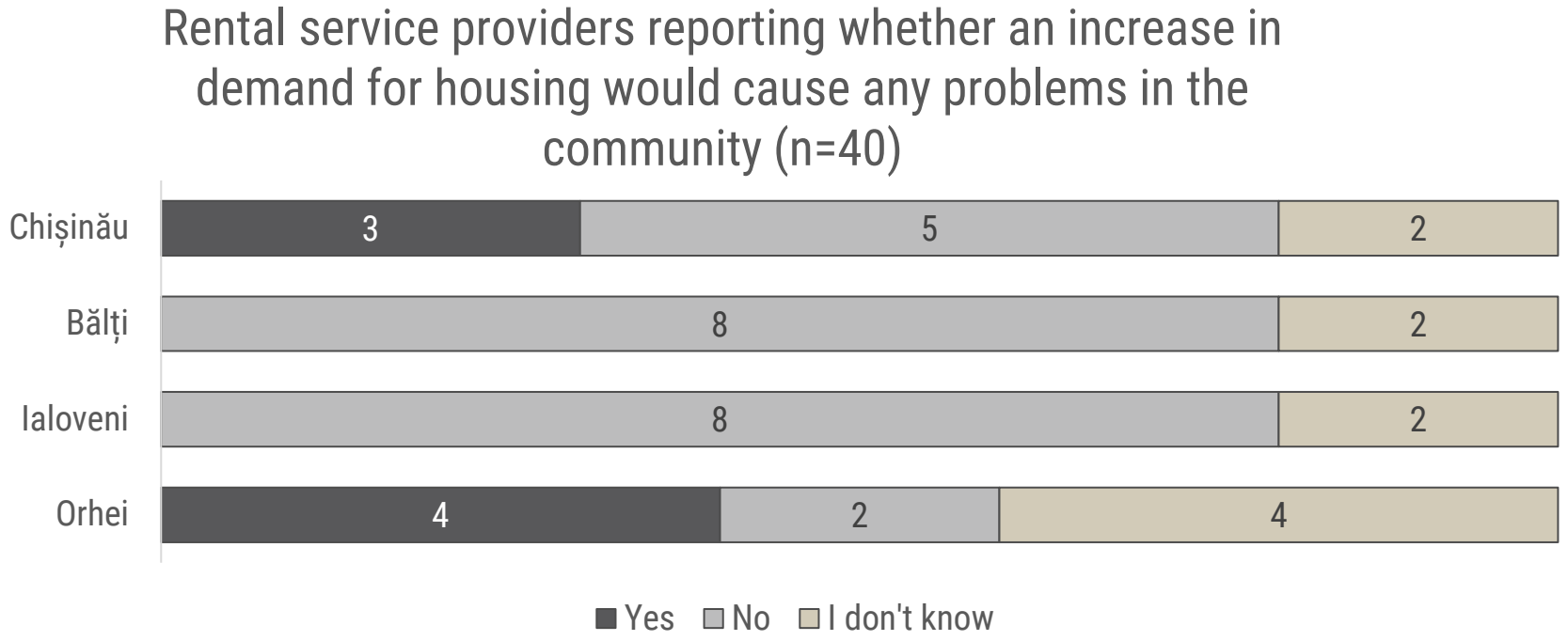
Rental service providers reporting having observed any tensions between host and refugee communities due to socio-cultural differences or discrimination (n=40)




Rental service providers reporting having observed any tensions between host and refugee communities due to competition for affordable housing (n=40)



# Tensions related to increased demand for rental housing




Only some rental service providers in Chisinau and Orhei reported that an increase in demand for housing would cause problems in the community.

# Thank you for your attention

Final report
June 2023
Final presentation
July 2023

james.whitaker@impact-initiatives.org

emilia.ersov@reach-initiative.org

REACH Informing more effective humanitarian action