



REPORT

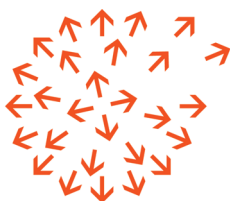
ON THE FINDINGS OF THE STUDY

Assessment of the impact of preferential mortgage provided under the «Housing solutions for internally displaced persons» (KfW) project



GROUP OF
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INTRODUCTION

Providing housing for internally displaced persons (IDPs) remains one of the key challenges for the state policy on human rights protection during the armed aggression against Ukraine. Having their own housing means a lot more than just a basic need; it's also a key factor for social stability, economic capacity, and psychological adaptation of IDPs in new communities.

The preferential mortgage loan programme under the «Housing solutions for internally displaced persons» project (KfW) turned out to be one of the few ways to help IDPs buy their own homes. This was made possible by a number of key advantages:

- mortgage is granted for a term of up to 30 years (but no longer than until the borrower reaches the age of 65);
- interest rate is 3 % per annum;
- borrower's own (initial) contribution is 6 % of the cost of the housing;
- mortgage is provided for the purchase of finished housing on the secondary market, built no more than 50 years ago or renovated no more than 35 years ago;
- participants in the programme choose the housing themselves – the standard area is 52.5 m² per family of 1–2 people and an additional 21 m² for each subsequent family member.

Citizens who are registered as internally displaced persons, have a confirmed source of official income, do not own housing (except for housing located in temporarily occupied territories or in areas of active hostilities), and have not participated in other state housing programmes after reaching the age of majority are eligible to participate in the programme.

Candidates register via the Diia web portal. The selection of participants who are eligible for receiving a mortgage is carried out by random sampling using special software developed by an international implementation consultant and approved by the KfW development bank. The programme has a revolving fund, meaning that returned funds serve for new mortgages.

As of July 2025, the programme covered 1,053 IDP families out of 35,700 registered for receiving a preferential loan, indicating limited access to this instrument despite high demand. That is why conducting research is an important condition for improving preferential mortgage loan programmes and considering opportunities for their further expansion.

The research provides a deeper understanding of how the programme has affected various aspects of borrowers' lives, including housing conditions, emotional well-being, financial stability, access to services, needs met, and integration into host communities. The relevance of this analysis is growing in the context of planning long-term decisions for IDPs and the need for sustained support for state programmes.

METHODOLOGY

The **aim of the research** is to comprehensively assess the impact of preferential mortgage loans provided under the project «Housing for Internally Displaced Persons» (KfW) on the living conditions, financial situation and professional employment of IDPs, as well as to determine how owning their own housing contributes to their social, economic and psychological adaptation in new territorial communities.

This study employed a quantitative research methodology. To collect data, we used an online survey, which let us reach a wide range of respondents and keep their answers anonymous.

The survey was conducted between **10 and 23 June 2025**. The questionnaire included closed, semi-open and open questions aimed at studying various aspects of the impact of the programme on the IDPs' lives.

The target audience consisted of IDPs who are borrowers under the preferential mortgage loan programme. The questionnaire was distributed among potential respondents with the assistance of the State Specialized Financial Institution «State Fund for Support of Youth Housing Construction».

The total number of borrowers as of June 2025 was 1,053. A total of **647 respondents** participated in the research.

The sample covers representatives of different genders and ages, which made it possible to reflect the multidimensional impact of the programme on the social, economic and psychological conditions of IDPs. The collected data was processed using specialised software for sociological analysis, which ensured the reliability of the results and their further processing.

SOCIO-DEMOGRAPHIC PROFILE OF RESPONDENTS

A total of 647 respondents participated in the research: women (58 %) and men (42 %). The 36–45 age group predominates (49 %), which shows an active representative sample of the adult working-age population; a significant percentage of respondents were also aged 26–35 (30 %) and 46–55 (17 %), while younger (18–25) and older (56–65) groups were less represented, at 2 % each.

The majority of respondents are married (64 %) or in a de facto marital relationship (11 %). Additionally, 22 % are not married or in a relationship.

The educational level of respondents is high: 84 % have higher education and 4 % have a scientific degree. Other levels of education are represented by insignificant percentages of respondents: vocational and technical – 4 %, incomplete higher – 4 %, basic secondary – 1 % and complete general – 2 %.

More than half of the respondents have minor children (58 %), mostly one child (40 %), 15 % have two children, and 3 % have three or more minor children.

Regarding social categories, the majority (64 %) do not belong to any specific category. Respondents who indicated belonging to a category included people with chronic illnesses (7 %), military personnel and their families (5 %), combatants (4 %), single mothers or fathers (4 %), people on parental leave (3 %), and people with a Group III disability (2 %). Another 7 % of respondents refused to answer this question.

The main source of income for most respondents is their salary (84 %). Along with that, some of them get money from business (23 %) and help from family (13 %).

Chart 1. Respondents' social categories

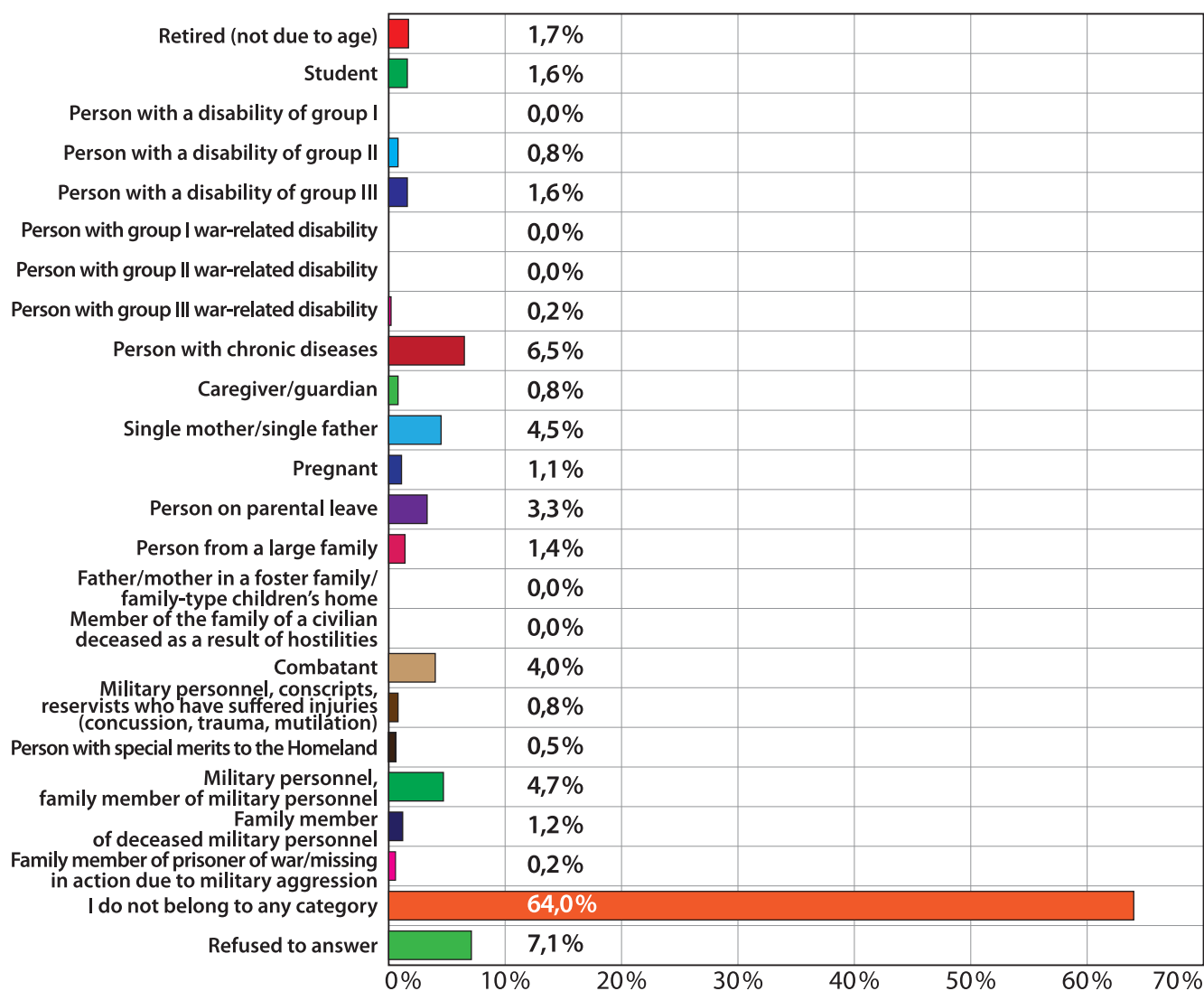


Chart 2. Educational level of respondents

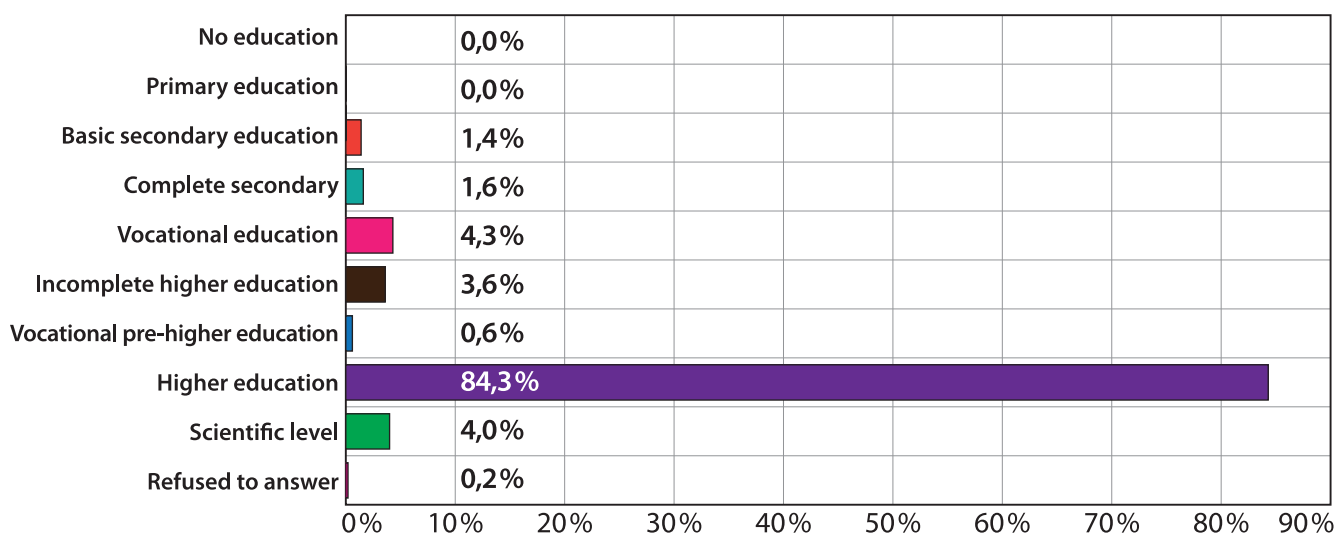
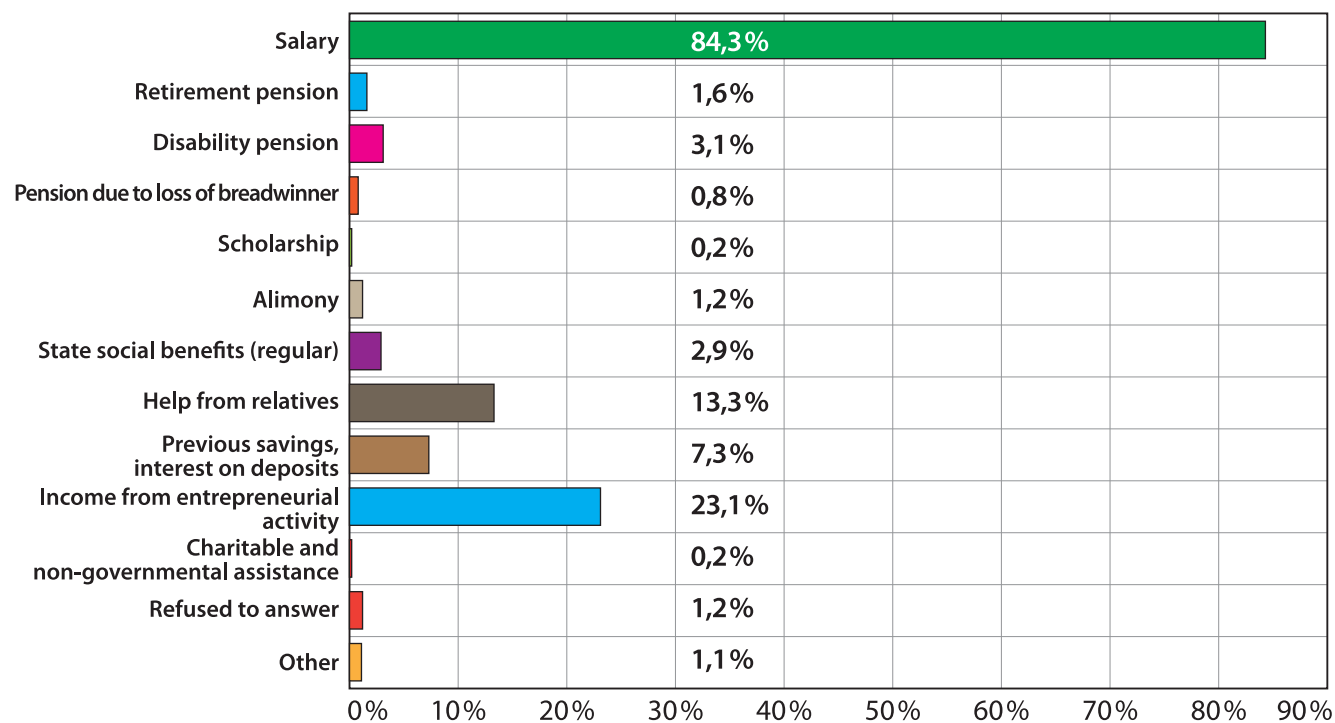
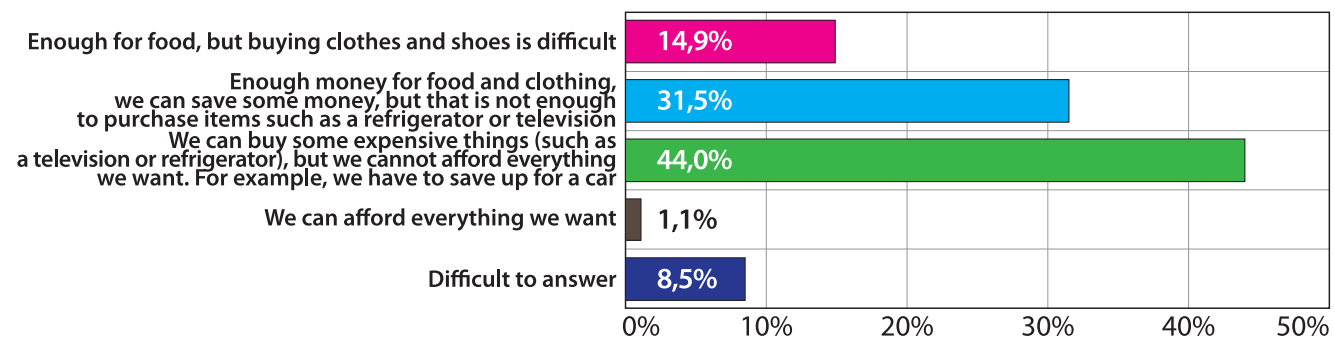


Chart 3. Sources of income of respondents



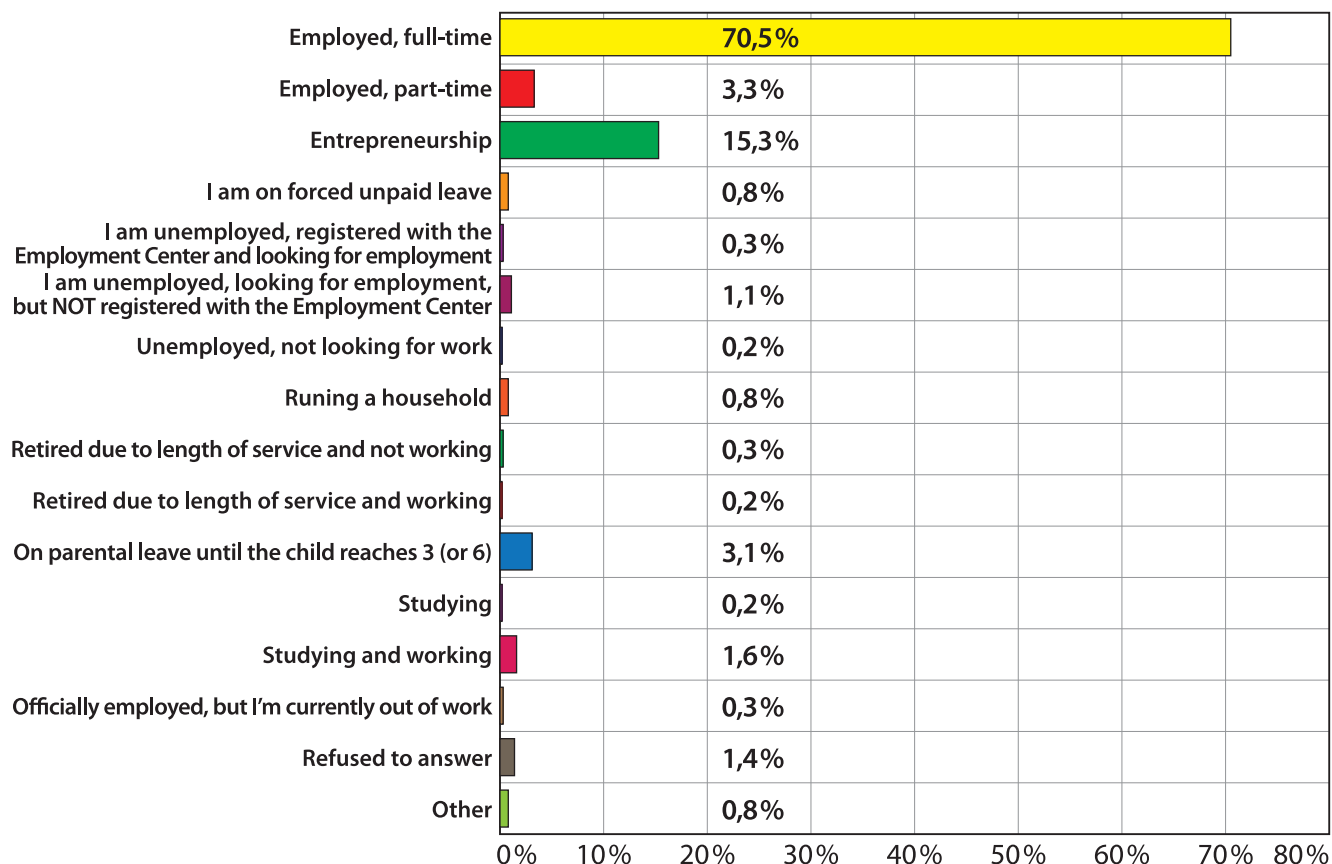
The financial situation of respondents is assessed as average. Thus, 44 % noted that they can afford some expensive purchases, such as a TV or refrigerator, but need to accumulate savings for more significant expenses, such as purchasing a car. For 32 %, they have enough money for food and clothing, they can save some money, but that is not enough to purchase items such as a refrigerator or television. For 15 % of respondents, their income covers food expenses, but clothing and footwear purchases prove to be financially burdensome. Only 1 % of respondents can afford all necessary expenses without financial constraints. Another 8 % refused to answer.

Chart 4. Respondents' financial situation



The level of employment among respondents is high: 70 % are employed full-time, 15 % are entrepreneurs, 3 % are employed part-time, and another 3 % are on parental leave.

Chart 5. Employment status of respondents



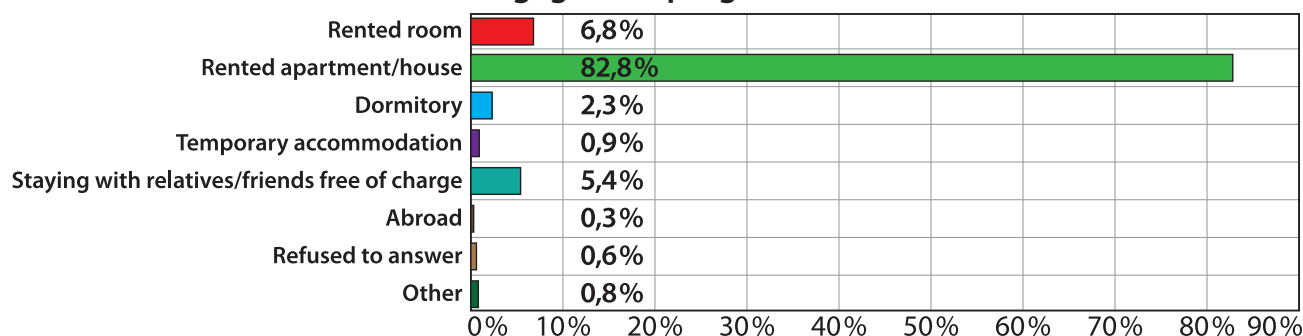
Thus, the socio-demographic profile of respondents shows that they are predominantly adults of working age with a high level of education, established family status, employment, and an average level of income.

MAIN RESULTS OF THE RESEARCH

Half of the respondents (51 %) were forced to leave their homes back in 2014. Another 22 % became IDPs between 2015 and 2021, and 22 % in 2022. Moreover, most respondents did not receive a preferential mortgage loan right after moving – 36 % benefited from the programme in 2024, and 29 % in 2022. Before purchasing housing under the mortgage lending programme, 91 % of respondents were renting housing.

These results indicate that a significant percentage of IDPs have been addressing housing issues independently for many years, mostly through renting. The lack of accessible state mechanisms for providing housing in previous years, as well as the limited number of such instruments today, prolong the transition period from temporary to more stable housing solutions for IDPs.

Chart 6. Residence prior to purchasing housing under the preferential mortgage loan programme



THE IMPACT OF OWNING A HOME PURCHASED UNDER A PREFERENTIAL MORTGAGE LOAN PROGRAMME ON VARIOUS ASPECTS OF LIFE

Most respondents noted the positive impact of owning a home purchased under a preferential mortgage loan programme on various aspects of their lives.

Thus, 92 % of respondents noted an improvement in their **living conditions**, while only 4 % did not feel any change. 93 % of respondents reported a positive impact on their **emotional state**, while 3 % did not feel any impact. For 86 % of respondents, owning a home was a factor that increased their **sense of stability**, 8 % did not feel any impact, and another 4 % were undecided. 61 % of respondents noted positive changes in their sense of **belonging to the community**, while 29 % did not notice any impact and 8 % were unable to decide.

77 % of respondents noted the ability to **plan for the future** thanks to having housing, while 13 % did not feel any impact and 7 % were undecided. 78 % of respondents mentioned improving **family relationships**, while 17 % did not notice any changes. In terms of professional life, 49 % of respondents said that having their own home had a positive impact on their **relationships at work**, while 44 % did not notice any changes. In terms of **relationships with neighbours**, 53 % of respondents felt a positive impact, 38 % did not notice any impact, and 6 % could not define their position.

Thus, the results of the research show that owning a home purchased under a preferential mortgage loan programme has a comprehensive positive impact on the living conditions, psychological state, sense of stability, and social integration of IDPs.

Owning a home is considered not only a basic need, but also an important factor in recovery and long-term life planning.

THE IMPACT OF HAVING A LOAN UNDER THE PREFERENTIAL MORTGAGE LOAN PROGRAMME ON VARIOUS ASPECTS OF LIFE

The preferential mortgage loan has a predominantly positive, though uneven, impact on various aspects of respondents' lives.

Thus, 62 % of respondents noted a positive impact of loan obligations on their **emotional state**, while 11 % noted a negative impact and 7 % were undecided. It is worth noting that of those who reported a negative emotional impact, 22 % are experiencing financial difficulties. A positive impact of the loan on the **sense of security** was reported by 55 % of respondents, 11 % felt a negative impact, 24 % did not notice any changes, and 8 % were undecided. The impact on **financial situation** was evaluated less enthusiastically: 51 % of respondents noted a positive effect, 21 % noted a negative effect, 20 % did not notice any changes, and 8 % did not answer. Of those who reported a negative impact on their financial situation, 39 % have difficulty meeting certain needs, such as buying clothes and shoes, and 23 % can afford basic expenses and small savings. **Family relationships were positively affected** in 58 % of cases, while 34 % felt no impact, 4 % were unable to answer, and only 2 % reported a negative impact. For 47 % of respondents, their **satisfaction of basic needs** improved, for 34 % it remained unchanged, and 12 % experienced a negative impact, of which one-third (33 %) have financial difficulties. The availability of the loan had a positive impact on the **state of health** for 43 % of respondents, 5 % indicated a negative impact, and for 45 % there were no changes. In terms of the **ability to plan for the future**, 59 % reported a positive impact, 9 % reported a negative impact, 21 % reported no change, and 11 % remained silent.

The results obtained generally meet expectations, since even a loan on preferential terms is not free assistance, but involves financial obligations for the borrower. In this context, the level of positive impact identified can be considered quite high, and the proportion of respondents who reported difficulties is quite expected. This confirms the overall adequacy of the programme's perception and its consequences among participants.

THE IMPACT OF OWNING A HOME PURCHASED UNDER A PREFERENTIAL MORTGAGE LOAN PROGRAMME ON THE AVAILABILITY AND QUALITY OF SERVICES AND LIVING CONDITIONS

Respondents also assessed the impact of owning their own home, purchased under a preferential mortgage loan programme, on the availability and quality of various services and living conditions.

The highest level of positive impact was recorded in the **field of leisure** – 55 % of respondents noted this, while 37 % did not feel any changes. Improved conditions for **child development** were noted by 51 % of respondents, 30 % did not notice any changes, and another 14 % reported that this issue was not relevant to them. In terms of the quality of/access to **social services**, 46 % of respondents felt a positive impact, 47 % did not notice any changes, and 3 % reported a negative impact. With regard to **medical services**, 37 % of respondents reported a positive impact, while the majority (57 %) did not notice any changes.

A similar situation is observed in **educational services** field – 38 % felt an improvement, while 53 % felt no impact. Positive changes in **administrative services** were noted by 43 % of respondents, while 50 % felt no change. Improvements in the accessibility and/or **quality**

of utilities were noted by 48 % of respondents, while 44 % did not notice any impact. Half of the respondents (50 %) did not notice any changes in **environmental conditions**, while 41 % felt a positive impact. For 45 % of respondents, their own housing had a positive impact on **transport services** field, while 44 % did not notice any changes. **Retail services** improved for 44 % of respondents, while 48 % did not notice any impact.

Across all categories, except for child development, a small percentage of respondents (up to 5 %) mentioned that this issue did not apply to them or that it was difficult for them to answer. Up to 2 % of respondents noted a negative impact, with the exception of the social services category.

Generally, the results indicate a moderate positive impact of home ownership on the accessibility and quality of various services and conditions. The most significant changes relate to leisure, child development, social, and administrative services.

At the same time, in a number of areas – inter alia, healthcare, education, and transportation – conditions remained unchanged for a significant number of respondents, which may indicate that access to these services is stable regardless of place of residence.

The fact that only 7 % of respondents purchased housing in a community other than the one in which they previously lived provides an additional explanation for this situation, as the majority remained in a familiar environment where they had previously used the relevant services and had experience interacting with local conditions.

THE IMPACT OF OWNING A HOME PURCHASED UNDER A PREFERENTIAL MORTGAGE LOAN PROGRAMME ON EMPLOYMENT AND PROFESSIONAL ACTIVITY

Most respondents (77 %) indicated that purchasing housing did not affect their employment or professional activity. At the same time, 5 % of respondents changed jobs for higher pay, and another 5 % changed jobs because of moving.

Having a home also encouraged entrepreneurial initiative: 2 % started their own business, and another 4 % plan to do so.

The «other» option was chosen by 3 % of respondents, who mentioned in their open answers that they planned to change jobs, found additional employment, increased their efficiency at their current workplace, or got the opportunity to work from home thanks to improved living conditions. Another 3 % of respondents declined to answer this question.

These findings demonstrate that participants in the preferential mortgage loan programme generally already had a stable source of income and established employment or professional status.

This may be explained by the fact that participation in the programme requires prior financial stability, inter alia, the capacity to make regular monthly loan payments, including interest, whereby the average monthly income of the winner and their adult family members cannot be less than the minimum subsistence level, as well as the requirement to deposit at least 6 % of the cost of the property into the winner's personal account.

THE IMPACT OF OWNING A HOME PURCHASED UNDER A PREFERENTIAL MORTGAGE LOAN PROGRAMME ON THE CHOICE OF PLACE OF RESIDENCE

owning a home purchased under the preferential mortgage loan programme affected respondents' plans regarding their place of residence in different ways.

For 30 % of respondents, purchasing housing **did not change their previous plans regarding their place of residence**, while 19 % said they **had no specific plans** regarding their future place of residence.

At the same time, for some participants, the preferential mortgage loan programme became a factor that influenced their decisions: 21 % rejected the idea of returning to their abandoned place of residence (of which 46 % were people aged 18–45).

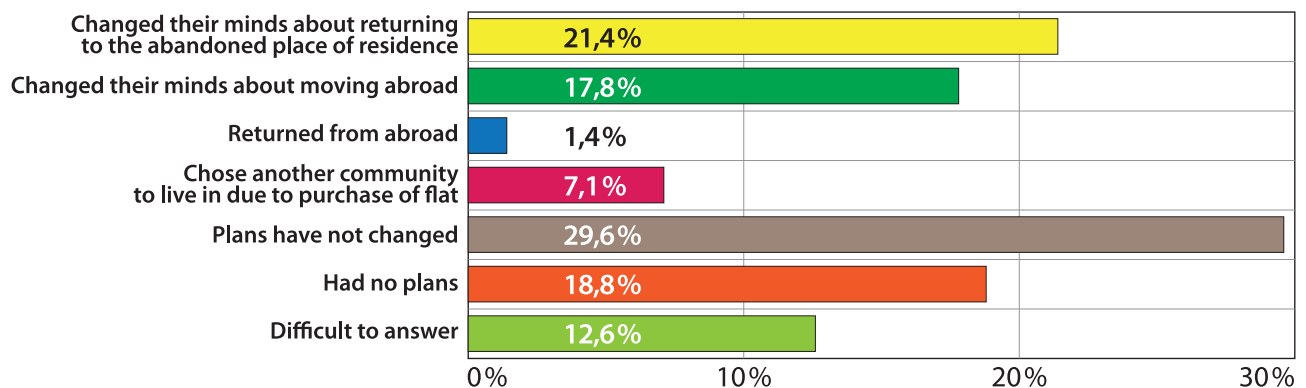
18 % changed their minds about leaving the country (among them, younger age groups also predominated (51 % were people aged 18–45)), and 1 % changed their minds about **returning from abroad**.

Only 7 % of respondents purchased housing in a community other than the one in which they had previously lived. At the same time, 13 % of respondents were unable to answer the question about their plans.

When asked about their intentions to move in the next 6–12 months, 83 % of respondents said they **had no plans to change their place of residence**. Another 15 % were unable to decide on an answer, and only 1 % indicated their intention to move to another country.

Thus, for most respondents, the purchase of their own home under the terms of the preferential mortgage loan programme served as a factor in stabilising and long-term orientation toward living in their chosen community.

Chart 7. Impact of home purchase under the preferential mortgage loan programme on the choice of place of residence



THE IMPACT OF HOME PURCHASE UNDER THE PREFERENTIAL MORTGAGE LOAN PROGRAMME ON SOCIALISATION

Owning a home purchased under the preferential mortgage loan programme to some extent promoted the socialisation of respondents in the host communities.

Thus, 32 % of respondents noted that the availability of housing provided a **sense of stability and «rootedness»**. 16 % of respondents reported the **adaptation of children to the new environment**. A **sense of greater integration into the community** was noted by 19 % of respondents, and 12 % reported **increased interaction with local authorities**.

At the same time, 36 % of respondents **did not notice any significant changes** regarding their socialisation after purchasing housing, while another 10 % were undecided.

An analysis of the results by year of obtaining a preferential mortgage loan allows us to identify certain trends in the impact of home ownership on socialisation processes. Regardless of the year of obtaining the loan, respondents most often noted a sense of stability and «rootedness». This indicates that home ownership quickly creates a basic sense of stability regardless of the length of ownership.

The percentage of those who report that their children have adapted gradually decreases over the years, which may indicate that the adaptation process is still ongoing, given the recent move.

At the same time, the percentage of respondents who have not experienced any changes in socialisation remains stable across all groups according to the year of home purchase and does not show a significant change. This may indicate that socialisation is a complex and multiple factor process influenced not only by the ownership of housing, but also by social capital, length of residence, previous experience of relocation, etc.

In general, it can be concluded that owning a home creates conditions for socialisation and deeper ties with the community, while the process of socialisation itself remains individual and depends on many factors beyond the scope of mortgage loan programmes.

OVERALL IMPRESSIONS OF PARTICIPATION IN THE PREFERENTIAL MORTGAGE LOAN PROGRAMME

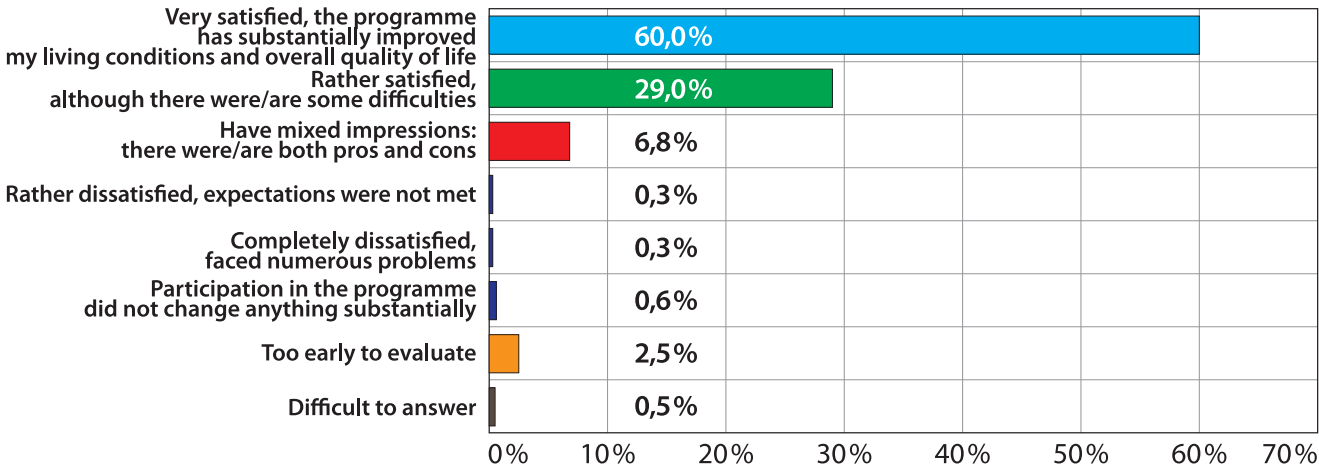
Most respondents have a positive attitude towards their participation in the preferential mortgage loan programme.

60 % said they were **very satisfied – the programme substantially improved their housing conditions and overall quality of life**. Another 29 % of respondents are also **satisfied, although they note certain difficulties**. 7 % have **mixed impressions, noting both positive and negative aspects of participation**. 2 % **refrained from giving an assessment**, explaining that not enough time has passed since they bought their home.

An analysis of respondents' answers to open questions allows us to identify several key topics that reflect both general moods and specific suggestions for improving the programme.

The vast majority of respondents express gratitude for the opportunity to participate in the programme. Common expressions include «very satisfied,» «vitally important,» «provides stability,» and «unexpectedly high-quality implementation of a government programme». Many emphasise that the opportunity to obtain housing was determining in their decision to live in Ukraine.

Chart 8. Overall impressions of participation in the programme



THE MAIN SUGGESTIONS FROM RESPONDENTS FOR IMPROVING THE PREFERENTIAL MORTGAGE LOAN PROGRAMME ARE:

- **expanding the programme’s funding** – a large number of participants emphasise the importance of scaling up this initiative to cover a larger number of IDPs;
- **extending the housing search period** – a frequent suggestion is to increase it from 30 to 60 or 90 days;
- **increasing the maximum cost per square metre** and adapting it to market conditions (especially in Kyiv, Lviv and other large cities);
- **simplifying bureaucratic procedures** – digitising processes and introducing a «personal participant profile»;
- **introducing housing insurance against the risks of military action** – in case of damage or destruction of property, the person does not have to pay the loan;
- **forming a network of real estate agents (by region)** who are familiar with the programme and can provide quality assistance in finding housing;
- **cancellation of the mandatory annual submission of income statements** for diligent payers who have no delays in repaying their loan obligations;
- **improvement of information and communication** – periodically conduct information campaigns, develop clear instructions, payment calculators, etc.

GENERAL CONCLUSIONS

The survey results indicate a high level of satisfaction with the programme among its participants. Having their own home has not only improved their living conditions, but also contributed to building a sense of stability and confidence in the future, as well as driving positive changes in the daily lives of IDPs. Respondents see participation in the preferential loan programme as a real chance to change their lives.

At the same time, there is a high demand for the programme to be extended, scaled up, and made more accessible to other IDPs.

In addition, it is necessary to review the possibility of relaxing time frames, adapting conditions to market realities and digitising processes. The implementation of these suggestions will contribute to increasing the accessibility and effectiveness of the programme. This will ensure the programme's long-term positive impact on IDP sustainability and contribute to maintaining an economically active population in the country.

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