

# Improving the Housing Policy of the Socio-economic Development of the Urban District of the Volgograd City

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**Abstract** — Improving the housing policy of the socio-economic development of the urban district of Volgograd city requires the prompt introduction of significant changes that will help correct a long-term negative trend to reduce housing construction. Changes should stimulate the construction of individual low-rise housing considering the historical experience of the city development, geographical location, climatic conditions and demographic situation. Stimulation of low-rise housing construction will allow integrating previously undeveloped territories into the economic system of the city, using the financial accumulations of the population and previously untapped human capital, which will become the driver of economic growth in the urban district. The abstract indicates a summary of the article and the main results of the study.

**Keywords:** *Volgograd, urban district, housing policy, socio-economic development, Volgograd region, individual low-rise housing*

## I. INTRODUCTION

The city of Volgograd, so named in 1961, was founded in 1589 as the Tsaritsyn watchtower, later renamed Stalingrad in 1925 [1]. The province capital, later the region capital, had an active socio-economic development due to its status which intensified after the Great Patriotic War. The Battle of Stalingrad was a turning point during the Great Patriotic War and made the city a Victory symbol and the unbending will of the people which ensured the post-war reconstruction and development of the city, its formation as a major economic centre. The first stage of the housing stock restoration of Stalingrad began in 1943 when the war was in full swing since the pre-war housing stock of the city was almost destroyed [2]. 41,895 buildings, about 90% of the pre-war housing stock, were destroyed [3].

In the post-war period, Stalingrad was transferred from regional subordination to the republican level. Since 1946, the RSFSR budget had a separate line — the restoration of Stalingrad [3]. Major economic projects on the territory of Volgograd (Stalingrad) strengthened its cultural-historical and socio-political status. However, during their implementation, spatial difficulties arose due to the incommensurability of the city size with the scale of ongoing projects. This led to the process of city enlargement

by the inclusion of nearby villages located mainly along the Volga River. As a result, the renewed millionaire city Volgograd became one of the longest cities in the world but included the poorly built-up territories of the settlements included in it. To date, in each district of Volgograd, individual low-rise residential buildings are adjacent to multi-storey ones.

In Soviet times, regional housing policy was an auxiliary tool for enterprises of various industries in providing them with labour resources. The spatial arrangement of the housing sector was specific due to the autonomy of the country's economic development and isolation [4]. The housing policy of Volgograd, like most cities in the country, was aimed at resettling people near enterprises serving the social and other infrastructure of the city. For example, the giants of the engineering and metallurgical industries formed entire areas of the city named after them: the Traktorozavodsky and Krasnooktyabrsky districts.

On March 21, 2005, Volgograd Region Law N 1031-OD On Giving Volgograd Hero City the Status of an Urban District and Establishing its Borders gave Volgograd the status of an urban district in the municipal structure of the Volgograd Region [5]. Later, the Decree of the Volgograd Regional Duma of March 11, 2010, N 20/652 On the inclusion of settlements in the city of Volgograd included 28 rural settlements that lost their status and became micro-districts of the urban district of the hero city of Volgograd [5].

The introduction of the urban district status for the hero city of Volgograd and the status of urban districts for other cities of the Volgograd region is essential to stimulate the socio-economic development of urban districts, their suburbs and inter-settlement territories. At present, the Volgograd region has 17 urban-type settlements and 19 cities, of which 6 are urban districts. However, almost two thirds (63.7%) of the Gross Regional Product (GRP) of the Volgograd Region, 771.4 billion rubles in 2017, is produced in Volgograd [6], [7]. In 2018, the budget income of the Volgograd city district amounted to 20.2 billion rubles, and the population is 1.013 million people [8]. Meanwhile, Volgograd remains the only urban district of the Volgograd region with positive migration dynamics, with a negative demographic trend and an annual natural decline over the

past few years [8]. In 2018, the migration growth of Volgograd amounted to 2.8 people per 1000 inhabitants [6].

The housing stock of the urban district of Volgograd is 24.6 million square meters, 40.6% of the region's housing stock for 2018 [6], [8]. The average housing provision is below the regional average and amounts to 24.3 sq m of the total area of residential premises per 1 resident of Volgograd. Residents of Voroshilov and Central districts are better provided with accommodation than residents of Kirovsky and Traktorozavodsky districts (Table 1).

TABLE I. THE AVERAGE PROVISION OF ONE INHABITANT WITH HOUSING IN THE REGIONS OF VOLGOGRAD AT THE END OF 2018, SQ. M [5]

Voroshilovsky district	27.0
Central district	26.0
Sovetsky district	25.9
Dzerzhinsky district	25.8
Krasnooktyabrsky district	25.4
Krasnoarmeysky district	22.1
Kirovsky district	21.9
Traktorozavodsky district	21.5

In 2018, 387.8 thousand sq m of housing was erected in the urban district Volgograd, of which: 86 thousand sq m accounts for individual building and 301.8 thousand sq m for multi-story construction [9]. The commissioning of housing in 2018 showed an overall growth of 2.7% compared to 2017 which was due to an increase in the commissioning of multi-story buildings with a significant decrease in individual construction from 106.7 thousand sq m in 2017 [9]. In the first half of 2019, the volume of housing construction in Volgograd amounted to 164.8 thousand sq m of which the commissioning of multi-unit housing amounted to 75.3%, and the volume of individual housing decreased and amounted to 40.7 thousand sq m [9]. Housing commissioning in Volgograd districts is not uniform: 36% falls on the Sovetsky district, where the provision of housing per person is the highest among the regions of Volgograd, and 18% falls on the Kirovsky district, where the security is minimal [9].

In 2018-2019, a slight increase in housing construction could not radically straighten the trend to reduce housing commissioning in Volgograd in recent years: 556.6 thousand sq m of housing was introduced in 2014; 475.1 thousand sq m of housing in 2015; 407.0 thousand sq m of housing in 2016; 376.9 thousand sq m in 2017 [9]. Moreover, the decrease is due to decreasing the share of individual construction to a greater extent. So, in 2016 the proportion of multi-story housing to low-rise housing in Volgograd was 69.6 / 30.4, respectively but in 2017 this proportion was 71.7 / 28.3, and in 2018 the proportion was 77.8 / 22.2 [9].

The decrease in housing commissioning in Volgograd comes against the backdrop of an increase in unsafe housing in the city. For ten years from 2008 to 2017, 10 regional targeted programs in the Volgograd Region carried out measures for the resettlement of citizens from the emergency housing stock, recognized as such until 01/01/2012. During this period, the region has settled an unsafe housing stock with a total area of 176.7 thousand sq m.

As of October 1, 2016, according to the Construction Committee of the Volgograd Region, in the Volgograd Region, the total living area of 302 flat buildings recognized as damaged and demolished was 190.1 thousand sq m of which 171.3 thousand sq m is in the Volgograd (90.1%) [10]. As of October 1, 2019, the total area of unsafe housing in Volgograd is 239.1 thousand sq m, 86.5% of the unsafe housing of the Volgograd region [10]. Thus, over the past 3 years, the number of unsafe residential buildings in Volgograd increased from 295 flat buildings to 395, and the total area increased from 171.3 thousand sq m to 239.1 thousand sq m [10].

The passport of the national project Housing and Urban Environment for the Volgograd Region provides for the resettlement until 2024 of an unsafe housing area of 176.1 thousand sq m, in which 9.8 thousand people live. While maintaining the share of Volgograd within 86-90% of the total, until 2024, Volgograd will have 151 - 159 thousand sq m of housing for relocation from unsafe housing for this national project. This housing is not enough to cover the need for resettlement from the unsafe houses registered on October 1, 2019. Considering that in 2017, 56 houses with a total living area of 30.9 thousand sq m were declared unsafe; for 2018 - 52 houses with a total living area of 26.4 thousand sq m; for 9 months of 2019 - 30 houses with a total living area of 22.6 thousand sq m and the average annual increase in unsafe housing of Volgograd is 26-31 thousand sq m, the number of dilapidated houses and their total living area will likely increase by 2024 [10].

The decrease in housing commissioning comes against a background of low wages and decreasing in the real disposable income of Volgograd residents: -3.9% in 2014; -4.4% in 2015; by 8.8% in 2016; -3.4% in 2017 [10]. In 2018, Volgograd was in the last place among millionaire cities in terms of average wages which size is 36,868 rubles.

One of the reasons for the decline in important socio-economic development indicators for the Volgograd region and the Volgograd city which is the basis for economic development is the difficulties that the city continues to experience: the transformation difficulties that began during the transition of the country from a planned economy to a market economy accompanied by the loss of a significant amount of production capacity. The moral and physical obsolescence of equipment, buildings and structures led to the liquidation of production or a reduction in output.

A sad example in the industry of Volgograd is the Volgograd Tractor Plant which underwent several reorganizations, reductions, production shutdown and loss of all production capacities. Currently, the Volgograd Tractor Plant consists of 158 hectares of ruins that have moved from the zone of industrial development to the zone of integrated development of housing with social, cultural and entertainment facilities [11]. Similarly, the production facilities of the previously existing Volgograd Medical Equipment Plant, Volgograd Tractor Parts and Normals Plant, and Volgograd Motor-Building Plant were demolished for residential development.

Many large industrial enterprises of Volgograd had similar situations of decline in production. For example, the giants of the Volgograd industry Volgograd Drilling Equipment Plant, Khimprom, Kaustik, Volgograd

Shipbuilding Plant faced bankruptcy [12]. Currently, one of the city's oldest industrial enterprises, the Metallurgical Combine Red October, is in bankruptcy proceedings [12]. Neftegazmash Plant producing high-tech equipment for the oil and gas industries declared bankruptcy [12].

Large and medium-sized enterprises constantly decrease the number of employees due to the closure of many industries and the modernization of operating enterprises. In 2017, the number of employees of large industrial enterprises decreased by 13.6 thousand people who had to switch to work in small enterprises or for individual entrepreneurs [9].

The decline in industrial production and the retirement of production capacities of the urban district of Volgograd affected the functioning of the housing sector. The sharp decline in industrial production increased the share of sectors related to housing construction and housing services. The reorientation of investments in the social sector to improve housing conditions has increased the share of the construction sector from 3.5% to 7.7% in the GRP of the Volgograd Region over the past 10 years [6]. The growth of the construction sector occurred due to the reorientation of developers to mass construction of economy-class housing, improving living standards and expanding forms of financial support for the acquisition of housing: mortgages, shares, certificates, maternity capital and others, the abolition of most of the restrictions on the construction of housing, increased competition in the construction and operation of housing, the use of modern technologies in design and construction, but has largely exhausted its potential [13], [14].

Currently, in terms of the volume of housing commissioned, the Volgograd region is significantly inferior to most other subjects of the Southern Federal District, and Volgograd occupies the last position among millionaire cities. Slowing the pace of housing construction in the Volgograd urban district in recent years and reducing the share of individual low-rise housing in the total volume carry risks that significantly increase due to the transition to a new model for financing housing construction from January 1, 2019.

Experts and market participants expect that the volume of multi-story construction will be significantly reduced soon due to the withdrawal from the market of small and medium-sized construction companies which built housing largely at the expense of equity holders, due to the lack of sufficient equity. Companies that can not fulfil the requirements of the new legislation will cease to exist after they finalize ongoing projects that are underway. This reduction will negatively affect the economy of the region.

## II. CONCLUSION

Improving the housing policy of the socio-economic development of the urban district of the Volgograd city requires the prompt introduction of significant changes stimulating individual low-rise construction. Given the geographical location of Volgograd, the climatic conditions, the culture and traditions of Volgograd residents, who have revised the criteria for their housing over the past years, the stimulation of low-rise housing construction can have a

significant positive effect on both the construction industry and related industries.

The Volgograd urban district has enough land unsuitable for high-rise multi-story construction but suitable for individual low-rise. The development of land plots by individual low-rise houses or new cottage villages, in close transport access to social infrastructure, especially in the economy class segment, will satisfy the needs of the population in high-quality housing of a larger area at a lower cost per square meter.

The stimulation of low-rise housing construction should be a priority task of the housing policy of the socio-economic development of the urban district of Volgograd which will integrate previously undeveloped territories into the economic system of the city, use the financial savings of the population and previously untapped human capital which will become the driver of economic growth in the urban district.

To do this, it is necessary: to simplify the process of transferring land from one category, for example, industrial, agricultural, to suitable for housing; improve transport accessibility of the territories proposed for development; connect them to city communications; simplify construction approval procedures; provide the territory of the new building with social infrastructure: kindergartens, schools.

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