TRANSFORMATION OF HOUSING PREFERENCES IN UKRAINE UNDER THE IMPACT OF WAR: GUIDELINES FOR RESIDENTIAL STRATEGIES

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ABSTRACT

The study is devoted to the analysis of the transformation of housing preferences in Ukraine under the influence of the war. The analytical problem is to clarify the changes in the priorities of the population in the conditions of military conflict, and the analytical question is how and why these preferences change, taking into account social, economic and behavioral factors. A mixed methodological design was used for the study: a quantitative online questionnaire (n=200) with an assessment of the importance of eleven factors before and after February 2022 and a qualitative analysis of cases from Bosnia, Kosovo and Iraq. The main findings show that the war introduced new priorities of security, autonomy and social support, which were integrated into a general hierarchy with traditional criteria (price, location, infrastructure). These changes determine the need to adapt housing policies and recovery strategies focused on a hybrid model of preferences and strengthening security mechanisms.

Keywords: housing preferences, war, security, housing strategy, behavioral factors.

Word count: 17 380

INTRODUCTION

The war in Ukraine has naturally caused shifts and changes in the socio-economic landscape, and accordingly affected the housing market, including the housing preferences of Ukrainians. Ukraine is still in the process of forming this market due to the protracted transition from the Soviet system of social housing to a market economy and free choice of housing. This transition is also evidenced by the obsolescence of housing policy laws, which were adopted back in the 1980s, although new policies are currently being created. Before the conflict, housing choices were naturally influenced by economic stability, family needs and regional development, but the war and the changes it brought in the form of security problems, population displacement and damage to infrastructure have greatly changed the priorities of Ukrainians in choosing housing. If we understand these transformations and people's needs together with the geopolitical situation, we will understand the market and be able to develop effective housing strategies that will help take into account the realities that Ukraine faces.

Analytical problem

The main research question of this study investigates how people modify their housing preferences because of war through social, economic, and behavioral perspectives. The research examines multiple variables, including price levels, location choices, availability of amenities and housing types, floor selection, underground parking, and shelter accessibility. The research needs to determine how war affected the way people prioritize their needs. Therefore, this analysis is aimed at identifying patterns and causes of transformations in order to provide an idea of the changing needs of the population in the context of the war and the consolidation of these preferences after its end.

Analytical question

How did the war in Ukraine change people's housing preferences, and what behavioral factors underlie these changes?

Research design

An exploratory design was chosen for the study. Due to the rapid dynamics of this protracted war and the direct nature of its impact on housing preferences, the approach is appropriate for identifying new patterns and forming hypotheses for further research. In addition, this approach allows us to analyze existing research and apply it to Ukraine, taking into account the specifics of the region. Such a design will allow for flexibility in studying a wide range of social, economic, and behavioral factors that influence housing choice.

THEORETICAL FOUNDATIONS OF HOUSING PREFERENCES

1. Theories of Housing Choice

The concept of housing choice is constantly evolving and shaped by a variety of social and economic factors. Over the past century, as a result of the development and formation of housing policies in the housing market in the conditions of urbanization, a number of theories have emerged that explain how individuals or entire families choose housing. Each theory evolves and includes the context of the previous one, but provides a new perspective on housing choice and offers a unique understanding of the formation of these decisions. Housing should be considered not just a place to live, but a place of reflection of personal values, social norms and the broader economic environment. Housing itself is one of the key points of attraction of a person to a country, region, city, district - and the choice of housing affects the life that rages in the city.

Rapid urbanization contributed to the emergence of theories of housing choice, especially after World War II, when industrialization and migration patterns influenced the residential structure of society. No one could assume that people would remain in one place throughout their lives, and in addition, the demand for new housing made the need to understand residential mobility urgent. The need for theories emerged because researchers wanted to understand both the start of human migration and the factors that directed their decisions. The research question emerged to understand the relationship between housing decisions, socioeconomic factors, and political transformations. [6]

The initial housing choice research examined how demographic factors affected life-stage decisions and family housing requirements. The theoretical framework expanded throughout time to include economic constraints, market conditions, and individual aspirations because of capitalism, individualism, and liberalism. The formation of these theories emerged from research activities, urban planning inquiries, economic analysis, and policy development. The following theories developed a progressively more sophisticated understanding of housing decisions by adding distinct elements of human behaviour, social frameworks, and environmental limitations.

Theories based on social psychology and urban sociology have provided the foundation for a deeper understanding of housing preferences. As housing choice theory developed, new models emerged that took into account the influence of external factors on decisions and how these preferences were expressed in actual housing choices, as the housing market evolved and preferences changed over time. Central to these developments were the Family Life-Cycle Theory, the Life-Course Theory, the Means-End Chain Theory, and the Theory of Planned Behavior. Together, these theories provide a comprehensive view of housing choice, with each model offering specific insights into different aspects of the decision-making process.

The Family Life-Cycle Theory was developed by Peter Rossi in the 1950s. It was one of the first to formalize the relationship between life stages and preferences. The theory focuses on how marriage, childbearing, and aging shape housing decisions. The way families move through different stages influences their changing housing

needs. For example, early stages of family life are associated with a demand for larger homes, while older households may prioritize downsizing. Although the model was limited by its focus on the nuclear family with a static view of life-cycle transitions, it was fundamentally clear how housing choices depend on family structure and life events. [1]

The Means-Ends Chain (MEC) theory, developed by Gutman in 1980, introduced a more psychological approach to housing choices. The theory linked people to their deeper personal values, such as safety, privacy, and social status. The model is based on the assumption that people choose housing based on achieving specific life goals. For example, when a family chooses a country house, they do so not only because it provides more space, but also because it meets the desire for a stable and safe environment. Thus, the theory links material attributes of housing, such as price, size, and location, with intangible goals, such as safety and social status. MEC offers an understanding of attribute prioritization, placing emotional and psychological factors above functional aspects in decision-making. [3]

Life-Course Theory has broadened the scope of housing choice by integrating a wider range of life events and social changes in society. This model was developed in the 1990s by Mulder and Hooymeyer and recognised that housing choices are shaped not only by changes in the family, but also by changes in career, income and broader socio-economic status. The model views housing decisions as non-linear and shaped by life events that are interconnected and occur sequentially. For example, a person's career trajectory, marriage, divorce or the decision to have children are all relevant to housing choices. The theory emphasises the flexibility and variability of decisions and recognises that people can make non-linear decisions in response to external factors such as economic conditions or market fluctuations. [2]

The Theory of Planned Behavior (TPB), proposed by Eisen in 1991, offers an even more comprehensive model of decision-making. TPB suggests that housing decisions are influenced by three key factors: attitudes, subjective norms, and perceived behavioral control. In addition to personal preferences, people are also guided by their perceptions of what is socially acceptable in society and for them personally, as well as their ability to control externalities in the form of financial constraints and market conditions. The theory identifies the role of social pressure and individual control in the decision-making process, expanding on all previous theories. In the context of housing, the model allows us to explain the process by which people balance their preferences with social expectations in the form of family and societal norms and the realities of the housing market. [4]

2. Housing Preferences in Wartime Context

During times of war and conflict, housing preferences often deviate from standard patterns of peacetime. Individuals and families face shifting priorities, with security becoming more important than location, property rights, and space. This trend has been observed in various post-conflict contexts around the world, such as the Balkans, Gaza, and Israel. Here, housing decisions have been dictated not only by the immediate need for housing, but also by the priorities of survival, community cohesion, and recovery.

The literature on housing choice theories has partly, but not entirely, addressed the question of changes in housing demand due to security considerations. In times of war, the main challenge is to provide shelter in areas that can protect people from dangers such as bombing or occupation. Housing affordability in Bosnia, Kosovo, and Iraq has shown that displaced populations prioritize proximity to family, access to medical and humanitarian assistance, and the availability of temporary housing. In contrast to post-war recovery, where reconstruction prioritizes the restoration of a market model, in areas of protracted conflict or war, people choose temporary or communal settings that offer flexibility and protection rather than comfort.

In wartime, preferences are driven by a logic of survival based on practicality, not aesthetics. People gravitate towards safe constructs that will help them survive and provide a sense of security: family, access to social networks, proximity to resources. In areas like Syria or modern-day Ukraine, families prioritize living in less targeted areas or refugee camps where they can get community support and protection. This is an obvious choice when you lose your own home and your own life is at risk, and everything is left at home. [6]

Family Life-Cycle Theory, which traditionally links housing decisions to the stages of a family's life, must be rethought in wartime. Instead of the typical move to larger homes as children grow and downsizing as those children leave the nest, housing choices are driven by survivability. The goal is to accommodate a family in the current volatile circumstances, even in the smallest of spaces. That is, the stages of this theory remain logical and influence family housing choices, but instead of traditional development, they prioritize safety. [1]

The Life-Course Theory also remains relevant in times of war. Previously basic transitions such as marriage, childbirth, and career are replaced by mobility due to inherent risks. Fear of airstrikes, occupation, and loss of key livelihoods again prioritize security and survival. Extending the model to include broader personal transitions that go beyond family size. This allows for disruptions such as forced migration and property destruction. Housing choices therefore focus less on ownership, size, and quality of housing, and more on flexibility, adaptability, and providing shelter from hazards. [2]

In terms of the Means-End Chain (MEC) Theory, the question of the attraction of housing choices to those houses that meet the highest security values is raised. Gutman in his work determined that the choice of housing depends on a hierarchy of needs, where people choose housing based on attributes that correspond to life goals. During war, the model identifies security and protection as the main goals for choosing housing. Thus, the value of security prevails over the attributes typical for us, where comfort remains in the first place. [3]

In the case of the Theory of Planned Behavior (TPB), the model is somewhat different from the above-mentioned theories, which simply prioritize safety over comfort. In the case of war or conflict, housing decisions are influenced not only by safety but also by social pressure. Families may well decide to stay in dangerous areas due to social norms, such as the need to stay close to their homes, or because of limited resources that hinder the population. A vivid example is the areas of Donetsk and Luhansk, where in addition to financial and material constraints, people face the

problem of social expectations. Therefore, they are limited by factors beyond their control: lack of mobility, lack of awareness of the availability of temporary housing, and other psychological barriers. [4]

An important context of ongoing wars and conflicts is the issue of housing reconstruction in safer regions during the conflict. It takes into account the moment when housing has already been destroyed or temporarily occupied for an unknown amount of time, but the housing stock needs to be restored for people who have been left homeless. Therefore, the reconstruction of housing in such environments creates unique challenges for the state. The need for immediate solutions correlates with the desire to restore a sense of security and normality. Here, an additional issue arises of integrating people into the communities where they are forced to settle. Seneviratne, Amaratunga, and Haigh in their work consider post-conflict housing reconstruction to be a critically important intervention that, through physical recovery, contributes to the psychological and social well-being of victims. On the other hand, success in this matter is difficult to achieve due to inadequate planning, lack of understanding of the needs of these people and the cultural context. [9]

Similarly, the Theory of Housing Reconstruction outlined by Barakat notes that the complexity of solutions is shaped not only by economic and physical constraints, but also by social and psychological factors. When people lose their homes, they lose their identity, dignity, and sense of self-worth. Their foundation crumbles under their feet. Effective housing reconstruction, according to Barakat, must meet both the long-term goals of community healing and economic recovery. [8]

Alfaseeh, Tayeh, and El Sawalhi, using a case study of factors influencing housing reconstruction in Gaza, highlight the role of community participation and institutional support in recovery outcomes. As mentioned earlier, housing decisions are influenced by security, proximity to family, and the ability to rebuild quickly. These factors outweigh comfort, especially in Gaza, where people know that the conflict can last for decades, and the need for security and stability will always be there, especially after a traumatic experience. Their study highlights the importance of a coordinated approach that includes the participation of affected communities to ensure culturally appropriate and sustainable reconstruction with a focus on long-term security. [10]

The theory and practice of housing preferences in wartime highlight how housing decisions are shaped by survival and recovery. Problems such as poverty, displacement and inequality are often exacerbated. In the typical case of increased homeownership during wartime, the availability of rental properties is limited. This impacts the market, as victims have already lost their homes and material resources, and fewer people can afford rental terms. This is also relevant in the context of Ukraine, where ownership is a desire for many and demand for real estate is high due to the rapid development of the market. This is despite the fact that the availability of housing stock has become less due to the conflict.

In summary, the impact of war on housing preferences creates a complex set of problems for affected people and communities. Socio-economic factors are relegated to the background, giving way to the need for security, which goes beyond traditional preferences for space and comfort. By analyzing the Ukrainian experience that is happening before our eyes, we will be able to influence the qualitative evolution of

housing choices in the modern world, adapting to the key needs of people in different situations, in particular by understanding changes in people's housing preferences through ensuring the effectiveness and sustainability of post-war housing strategies.

3. Socioeconomic and Behavioral Factors of Housing Choice

The analysis of housing choice requires integrating socio-economic data with behavioral studies. Economic models that base their analysis on price and income, along with location, fail to understand the role of emotional responses and cognitive biases that influence decision-making processes. People work under limited rationality because they use faulty data combined with their personal beliefs instead of seeking absolute optimization. [12]

Mental accounting results in people dividing their money into distinct buckets such as rent and food so they tend to pay more for housing when they perceive a big "bucket" for it yet reallocation of funds would be more beneficial. The fear of abandoning familiar surroundings through loss aversion proves stronger than the possible advantages of better options particularly when uncertainty exists in the present. [15]

Location decisions also hinge on behavioral factors. People immediately find value in things that are most accessible to them because of the availability heuristic, which causes them to prioritize nearby transit stops and schools. Status quo bias drives them to maintain familiar neighborhoods as they overestimate the difficulties and risks of moving to different locations where more convenient and affordable housing options exist.[16]

People tend to assign greater worth to things they already possess than they do to equivalent items they do not possess, according to the endowment effect. The psychological bias manifests in housing decisions when people assign higher worth to their existing homes despite other available housing options offering better value or better locations. Homeownership or long-term tenancy leads to mental inflation of property value which makes people less likely to consider alternative housing options that could better fulfill their current needs.

The trade-off model stands as a crucial behavioral economic framework that residential mobility researchers widely apply to housing choice analysis. People in this model evaluate different housing features, such as price and size and location and convenience, against one another. The model differs from classical economics because it incorporates trade-offs that result from human decision-making processes which involve heuristics and biases and emotional components. A commonly used formula in this model is:

$$U = \sum_{i=1}^{n} w_i X_i$$

- *where U is the overall utility (satisfaction) derived from the housing choice,*
- *X_i represents each attribute of housing (e.g., price, location, size),*
- *w_i are the weights assigned to each attribute based on its perceived importance by the individual. [5]*

Behavioral economics shows that decision "weights" (e.g., how much one values cost versus location) aren't fixed or fully rational. Instead, they shift with mental accounting or loss aversion, for example, someone might overemphasize living near family even if it means a smaller or pricier home. [11]

Nudge Theory illustrates how subtle changes can steer choices without restricting freedom. In housing, presenting lifetime costs instead of just monthly rent or highlighting a home's energy efficiency are nudges that encourage more informed decisions. [15]

Social influences also play a major role. Peer effects choosing neighborhoods where friends or relatives live often override pure economic considerations. Through social contagion, housing preferences spread within communities, shaping mobility. Krysan and Crowder (2017) note that people rely on their networks for information about neighborhoods. During crises (war or disaster), these ties intensify: the emotional support of familiar neighbors can outweigh concerns about cost, convenience, or even safety, leading to choices driven by social validation rather than optimal outcomes. [13]

In sum, beyond price and location, housing decisions hinge on psychological biases (loss aversion, mental accounting, status quo bias) and social dynamics (availability bias, peer effects). Especially in crises, immediate needs for safety, stability, and connection often trump traditional economic drivers. The next section will examine how these factors shape housing preferences in wartime Ukraine.

ANALYTICAL FRAMEWORK

The analytical framework of this study assumes that the long-term military conflict in Ukraine has not destroyed, but transformed, the structure of housing preferences of the population. In the conditions of a protracted war, a hybridization of housing priorities is observed: traditional factors (cost, location, size, infrastructure) do not lose their importance, but new priorities are included in the decision-making system - safety, availability of shelter, autonomy, social support, psychological resilience. Such a layering of factors creates a need for an updated analytical approach, which will allow at the same time to explore stable economic models and involve more context-sensitive behavioral explanations.

This study operates with the concept of housing preferences as a multifactorial choice, which includes both rational economic criteria (cost, communications, access to services) and socio-psychological factors (fear, trust in the environment, community support, previous experience of displacement). A change in context (war, displacement, destruction of infrastructure) does not nullify previous priorities, but adds new layers of significance, which is especially noticeable in the protracted phase of the conflict.

Based on this, the main analytical assumption is that a mixed system of housing priorities is being formed in Ukraine, where factors of security, social environment and emotional comfort do not displace economic factors, but rather integrate with them in a new hierarchy. The aim of the study is to identify this new structure of priorities and build recommendations for housing policy on its basis.

The theoretical justification is based on a combination of classical models of housing behavior and modern behavioral approaches:

- Classical housing choice theories, including the family life-cycle theory, life-course theory, the filtering model, the spatial interaction model, and rational choice theory, which explain residential behavior through socio-demographic transitions, spatial constraints, and economic considerations;
- Behavioral theories, which allow for interpreting the influence of emotions, stress, habit, or trust on housing decisions. These include concepts such as mental accounting, availability heuristics, status quo bias, the endowment effect, anchoring, and the theory of planned behavior.

Thus, the analytical framework allows:

- To identify which traditional factors remain dominant,
- What new behavioral priorities are added,
- And how a new structure of housing choice is formed in conditions of prolonged conflict.

METHODOLOGICAL DESIGN

To identify changes in housing preferences under the influence of the war, a mixed-methods design was used, combining quantitative and qualitative components. The quantitative block provides a measurement of the degree of shift in the importance of key factors (price, security, autonomy, infrastructure, etc.) "before" and

"after" February 2022, while the qualitative block is aimed at analyzing the established experiences of other countries and interpreting the motivational mechanisms underlying the identified quantitative changes. This combination allows us to simultaneously record the scale of transformations and explain why certain aspects have ceased/overtaken traditional priorities.

The study is structured as a case-study assessment of countries that were in conflict and an exploratory indicative survey with further interpretation of its results in a simplified behavioral model.

The qualitative component is based on case studies of countries such as Bosnia, Kosovo, and Iraq during and after conflicts, analyzing people's priorities and behavior, damage to infrastructure, and the recovery process to assess its success.

The quantitative component is implemented in the form of an online questionnaire to collect standardized assessments of the importance of eleven factors in choosing housing (price, location, area, quality, transport accessibility, proximity to infrastructure, social connections, shelter, autonomy, distance from potential targets, safe floor) both "before 2022" and "after 2022".

The key variables of the study were interpreted on a Likert scale as follows:

- Economic factors: Price, location;
- Key comfort-infrastructure factors: Area of the apartment, quality of housing, accessibility of transport, availability of schools/hospitals nearby;
- Social connections: Proximity to family/friends;
- Security requirements: Shelter/underground parking, autonomy (generator/water/internet), distance from potential military targets, lower floors as safe,

All indicators are numerical (integer values 1–5). Demographic variables (age, gender, presence of children, IDP status, region, type of settlement, education) were measured as categorical.

As for the general population, these are all citizens of Ukraine aged 18 and over who have been directly affected by the war on their living conditions (combat zone or cities affected by shelling).

The sample of 200 people is indicative, combining convenience sampling (posting the questionnaire on social networks, volunteer chats, university groups) with snowball sampling (inviting respondents to share the link with colleagues or acquaintances in other regions).

The lack of randomization led to an overrepresentation of young people and urban residents, so the sample is not statistically representative of the entire country.

Among the advantages of this design, it is worth highlighting that the mixed design allowed us to quantitatively measure the priorities and at the same time explain why "autonomy" ceased to be marginal. In addition, the 11 selected factors with a clear scale (1–5) made it impossible to interpret the results ambiguously, responding simultaneously to key priorities and factors from the assessed cases, and the exploratory format made it possible to respond promptly to the current needs of respondents (for example, to clarify the definition of "autonomy"). Among the

limitations, it is worth highlighting the unrepresentativeness of the sample, since the lack of randomization led to a predominance of young and urban respondents. As a result, the obtained averages may underestimate the importance of security for small villages or the older generation or other potential groups, such as IDPs. In addition, retrospective assessments "until 2022" in the form of memories may be biased (recollection bias), especially among older respondents. Also, a single sample in spring 2025 does not allow us to determine the stability of new priorities over time. Cultural and regional differences have remained poorly explored, as coverage of residents of southern or eastern regions is limited.

However, these limitations serve as potential areas for expanding the research and developing a model based on a representative survey.

RESULTS

1. Pre-War Housing Preferences in Ukraine

Ukraine's housing landscape at independence was deeply shaped by the Soviet legacy. Under the USSR, urban housing was largely state-built and allocated, resulting in massive estates of standardized apartments (e.g., Khrushchyovka five-story blocks and later high-rises). Housing shortages and long waiting lists (the "apartment queue") were common, and living space per person was very low by European standards. [17] Moreover, an internal passport (propiska) system tied people to their registered homes, suppressing mobility. [18]

Homeownership in the modern sense barely existed – nearly all urban dwellings were state or enterprise rentals, while rural populations typically lived in privately built houses in villages. This legacy meant that at the moment of independence in 1991, most Ukrainian families did not formally own their residences. With independence, Ukraine inherited the Soviet Housing Code of 1983 and its bureaucratic allocation system. In 1992, however, a landmark mass privatization law was passed, allowing sitting tenants to acquire their state-owned apartments free of charge. The result was an overnight surge in homeownership.

The 1990s were a tumultuous period that set the stage for modern housing preferences. Following privatization, Ukraine quickly attained one of the highest homeownership rates in the world – on the order of 93% of households or more became homeowners by the end of the decade. [19] Owning the roof over one's head became the norm and was culturally reinforced as the ideal. Renting was minimal and largely informal: officially only 3–4% of households were renting their dwellings in the 1990s–2000s, although the true figure may have been a bit higher due to unreported leases. [20]

For most Ukrainians, the concept of a long-term rental market barely developed in this era – there was simply no need for it when the state had handed out ownership rights en masse. This "ownership society" was reinforced by government policy that heavily favored owners (e.g. very liberal property tax treatment and weak tenant protections), offering few incentives for anyone to build or supply rental housing.

At the same time, economic realities of the 1990s severely limited people's housing choices. The country's economy shrank dramatically (GDP in 1999 was only ~41% of its 1990 level),[18] and hyperinflation wiped out savings. Construction of

new housing nearly collapsed: from about 14.4 million m² of housing completed in 1991, output fell to just 5.6 million m² in 2000. Essentially, very little new housing was built during the '90s aside from some elite projects or self-built rural homes. [20]

With incomes low and mortgages nonexistent, households generally stayed put in the housing they had managed to privatize. Moving "up the ladder" was rare; instead, young adults often lived with parents or relatives due to lack of affordable alternatives. The Soviet-era waiting list for free apartments effectively disintegrated – by 2010 over a million Ukrainians were still officially registered as needing housing, with 800,000 of them stuck on waitlists for over 10 years. In practice, though, the state was no longer providing apartments, so families coped by doubling up or adapting spaces. [17]

Despite these hardships, homeownership remained highly valued. Owning even a small flat gave families a sense of stability amid the chaos of the post-Soviet transition. It became common wisdom that one should "get an apartment if you can," as a hedge against uncertainty.

Location preferences in the 1990s largely followed job opportunities: many people stayed in or near industrial towns and cities where Soviet jobs had been, though some internal migration from rural areas to cities began as collective farms collapsed. Those who could afford it showed a nascent preference for better locations or larger units – for example, the new business and political elite started to acquire spacious downtown flats in Kyiv or even private cottages in the suburbs. But for the average Ukrainian in the '90s, housing "choice" was limited: you stayed in the flat you got, and you tried to make the best of it. This era ingrained a conservative attitude toward housing – ownership was precious, mobility was low, and taking on debt for housing was virtually unheard of. These attitudes would carry forward even as conditions changed in the 2000s.

In the early-to-mid 2000s, Ukraine experienced an economic rebound, and with it came a housing boom unprecedented in the post-Soviet period. Between 2000 and 2008, annual GDP growth averaged around 7%, household incomes rose, and a fledgling middle class began to form. Demand for housing surged, especially in the largest cities. Kyiv and other regional centers (Odessa, Kharkiv, Lviv, Dnipro, etc.) became magnets for migrants from smaller towns and villages seeking jobs. This urbanization and income growth created a strong preference for modern urban housing – newer apartments with better amenities, or in some cases suburban houses for the affluent. Many families who had endured cramped Soviet-era flats now aspired to upgrade: a bigger apartment, a better neighborhood, or even a cottage outside the city. Homeownership remained a given (nearly all would purchase rather than rent if they could), but what one owned started to matter more.

Several factors fueled the mid-2000s housing boom.

First, Ukraine's financial sector began developing mortgage lending for the first time. Domestic banks (and a few foreign banks entering the market) offered home loans, often in foreign currencies like US dollars, at lower interest rates. With the hryvnia currency pegged stable to the dollar for years, thousands of Ukrainians took on dollar-denominated mortgages in the mid-2000s, believing the exchange rate risk

to be minimal. This influx of credit allowed more people to buy homes or invest in real estate.

Second, housing became a favored investment for those with disposable income. Ukraine lacked reliable investment vehicles, and memories of bank failures and inflation made real estate a trusted store of value. It was common for people to pour savings (often cash dollars stashed at home) into buying an apartment, either to improve their living conditions or simply as an asset for the future. As a result, housing prices skyrocketed. In Kyiv, the average apartment price nearly tenfolded within a decade: from roughly $350 per square meter around 2000 to almost $2,700–$3,000 per m^2 by 2007–2008. Other cities saw similar price surges (though generally 30–50% lower than Kyiv levels). This rapid appreciation created a sense that one must "buy now or never" – further feeding the frenzy. [21]

Developers rushed to capitalize on demand, leading to a construction boom. Annual housing construction, which had been just 5–6 million m^2 in 2000, climbed back up, doubling to about 10.2 million m^2 by 2007. [20] Cranes crowded city skylines as new condominium blocks sprang up, often financed in innovative (and risky) ways. A common model was pre-sale funding: developers would sell apartments "off-plan" (before or during construction) to individual buyers who paid large upfront installments, essentially acting as micro-investors. This transferred much of the development risk to ordinary citizens – if a developer failed, buyers could be left with nothing.

Indeed, real estate markets in this period were under-regulated and somewhat chaotic. Numerous new private developers (some backed by oligarchic capital, others small startup firms) competed, sometimes cutting corners on building quality or bribing officials for permits. Construction clustered where land was available, often without regard to urban planning. For buyers, the focus was usually on location (proximity to city centers or transit), price per square meter, and developer reputation (to avoid scams). Many preferred the idea of a brand-new apartment, considering it a status symbol and more comfortable than Soviet-era housing, although cheaper Soviet-built flats in decent areas also remained in demand for those priced out of new construction.

By 2005–2008, the housing market was euphoric. Apartments in Kyiv were being bought and sold like hotcakes, sometimes "flipped" for profit even before buildings were finished. Homeownership was seen not just as a life goal but as an escalator to wealth. As one analyst quipped, Ukraine had become a nation of homeowners "where homeownership is often an indicator of continuity rather than wealth" – but during the boom, owning more or better property became a key status marker. The idea of renting long-term was anathema to most; taking out a mortgage to buy was seen as far superior to "throwing money away on rent," despite double-digit interest rates on hryvnia loans.

In truth, however, relatively few households took on mortgages – the mortgage-to-GDP ratio remained below 3% even at the 2007 peak. [21] Many purchases were funded by savings or informal family loans, and banks' mortgage clientele skewed to upper-middle-class borrowers. Thus, while the boom expanded ownership of multiple properties for some (creating small landlords who would rent out extra

apartments), it did not significantly reduce the share of renters overall – which was still only around 5–7% of households by the late 2000s. [19] Some resorted to renting out of necessity, but culturally the expectation remained that renting was temporary until one could purchase. This set the stage for a painful correction when the global financial crisis hit in 2008.

The 2008–2009 global financial crisis abruptly ended Ukraine's housing boom and dramatically shifted short-term preferences and market dynamics. As the crisis unfolded, foreign capital fled emerging markets and Ukraine's economy entered recession (GDP fell ~15% in 2009). The hryvnia currency was devalued by roughly 50% in late 2008–2009, which wreaked havoc on anyone with dollar-denominated loans. Overnight, thousands of middle-class Ukrainians saw their mortgage payments double in local currency terms. Most could no longer afford to service these loans, leading to a wave of defaults on housing loans. [21]

The National Bank of Ukraine responded by banning new foreign-currency mortgages in 2009, but the damage was done – the fledgling mortgage market largely collapsed. By 2010, banks had virtually ceased issuing home loans, and trust in mortgage finance among the public was shattered. This pushed Ukrainians even more toward all-cash real estate deals in subsequent years (a trend that would persist).

Housing prices crashed in the wake of the crisis. In Kyiv, average apartment resale prices fell by well over 50% in one year. The peak had been reached in mid-2008 with prices around $2,700–$3,000 per m^2; by early 2009, that average had plummeted to roughly $1,200 per m^2. Nationally, property values dropped similarly wherever they had spiked, erasing years of paper gains. For many Ukrainians, this was a rude awakening that real estate values can go down as well as up. [18]

Yet, notably, Ukraine did not experience the kind of foreclosure crisis seen in the U.S. or Spain. Thanks to a combination of court protections and informal practices, mass evictions were avoided. Many distressed borrowers simply stopped paying their underwater loans, but banks were slow to seize properties, and courts often sided with residents to delay or prevent foreclosures. In some cases, owners were able to renegotiate or walk away without losing their homes outright, especially if loans had been unsecured.

Essentially, a housing market freeze occurred in 2009–2010: transactions dwindled as sellers didn't want to sell at rock-bottom prices and buyers (those with means) often waited, hoping prices would fall even more. During this bust period, housing preferences shifted in practical terms. Affordability became paramount. If 2007's question was "how can I invest in a bigger/better home?", 2009's question was "how can I hold on to what I have?". Many families postponed moves or upgrades. Some who had planned to buy a first home had to continue renting or living with relatives, at least until the economy improved. Indeed, there was a modest uptick in the rental market out of necessity – by 2010 perhaps 8–10% of urban dwellers were renting (some unofficially), as would-be buyers were sidelined by tight credit and uncertain prices.

However, Ukraine's rental sector remained largely informal and short-term. Most landlords were small investors or families that had an extra unit (perhaps purchased during the boom) and were now renting it out until sale prices recovered.

Lease agreements were often month-to-month, and tenants had little security, reinforcing the notion that renting was a temporary stopgap.

By around 2010, the housing market began bottoming out. To prevent a complete collapse, the government took some steps: it secured a large IMF loan to stabilize the economy and launched modest housing support programs (for example, subsidized mortgages for young families and developers). These measures were limited in scale – reports indicate only a few hundred subsidized loans were issued in the 2009–2014 period. But combined with broader economic stabilization, they helped restore some confidence.

In the early 2010s, housing prices and construction activity gradually stabilized and even recovered. Between 2009 and 2013, average house sale prices in Ukraine rose about 40% cumulatively (in local currency terms) as the market slowly healed. Construction output also inched back up; after the sharp 2009 dip, annual housing completions returned to roughly 9–10 million m^2 by 2012. [20] Still, the exuberance of the mid-2000s was gone. Both developers and households had become far more cautious.

One lasting impact of the crisis was a reinforcement of cash-based homeownership culture. Since mortgages were now scarce and distrusted, buyers in the 2010s overwhelmingly relied on savings. It's estimated that as of 2013–2014, only around 2–3% of housing purchases were made with a mortgage – the rest were cash deals. [21] Real estate transactions commonly involved literal suitcases of USD or euro in an office, reflecting low faith in the banking system and a desire to avoid taxes. For those who had cash (or access to family wealth), the post-crisis dip in prices was actually seen as a good time to buy property at a "discount."

Indeed, a segment of Ukrainians with dollar savings took advantage of 2009–2010 prices to acquire apartments that had been unaffordable before. This set the stage for a bifurcation in preferences: wealthier groups treated housing as an investment opportunity (buying distressed assets), while average families prioritized securing or keeping one decent home for themselves. Either way, the primacy of ownership remained unshaken – if anything, the crisis reinforced the lesson that "renting is risky" (as landlords could decide to sell or evict) and owning paid off in the long run. Ukrainians emerged from the 2008–09 ordeal chastened but still fixated on owning homes, even as they became more realistic about property values.

Through the 2010s, Ukraine's housing sector saw a period of uneven stabilization and mild recovery, punctuated by another shock in 2014. Overall, this decade continued the pattern of high homeownership and low rental reliance, but also introduced new dynamics in housing preferences.

In the early 2010s, the economy improved moderately. Many households that had delayed housing decisions during the crisis began cautiously re-entering the market. Homebuying picked up, though it was largely confined to those with sufficient savings or income – mortgages were still very scarce. The government and central bank, after 2010, maintained more prudent fiscal and monetary policies, which helped bring inflation down for a time and led to some revival of hryvnia-denominated mortgage lending by a few banks. However, interest rates on UAH loans

remained high (often 15–20%), so uptake was limited. Most people buying homes did so with cash or via installment payment plans offered by developers.

By 2013, house prices in major cities had regained some value (in local currency), though in US dollar terms they remained well below the 2008 peak. For instance, Kyiv apartment prices in 2013 averaged around $1,600–$1,800 per m² – higher than the trough in 2009 but nowhere near the $2,700 of 2008. Construction activity likewise recovered to a steady if unspectacular level: about 1% growth in total housing stock per year in the early 2010s. [20] Notably, a growing proportion of new housing construction was multi-family apartment buildings rather than individual houses – by 2017, the ratio of apartment units in new supply had flipped, comprising the majority of new housing (whereas in the early 2000s a lot of construction was private single-family homes). This reflected developers focusing on urban demand. Throughout this period, national housing patterns remained dominated by owner-occupancy.

The geopolitical crisis of 2014 (the Maidan Revolution, Russia's annexation of Crimea, and war in Eastern Ukraine) dealt a severe blow to the economy, with GDP dropping sharply and the currency collapsing again (the hryvnia fell about 3.5x in value in 2014–15). This had immediate impacts on housing. Property prices in dollar terms crashed for a second time: newly built apartments in Kyiv went from an average of $1,700 per m² at the start of 2014 to under $900 by 2016. The secondary market froze as many sellers withdrew listings, unwilling to accept rock-bottom prices. [18]

Once again, those earning or holding savings in hard currency were in a position to snap up cheap real estate – and indeed some did, leading to an unexpected mini-boom in transactions by 2016, especially in Kyiv. For the majority earning in local currency, however, housing became even less affordable, and plans to buy were put on hold. A significant development in this period was the internal displacement of over a million people from the Donbas war zone. These internally displaced persons (IDPs) mostly moved to other parts of Ukraine and increased demand for rental housing in cities like Kyiv, Kharkiv, and Dnipro. Many IDPs had to rent due to losing their homes, contributing to a noticeable (though still relatively small) rise in the rental sector mid-decade.

From 2016 onward, with macroeconomic stabilization, the housing market entered a new phase of recovery and growth – though a very different boom from the 2000s. Trust in banks remained low (some 80+ banks were shut down in 2014–2015 for insolvency or fraud), so Ukrainians continued the habit of converting cash savings into real estate whenever possible. [18]

What emerged was a developer-led construction surge, particularly in and around Kyiv. Developers found ways to lure buyers with moderate budgets: one trend was the proliferation of so-called "smart apartments", ultra-compact studios often as small as 15–20 m², sold at prices affordable to middle-income buyers with limited savings. Relying almost entirely on down-payments from individual buyers rather than bank financing, developers effectively tapped into the populace's remaining wealth. Observers noted that real estate had become the primary means of safeguarding wealth for many Ukrainians – with bank deposits mistrusted, people

were willing to park money in even very small apartments, figuring that "bricks and mortar" were safer.

By the late 2010s, housing construction was booming in volume. New multi-story residential complexes cropped up on Kyiv's outskirts and in other regional hubs. Yet, because these were funded by buyers' pre-payments (not by expanding credit), the boom manifested as more people owning something rather than a higher general debt leverage. The homeownership rate remained extremely high, and if anything, the distribution of ownership broadened (some families that had never owned before managed to buy small units during this period).

National housing aspirations also evolved: surveys around 2020 showed increasing interest in moving to quieter suburban areas or smaller towns, in part due to the desire for private houses or at least more space. The COVID-19 pandemic in 2020–21 reinforced this to a degree, with remote work, some urban residents sought houses in the suburbs or countryside. Nevertheless, urban apartments continued to dominate new supply and demand, as jobs were still concentrated in cities.

Importantly, despite various government announcements about improving housing affordability, purchasing a home remained financially challenging for many. Mortgage credit was still in its infancy – even as of 2020, outstanding mortgages were under 1% of GDP (compared to ~22% in neighboring Poland), and only ~2% of home sales were via mortgages. This means the typical path to homeownership was saving for years (often with help from parents or family) to accumulate enough for a purchase. [21]

It also meant that those without family assets – e.g. young people from low-income backgrounds – often could not buy at all, reinforcing a pattern where owning is common but not always accessible to the truly disadvantaged. For such groups, informal solutions persisted: multi-generational living (adult children living with parents well into their 30s), or rural-to-urban migrants living in dormitories or other suboptimal arrangements. State-provided social housing was almost nonexistent (public rental stock had dwindled to near zero). So while Ukraine had a high rate of nominal homeownership, it also had many households living in inadequate conditions or crowding due to inability to afford separate housing.

In summary, the pre-war period (1990s–2021) in Ukraine was characterized by a strong emphasis on homeownership as the default and preferred tenure. The vast majority of Ukrainians owned their homes, thanks initially to privatization and later to cultural and policy factors that discouraged renting.

2. Comparative Insights from Conflict-Affected Countries

Housing destruction in Bosnia and Herzegovina during the 1992–1995 war was approximately 37% of the housing stock, or about 459,000 units, that were damaged or destroyed. [22] The war left large swathes of both urban and rural housing in ruins, as housing destruction was used deliberately as a tool of "ethnic cleansing". In Bosnia and Herzegovina, roughly one-third of all pre-war homes were partially or completely destroyed by the end of the conflict. Some estimates are even higher when including deliberate post-war sabotage: UNHCR data suggest as much as

60% of the housing stock was at least partially destroyed and 18% destroyed, with some homes demolished after the Dayton Peace Agreement specifically to prevent displaced people from returning. [23] This devastation was widespread across cities, towns, and villages. Urban centers like Sarajevo and Mostar suffered heavy shelling damage to apartments and public housing, while countless villages were systematically burned or leveled, especially in contested rural areas. For example, in certain hard-hit regions of Bosnia, entire villages were burned to the ground, and approximately 412,000 housing units (about 32% of the total) were left damaged or destroyed by 1995. [24]

The nature of housing destruction often differed between urban and rural settings. In rural areas, especially those "cleansed" of an ethnic group, it was common for virtually every house to be torched or blasted, leaving behind empty shells or foundations. Many Bosnian villages in war zones were reduced to rubble as attacking forces sought to ensure no home was habitable. By contrast, in urban areas, while there was extensive damage from artillery and street fighting, a significant portion of housing remained structurally intact but was taken over by new occupants. During the Bosnian war, as populations were expelled, houses and flats left behind were frequently occupied by other displaced families of another ethnicity.

For instance, Bosniak (Bosnian Muslim) refugees' homes in what became Republika Srpska (the Serb-controlled entity) were often seized by local Serbs, even as Bosniak displaced persons occupied Serb homes in the Federation (the Bosniak-Croat entity). This wartime housing swap meant that physical destruction in cities was sometimes less than in villages, but the rightful owners were barred from their properties by new occupants. In Sarajevo, for example, many Serb-owned apartments were not physically destroyed but were occupied by Bosniak IDPs after the war. Conversely, rural towns such as those in eastern Bosnia saw not only population loss but near-total housing obliteration. Notably, even after the 1995 Dayton Peace Agreement, there were cases of intentional house demolition: retreating forces or hostile local authorities destroyed homes to undermine minority return, contributing to the overall housing loss.

Kosovo experienced similarly massive destruction during the 1998–1999 conflict (often considered part of the broader Yugoslav wars). Nearly half of Kosovo's housing stock was war-damaged or destroyed in 1999, according to European Commission assessments. Out of an estimated 250,000 housing units in Kosovo, around 120,000 were affected – including approximately 47,000 houses completely razed to the foundations and another 73,000 with serious or partial damage. The worst destruction in Kosovo was concentrated in rural villages and small towns that saw fighting or expulsions. Serb forces carried out systematic burning of homes in ethnic Albanian villages as part of their campaign; entire rural communities were left in charred ruins. An aerial survey in July 1999 found, for instance, that in many central Kosovo villages up to 70–80% of houses were destroyed. Urban areas in Kosovo (such as the capital, Pristina) generally suffered less shelling damage than Bosnia's cities, but they faced targeted arson and vandalism. [25]

In the immediate aftermath of the war, as NATO entered and Serbian forces withdrew, there were revenge attacks against properties of Serb and Roma minorities

– looting and burning of houses belonging to those communities by some returning refugees were reported. Thus, on top of war damage, post-conflict reprisals in Kosovo inflicted additional housing losses for minority owners. By the summer of 1999, the UN estimated that the homes of roughly 500,000 Kosovars were uninhabitable, leaving those people homeless and reliant on emergency shelter. In both Kosovo and Bosnia, the sheer scale of destruction – from high-rise apartments pockmarked by shells to farmhouses reduced to rubble – meant that post-war housing recovery would be a monumental challenge.

In Kosovo, the vast majority of ethnic Albanian refugees flooded back in mid-1999 as soon as it was safe, even if their houses were in ruins, because being home and on their land took precedence. Their immediate priority was to get a roof over their heads before winter – many camped in partially burned houses or set up makeshift shelters next to their destroyed homes in order to begin rebuilding. International aid agencies observed that by late 1999, tens of thousands of Kosovar families were living in tents, damaged houses, or prefabricated huts near their former dwellings until repairs could be made. Speed of reconstruction was therefore critical to residents' preferences: surveys showed that if reconstruction did not occur quickly, displaced people were likelier to remain where they had relocated.

Over time, as conditions stabilized, economic and social factors started guiding housing choices more. Access to jobs, schools, and public services grew in importance for returnees evaluating whether to stay in their repaired homes. In Bosnia, many younger working-age people did not return to remote villages because those areas offered few employment opportunities. It became apparent that predominantly the elderly were returning to rural homes, while working-age displaced persons often opted to settle in cities or wherever they had better prospects. This reflects a broader trend: urban pull factors and the general reluctance of younger generations to return "from urban to rural areas" after the war.

For those who had found relative stability elsewhere (whether in foreign countries or in urban centers of their own country), home ownership began to matter less than overall quality of life and security. Some refugees who found good jobs abroad or in a new city chose to permanently resettle, even if it meant giving up their claim to their original property. Others, however, maintained a strong emotional attachment to their pre-war homes – especially if those homes held ancestral or cultural significance – and thus prioritized reclaiming them as soon as it was feasible, as a matter of identity and justice.

In both Bosnia and Kosovo, the right of return (enshrined in law and peace agreements) reinforced the expectation among displaced people that they should be able to go back to their exact homes. This created an overarching preference for ownership restoration: many families insisted on repossessing their original house or apartment, even if they later decided not to live in it. As a UN field report noted, one of the prime concerns of refugees was regaining their lost property rights, which they saw as essential to any "durable solution". Therefore, housing priorities after the wars were a mix of practical needs (safety, shelter, economic sustenance) and symbolic or emotional needs (to return home and reclaim what was theirs). [24]

Security issues continued to be a long-term concern for minority groups in Kosovo and Bosnia, which affected their housing choices. The majority of ethnic Serb and Roma families, who left Kosovo in 1999, chose not to return to their original neighborhoods because of persistent security threats and social separation. The majority of these people chose to reside in Serbian enclaves instead of facing potential persecution in Kosovo. Even two decades later, only about 13% of the roughly 220,000 non-Albanian people who left Kosovo had returned to live in their former homes. Those who did return often demanded specific guarantees – for example, being in close proximity to KFOR peacekeepers, or having their homes clustered together for mutual support. [26]

The security situation in Bosnia improved during the early 2000s to enable large-scale minority returns. Yet, discrimination in hiring and tense political climates influenced whether people stayed in their reclaimed homes. The returnees emphasized that having a stable income was essential for them to truly feel at home in their recovered properties. The wars transformed housing preferences because security and community, and rights assurance became more important than pre-war factors such as house size and location. People searched for a location that would enable them to construct both their house and their sense of normalcy and trust in their environment.

The housing market in both Bosnia and Kosovo has changed. The Dayton Peace Agreement provided refugees and internally displaced persons (IDPs) with the right to return to their pre-war homes through extensive international support. Between 1996 and 2004, over 1 million displaced Bosnians returned to their pre-war places of residence. This is among the total of 2.2 million people who became displaced during the war. The return of 445,000 people to their pre-war homes resulted in them becoming ethnic minorities in their original places of residence. The peak of minority returns occurred in the early 2000s. UNHCR noted the return statistics as successful in 2004, but this achievement showed that approximately half of the pre-war displaced population remained in their current places of residence or had not yet returned. [27]

But after about 2003, the rate of returns slowed. Many Bosnians had by then resettled in new communities (or abroad) and were reluctant to uproot again, especially if economic opportunities in their pre-war hometowns were poor. Indeed, one major impediment to sustainable return was the lack of jobs and basic services in war-torn areas: years after the conflict, tens of thousands of families were still waiting for their war-damaged homes to be repaired, and local economies in former front-line villages remained depressed. As a result, a significant portion of the displaced in Bosnia was effectively resettled elsewhere. Some integrated into the communities where they had taken refuge (often in the capital, Sarajevo, or other relatively prosperous towns), and others emigrated permanently to North America, Western Europe, or Australia.

By 2025, Bosnia and Herzegovina still had a residual caseload of tens of thousands of people with unresolved housing situations – for example, around 84,500 were still officially registered as IDPs in the country as of a few years ago, unable or unwilling to return to their original homes. The housing market thus had to absorb a

large amount of new demand in certain areas (e.g. IDPs buying or renting homes in the Federation or Respublika Srpska, where they settled), while other areas sawan excess supply of housing that remained empty because the original occupants never came back. [28]

In Kosovo, return patterns were very different due to the conflict's outcome. The end of the war in mid-1999 triggered an immediate massive return of ethnic Albanian refugees to Kosovo. The arrival of NATO troops led to the return of approximately 500,000 Albanian refugees who came back to Kosovo from Albanian and Macedonian refugee camps and other locations within three weeks. The entire expelled Albanian population of 800,000 people returned to Kosovo during the months of 1999. The rapid return of people to Kosovo created an overwhelming demand for housing because families discovered their homes either destroyed by fire or severely damaged, which forced them to live with relatives or in the numerous temporary tent camps throughout the region. [29]

The majority of the minority groups, including 200,000 Kosovo Serbs and Roma, and other non-Albanians, left Kosovo during 1999 and 2000 because they feared violence without Serbian security forces present. These trends led to an ethnically segmented housing market post-war. In Albanian-majority areas, there was excess demand: returning Albanian families competing for the limited intact housing or rushing to rebuild homes, often with international assistance. Conversely, in Serb-majority enclaves or mixed towns, an exodus of Serb owners meant many houses and apartments were abandoned or quickly sold off.

Despite international programs to encourage minority returns, the results have been modest. As of 2018, only 28,000 out of roughly 220,000 displaced Kosovo minorities had returned to their original homes. The vast majority of Serb-owned houses in Kosovo remained vacant or were occupied by others, contributing to phenomena like "ghost villages" – entirely deserted Serb villages where nobody returned post-1999. This has left Kosovo with a unique housing situation: in some locales, especially in the North and some rural pockets, there is a surplus of empty, war-damaged houses (belonging to absent Serb owners), while in fast-growing cities like Pristina, there has been high demand and a construction boom to accommodate Albanians relocating from the countryside. [30]

In effect, internal resettlement within Kosovo has seen many rural Albanian families move into urban or peri-urban areas for better security and opportunities, fueling informal construction and sprawl around cities. Immediately after the war, reports noted chaotic reconstruction and illegal building – for instance, informal settlements sprang up on city outskirts as people built without permits to secure a place to live, a trend later regularized by authorities.

Housing ownership transitions and legal interventions were central to post-war recovery. In Bosnia, a massive process of property restitution unfolded under international supervision. Because so many homes had been occupied by others during the war, the country had to implement an unprecedented legal mechanism to return properties to their pre-war owners. The Commission for Real Property Claims (CRPC) and later the Property Law Implementation Plan (PLIP) oversaw this effort. By around 2004, nearly 200,000 occupied housing units in Bosnia were repossessed

and restored to their rightful owners, rising from just 21% of claims resolved in the first year to 92% by the fourth year of PLIP. This property reclamation is often cited as one of the major successes of the Bosnian peace implementation. [23]

However, it came with complexities: enforcing eviction of the interim occupants (the families who had been living in someone else's house) was politically sensitive and socially fraught. Many of those occupants were themselves war-displaced people from another region (often of rural origin), and evicting them meant they too needed a housing solution elsewhere. In practice, PLIP's push to restore property had the effect of evicting tens of thousands of secondary occupants, effectively trading one housing need for another. Rural returnees in Bosnia often found that even after winning back title to their homes, they could not live there until the house was rebuilt – yet by reclaiming their property, they lost their claim to any temporary housing assistance. These dynamics highlight how housing policy is intertwined with property rights: the right of ownership was prioritized, sometimes at the expense of the short-term housing welfare of the displaced.

Nonetheless, by the mid-2000s, Bosnia had largely completed the conversion of socially-owned apartments (a Yugoslav-era tenure system) into private ownership. The rights of former tenancy were either restored or, if the original tenant did not return, those flats were eventually offered to new occupants. This privatization of housing stock, alongside restitution, helped create the conditions for a normal housing market to resume.

In Kosovo, a similar mechanism was established under the UN administration: the Housing and Property Directorate (HPD) and its Claims Commission processed claims for properties lost between 1989 and 1999. By the end of its mandate, the HPD/HPCC had adjudicated around 29,000 claims related to residential property in Kosovo. These included cases where Kosovo Albanians reclaimed homes or apartments they were forced out of by discriminatory laws in the 1990s, as well as cases of Serb owners seeking restitution for homes occupied after 1999. The resolution of property claims in Kosovo, while legally successful on paper, often did not lead to the physical return of the owner. Many Serb claimants, for example, sold their homes (usually at a loss) or rented them out through proxies, rather than moving back. Thus, although legal ownership was clarified, the occupancy patterns in Kosovo remained largely shaped by the conflict's outcome, with Albanians consolidating in most areas and remaining minorities largely staying away.

Policy interventions in the housing sector were extensive, yet uneven in their impact. In the immediate post-war years, international aid flooded in for housing reconstruction. Bosnia and Herzegovina saw an array of donors (USAID, EU, UNHCR, NGOs, etc.) funding the rebuilding of houses. Between 1996 and 2004, an estimated 330,000 housing units were rebuilt or repaired in Bosnia through various programs. Donors spent over $5 billion on housing projects, including large schemes by UNHCR/UNDP (which rebuilt ~270,000 homes) and the European Commission (~60,000 homes). [31]

Early on, however, coordination was poor – Bosnia was "awash" with NGOs and contractors in 1996–97, some with little construction experience, leading to inefficiencies and uneven quality. It was naively assumed by many implementing

agencies that simply reconstructing a house would ensure the family's return. They often did not verify whether beneficiaries intended to return for the long term.

As a result, resources were misallocated at times: by 2004, it was found that only 43% of the houses rebuilt with donor funds in Bosnia were occupied by the returnee beneficiaries. Roughly 11,000 donor-funded houses (over one-fifth of the sample surveyed) were sitting empty in BiH because the supposed returnees either never came back or left again soon after. This represented a waste of over €100 million in reconstruction aid. [22]

In Kosovo, the European Agency for Reconstruction (EAR) and numerous NGOs launched a massive Housing Reconstruction Programme (HRP) in late 1999. Following emergency winterization efforts, the HRP shifted to rebuilding thousands of destroyed homes. By the end of 2000, the EU and its partners had reconstructed about 12,000 houses in Kosovo, enabling an estimated 100,000 people to move back in. Priority was given to families whose houses were destroyed or roofless, in line with UNMIK's housing guidelines focusing on the most vulnerable.

The reconstruction continued in phases: another 8,400 homes were slated for repair in 2000–2001 with EU funding. Despite these efforts, the scale of need was vast, as noted, about 120,000 homes had serious damage. Donor fatigue set in after the initial years: funding levels dropped before all houses could be covered. By 2008, Kosovo's reconstruction needs had largely shifted to development projects, but gaps remained, particularly for minority communities. [25]

The Kosovo government also struggled to formulate a comprehensive housing policy. Years after the war, reports highlighted that Kosovo lacked a nationwide housing strategy to address the needs of returnees and other vulnerable groups, resulting in ad-hoc solutions. One notable initiative was the creation of new housing colonies for Serb returnees (sometimes built in safer enclave areas rather than the original villages), but these projects were often small-scale and met with local opposition. Overall, policy interventions in Kosovo were focused on emergency shelter and reconstruction in the short term, and on property law and minority rights in the longer term, but less so on broader housing market development.

Finally, the post-war housing markets in both settings exhibited significant gaps and mismatches. In Bosnia, the war's legacy left a geographic misalignment of housing supply and demand. Many homes in formerly multi-ethnic rural areas were rebuilt but then stood empty because the owners had settled elsewhere or felt uncomfortable returning as a minority. At the same time, urban areas (like Sarajevo, Banja Luka, Tuzla) experienced housing shortages and rising prices because of an influx of displaced people who chose to remain there.

This urban demand led to a post-war construction boom in some cities, but not always of regulated or affordable housing. As mentioned, illegal construction proliferated as people built extensions, shantytowns, or informal dwellings to house themselves, especially on city peripheries. Years later, authorities had to legalize many of these settlements. The housing market also faced financing gaps: local banks in the late 1990s had very limited capacity to offer mortgages or reconstruction loans. It wasn't until programs like the European Fund for BiH (established 1998) and later credit lines (e.g. a €60 million loan from the Council of Europe Development Bank in

2013) that more residents could access housing finance for repairs or new purchases. Even two decades on, international support was targeting those gaps – for example, providing housing solutions for the last people in temporary camps.

In Kosovo, a key market gap has been in affordable and social housing. The socialist-era housing stock (notably socially owned apartments) was smaller in Kosovo to begin with, and much was damaged or occupied. After the war, housing costs in Pristina and other cities surged, driven by diaspora investment and the presence of international organizations, pricing out many locals. Meanwhile, rural areas, especially those abandoned by minorities, did not see market-based recovery; their property values plummeted and there were few buyers. The government and municipalities have only slowly started developing social housing projects for low-income families, returnees, and Roma/Egyptian communities.

According to an OSCE assessment, the lack of a coordinated housing policy meant that many returnees who could not rebuild on their own had to rely on scattered donor-funded housing projects or live in substandard conditions. In both Bosnia and Kosovo, the concept of housing as a commodity re-emerged after the war: where markets functioned, some people sold their reconstructed houses (especially if they chose not to return) and used the proceeds to buy homes elsewhere. In Bosnia this led to inter-ethnic property exchanges – e.g. a Bosniak returnee might sell his rebuilt village house to a neighboring Serb, and use the money to buy a house in a Bosniak-majority town. Such transactions, however, required a willing buyer and stable conditions, which were not present everywhere.

Post-war housing in Bosnia and Herzegovina and Kosovo saw impressive rebuilding Bosnia restored about half of its damaged homes by the late 2000s, and Kosovo rehoused hundreds of thousands by 2001 but meaningful challenges remain. Security and community needs drove return decisions, leaving Bosnia fragmented into majority enclaves and Kosovo divided between booming Albanian areas and depopulated minority zones. Although property restitution and international funding addressed many gaps, issues like empty reconstructed homes, delayed returns, and unmet needs for vulnerable groups persist. Ultimately, restoring housing meant more than rebuilding structures: it required rebuilding trust, economic opportunity, and a sense of home in societies still shaped by displacement.

The housing stock in Iraq experienced major destruction from the 2003 U.S.-led invasion and subsequent wars. The initial invasion and subsequent fighting in the mid-2000s caused localized destruction – for example, urban battles in cities such as Fallujah (2004) and sectarian bombings in Baghdad damaged numerous homes – but the most widespread devastation occurred during the ISIS conflict of 2014–2017. The ISIS territorial takeover across northern and western Iraq resulted in widespread destruction of neighborhoods and villages through both combat operations and targeted building demolitions. The Iraqi government and World Bank conducted a post-war assessment that revealed 138,000 residential buildings suffered damage or destruction in seven severely affected provinces with half of these homes being completely destroyed.

The most severe destruction occurred in urban areas that experienced prolonged military battles. The historic old city and numerous residential districts of

Mosul suffered catastrophic destruction which resulted in complete destruction of the area. The housing damage in Mosul reached the highest level among all affected areas with an estimated cost of IQD 6–8 trillion (US $5–7 billion). The cities of Ramadi and Fallujah in Anbar province and Sinjar in Ninewa province suffered major destruction when Iraqi forces fought to defeat ISIS. The violence affected all rural towns because some villages completely disappeared from existence. Systematic destruction through airstrikes and street fighting and revenge attacks resulted in the complete destruction of Iraq's housing throughout its urban and rural areas. [32]

Successive waves of conflict have displaced millions of Iraqis internally, profoundly shaping housing patterns and preferences. The 2006–2008 sectarian civil war uprooted large populations as Shia–Sunni violence engulfed mixed areas. By 2013, more than 1.13 million Iraqis remained internally displaced from that period's bloodletting. Many had been living in limbo for years, often crowding into informal settlements or public buildings. In 2013 the UN reported some 467,000 Iraqis – a mix of IDPs from earlier conflicts, returnees, and urban squatters – sheltering in over 382 ad-hoc settlements on public land or in abandoned structures, under harsh conditions with limited electricity, water, or sanitation. This protracted displacement crisis already strained Iraq's housing long before ISIS's rise. [34]

From 2014 to 2017, roughly 6 million Iraqis (15 % of the population) were displaced as ISIS advanced and battles intensified. Most fled to the Kurdistan Region (Dohuk and Erbil) or government-held cities. Sunni families from Mosul and Anbar settled in formal camps or rented housing in Dohuk and Erbil, while Yazidis from Sinjar took refuge in overcrowded camps or unfinished buildings. Others moved to safer towns within federal Iraq or remained in remote rural areas to stay out of the fighting. Safety drove many to choose destinations based on sectarian or ethnic ties, and access to camps or relatives influenced their specific locations.

The decline of ISIS conflict after 2017 led to a variable return process among displaced persons. The total displacement of 4.8 million people (80% of individuals displaced by ISIS) returned to their original areas by 2021 but 1.2 million people remained internally displaced and chose not to return. People who returned to their homes did so because they needed to or wanted to recover their property and reconnect with their community and resume their work activities. Yet they encountered severe housing challenges. Returnees to Mosul and other cities discovered their homes were severely damaged, so they had to occupy either half-destroyed buildings or construct temporary shelters among the neighborhood rubble. [34]

The rural areas presented two challenges to residents because their villages existed in a state of destruction or contained explosive devices, yet people constructed basic mud huts and tents as temporary solutions on their property. The displaced population makes housing choices based on security needs as well as functional requirements. The majority of IDPs chose to stay in urban areas instead of returning to peripheral villages because these locations provide better access to employment opportunities and educational institutions and essential services.

The Iraqi government, international donors, and humanitarian agencies have undertaken numerous initiatives, yet progress has been uneven. Immediately after

major combat ended in 2017, attention turned to rebuilding critical infrastructure and homes. Damage assessments estimated that billions of dollars would be required just to restore housing. For instance, the seven provinces examined in 2018 were judged to need roughly IQD 20.6 trillion (~US $17.5 billion) to repair and rebuild housing over the short and medium term.

National reconstruction plans emphasized "fast-tracking" repairs to partially damaged houses so that families could return quickly, while formulating longer-term strategies for destroyed neighborhoods. In practice, however, the scale of destruction far outpaced the resources and capacities available. A high-profile international donor conference in 2018 (Kuwait) yielded about $30 billion in pledges to support Iraq's overall reconstruction, only around one-third of the $88 billion that Baghdad estimated was needed. [35]

Moreover, much of this sum consisted of loans or investments, and turning pledges into actual projects proved difficult amid Iraq's bureaucratic and political obstacles. Corruption and mismanagement have been persistent concerns. Iraq consistently ranks among the most corrupt countries globally, raising fears that reconstruction funds would be siphoned off. This challenging funding environment has meant that housing reconstruction has progressed slowly and unevenly across different areas.

Urban centers have seen some notable rebuilding efforts, often with international assistance. Rural and small-town recovery has been even more fraught. In places like Sinjar District, entire villages lay empty long after liberation due to a lack of reconstruction and ongoing security issues. Many Yazidi families, for example, stayed in displacement rather than return to destroyed villages where basic services and security guarantees were absent. Where rural return and rebuilding have occurred, it's often been through self-help: communities pooling labor to put up simple concrete structures or temporary shelters. Government or NGO housing assistance in rural areas has been limited compared to higher-profile urban projects.

Post-2003 housing recovery in Iraq has been hampered by severe resource shortfalls reconstruction needs far exceed available funds and persistent fiscal constraints and corruption that limit government investment. Reconstruction efforts lack coordination, with multiple agencies and donors working independently rather than following a unified plan. Property restitution is also stalled by legal disputes: destroyed records and competing claims make it difficult to clarify land ownership. Although compensation programs (e.g., for Saddam-era seizures and post-ISIS losses) exist, they remain slow and bureaucratic. Finally, social cohesion is weak, as families associated with ISIS face exclusion, undermining trust and hindering safe returns.

The various obstacles have not stopped the progress from achieving meaningful yet limited results. The majority of people displaced by war have either returned to their homes or moved to new locations and various cities have experienced noticeable reconstruction progress. Private homeowners together with local groups across Baghdad's outskirts and Mosul's suburbs have repaired thousands of houses with minimal outside assistance. The housing rehabilitation programs supported by international partners UN-Habitat and UNHCR, and various NGOs, have provided new housing units for IDPs and restoration services for

returnees' damaged homes. These projects serve as examples for community-led recovery while demonstrating how to develop inclusive urban plans. The future housing strategy requires a comprehensive approach that combines urban renewal efforts for cities with improved services and housing, while developing rural housing infrastructure to attract families back to abandoned villages. Post-conflict housing recovery in Iraq demonstrates that restoring physical structures requires consideration of security measures together with identity preservation and rights protection. The path to sustainable peace and development in Iraq depends heavily on solving its housing crisis because the country remains in a stabilizing phase.

3. The state of the Ukrainian housing market due to a full-scale invasion

The 2022 Russian invasion of Ukraine has caused extensive destruction to Ukraine's entire housing infrastructure. The KSE Damages report from early 2024 shows that 250,000 residential buildings throughout Ukraine suffered destruction or damage, which amounts to 10% of the pre-war housing stock. The war has destroyed more than 222,000 private houses, together with 27,000 apartment buildings, which have damaged over 2 million homes. [36]

The most severe destruction occurred in occupied regions and areas near the battlefront. The residential buildings in Sievierodonetsk suffered 90% damage, and cities such as Mariupol, Bakhmut, and Maryinka lost their entire building stock after enduring heavy bombardments. The front line movements in Kherson, Zaporizhzhia and Kharkiv regions have resulted in numerous villages being left with only empty building structures. The 2022 offensive in the Chernihiv region north of Kyiv destroyed 70% of all infrastructure in several towns. The eastern Kharkiv region experienced building destruction at 80% in the towns of Izium. Single-story homes in rural areas face high risks from artillery and rocket fire because of their design. The occupation and fighting led to the destruction of multiple village clusters which resulted in burned-out farmhouses and destroyed roofs and home sites that became craters. The destruction of villages has reached its peak point because only a few buildings survive in what used to be densely populated areas. [37]

Quantitatively, the scale of housing loss in Ukraine is unprecedented in Europe since World War II. A joint assessment by the World Bank, United Nations, and Ukrainian government in early 2024 estimated direct damages to the housing sector at over $50–56 billion, out of a total $150+ billion in physical war damages.[38] Housing constitutes the single largest share of Ukraine's war damage costs. [39]

These blows to housing have gone hand-in-hand with massive population displacement. Millions of Ukrainians fled their homes in 2022 to escape violence. At the peak of internal displacement in mid-2022, over 7 million people were internally displaced within Ukraine's government-controlled areas. While some have since returned or relocated abroad, as of early 2025 approximately 3.7 million people remain displaced inside Ukraine (in addition to 6.9 million refugees abroad).

A very large share of those uprooted have literally lost their homes: around 47% of IDPs report that their original house or apartment has been damaged or

completely destroyed by the war. In many other cases, people cannot return home because their town is still under Russian occupation or because of ongoing insecurity. In sum, the war has created a vast homelessness crisis – by one count, about 1.4 million Ukrainian households (equivalent to 3.4 million people) have had their housing ruined, requiring them to seek shelter elsewhere. This urban destruction and human displacement is unprecedented in Europe in recent history, and it sets the context for profound shifts in Ukraine's housing market.

Internally displaced Ukrainians initially sought shelter wherever it could be found. In the early weeks of the invasion, many residents of hard-hit eastern and central cities evacuated to western Ukraine, crowding into the relatively safer regions of Lviv, Ivano-Frankivsk, Zakarpattia, and others. Communal shelters and ad-hoc housing sprang up in schools, sports halls, church buildings, and summer camps to accommodate waves of IDPs. Thousands were taken in by volunteers and host families.

The Ukrainian government quickly launched the "Prykhystok" (Shelter) program in March 2022, appealing to citizens to host displaced people and compensating hosts for utility costs. Local authorities in western regions raced to prepare empty dormitories and renovate old sanatoriums as temporary accommodation for those fleeing bombardment. Despite these efforts, the sheer volume of displacement overwhelmed housing capacity in many host communities. [40]

One immediate effect was a sharp surge in rental demand and prices in safer cities. In western urban centers like Lviv, rents skyrocketed by spring 2022 under the influx of newcomers. By early March 2022, average apartment rents in Lviv had jumped 72% above pre-war (January 2022) levels, and other regional cities such as Uzhhorod and Chernivtsi saw rent increases of 50–80%. This sudden spike strained affordability for both IDPs and local residents. Many displaced families, having lost their income sources, struggled to pay for private rentals, leading to overcrowding in cheaper rural accommodations or prolonged stays in collective shelters. The government criticized war-profiteering landlords, and some mayors even publicly shamed those raising rents. Despite this, housing scarcity in host regions remained a serious challenge, with tens of thousands of IDPs living in improvised quarters or collective centers through 2022. [40]

Over time, IDPs' housing preferences and strategies evolved. In fact, an assessment in 2023 indicated nearly three-quarters of IDPs were staying in private homes with host families (often in rural areas) or in rented accommodation, as opposed to camps or public shelters. This reflects a common preference for normalcy and comfort – over time, displaced people prefer to recreate a home-like environment, even if modest, rather than remain in barracks or gymnasiums.

Location choices have also shifted with time. Early in the war, IDPs fled from urban battle zones to any haven, sometimes ending up in villages or small towns if those were the only options. For example, rural communities in western Ukraine absorbed many city dwellers despite limited services, because they offered safety. As the situation stabilized somewhat, some IDPs gravitated back toward larger cities in the safer regions, where there were better job prospects, schools, and social networks.

This secondary migration meant cities like Lviv, Dnipro, and Odesa continued to host large IDP populations and face housing pressures into 2023.

Meanwhile, a portion of IDPs did remain in quieter rural areas and even adapted to village life or agricultural work, especially those who had rural roots or family connections. Housing preference surveys suggest most displaced families ultimately desire permanent, secure housing – ideally a home of their own – if return to their original residence is not possible. Homeownership is culturally valued in Ukraine, and losing one's home has caused not only material hardship but psychological trauma.

By 2024, many IDPs expressed interest in owning housing in their current location (through purchase or government programs) if their home in the warzone was destroyed or occupied. Others hold onto hope of return; indeed, as soon as areas have been liberated and de-mined, significant numbers of displaced residents have tried to return to rebuild or repair their homes. [38]

Consequently, Ukraine now faces an acute housing dilemma: millions of its citizens need new permanent housing solutions, either because they cannot go home or no home is left to go back to.

4. A Behavioral Model of Housing Preference Transformation in Ukraine

An indicative online survey was conducted from March to May 2025 to investigate how the full-scale war in Ukraine transformed citizens' housing preferences. The main goal of the study was to collect empirical material to build a simple behavioral model of housing choice that considers new security, social, and infrastructure factors that have emerged after 2022.

200 respondents completed the survey. Although the sample is not representative in a statistical sense, it allows for the formulation of initial hypotheses based on which further quantitative research can be built. The sample can be characterized as follows:

The majority of participants were women (65.8%), and men (34.2%).

Youth dominates in terms of age distribution: 51.3% of respondents are under 25 years old. The age group of 26–40 years is another 30.7%, that is, in total, more than 80% of the sample consists of people of working or student age. Older categories are represented to a lesser extent: 16.1% are aged 41–60 and only 2% are 60+.

97% of all respondents are in Ukraine. This allows us to focus on interpreting internal transformations of preferences within the country. At the same time, at the level of living experience during a full-scale invasion, it is clear that:

- 69.8% of respondents did not change their place of residence;
- 19.1% moved within the country;
- 7% became internally displaced persons (IDPs);
- 3% went abroad;

- the rest gave combined answers, which indicates complex mobility or temporary migration.

Data on children shows that only 27.5% of respondents have children. This once again confirms the dominance of young, childless households among respondents, which is important to consider when interpreting housing priorities (for example, the lower weight of factors related to schools or kindergartens).

The survey showed that 82.4% of respondents currently live in large cities (100+ thousand inhabitants), another 10.6% in small towns, and 6.5% in villages. Preferred places of residence change this proportion slightly: 75.9% would like to live in large cities, but the share of those who want to live in a small town (15.1%) or village (8%) is growing. This indicates a gradual, albeit cautious, rethinking of the scale of a comfortable living space - while maintaining trust in the infrastructure of large urban centers.

The most popular type of housing remains an apartment (48.2%). However, 25.6% of respondents chose a private house, and another 25.1% said that the choice of housing depends on the conditions. This means that almost half of the sample allows for options other than apartments - especially in the context of security, autonomy, privacy or changed life circumstances. Given the overall youth of the sample, this is a potential signal for future changes in the demand market, when this cohort will become the main home buyers.

A two-stage formula is used to model changes in housing behavior of Ukrainians during the war. The first stage calculates how much each factor has changed its weight — that is, how much its importance has increased or decreased since the start of the full-scale invasion. Formally, this is defined as the average difference between the estimates of the same factor before and after 2022.

Formula for each factor:

$$W_{factor} = \frac{\sum_{i=1}^{n}(R_{i,post} - R_{i,pre})}{n}$$

- W_{factor} *is change in factor weight;*
- $R_{i,post}$ *is factor score after 2022 for the i-th respondent;*
- $R_{i,pre}$ *represents score of the same factor before 2022;*
- *n – number of respondents*

A summary response table was used for the calculation, which contained frequency distributions of scores from 1 to 5 for each factor before and after the war. Based on these data, the average scores for each factor were calculated and the change in weight was calculated.

Overall, the analysis showed that the following factors have increased in importance the most:

- Distance from potential targets (+2.49);
- Shelter/underground parking (+2.42);
- Autonomous communications (+2.35);
- Lower floors as safer (+2.05).

These factors reflect a new logic of adaptation: housing is considered not only as a place to live, but also as a shelter, a point of autonomous survival in crisis conditions.

At the same time, it is worth considering not only the change in weight, but also the overall level of importance. For example, although the price increased by only +0.08, it remains among the highest in absolute value of the assessment after 2022 (4.40 out of 5). Similarly, location (4.22) and quality of housing (4.07) maintain high positions, even if their weight change was moderate. This indicates the stability of classic criteria for choosing housing even in the new conditions.

Thus, the first stage allows us to simultaneously assess both the reorientation of priorities and the stability of certain basic expectations for housing: safe housing should remain of good quality, well-located, and affordable.

Table 1 Changes in the weighting coefficients of factors influencing housing choice before and after 2022			
Factor	Average before 2022	Average after 2022	Weight change
Price	4.29	4.37	0.08
Location	4.24	4.30	0.07
Apartment area	3.28	4.04	0.76
Housing quality	4.06	4.41	0.35
Transportation accessibility	3.77	3.91	0.14
The presence of schools, kindergartens, hospitals nearby	2.48	2.94	0.46
Proximity to family and friends	2.69	3.46	0.77
Shelters/underground parking lots	1.45	3.87	2.42
Autonomy (generator, water, internet)	1.90	4.25	2.35
Distance from potential targets	1.57	4.07	2.49
Lower floors as safer	1.59	3.64	2.05

The second stage of the model allows us to move from the analysis of individual factors to a comprehensive understanding of how much the overall housing behavior of each respondent has transformed. To do this, we introduce an index of behavioral

change that aggregates the impact of all factors through a weighted assessment: each factor is multiplied by its changed weight obtained in the first stage and summed.

Why it matters:

- The index allows you to compare different social groups (for example, people with and without children) in terms of the level of change in housing priorities.
- This is a tool that demonstrates the degree of adaptation to the new reality: the higher the index, the more a person's way of thinking about housing has changed.
- The index does not replace specific factors, but allows you to see the general dynamics of behavioral changes.

Index formula:

$$B_{index} = \sum_{k=1}^{m} (W_{factor} * X_{factor})$$

- B_{index} *is an index of behavioral change*
- W_{factor} *is the change in factor weight;*
- X_{factor} *is assessment of this factor by a specific respondent after 2022;*
- *m – number of factors;*
- *k – number of a specific factor*

This index does not have a fixed scale, but in the conditions of this study its range can be estimated in two ways:

The theoretical maximum indicates that if the respondent rated each of the 11 factors at the maximum (5 points), and the sum of all factors is approximately 11.94, then maximum can be 5*11.94=59.7

This is an abstract limit that is almost impossible to achieve in real conditions.

In reality, even the highest individual values do not reach this maximum, so the practical interval 18–22 describes the limits of real changes in behavior and is calculated based on the average indicators of the given factors.

The average behavioral index for the entire sample is 18.54, which indicates a significant change in the perception of housing. This is not an extreme indicator, but not an initial one either - it reflects a moderately high adaptation to the new reality. Given the practical maximum within 22, it can be argued that most respondents have reconsidered some, but not all, housing priorities.

Table 2 Average B_index values depending on the presence of children	
Group	Average B_{index}
Total sample	18.54
under 25 years old	17.57
26–40 years old	19.30
41–60 years old	19.72
60+	22.13

The results show that the older a person is, the more their preferences change. Young people (under 25) have the lowest B_index. This may indicate:

- Less responsibility for the family, no children;
- Flexibility, mobility, lack of a stable place to live;
- Less involvement in the home buying process or long-term planning.

The oldest group (60+), on the contrary, has the highest index, which is quite logical:

Older people are less mobile and more vulnerable to external threats;

Their housing behavior is more pragmatic and related to the search for stability, safety, and security.

Table 3 Average B_index values by age groups	
Group	Average B_{index}
Without children	18.25
With children	20.79

Respondents with children showed a significantly higher index. This indicates that:

- Parents are more sensitive to safety factors (shelter, remoteness, lower floors);
- They also take into account infrastructure aspects - schools, hospitals, transport.

This is an important social indicator: adaptation to war is manifested primarily through protective motivation - care for children and older family members.

The behavioral index allows us to identify hidden patterns in the transformation of housing strategies. It shows that the highest changes in behavior occurred among older people and parents - that is, those who are most exposed to risks and responsibilities. In contrast, young people, who are less attached to a stable lifestyle, demonstrate a lower tendency to change housing orientations. However, security factors have grown in importance in all categories of the population and have become one of the key ones at the price and location levels.

However, this model has its limitations. It is based on an indicative survey and a superficial approach that is not representative at the national level. Potential sources of error are the uneven distribution of respondents by region, social status, income, as well as the limited number of people aged 60+ or families with children. In addition, the model does not yet take into account such important social variables as:

- income level;
- type of employment;
- regional origin (regions, cities, frontline vs. rear);
- IDP status;
- education level, etc.

A promising direction for further work is to adapt the model to a representative sample, with the expansion of categorical variables and the construction of

segmented indices for individual groups. This will allow for better identification of behavioral patterns for targeted policies.

Based on the results, a number of practical conclusions can be proposed for state housing policy:

- Supporting different population groups (IDPs, older people, families) through priority provision of housing that meets new requirements for safety and autonomy.
- Developing regional housing development strategies that take into account the context of safety, evacuation, and access to communications in different areas of the country.
- Involving indicators and an improved model based on representative data in the evaluation of housing programs, as well as in the design of developments in cities where safety architecture plays an important role.

The model and the work itself can also become a valuable analytical tool for housing market stakeholders:

- Urban planners - to take into account behavioral changes in the structures of urban spaces;
- Developers - to develop products focused on new needs (shelters, generators, autonomous housing);
- Financial institutions and developers - to plan investments in the most popular housing formats.

5. Strategic Recommendations for Ukraine's Housing Recovery

In wartime Ukraine, safety and self-sufficiency have leapt alongside traditional considerations like cost and location. To translate these findings into practical change, we must reshape both public policy and private-sector practice in a way that reflects how Ukrainians now think about "home." If we summarize the most important conclusions that we can draw for the formation of adaptive housing policies in conditions of protracted conflict, we will obtain approximately the following key "points of support".

In the course of this research, we have seen that under the pressure of war, the usual ideas about "home" have changed: now not only economic factors come to the fore, but also completely new demands for security, autonomy and social cohesion. If we summarize the most important conclusions that we can draw for the formation of adaptive housing policies in conditions of protracted conflict, we will obtain approximately the following key "points of support":

- Integration of the behavioral approach. The first thing that should be laid at the foundation of any recovery strategy is the understanding that citizens now make decisions not only based on price or distance to work, but are primarily guided by fears, motivations and experiences of displacement. It is these internal "motivators" that determine whether a person is willing to pay more for an apartment with autonomous energy supply, or whether he will choose housing in a less prestigious area if there is reliable shelter nearby. Therefore,

when planning new projects and aid programs, it is worth considering psychological factors as a priority: the fear of shelling, the desire to preserve existing social ties, the desire to find a place where one could not only live, but also feel protected.

- Creating adaptive modular solutions. The experience of thousands of displaced people has shown that even in temporary housing, people strive to be able to transform it "in the future" into a permanent space. If someone initially receives a container or module, then within a few months they begin to think about insulating the walls, increasing the usable area, and built-in autonomous power systems. Therefore, the right strategy is to design residential blocks from the very beginning as a "designer": a basic frame with a built-in backup water supply, wiring for a generator or solar panels, as well as the possibility of adding a second floor or adding additional rooms. Thanks to this approach, the same house can initially serve as an emergency shelter, and then turn into a comfortable living space while preserving the investments made in basic infrastructure systems.

- Prioritizing safety in residential design. In ordinary peaceful life, "comfort" is often associated with the view from the window or the availability of parking. Today, residential projects must be designed so that the bedroom, living room or even the corridor are guaranteed to be located in the zone of quick access to the shelter. Today, it is no longer enough to build a "quiet courtyard" - it is necessary to provide that, conditionally, for every fifty meters of horizontal area there is an area where you can stay in the event of an explosion or air raid. In parallel, it is worth introducing standards for materials that guarantee the resistance of the facade to the blast wave, the mandatory presence of an "emergency" communication channel with the local warning system and an independent power supply source (minimum - the ability to work for 48 hours without connecting to the central network). All this allows you to turn a simple apartment block into a kind of "fortress", where you can not only sleep, but also experience low temperatures or temporary power outages without tragedy.

- Considering social ties in resettlement. During the survey, many people mentioned: even if the new place does not have ideal infrastructure, the presence of acquaintances or family members nearby reduces fear and information uncertainty. Therefore, even in mass resettlement, it is very useful to take into account social networks: if there is an opportunity to settle a displaced person in a house "through the wall" with someone he already knows, this significantly alleviates stress and speeds up adaptation. Imagine a situation where a support program does not simply provide lists of available housing, but offers the option to "fill out an application with one or two contacts of acquaintances in the same community". Thus, even a remote school or hospital ceases to seem so critical, because there is a living "social bridge" nearby.

- Active participation of the state in the rental segment. In wartime, traditional leases often prove unreliable: the owner may flee, or vice versa, seek "instantaneous profit" by doubling the price. That is why the state should create a single online platform where information about each apartment or house that meets minimum safety standards will be recorded: shelter, autonomous power

supply, integrated alarm system in case of an accident. Those owners who modernize the premises at least to a basic level (for example, install a generator or reserve a shelter) will receive tax benefits or compensation for part of the costs. The register should be completely open: anyone can go to the site, see a list of incredibly safe apartments and confidently look for housing there. In this case, the rental market adapts to the war – it provides a guarantee of safety now, and does not "keep silent" about it.

- Institutionalization of community support and local initiatives. If the state were to focus only on centralized vouchers or grants, it would risk not seeing the "last meters" of the problem, when every village or city has an old dormitory with a non-functioning gas transportation system or unfinished college dormitories where displaced families could be accommodated. That is why a "horizontal" scheme is needed: a state grant - a municipal program - a local cooperative. Each community gets the right to create its own support fund (part from the state budget, part from local businessmen), using funds to repair existing buildings, insulate facades, and install priority security elements. If community residents themselves discuss and vote on the list of objects that need repair and join the work ("mobile brigades," "housing social service"), then the paths of corruption are significantly narrowed, and the effect of restoration is significantly increased.

In our case, specifically for Ukraine, it additionally becomes clear that:

- It is necessary to develop a typology of housing needs of regions. The East and South cannot be the same focus as the West or the Center. Where frontline threats are real, priorities are different.
- Support for communities should be institutionalized so that each ATC has a program ("community housing fund", "dormitory renovation") and a clear mechanism for attracting donors. This should not be a one-time action, but a continuous process of training local activists, risk management, and prompt fundraising.
- It is imperative to include a behavioral approach in IDP assistance programs. For example, subsidy distribution algorithms should take into account whether a family is ready to immediately settle in a modernized apartment building with autonomous systems, or would prefer a communal dormitory with cheaper fees and fewer concerns.
- It is equally important to increase transparency and trust in reconstruction programs: all large grant funds should be in an open online registry, with the ability to monitor the current status of work, deadlines, and actual costs, so that people can see where the money is going and trust the result.

CONCLUSIONS

This paper brings to the surface those mechanisms of housing choice that previously remained subordinate to the usual economic or social motivations, and now, under the pressure of war, have become vitally important. The theoretical basis on which it was based from the Means–Ends Chain models and the Theory of Planned Behavior to the Family Life-Cycle and Life-Course Theory acutely predicts: in crisis

conditions, security comes to the fore and forms a new structure of priorities. The results confirm this observation: the average ratings of the importance of security aspects (distance from potential targets, availability of shelters, autonomy of communications and choice of lower floors) increased by almost 2–2.5 points on a maximum five-point scale. This shift is identical to what researchers of housing challenges observed in post-war Bosnia, post-conflict Iraq and Kosovo: at the moment of a real threat to life and health, the imagination of a "comfortable view from the balcony" dries up, and the "feeling of security" becomes the first signal "you can settle here".

In parallel, the analysis of age and social groups showed that older people and parents with children turned out to be the most sensitive to those security factors that were previously secondary. This demographic picture completely coincides with the Family Life-Cycle Theory, which suggests that responsibility for loved ones, limited mobility and accumulated life experience form an increased sensitivity to risk. At the same time, economic criteria (price and location) have not lost their significance - it was previously expected that the war would significantly reduce the weight of the "traditional" equation. Instead, respondents began to pay even more attention to price and location. In this they are similar to the countries studied in the field of post-conflict housing.

At the same time, it is worth recognizing a number of limitations: first, our sample of 200 respondents is only indicative. It mainly includes Kyiv residents and those who actively use the Internet, and therefore, we have avoided other categories of the population, for example, by regional factor or those who live in the most remote villages or do not have the opportunity to join online or the IDP category separately - it is in these groups that the level of readiness for autonomous decisions could turn out to be different, perhaps significantly lower. Second, memories of the importance of factors "before the war" are based on subjective memory, which may contain retroactive biases. The model, oriented to a single cut of the spring of 2025, ignores the fact of long-term changes, when, for example, the distance of the front line will supposedly reduce the weight of "autonomy" or "safe floors". Without the longitudinal component, it is impossible to unequivocally state how much the structure of priorities stabilizes in the long term.

Despite the technical flaws, an indicative design was chosen: the goal was not to immediately create a representative picture, but primarily to identify working hypotheses. The quantitative data generated can be easily combined with the experience of neighboring countries. For example, in Kosovo, after several years of "the norm", residents actively invested in autonomous microgrids. In Iraq, legislators changed construction standards, laying a minimum energy reserve in each new home. In Ukraine, there are also solutions for infrastructure autonomy and energy efficiency. Thus, our study simultaneously supports the general trend of "reassessment of security" and indicates that it is important for Ukraine to take into account the strength of the community through the structure of local government.

The next natural stage is to deploy a representative survey across all regions to show how housing priorities actually differ in the frontline communities of Kharkiv region and those who remained in Lviv, Ternopil or Ivano-Frankivsk. It is possible to

collect additional data on income level, education, employment, trust in local institutions (communal communities, condominiums) and specific characteristics of the surrounding infrastructure. Based on such a multidimensional model, it will be possible to draw final conclusions and form targeted support programs: compensation for the installation of an autonomous solar station for individual social groups - "elderly people in rural areas", and "young people without children from large cities" - additional credit lines for home insulation.

Despite its limitations, our indicative sample paves the way for practical planning: already today, state authorities can focus on the fact that the population prioritizes access to reliable shelter and security, but has become more sensitive to price due to the economic situation. Developers who are currently building new housing complexes should understand that if they do not invest in autonomous power sources and protected common areas, they will still lose demand. And local communities that want to quickly restore their housing stock can use our results to avoid making the same mistakes that other states made: the mass construction of container towns without further infrastructure development led to their decline in a few years, when budgetary nuances were exhausted. On the contrary, taking over the management of certain projects at the local level will allow them to win competition from other cities for human resources and attractiveness.

Thus, this work laid the foundation for the creation of a unique Ukrainian case that combines classical theoretical expectations with the realities of war. It demonstrates how an indicative sample and a simplified model, supplemented by the experience of other countries, allow us not only to "withstand the current shock", but also to form a recovery strategy, avoiding other people's mistakes. In the future, developing this direction, we will be able to build a truly representative, effective and, most importantly, adaptive to any future challenges model of housing policy, which will become a model for other states that find themselves in critical conditions.

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