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Living conditions and quality of life

Unaffordable and inadequate housing in Europe

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Eurofound

European Foundation for the Improvement of Living and Working Conditions

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Introduction

Unaffordable housing is a matter of great concern in the EU. It leads to homelessness, housing insecurity, financial strain and inadequate housing. It also prevents young people from leaving their parental home. These problems affect people's health and well-being, embody unequal living conditions and opportunities, and result in increased healthcare costs, reduced productivity and environmental damage. This report maps housing problems faced by people in the EU and policies to address them. It draws on evidence from Eurofound's *Living, working and COVID-19* e-survey, European Union Statistics on Income and Living Conditions and input from the Network of Eurofound Correspondents.

Policy context

The United Nations Universal Declaration of Human Rights includes the right to housing. The European Pillar of Social Rights states that access to social housing or housing assistance of good quality is to be provided for those in need. The related European Platform on Combatting Homelessness aims to ensure that no one sleeps rough for lack of emergency accommodation, that no one lives in emergency or transitional accommodation for longer than necessary, that evictions are prevented whenever possible and that no one is evicted without being offered assistance with finding an appropriate housing solution. According to the European Pillar of Social Rights Action Plan, the implementation of the European Green Deal – first through the initiative 'A renovation wave for Europe – Greening our buildings, creating jobs, improving lives' – will contribute to alleviating energy poverty and improving housing quality. The housing situation in Europe will be affected by long-term changes in energy consumption and production arising from the green transition, increased digitalisation and the ageing of European societies. The COVID-19 pandemic has made telework more common, meaning that many homes are now also workplaces. The Russian war on Ukraine has created a need to house large numbers of refugees and has driven up utility bills.

Key findings

- In the past decade, homeownership in the EU has decreased, driven by a drop in homeownership among young people. There has been an increase in Europeans living in apartments, concentrated in towns and suburbs.
- The age at which at least 50% of people in the EU were living outside their parental home increased from 26 to 28 between 2007 and 2019. Between 2010 and 2019, Spain, Croatia, Italy, Cyprus, Belgium, Greece and Ireland faced the largest increases in people aged 25–34 living with their parents.
- The share of income spent on housing decreased for homeowners from 18% in 2010 to 16% in 2019, while it increased for tenants from 28% to 31%. Of people spending at least 40% of their income on housing, 60% report having difficulties making ends meet. However, among people spending less than 20% of their income on housing, 42% still have difficulties making ends meet.
- On average, homeowners have higher incomes than tenants and face fewer problems with their housing. However, in the 15 countries with high shares of owners without a mortgage – all post-communist and southern European countries – between 10% and 24% are at risk of poverty and many cannot afford to keep their home at an adequate temperature.
- Private rental market tenants are in a particularly precarious situation; 46% feel at risk of needing to leave their accommodation in the next three months because they can no longer afford it, and they report more problems with poor energy efficiency than those with other types of tenure.
- In all Member States, people in the bottom half of the income distribution are less satisfied with their homes than people in the top half. The difference is less marked when it comes to satisfaction with the home's surrounding area, driven by people in lower-income households being more satisfied with their local area than with their home. In general, people find poor energy efficiency of their dwelling and insufficient access to public transport particularly problematic, especially in rural areas.
- Housing amenities and surroundings gained importance during the pandemic. For teleworkers, a good internet connection and sufficient space became more important, as did quiet surroundings and access to a park. Access to public transport and infrastructure facilitating cycling, walking and wheelchair use has become more important, particularly for women and people with difficulties making ends meet.
- About three quarters of EU Member States have Housing First-inspired schemes in place, offering housing, often shared housing, to homeless people, albeit sometimes only if they engage with services.

Few programmes have the capacity to house more than 1% of the country's homeless population. Social housing often plays a vital part in preventing and addressing homelessness.

- Both the Member States with the most social housing and those with the least social housing have waiting lists. While in some countries entitlement is checked only once, in other countries it is checked regularly and people have to leave social housing or pay higher rent if their income increases.
- The shares of households receiving rent subsidies are particularly high in France (21%), the Netherlands (18%) and Finland (14%), and below 2% in, for instance, Belgium, Cyprus, Estonia, Lithuania and Romania. Sometimes support from other benefits (for example, minimum income) plays an important role in housing affordability.
- Groups of people in need of housing benefits who are not, however, entitled to it include tenants without formal rental contracts, people without a fixed address, people in shared accommodation, certain groups of migrants and mobile citizens, and people with low incomes just above the entitlement threshold. Others are entitled to benefits, but do not receive them.
- Homeownership support tends to benefit higher-income households more than lower-income households and to stimulate take-up of higher mortgages, driving up house prices and putting people at risk of over-indebtedness.

Policy pointers

- Housing First policies for people who are homeless, or about to become so, need to be scaled up. Housing offered should be independent, stable and truly unconditional on engagement with support services to ensure that access to housing is guaranteed.
- To prevent evictions or facilitate moves to affordable homes, support needs to be triggered automatically when an eviction notice is issued. Ideally, though, support should be offered at an earlier stage, when payment difficulties first emerge.
- Private tenants with low incomes need to be better supported. In several Member States, rent controls play an important role in protecting tenants against rent increases. However, they should not create inequalities by placing newer tenants at a disadvantage, nor should they entail disincentives for long-standing tenants to move to dwellings that better match their changing needs.
- With mortgage interest rates increasing, policymakers should not overlook homeowners with variable mortgage interest rates who cannot afford payment increases. They should also take measures to prevent such situations from happening in the future.
- Attention should go to groups in vulnerable situations in all tenures, and also include those affected by the cost-of-living increasing faster than income, and homeowners without mortgages struggling with utility bills.
- Housing benefits and social housing provide support for many people in the EU, but there are significant differences between Member States. Within Member States, policymakers should carefully monitor take-up of support and assess inequalities, to ensure that access is guaranteed and that support reaches the groups that need it.
- Policymakers who are concerned about failure to support people with incomes just above a certain threshold should avoid fixed income thresholds for housing benefit entitlements. Disincentives to increase income should also be addressed.
- Inequalities between incumbent social housing tenants whose financial situation has improved and people on social housing waiting lists can be addressed by providing financial support for social rent payments that depend on individual situations, housing benefits for people in other types of tenancy and increased social housing stock.
- General social protection measures, such as a minimum income and good access to services (including education and healthcare), can be key in ensuring affordable housing.
- Housing benefits determined by housing costs (including energy costs) and income can provide immediate support in emerging crises. Policymakers should consider the contribution to resilience that such support provides when introducing reforms to housing benefits.
- To increase housing supply, homes need to be renovated and built, which envisages a key role for a skilled workforce. Vacant dwellings should also be reduced, and, where necessary, improvements should be made to ensure adequate housing.
- Large amounts of funds are allocated to improving the energy efficiency of homes. They need to reach low-income groups, protecting them from future energy price increases. Simultaneously, initiatives to improve the adequacy of these homes on a broader scale, such as housing quality improvements, should be implemented.
- When improving housing adequacy, the current and future needs of the inhabitants must be considered. A home cannot be considered in isolation from its surroundings, including their physical, social and services aspects.
- Housing should be better connected to public transport and other active modes of transport for residents, which would contribute to the green transition and reduce transport costs.

Introduction

Unaffordable housing is a matter of great concern in the EU. It leads to homelessness, housing insecurity, financial strain and housing inadequacy. It also prevents young people from leaving their parental home. These problems affect people's health and well-being, embody unequal living conditions and opportunities, and result in increased healthcare costs, reduced productivity and environmental damage.

The housing situation in Europe will be affected by long-term changes in energy consumption and production arising from the green transition, increased digitalisation and the ageing of European societies. In addition, the COVID-19 pandemic has made telework more common, meaning that many homes are now also workplaces. Most recently, the Russian war on Ukraine has created a need to house large numbers of refugees and has driven up utility bills.

This report identifies housing problems faced by people in the EU, population groups affected by these problems and trends over time. Furthermore, it presents examples of policies to address housing problems and looks at the take-up of support measures. Social housing schemes and measures providing support with renting and homeownership are presented. The report discusses specific policies intended to address housing exclusion, in particular Housing First-type initiatives targeting homeless people; housing insecurity, in particular measures targeting people at risk of eviction; and housing inadequacy, in particular measures focusing on energy efficiency. The report also outlines how people's housing preferences have changed and how governments sought to ensure housing security during the pandemic.

Methodology

National-level information on housing problems and policies was provided by the Network of Eurofound Correspondents between April and September 2022.[1] This information was complemented with desk research by Eurofound. The report also draws on Eurofound's analyses of EU-wide data sources (mainly European Union Statistics on Income and Living Conditions (EU-SILC) and the spring 2022 round of Eurofound's *Living, working and COVID-19* e-survey) and literature.

When seeking to examine structural issues, in general pre-pandemic data up to 2019 are used. Where EU-SILC data for 2020 are used, it is taken into consideration that for some Member States, such as Germany, there has been a significant break in data collection, reducing comparability between 2020 and previous years.

Policy context

According to the United Nations Universal Declaration of Human Rights, everyone has the right to a standard of living adequate for health and well-being, including housing. The European Pillar of Social Rights includes a number of housing-related rights.

- Access to social housing or housing assistance of good quality shall be provided for those in need.
- Vulnerable people have the right to appropriate assistance and protection against forced eviction.
- Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.

The 2021 European Pillar of Social Rights Action Plan notes that access to affordable housing is an increasing concern in many Member States, regions and cities and that homelessness is increasing in most Member States. It also mentions that people with disabilities face barriers to accessing housing. One of the deliverables of the European Pillar of Social Rights Action Plan, the 2021 European Platform on Combatting Homelessness includes as objectives that no one sleeps rough for lack of accessible, safe and appropriate emergency accommodation and that no one lives in emergency or transitional accommodation longer than is required for a successful move to permanent accommodation. It also aims to ensure that evictions are prevented whenever possible and that no one is evicted without being offered assistance with finding an appropriate housing solution. Seven EU Member States mention homelessness in their national recovery and resilience plans, with five (Greece, Italy, Poland, Spain and Sweden) proposing Housing First-type solutions (Feantsa and Housing First Europe Hub, 2022). The 2021 European Parliament resolution on access to decent and affordable housing for all urges the European Commission and Member States to invest more in social, public, energy-efficient, adequate and affordable

1 Detailed unpublished reports from the 27 Member States can be requested; where national evidence is mentioned without reference to a source, the information comes from these reports.

housing. One-tenth of Recovery and Resilience Facility funds are spent on social and territorial cohesion, of which 7% are spent primarily on ‘social housing and other social infrastructure’ (European Commission, 2022a).

The European Pillar of Social Rights Action Plan further states that the implementation of the European Green Deal will contribute to alleviating energy poverty and improve housing quality, in particular for medium- and low-income households. One step in this regard is the implementation of the 2020 Renovation Wave initiative, which will focus on areas including ‘tackling energy poverty and worst-performing buildings’ and ‘decarbonising heating and cooling’. As part of the Renovation Wave, the Affordable Housing initiative aims to pilot 100 ‘lighthouse renovation districts’ by 2030, with the objective of ensuring that social and affordable housing benefit from the Renovation Wave. Further measures will include the implementation of the 2020 Commission recommendation on energy poverty, the revision of the Energy Efficiency Directive and the provision by the European Energy Poverty Observatory of guidance on local action. To guarantee the success of the green transition, the construction workforce will be key. Better working conditions can contribute to retaining skilled workers and attracting them to the sector. The EU’s work on minimum wages and occupational safety and health regulations should help. While the energy efficiency of renovated and new-build housing can play a key role in addressing climate change and environmental degeneration, building materials and building activity can cause pollution. In 2022, a proposal was made to revise the EU’s Construction Products Regulation, to bring it into line with the objectives of the Green Deal.

Scope, concepts and framework

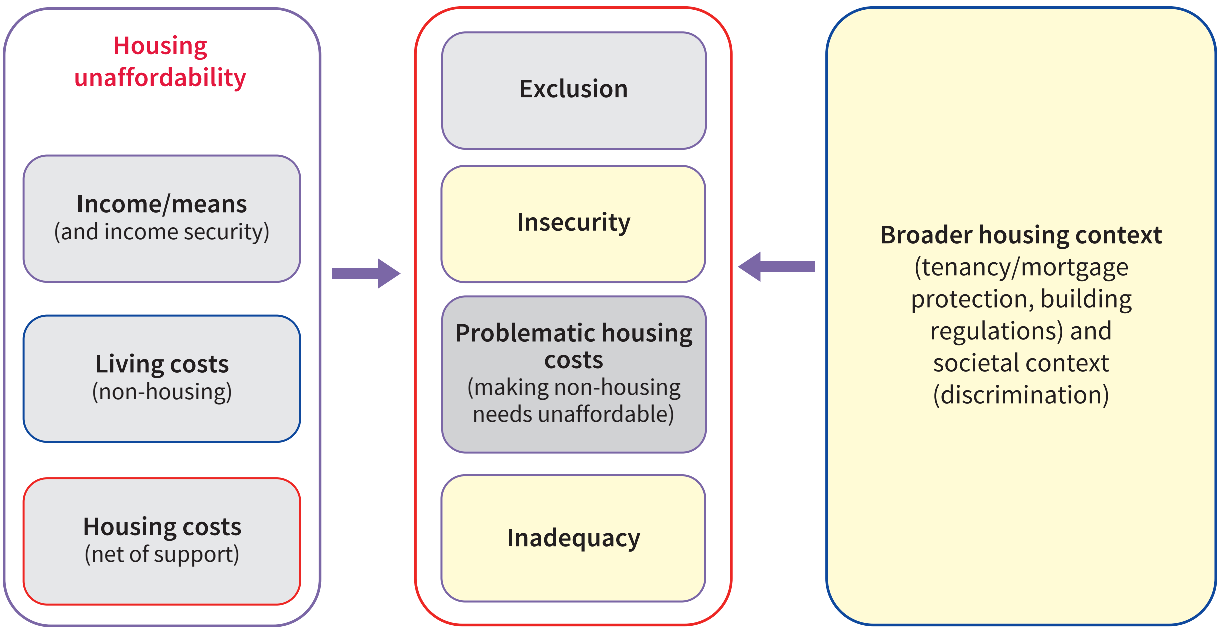
This report focuses on independent, permanent housing, excluding shared accommodation, residential care facilities and housing that is meant to be temporary (for example shelters). The causes of housing shortages – including determinants of demand for and supply of housing and demographic issues such as population ageing, population decline and decreasing household size – are outside the remit of this report.

Housing affordability depends on housing costs, the costs of meeting other needs, and households’ financial situation in terms of wealth, income and income security. Housing costs, as defined in this report, include not only mortgage interest and rent, but also for instance utilities, service charges and maintenance costs. Affordability is affected by housing support, the focus of the policy analysis in this report. However, access to other financial and in-kind benefits also plays a role (Eurofound, 2020a, forthcoming).

The housing problems that this report focuses on are those caused by affordability issues. Housing problems caused by other factors (such as discrimination by lessors and rental contracts with short notice periods) are outside the scope of this research.

Figure 1 shows a framework for analysing housing affordability in relation to four types of housing problems. People may be excluded from housing because they cannot afford it. They live outside or in shelters, or with relatives or friends. Other people face housing insecurity: they fear they may need to leave their home because it may become unaffordable for them. Some have access to housing and face no housing insecurity but cannot afford other basic goods or

Figure 1: A framework for housing affordability and problems



Source: *Authors’ own elaboration*

services due to problematic housing costs leading to financial strain. Others may be unable to afford adequate housing for their circumstances and therefore live in inadequate accommodation. Adequacy depends partly on individuals' needs and preferences (Cittadini, 2022). In contrast to housing exclusion, housing insecurity and financial strain, inadequacy is included in the report's title as this housing problem is sometimes overlooked in the discussion on affordability. The four types of housing problems can be experienced to varying degrees, and simultaneously or in isolation. Sometimes, the boundaries between them are blurred. For instance, some people live in housing of such bad quality, or which is so insecure, that they could be considered excluded from housing.

Impacts of housing problems

Individual and societal impacts

Housing problems can have a direct negative impact on people's quality of life. Housing problems can also cause mental and physical health problems, in turn leading to lower quality of life (Eurofound, 2016; WHO, 2018). It can, however, be hard to separate out the impacts of housing on these outcomes from those of other factors. Furthermore, a narrow focus on the impacts of housing problems on health and quality of life runs the risk of overlooking the bigger picture. The disadvantaged situation of a household is compounded when people are exposed to pooled social harms in the home and in the local area. Exposure to such harms was particularly visible, prolonged and intense during the lockdowns imposed during the COVID-19 pandemic (Gurney, 2021).

The 'capability approach' sees housing problems as barriers preventing people from living the life they want (Kimhur, 2022). For instance, overcrowded housing limits people from living the lives they want in terms of the dimensions measured by the United Nations Human Development Index: a long and healthy life, knowledge and a decent standard of living (Checa-Olivas et al, 2021). Housing problems can comprise children's future. Lack of space and too much noise can lead in the long term to developmental issues, negatively impacting educational performance, which puts those affected at a disadvantage in the labour market (Maloutas and Botton, 2021).

These negative impacts on people's quality of life often translate into societal impacts such as increased service costs (healthcare), productivity losses (health problems, issues with children's development) and financial instability (defaults on mortgages) (Eurofound, 2016, 2020b). High housing-cost-to-income ratios can also contribute to labour shortages in certain areas. For instance, in Amsterdam it contributes to shortages of teachers, police officers, childcare personnel and youth workers (Regioplan, 2018a, 2018b, 2020). In Greece, the high housing-cost-to income ratio was one reason why, despite unemployment, thousands of tourism job vacancies were unfilled in April 2022 (especially in Halkidiki, Crete, Rhodes, Santorini and Mykonos). In some areas in Latvia, economic development is held back by labour shortages in certain low-paid professions, partly arising from high housing costs. In Luxembourg, employers in the skilled trades and crafts sector seek to recruit workers from other countries but find that these workers cannot relocate because private market housing is unaffordable given the income that they would receive (Virgule, 2021). Lack of affordable housing in Croatia's largest cities discourages younger people in particular from moving to a better job or to areas of the country with higher productivity (Pandžić, 2021). In Italy, the widening north-south gap in housing costs has inhibited labour migration from the south to the north (Cannari et al, 2010).

Alongside these economic and social impacts, housing problems can also negatively impact the environment, for instance emissions of CO_2 from energy-inefficient homes, emissions of other harmful gases from inadequate heating and cooking systems and the use of harmful building materials.

Risk factors for health and well-being outcomes

Exposure to indoor chemicals (lead, particulate matter, asbestos, volatile organic compounds, carbon monoxide, nitrogen dioxide), microbiological agents (mould, dust) and other physical risk factors (temperature, radon/radiation) can cause or exacerbate health problems, such as asthma and cardiovascular diseases (EEA, 2015; Eurofound, 2016). To illustrate, people in Poland who heat their dwellings with coal or wood stoves (used by 380,000 of the 1.3 million Polish households considered energy poor) are 27 percentage points more likely to develop respiratory diseases than others (IBS, 2021). Lack of ventilation plays an important role, but enhanced ventilation can be at odds with energy efficiency. Deaths and hospitalisations due to indoor temperatures that are too low or too high are common in particular among older people in the EU. In July 2022, there were 53,000 excess deaths, well above the July 2021 level (21,000), most of which could be attributed to the 2022 heatwaves (Eurostat, 2022b). Poorer people often cannot afford cooling their homes or moving to a cooler area (to a second home, for example) and on average have poorer health, which makes them more vulnerable to heat.

Unsafe dwellings, or dwellings that are insufficiently adapted for people with a disability, can increase the chance of dangerous events such as falls and fires. Over 2 million people aged 65+ in the EU are admitted to emergency departments due to falls each year, and about half of them need to be hospitalised. Almost two-thirds of these falls occur in the home. Risk factors for falls include slippery surfaces, poor lighting, worn carpeting and hazardous steps. Many other falls occur in the area around the home, for example due to uneven pavements (Eurosafe, 2015). Dwellings on floodplains near rivers, on former landfill sites, in seismic risk areas or not connected to sewage systems pose obvious health hazards.

Another aspect of housing with negative impacts on health and well-being is lack of space. This can contribute to mental health problems and the spread of infectious diseases. Lack of comfort (suboptimal furniture/layout), poor aesthetics, darkness, suboptimal location (long commutes), lack of access to a balcony, terrace or garden and poor sound insulation can also trigger or aggravate health problems or directly negatively impact quality of life. Living in an apartment with poor views, a small apartment or one of poor indoor quality was associated with an increased risk of depressive symptoms during lockdown in Italian cities (Amerio et al, 2020).

Risk factors do not relate only to physical aspects of the home. They also arise from feeling unsafe in the home, housing insecurity and problematic costs, which have a negative impact on mental and physical health and well-being, and come with societal costs (Eurofound, 2018b, 2020b). About two-thirds (67%) of Poles make life-changing decisions – such as having a child (26%), changing jobs (24%), marrying (17%) and getting a divorce (6%) – conditional on their housing stability (Otodom, 2021). The consequences of eviction include health problems, poor well-being, job loss, involvement in criminal activity and developmental problems in children (Feantsa and Fondation Abbé Pierre, 2022). Eviction can also lead to social exclusion. A French study showed that 30% of children from evicted households lost friends and 20% had to change schools (Fondation Abbé Pierre, 2022).

The physical, social and services aspects of the home's surrounding area also impact quality of life and health (Eurofound, 2018a). For instance, a Polish study found that two key determinants of well-being are the quality of nearby infrastructure for transport, and relations with neighbours (Otodom, 2021).

1 The housing landscape: Tenure, dwelling types and costs

Tenure

Differences in the prevalence of the various types of tenure between Member States and population groups and across time are mapped out in this chapter. Housing problems (Chapter 2) often differ by type of tenure, and housing policies (Chapter 3) often target a particular type of tenure. Tenure has a different history across Member States, and its social function is context dependent, for instance the experience of being a tenant differs according to the extent to which and how the private and social rental markets are regulated. This section, however, focuses broadly on owners (with or without a mortgage) and tenants.

Owning versus renting

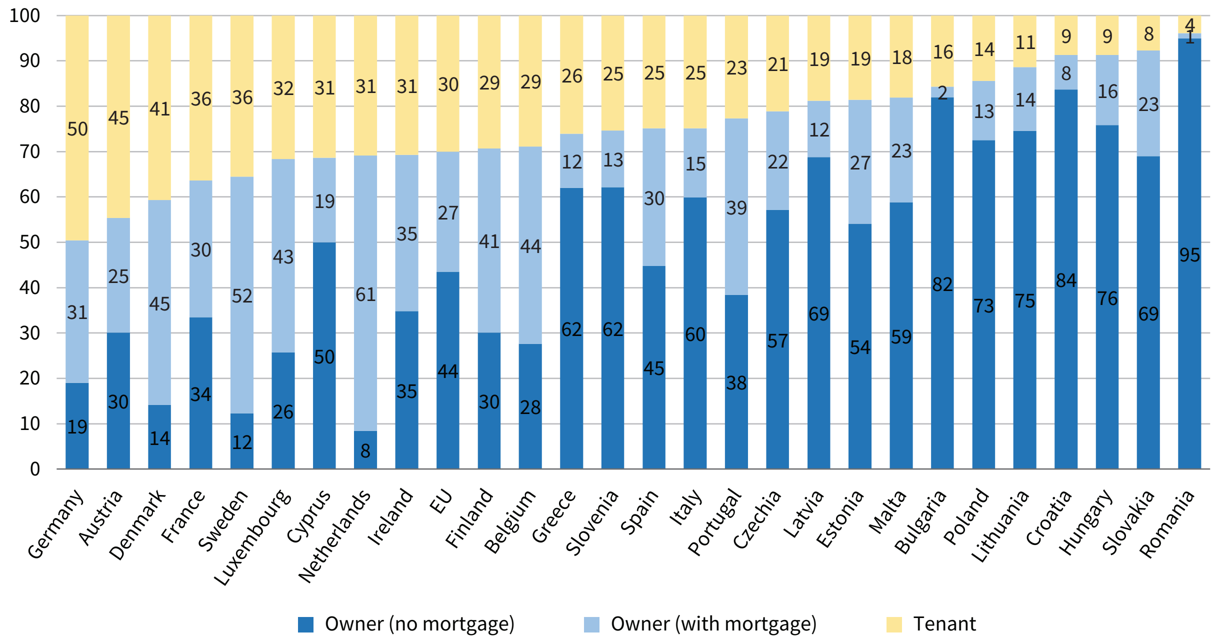
Based on figures for 2020, 7 out of 10 people in the EU live in a household owning their home and 3 in 10 live in rented accommodation (Figure 2). In all Member States, owning is more common than renting, except in Germany where 50.4% are renting. There are within-country differences; for instance, in Czechia's regions, in 2021, the proportion of people renting ranged from 35% in the Prague region to 13% in the Zlín region (CZSO, 2022). In Greece, 26% of the population rents, but in Athens and some islands this figure increases to 40%.

Across the EU, based on EU-SILC microdata for 2019, homeownership is more common in less urbanised areas.

Overall, 27% of the EU population owns their home with a mortgage, with the figures ranging from 1% in Romania and 2% in Bulgaria to 52% in Sweden and 61% in the Netherlands. A higher proportion (44%) owns their home without a mortgage, with the figures ranging from 95% in Romania and 84% in Croatia, to 14% in Denmark, 12% in Sweden and 8% in the Netherlands.

In the EU, homeownership decreased by 1 percentage point, from a peak of 71% in 2012 to 70% in 2020. In one country (Poland), homeownership increased by more than 3 percentage points, but it decreased by more than 3 percentage points in Denmark, Cyprus, Spain, Lithuania, Finland and Bulgaria (Eurostat [ilc_lvho02]). There has been a steady increase in the proportion of homes that are owned with a mortgage, from 36% in 2010 to 38% in 2020 (Eurostat [ilc_lvho02]). Post-communist countries, in which there was no mortgage market, have seen large increases in homes owned with a mortgage. From 2010 to 2020, the two Member States with the largest increases in homeownership were Estonia and Slovakia.

Figure 2: Distribution of population by type of tenure, EU Member States, 2020 (%)



Source: *Eurostat, Distribution of population by tenure status, type of household and income group – EU-SILC survey [ilc_lvho02]*

Differences by age and income

The decrease in ownership has been concentrated among young people and low-income groups (OECD, 2021a). Between 2010 and 2019, renting became more common both among young people aged 20–29, with the proportion renting increasing from 66% to 68%, and – in particular – among people aged 30–39, with the proportion renting increasing from 38% to 45%. National-level evidence confirms the increase in renting among young people. For instance, in Hungary, among households with a head of household under the age of 35, the share living in a private rented dwelling rose from 10.2% in 1999 to 30.3% by 2015. In post-communist and southern European countries, low-income households have been driven to the private rental market which has been developing, and home purchase has become unaffordable for many, and declined especially for people aged 30–39. In the aftermath of the Great Recession (2007–2009), borrowing was restricted to households most likely to be able to pay back mortgages. This reduced opportunities for people with low wages and on temporary contracts, most common among young people, to buy homes. For instance, since 2019, Slovenia has required that at least three-quarters of the minimum salary (€1,074 per month gross) must remain after payment of mortgage instalments, thus limiting the amount that can be borrowed.

In the EU, homeownership is more common among people aged above 40 than among people aged 18–40. Cross-country variation in this gap probably reflects varying (usually increasing) income/wealth levels related to age and changes in the accessibility of homeownership related to historical circumstances. According to EU-SILC microdata, between 2010 and 2019 the gap widened most in Sweden (by 12 percentage points), Spain (14 percentage points), Ireland and Denmark (both 15 percentage points), Portugal (18 percentage points) and Italy and Cyprus (both 20 percentage points). These increases were largely driven by decreased homeownership among people aged 18–40.

In the EU overall, homeownership is less common (51.3%) among people at risk of poverty – with an income below 60% of the national median income – than among others (73.5%). People at risk of poverty have seen a steeper decrease in homeownership, of 1.8 percentage points, between 2010 and 2020 (from 53% to 51.2%), compared with a decrease of 0.6 percentage points among others (from 74.1% to 73.5%). National-level data (which go further back in time) confirm this trend towards increased income inequality in homeownership. For instance, in 1976 the share of homeowners in Belgium in each income quintile was between 60% and 70% (and the difference between the top and bottom quintiles was 8 percentage points). By 2018, the share of homeowners in the bottom quintile had dropped to 50%, while those in the top quintile had increased to 90% (Winters et al, 2021).

Interestingly, though, among homeowners, not having a mortgage is more common among people who are at risk of poverty (78%) than those who are not (60%). This is true for all Member States except Luxembourg. The rate of ownership without a mortgage is particularly high among single people aged 65+: 77% own their home, and almost 9 in 10 (87%) of these homeowners own without a mortgage. The share of people aged 65+ who are at risk of poverty and who own their home is higher in rural areas than in urban areas, while no such difference exists among those aged 65+ who are not at risk of poverty.

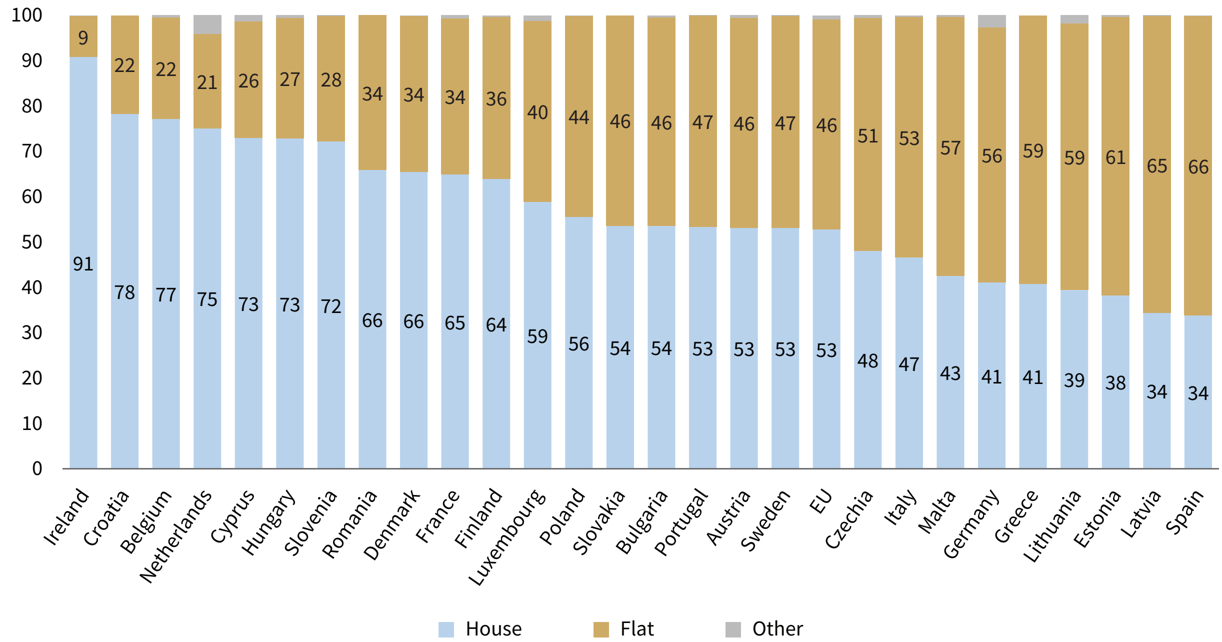
Dwelling types

The types of problems that people experience in their dwellings differ significantly depending on whether they live in a house or a flat (see Chapter 2).

According to data from 2020, over half (53%) of people in the EU live in a house, 46% in a flat and 1% in another type of building. It is most common to live in a flat in Spain (66%) and least common in Ireland (9%) (Figure 3).

There has been a steady increase in people living in flats, from 45.4% in 2010 to 46.3% in 2020. This increase has occurred mostly in areas of intermediate population density (towns and suburbs), with a 5 percentage-point increase in people living in apartments in such areas. However, the proportion of people in the EU living in an apartment in sparsely and densely populated areas (rural areas and cities) reduced by 2.3 and 1.8 percentage points respectively.

Figure 3: Distribution of population by dwelling type, EU Member States, 2020 (%)



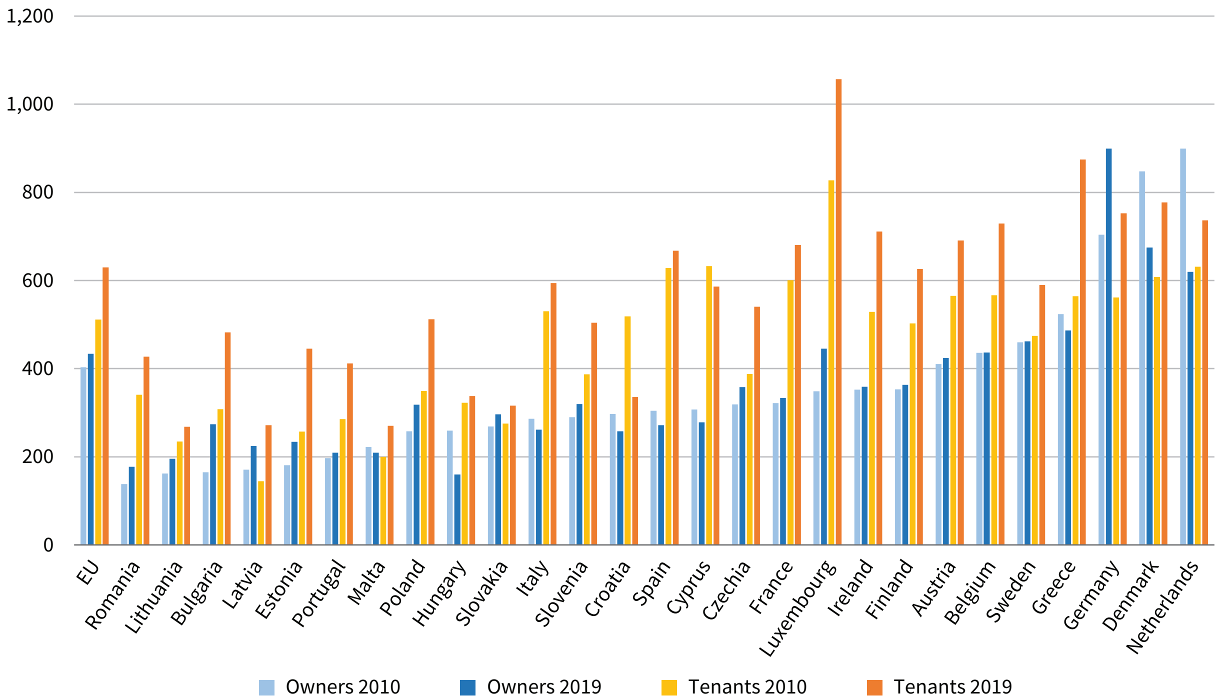
Source: *Eurostat, Distribution of population by degree of urbanisation, dwelling type and income group – EU-SILC survey [ilc_lvho01]*

Costs

Housing costs in relation to the household's broader financial situation are discussed in Chapter 2. Here, the focus is on developments in housing costs in isolation, regardless of income.

In the EU overall, between 2010 and 2019 housing costs went up by 8% for homeowners and by 23% for tenants (Figure 4). The highest percentage increases among tenants (exceeding 40%) were recorded in Portugal, Poland, Greece, Bulgaria, Estonia and Latvia.

Figure 4: Housing costs, EU Member States, 2010 and 2019 (monthly purchasing power standard)



Notes: *Included in housing costs: rent payments and mortgage interest payments, gross of housing benefits (housing benefits are not deducted from total housing costs); structural insurance and service charges (for sewage removal, refuse removal), if paid for by tenants; housing taxes; regular maintenance and repairs; and utilities (water, electricity, gas and heating). Member States ordered according to magnitude of 2010 owners' housing costs.*
Source: *Eurostat, Total housing costs in pps – EU-SILC survey [ilc_mded03]*

National-level evidence confirms the stark increase in rental costs. For instance, in Germany the availability of dwellings with rents of €10/m^2 or less fell by 30% (by over 500,000 apartments), while that of dwellings with rents of more than €15/m^2 rose by 16% (by over 535,000 apartments) (Holm et al, 2021).

While rents have steadily increased, mortgage interest rates decreased to historical lows, but started to increase again in 2022 (Figure 5). Mortgage holders with variable rates will thus face cost increases. Member States differ in terms of the prevalence and cost of mortgages, and the proportion of mortgages which are at a variable interest rate. For instance, in Belgium they are uncommon, while in Poland almost all mortgages were issued at a variable interest rate until 2022 (when interest rates started to increase), after which fixed interest rates became more common. In the fourth quarter of 2022, 37% of newly issued mortgages were at variable rates. In the Netherlands (one of the countries in which mortgages are largest and most widespread), around one-fifth of mortgages taken out over the past two decades were at variable rates (or fixed for less than a year).

The housing cost figures presented in Figure 4 exclude mortgage principal repayments because they are seen as a form of saving. However, the purchase price plays a key role in the affordability of owner-occupancy and in determining monthly (principal and interest) payments.

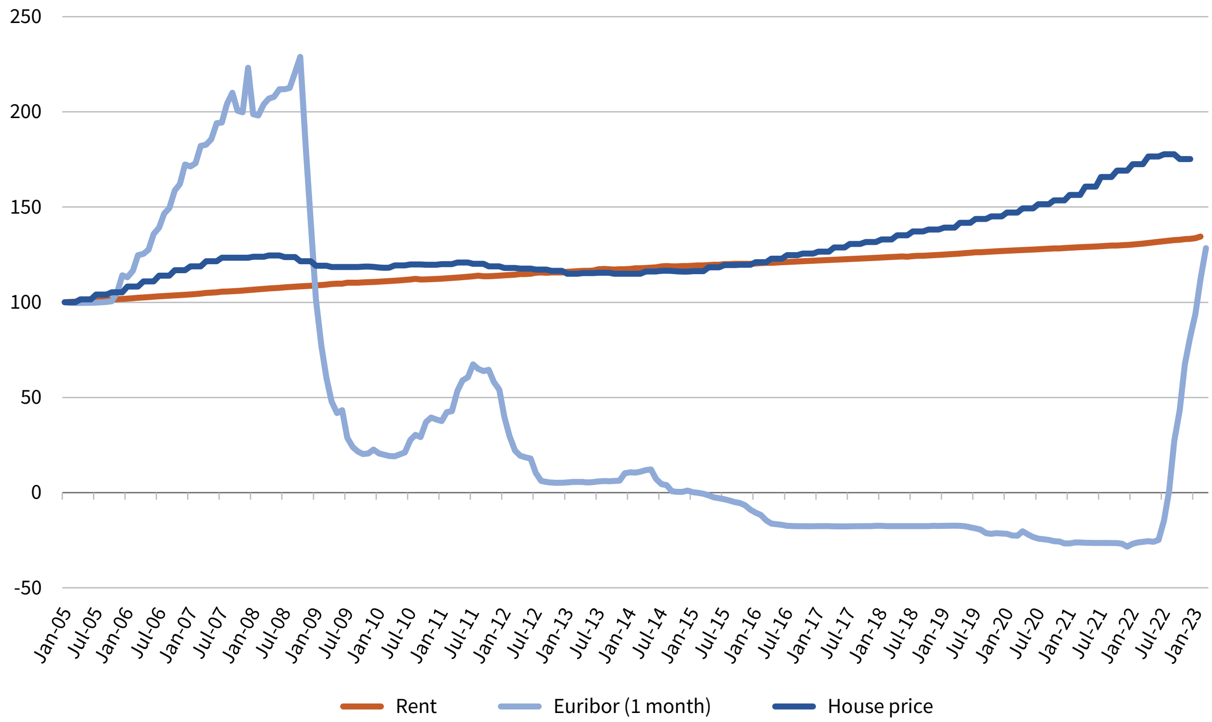
Home purchase prices have increased since 2014. In 2022, property prices started to decrease in, for instance, Denmark and the Netherlands (NVM, 2023; Statistics Denmark, 2023). In the EU overall, a decrease of 1.4% was observed between the third and fourth quarters of 2022 (Figure 5).

Increasing costs have also impacted 'cooperative housing', where residents do not own their dwellings outright but are partial shareholders, proportional to the size of the dwelling that they live in compared to the size of the total asset. This, for instance, is the dominant housing type in Copenhagen (accounting for around 30% of housing). The cost for this type of tenure has traditionally been lower than for owner-occupied housing, but, due to rising prices for cooperative dwellings, this is no longer always the case.

Regional variation in costs

Rental and purchase cost increases have affected capital cities in particular. However, they have also taken place in other areas (especially cities) where employment opportunities are centred. Furthermore, tourist areas have been affected (Krapp et al, 2020). In Croatia, the average purchase price of an apartment in Zagreb in 2022 was over €3,500/m^2, while in rural areas and small cities in the east it was around €550/m^2. For example, in Vukovar, it was around €500–600/m^2 for an apartment and €450/m^2 for a house. In Romania, large

Figure 5: Housing costs: Rents, prices and interest rates, EU27, 2005–2023 (indexed, January 2005=100)



Notes: *Euribor rate: average of observations through period. Euribor, euro interbank offered rate (based on the interest rates at which selected European banks borrow funds from one another). While rents and interest rates are standardised to 100 for January 2005, house prices are standardised to 100 for the Quarter 1 of 2005.*
Source: *Compiled using data from Eurostat, House price index quarterly data [prc_hpi_q] and HICP – monthly data [prc_hicp_midx] - rent: actual rentals for housing, and European Central Bank, Euribor 1-month – Historical close, average of observations through period (143.FM.M.U2.EUR.RT.MM.EURIBOR1MD_.HSTA), downloaded 4 April 2023*

urban centres (Bucharest, Cluj-Napoca, Timisoara, Iasi, Brasov) see rising house prices and urban expansion while smaller cities face demographic decline, leading to vacant housing. House prices have increased in Cluj-Napoca in particular (where the ICT sector has rapidly expanded), by 76% between 2015 and 2020 (Romanian Ministry for Development, Public Works and Administration, 2022). In Bucharest, where salaries are higher than in Cluj-Napoca, house prices are 20–25% lower and have increased less. Furthermore, rents were 3% higher in Cluj-Napoca than in Bucharest in 2019. In Greece's Attica region, rental prices increased by over 50% between 2017 and 2020, and they have gone up by 30–40% in other Greek cities (Thessaloniki, Patras, Volos).

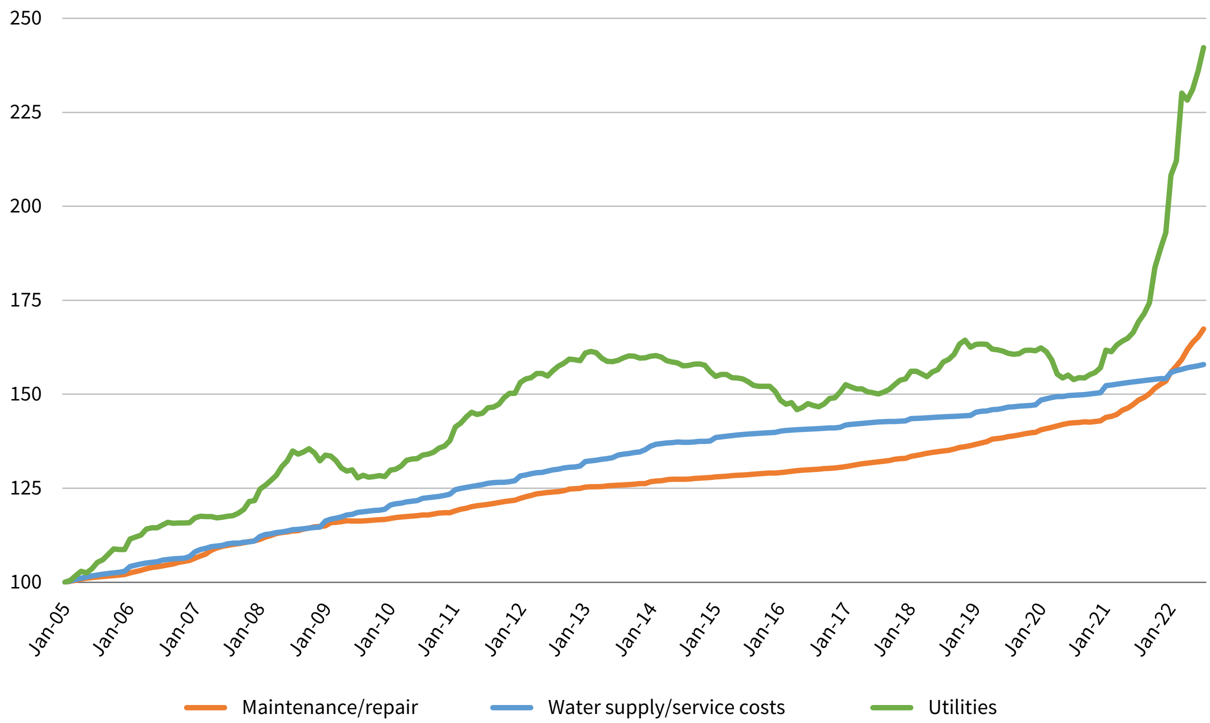
The broader causes of these cost increases are beyond the scope of this report (see, for example, European Commission, 2022b). However, some relevant information on specific national contexts emerged from the research. High costs relate to high demand for and low supply of specific types of dwellings in certain areas. In Germany, 16.5 million single-person households faced a supply of only 5.5 million one- to two-bedroom apartments in 2020 (BAG W, 2021). In the Netherlands, the factors contributing to a rise in purchase cost include an increase in people aged 25–35 (who are most active in the housing market), older people remaining at home longer instead of going into residential care, lower interest rates and higher incomes, and the emergence of households acting as lessors (CBS, 2022). In Greece, short-term rentals have contributed to increased housing costs. Between June 2018 and May 2019, 170,542 properties were leased for short-term rental via home-sharing platforms such as Airbnb and HomeAway (GTP, 2019). In Hungary, mass tourism and investors that crowd out individual homebuyers have been identified as drivers of price increases (Habitat for Humanity, 2021). In Malta, a rise in tourism and an increase in foreign labour have contributed to increased rents and property prices (Maltese Ministry for Finance, 2017a). In Denmark and Portugal, land use policies and urban planning have contributed to increased costs (Alves, 2019).

Since the beginning of the COVID-19 pandemic, more homes have been sold in suburbs and fewer in city centres (OECD, 2022a). In some cases, it had already become more popular to live outside city centres before the pandemic. In the Netherlands, the trend towards leaving the densely populated area of the Randstad (which contains the country's four largest cities) started in 2014 and grew stronger during the pandemic. In 2021, 75,000 people moved from the Randstad to other parts of the country, with the highest rates found among people in their 30s, while 53,000 did the reverse (CBS, 2022). In Ireland, house prices outside Dublin were already rising faster than those in Dublin by around 2014; between June 2021 and June 2022, prices increased by 11.8% in Dublin and 16.0% outside Dublin (CSO, 2022). In Finland, between 2015 and March 2021, rents increased by 6.9%, but more so in the largest cities, Helsinki (6.2–10%, depending on the area), Vantaa (9.3%), Turku (8.8%) and Tampere (8%). However, demand for rental housing in Helsinki reduced due to teleworking, distance studies and lack of Airbnb customers during the pandemic. The housing market had by September 2021 returned to a situation resembling pre-pandemic times outside Helsinki, but supply of available rental accommodation in Helsinki remained higher than in 2019. Rent increases for non-subsidised studio apartments in most cities have slowed down since 2019 (Statistics Finland, 2021).

Maintenance and utility costs

Maintenance and water supply costs increased between January 2005 and September 2021 by 50% and 54%, respectively. Energy costs rose by 74% (Figure 6). While a full investigation of the causes is beyond the scope of this research, the Russian war on Ukraine has played a key role, as (in the case of maintenance costs) have labour shortages and increases in the prices of materials (partly related to the pandemic). In some countries, further specific factors have reinforced these developments, for instance, currency devaluation in Romania.

Figure 6: Housing costs: Maintenance, services and utilities, EU27, 2005–2023 (indexed, January 2005=100)



Notes: *Maintenance/repair refers to maintenance and repair of the dwelling. Water/service costs refers to water supply and miscellaneous services relating to the dwelling. Utilities refers to electricity, gas and other fuels.*
Source: *Eurostat, Harmonised Index of Consumer Prices – monthly data (index) [prc_hicp_midx], extracted 3 April 2023.*

2 Housing problems

The analysis of housing problems in this chapter follows the framework set out in Figure 1. First, the chapter discusses evidence on housing exclusion. Then it looks at housing insecurity before turning to financial strain experienced by people in relation to their housing costs. Finally, it analyses inadequacy in housing conditions, including how perceptions of the importance of particular attributes of accommodation and its surroundings changed during the COVID-19 pandemic.

Housing exclusion

This section focuses on two groups facing housing exclusion: homeless people without a roof or living in shelters and young adults living with their parents because they cannot afford independent housing.

Homeless people

There are many varieties of homelessness, captured by the European Typology of Homelessness and Housing Exclusion (ETHOS) (Feantsa, 2017). Here, the focus is on rooflessness (people sleeping rough and people living in emergency accommodation) and people living temporarily in homeless shelters. Other ETHOS categories receive attention elsewhere in this chapter, such as people living under threat of eviction (in the section ‘Housing insecurity’), and people in unfit housing or living in extreme overcrowding (in the section ‘Housing inadequacy’).

Comparable EU-level statistics on homelessness are lacking. However, it has been estimated that in 2021 some 700,000 people in the EU were sleeping rough or living temporarily in accommodation for the homeless (Feantsa and Fondation Abbé Pierre, 2021). Recent national-level data shed further light on the prevalence and causes of homelessness, and the living situations and demographic characteristics of homeless people.

Austria: Using an indicator combining individuals who are formally registered as homeless with temporary accommodation users, an estimated 19,912 individuals were homeless in 2020 (0.2% of Austria’s population). The real number, however, is thought to be higher. Most were men (31% women, 69% men) and 9.1% were under the age of 18 (Bundesministerium Soziales, Gesundheit, Pflege und Konsumentenschutz, 2021; Amnesty International, 2022).

Czechia: An estimated 21,230 adults and 2,600 children were homeless in 2019 (0.2% of the population). Homeless adults sleep outside (54%) or in emergency accommodation (46%). Over half (53%) have been homeless for six years or more, and 39% have been on the streets at least three times in their lives. Almost half (47%) have been married at some point in their lives, but only 1% are still together with their spouse. A quarter of them live in some form of cohabitation other than marriage. Approximately half (51%) have children (and 10% did not want to answer the question), but only 54% of these parents maintain contact with their children.

Malta: 236 people were registered with homeless shelters in February 2022 (178 adults and 58 children, 0.05% of the population). Among the adults, 27% gave housing problems, the termination of residence in a shelter or eviction from accommodation as a reason for homelessness. Other reported reasons included financial problems (37%), mental and psychological health problems (25%), domestic violence (24%), and job loss (14%).

Sweden: Applying a wider definition of homelessness (including social housing tenants other than students without an indefinite contract), an estimated 33,250 people were homeless in 2017 (0.3% of the population). Of them, 6,000 were sleeping rough, staying in hostels or hotels, or sleeping in a vehicle. One-fifth had been evicted (Socialstyrelsen, 2017).

Most Member States have seen homelessness increase, roughly by 70% overall over the past decade (Feantsa and Fondation Abbé Pierre, 2021). Recent national-level evidence suggests some further increases. For instance, in Ireland the number of people accessing emergency accommodation has increased steadily, reaching 11,754 (0.2% of Ireland's population) in January 2023: 8,323 adults (64% male, 36% female) and 3,431 children; 61% have Irish, 22% European Economic Area/UK and 17% other citizenship (Department of Housing, Local Government and Heritage, 2023).

However, decreases have also been observed, sometimes with increases among specific groups. In Austria, after a sharp increase from 16,844 in 2008 to 24,459 in 2013, numbers seemed to decrease somewhat to 22,038 in 2019 and 19,912 in 2020 when the COVID-19 pandemic hit.

In Germany, in 2022, 262,600 people were homeless (0.3% of the population), including 178,100 staying in homeless facilities, 49,300 with acquaintances, and 37,400 sleeping rough. Men, single people, and people without German citizenship are overrepresented among homeless people, and even more so among those without any shelter. Most homeless people without German citizenship are from the EU (56%). Poles (16%) and Romanians (13%) are the largest groups of foreign homeless people. Older homeless people relatively often have German nationality and are without shelter.

Overall, reasons for non-use of shelters include finding them too dangerous (41%) and/or too busy (40%) (Bundesministeriums für Arbeit und Soziales, 2022). When widening the definition of homelessness to include people without either their own home or a rental contract, the overall number of homeless people was an estimated 417,000 in 2020, representing a steady decrease from 678,000 in 2018 and 584,000 in 2019. This decrease came from a 64% reduction of the number of recognised refugees in temporary accommodation from 2018 to 2020 (Federal Working Group for Homeless Aid; BAG W – Bundesarbeitsgemeinschaft Wohnungslosenhilfe e.V.). Excluding these refugees, the number of homeless people increased from 237,000 in 2018 to 256,000 in 2020. The number of people receiving homelessness support rose from 140,000 in 2018 to 158,000 in 2020. The proportion of employed individuals and families with children among those receiving homeless aid increased. In addition, the number of families with children receiving such support increased. Reasons include an insufficient supply of affordable housing, the shrinking social housing stock and worsening poverty (BAG W, 2021).

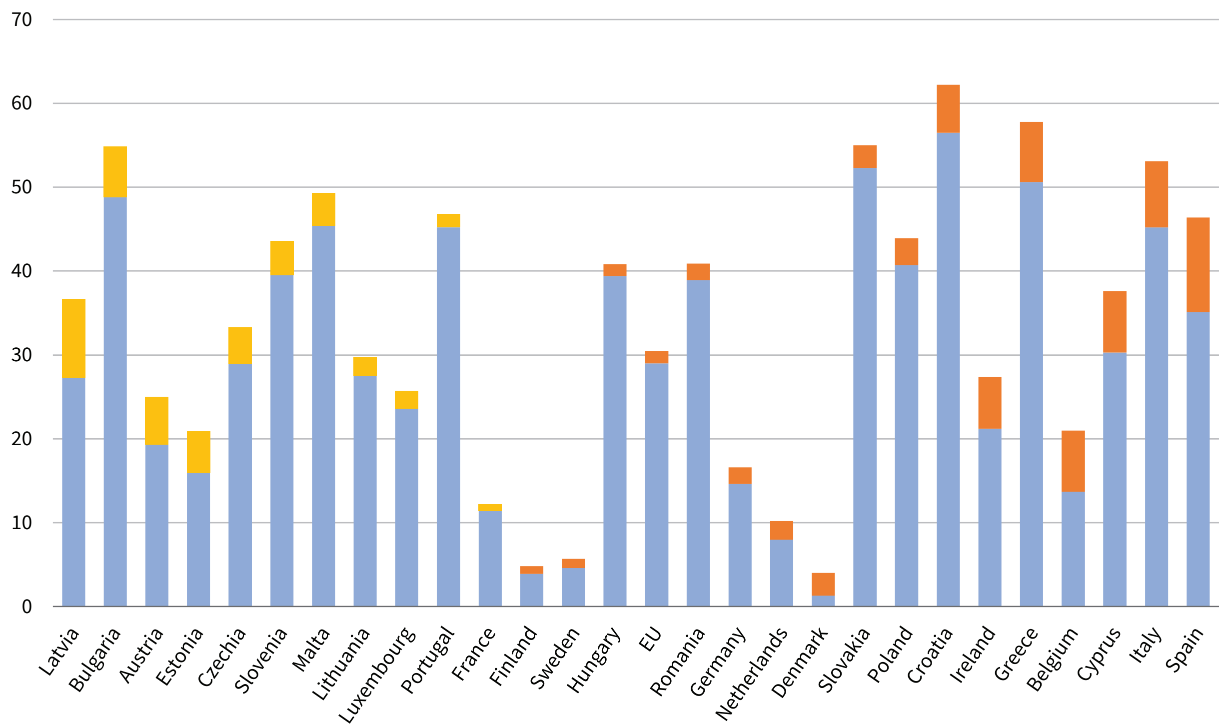
In Finland in 2020, there were 4,341 homeless single people and 201 homeless couples/families (0.09% of the population), 259 and 63 fewer, respectively, than in 2019. The risk of housing exclusion is affecting a more diverse group of people and is more often triggered by financial difficulties.

Young adults living with their parents

The age at which at least 50% of people in the EU were living outside their parental home increased from 26 in 2007 to 28 in 2019, according to EU-SILC microdata. In 2010, 80% of people aged 18–24 years and 29% of 25- to 34-year-olds in the EU were living with their parent(s). These shares had increased to 83% and 31% by 2019. Living with one's parents is particularly common among 25- to 34-year-olds who are either unemployed (47%) or studying (51%), in comparison with working people (26%) and those who are economically inactive (mainly women working in the home or with caring responsibilities) (20%). Living with one's parents is least common among young adults with a high level of education.

In 20 of the 27 Member States, more than four out of five 18- to 24-year-olds live with their parents. The situation of 25- to 34-year-olds varies more between countries (Figure 7). While these differences are hard to interpret (for example, they may be partly accounted for by cultural factors), the changes over time are telling; between 2010 and 2019, the proportion of 25- to 34-year-olds living with their parents grew by 6 percentage points or more in Belgium, Croatia, Cyprus, Greece, Ireland, Italy and Spain.

Figure 7: People aged 25–34 living with their parents in 2019 and change since 2010, EU Member States (%)



Note: *Member States ranked by change between 2010 and 2019, indicated as yellow = decrease; orange = increase.*
Source: *Eurostat, share of young adults aged 18–34 living with their parents by age and sex – EU-SILC survey [ilc_lvps08]*

The age at which young people leave the parental home influences, and is influenced by, life events such as labour market engagement, educational choices and family formation. Reasons for the increase in young people living with their parents may include reduced access to housing. For instance, reduced access to mortgages and financial support in the aftermath of the Great Recession (2007–2009) and reduced income security for young people, with high prevalence of temporary jobs, have played a role, with the COVID-19 pandemic situation feeding negative expectations about future income (Lennartz et al, 2016; Luppi et al, 2021).

National-level data provide some further evidence of the role of financial issues in preventing young people from leaving home. A survey carried out in Finland found that in 2020 nearly half of those 18- to 29-year-olds living with parents (48%) stated that they could not afford to live independently, an increase of 12 percentage points since 2014. Two-thirds (66%) were satisfied with the living arrangement, down from 77% in 2014. The COVID-19 pandemic had delayed a move out of the parental home for 17%. In Croatia in 2017, almost 80% of young people stated that they could not afford to move out of the family home because of increased housing costs and the relative stagnation of incomes (Pavković, 2022). In the Paris region of France, between 2006 and 2017, people aged 18–34 years were more likely to leave home at an older age, especially in the poorest districts. Key factors were increasing rent and property prices (L'Institut Paris Région, 2021). In Portugal, increased job insecurity and reduced incomes have contributed to young people remaining in their parents' home for longer (Xerez et al, 2019).

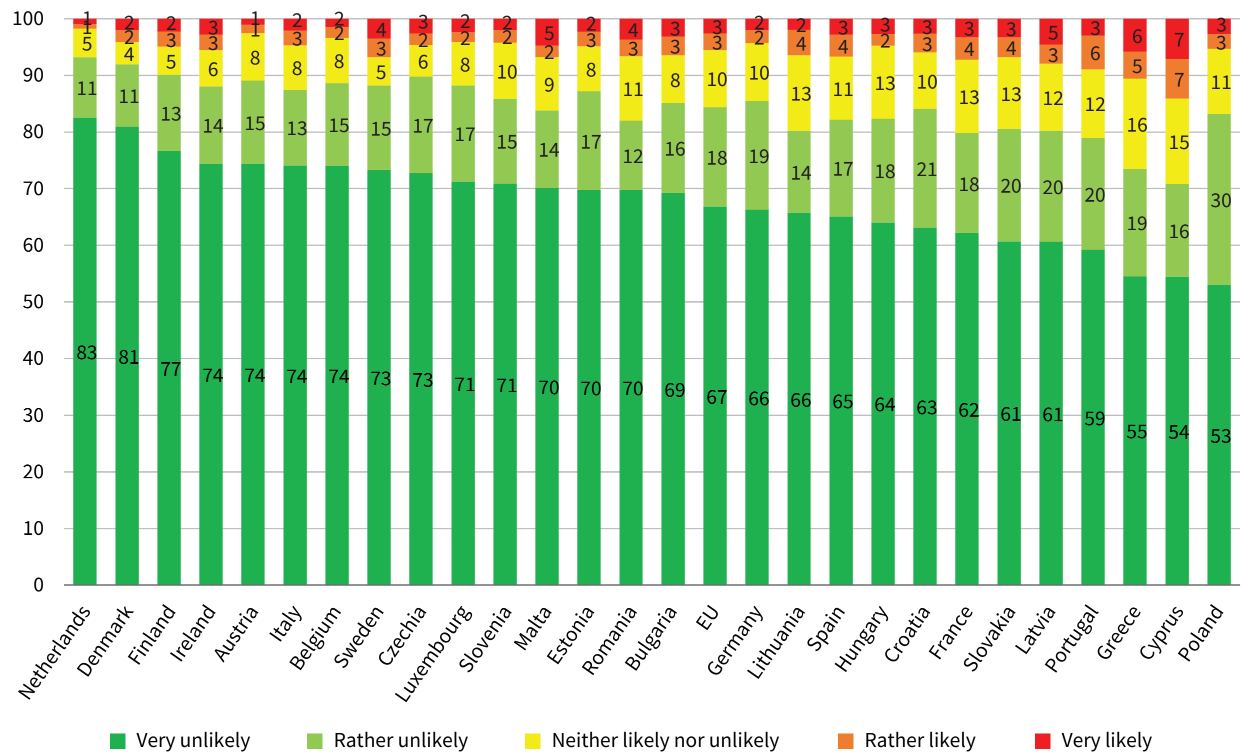
Delayed independent living may contribute to reduced optimism among young people. According to Eurofound's *Living, working and COVID-19* e-survey, during the pandemic 52% of people aged 18–35 who lived independently and 44% of those living with their parents (or grandparents) indicated that they were optimistic about the future. The difference remains significant after controlling for country differences and employment status.

Housing insecurity

Risk of needing to leave accommodation

During 2020 and 2022, according to Eurofound's *Living, working and COVID-19* e-survey, 3% of the EU population considered it 'very likely' and 3% 'rather likely' that they would need to leave their accommodation within the next three months because they can no longer afford it (Figure 8). While the survey methods differed, these figures exceed the equivalent 1% and 2% figures, respectively, observed in the 2016 European Quality of Life Survey (EQLS).

Figure 8: Likelihood of needing to leave accommodation within the next three months, EU Member States, 2020–2022 (%)



Source: *Eurofound, Living, working and COVID-19 e-survey (average of data aggregated over survey rounds 1–5)*

People least often considered it (rather or very) unlikely that they would need to leave their home in Cyprus, Greece and Portugal, and most often in Denmark, Finland and the Netherlands. The order of the countries based on this parameter broadly resembles that arising from the 2016 EQLS data, but the relative situation seems to have improved in Belgium, Czechia and Italy, while Cyprus, Latvia and Slovakia have moved down the ranking. A decade ago, EU-SILC microdata for 2012 provided insight into the most common reasons for needing to leave one's accommodation (a situation that 1% of respondents indicated that they were in): these were financial difficulties (37%) and the lessor having given notice of contract termination (11%).

There have been indications of decreased absolute housing security, with fewer people finding it very unlikely that they will need to leave their accommodation (Eurofound, 2018b). In 2020–2022, 67% of people in the EU saw the eventuality as very unlikely, while the rest were less sure. While 19% of people who owned their home without a mortgage perceived some risk of needing to leave their accommodation within the next three months, 32% of those who owned their home with a mortgage and 37% of social housing tenants were more sure that there was a risk of having to leave their accommodation. The proportion was highest among private renters (46%). Interestingly, though, there is no apparent correlation between a country's homeownership rate and its housing insecurity level. Many Member States with relatively high rates of renting also rank highly in terms of housing security, and vice versa. The proportion of people indicating that they consider there is some risk that they will need to leave their home decreases as level of education increases, from 42% among people with primary education to 26% among people with tertiary education. It is lower among older cohorts (29% for those aged 60–69 and 25% for those aged 70+) and particularly high among single parents (57%). These patterns persist when controlling for all these factors and for country differences.

National-level evidence indicates other groups that are at particular risk of housing insecurity. In Bulgaria, ethnicity has been identified as the main vulnerability factor for housing insecurity, with 30% of ethnic Bulgarians, 45% of Turks and 60% of Roma people at risk (Kratunkova and Krastev, 2022). Tenants with informal rent contracts, left unprotected by the law, are also vulnerable. In Lithuania, the real proportion of tenants is believed to be well above that indicated by the 30,700 registered rental agreements (as of 2000). Informal renting is popular as rents tend to be lower and formal renting requires the lessor to obtain a business certificate and pay a fixed income tax (Delfi, 2020). In Romania, officially, 3% of households rent their dwelling, but that percentage increases to 7–15% when informal agreements are included. These are particularly common among young people. In Hungary, 2.1% of households say they live in their homes as a favour from the owner, without a contract; single parents and people in the lowest income quartile are particularly likely to be in this situation.

Rent, mortgage and utility arrears

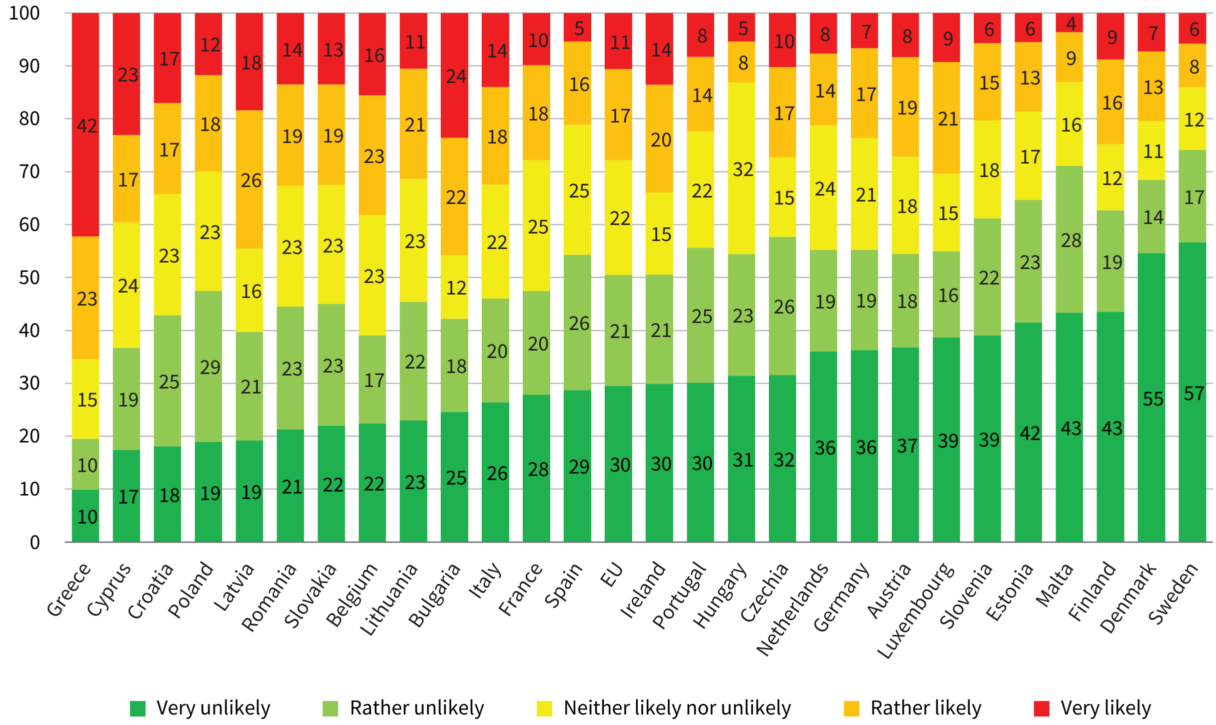
Rent, mortgage and utility arrears have declined since the Great Recession (2007–2009). However, there have been recent increases among specific groups, such as single parents at risk of poverty (Eurofound, 2020b).

Between 2011 and 2019, the share of people who reported rent or mortgage payment arrears declined from 7.5% to 4.6%. Among mortgage holders, the share in arrears declined from 5.5% to 2.8%, while it declined from 9.3% to 6.3% among tenants. According to EU-SILC microdata, among all people living in households with a mortgage or paying rent, the share in arrears declined in 20 Member States and increased in 7 of them (most notably in Lithuania, Romania and Slovakia where the share increased by over 5 percentage points amid an increase in mortgage holders).

Some further insights can be gained from national data. In Ireland, the proportion of mortgages in arrears over 90 days decreased from a peak of 12.9% in September 2013 to 4.3% in September 2022. Reasons include economic growth since 2013 and resolution of arrears by other means (for example, repossession). The lower figure for Belgium (0.8%) has been partly subscribed to restrictions on issuing mortgages and the high prevalence of fixed-rate mortgages (Winters and Van den Broeck, 2016). In the Netherlands, social housing rent arrears declined in recent years. However, in contrast to the pandemic situation, the cost-of-living crisis seems to have changed this trend with arrears increasing in early 2022 (AEDES, 2022).

The share of EU households in utility arrears dropped from a peak of 10.4% in 2013 to 6.2% in 2019. But energy costs sharply increased in 2022. In spring 2022, 28% of people in the EU anticipated that it was likely that their household would face difficulties paying utility bills (Figure 9). The proportions were 24% among homeowners without a mortgage, 26% among homeowners with a mortgage, 31% among private tenants and 33% among social tenants. However, among people in the bottom half of the income distribution, both private tenants and mortgaged homeowners, 40% expect difficulties, and 36% of social tenants and homeowners without a mortgage also expect difficulties. More generally, after controlling for income, differences between Member States and dwelling type and degree of urbanisation, the difference of the perceived likelihood of future difficulties in paying for utilities between homeowners and social renters diminishes greatly, reflecting the strong correlation between income and tenancy status. In contrast, the gap between homeowners and private renters hardly diminishes and remains significant.

Figure 9: Likelihood of facing difficulties paying for utilities in the next three months, EU Member States, 2022 (%)



Note: *The question was 'How likely or unlikely is it that in the next three months your household will have difficulties with utility bills, such as electricity, water, gas?'*
Source: *Eurofound, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022)*

So, regardless of income, dwelling type, degree of urbanisation and Member State, private tenants are at higher risk of expecting to face difficulties in paying for utilities. After controlling for all these factors, Denmark and Sweden stand out as countries where people feel most protected against the likelihood of facing difficulties paying for utilities; they feel least protected in Bulgaria, Greece and Romania.

Evictions

It is challenging to compare data on evictions from different countries (OECD, 2021b; Feantsa and Fondation Abbé Pierre, 2022). Data differ if they concern eviction notices, procedures or orders, and if the data covers all evictions or only those conducted by the police. To illustrate the effects that these sorts of difference can have on the data, in Austria almost 36,000 eviction executions were applied for in 2020 (53,000 in 2019), but 4,106 evictions were actually executed.

However, eviction data can help in identifying recent trends within countries in relation to the most extreme form of housing insecurity – needing to leave one's home. These data can also illustrate how evictions differ by tenure. For instance, in the Flemish Region of Belgium, since 2008 annual eviction threats against private tenants have fluctuated around 12,000 (2.5% of all private tenancies). Eviction threats against those in social housing are similar for Social Rental Agency tenants (2.5%) but lower for Social Housing Association tenants (0.3%) (Winters et al, 2021).

In some countries, the long-term trend is towards a reduction in evictions, with some deviations arising from temporary pauses on evictions during the pandemic. In Sweden, for example, evictions fell from 6,021 in 1991 to 2,672 in 2021. However, evictions of households with children increased from around 400 in 2015 to almost 600 in 2021, with half of that increase occurring between 2020 and 2021 (Kronofogden, 2022). In the Netherlands, evictions decreased from 3,000 in 2018 to 1,720 in 2020 (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2021). In Ireland, repossessions of owner-occupied homes decreased in the years following the economic crisis, from nearly 2,000 in the fourth quarter of 2015 to 800 in the fourth quarter of 2020. Disputes related to tenancy terminations fell from 1,505 in 2017, to 1,396 in 2018, to 1,345 in 2019 and to 524 in 2020. The number increased again in 2021, to 1,116. In Hungary, municipal housing evictions decreased from 622 in 2018 to 460 in 2019. In 2020, 298 households were evicted, the lowest number since 2000.

Other countries have seen increases in evictions. In France in 2018, 15,993 households (over 36,000 people) were evicted with police involvement (15,547 households in 2017); this represented a 41% increase on the 2008 figure (152% since 2001). During the pandemic, evictions fell from 16,700 in 2019 to 8,156 in 2020, increasing again to 12,000 in 2021. The number of evictions without police involvement is two to three times the number of those with police involvement. In some cases, post-pandemic numbers reflected the courts catching up with paused proceedings. For example, the Public Housing Fund of Ljubljana recorded its highest number of evictions in years in 2021: 16, compared with 4 in 2019 and 4 in 2020.

Eviction data can also give an idea of the proportion of evictions caused by arrears (inability to pay). In Italy, in 2017, over 130,000 eviction orders and over 50,000 requests for enforcement were issued (32,000 of these requests were granted), about 90% for arrears. Data also indicate the extent to which evictions lead to homelessness. In the Flemish region of Belgium, one in six evictions results in homelessness.

Problematic housing costs

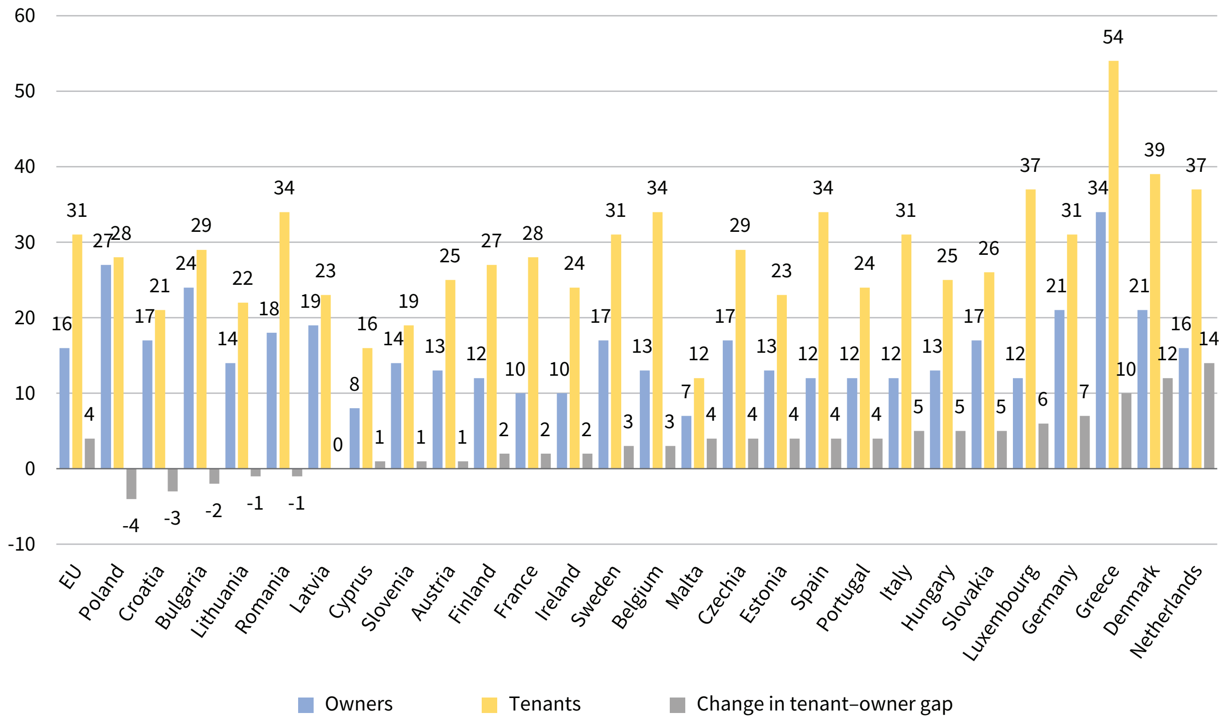
High housing costs can compromise a household's ability to afford non-housing goods and services, depending on its financial resources (income and wealth) and non-housing needs.

Housing costs in relation to income

The share of income that households in the EU spent on housing increased from 21.5% in 2010 to 22.6% in 2013, before dropping to 20.0% in 2019. There are some comparability issues, but there seems to have been a further decrease thereafter: 18.5% in 2020 and 18.9% in 2021. Between 2010 and 2019, the share of income spent on housing fell in 22 countries, especially (by over 5 percentage points) in Croatia, Denmark, Hungary, Lithuania and Romania. It increased in five Member States, most notably (by 4 percentage points or more) in Luxembourg, Bulgaria and Greece (Eurostat [ilc_mded01]).

Homeowners in the EU spent 16% of their income on housing in 2019, down from 18% in 2010. In contrast, over the same period tenants faced an increase in an already higher rate, from 28% to 31%. In all Member States, tenants spend higher proportions of their income on housing than owners (Figure 10). That gap widened between 2010 and 2019 in 22 Member States,

Figure 10: Housing costs as a proportion of income by type of tenure, 2019 (%), and change in tenant–owner gap since 2010 (percentage points), EU Member States



Notes: *Housing costs (net of housing benefits) as a proportion of disposable household income (net of housing benefits). Member States ranked in order of magnitude of the change between 2010 and 2019 in the difference between tenants' and owners' rates.*
Source: *Calculations based on EU-SILC microdata*

and by more than 5 percentage points in Luxembourg, Germany, Greece, Denmark and the Netherlands.

Unlike in the overall population, among households earning below 60% of the median national household income, the share of income spent on housing increased (from 39.0% in 2010 to 39.3% in 2019), peaking in 2014 at 42.0% (Eurostat [ilc_ mded01]). This tallies with the overall lagging behind of income inequality-related indicators during the past decade's economic growth (Eurofound, 2020c).

The housing cost overburden rate (the share of people in whose households the housing costs amount to over 40% of disposable income) was included for the first time in 2021 as an EU Social Scoreboard indicator (the Social Scoreboard measures progress on the European Pillar of Social Rights). This rate fell in the years preceding the pandemic, from a high of 11.6% in 2013 to 9.4% in 2019.[2] Over that period, it declined in 22 Member States, most significantly in Hungary, Latvia, the Netherlands and Romania and; it increased in 5 Member States, most significantly in Bulgaria and Luxembourg.

The housing cost overburden rate decreased for all tenures between 2013–2019, but it decreased the most for owners with a mortgage, and it remains highest for private tenants. It is particularly high for people in densely populated areas (48%), and for people in the bottom income quintile: 31.7% (8.2% for second quintile, 1.2% for top quintile). Between 2013 and 2019, the rate declined for all income quintiles. Overburdened households are younger than average and more likely to be single households.

According to EU-SILC microdata, the 2013–2019 drop in the share of income spent on housing was driven in particular by a fall in the proportion of households spending between 20% and 30% of their disposable income on housing, but the share of overburdened households also declined. It is more common to spend 20–60% and less common to spend less than 20% of income on housing among people living in more densely populated areas.

There are major differences in terms of housing costs in relation to income between areas within Member States. In Bulgaria, housing costs are higher relative to income in Sofia than in parts of the country with lower levels of economic development (where demand for housing and rental costs are lower) (World Bank, 2017). In Ireland, rent as a share of income increased from 23% on average in 2011 to 31% in 2020. The increase was particularly large in Dublin: from 26% in 2011 to 36% in 2018 (ESRI, 2021). In Hungary, rents increased more in the major cities (especially in Budapest), where income growth was below average (KSH, 2022).

In Germany, long-standing renters usually have more favourable rents (based on the lower rents when they moved in) than newer tenants (Holm et al, 2021). In Luxembourg, between 2010 and 2018 the share of income spent on housing increased most for owner-occupiers with a mortgage or loan and private market tenants. Depending on the year, tenants with new contracts spent 3–16% more on housing than tenants with contracts older than five years. A similar difference exists between recent and longer-standing owner-occupiers. This could be due to recent owner-occupiers having paid higher prices (and thus have higher mortgage payments) and being younger on average (36–39) than longer-standing owner-occupiers (around 45); given that household income increases with age, the proportion of income spent on mortgage payments falls as householders get older (Leduc et al, 2020).

Utility costs

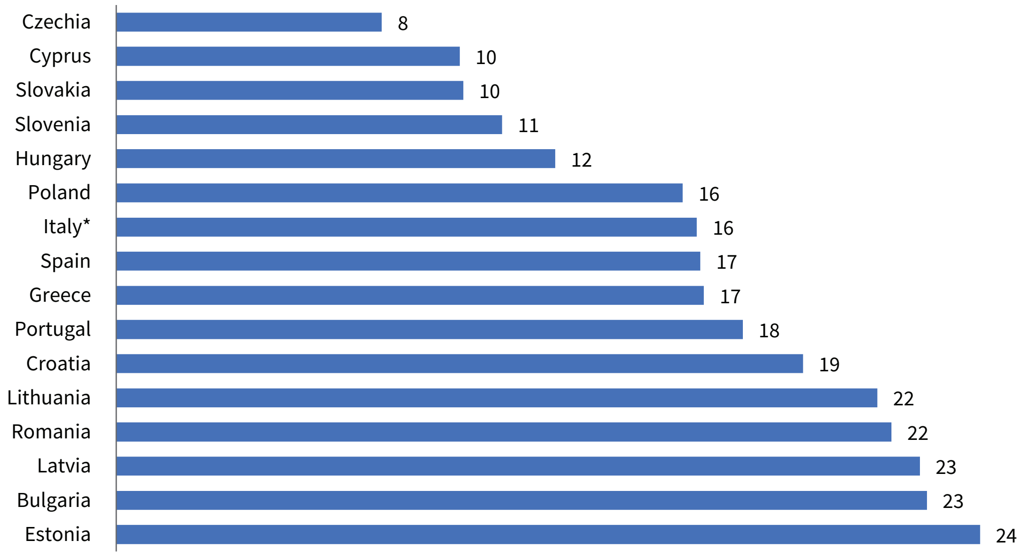
Recent utility price increases have been only partly mitigated by government support measures (Eurofound, 2022a). In the EU in 2022, rising energy prices meant that households in the lowest income decile faced estimated average cost increases of 20% of total household expenditure; for those in the highest income decile, the figure was 13% (Steckel et al, 2022). The impact of these cost increases on a household depends on its energy needs. This depends on the energy efficiency of the dwelling, the energy sources used and household composition. Unemployed people spend more time at home and so tend to have greater energy needs (Eurofound, 2012). Households are also differently affected depending on their utility contract. In the Netherlands, in June 2022 half of households had energy contracts with fixed prices for at least one year (down from 56% in 2021) (ACM, 2022). These households were not immediately affected by an energy price increase of 86% (to an average of €2,800 per year) on average from January 2021 to January 2022, but they did benefit from reduced energy taxes (CBS, 2022). In Sweden, utility costs are included in rents, so utility price increases have had a more immediate impact on owners than on tenants.

People who own their home without a mortgage do not face rent or mortgage costs, so appear to be in a good situation. Surprisingly, though, among homeowners, not having a mortgage is more common among people who are at risk of poverty[3] than among others. Many of them struggle to pay for other housing costs, including

2 The rate was 10.0% in 2010 (the earliest year for which EU figures are available).

3 Being at risk of poverty is determined as earning less than 60% of the median income in the country.

Figure 11: Homeowners without a mortgage who are at risk of poverty, in EU Member States with highest rates of ownership without a mortgage, 2020 (%)



Notes: *The figure shows the 16 Member States with the highest proportion of the population who own their home without a mortgage, varying from 38% in Portugal to 95% in Romania. * Data from Italy were collected in 2019.*
Source: *Calculations based on EU-SILC microdata*

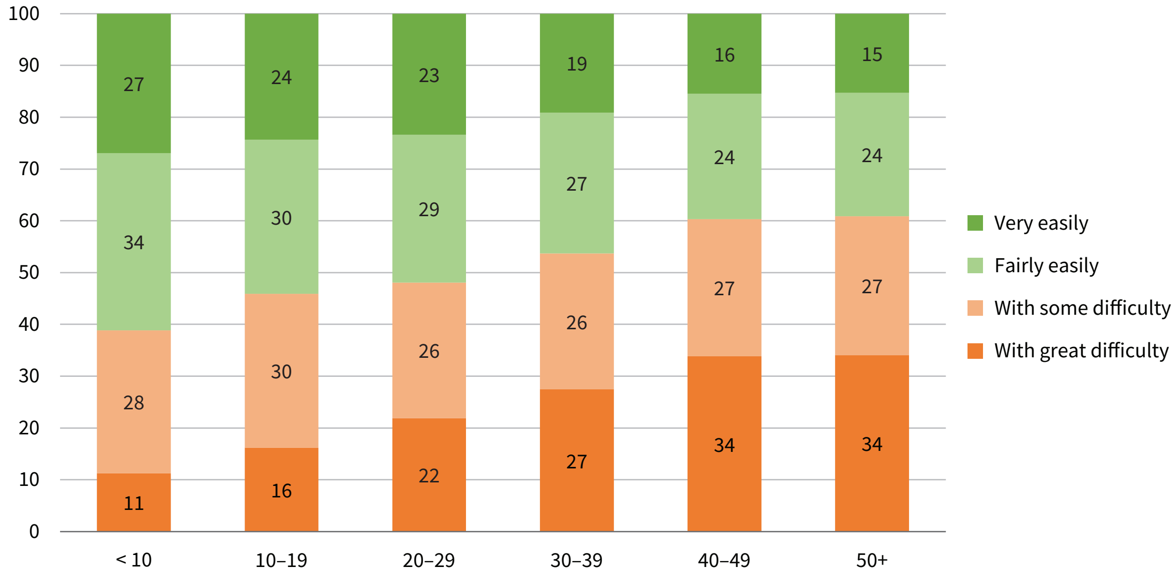
utility bills. Owning a home without a mortgage is particularly common in most post-communist and southern European countries, and among older people and people in rural areas. Figure 11 shows the 16 Member States with highest ownership rates. Of them, Spain, Italy and Cyprus have fewer homeowners without mortgages who are at risk of poverty than among the population overall (by 4–5 percentage points). However, even in these countries at least one-tenth of homeowners without mortgages are at risk of poverty. Many have difficulties making ends meet (at least 70% in Greece, Croatia, Romania and Bulgaria) and are unable to keep their homes at adequate temperatures due to poor energy efficiency and low financial resources (at least 15% in Bulgaria, Lithuania, Portugal, Cyprus and Greece).

Difficulties making ends meet

Looking at housing costs in relation to income does not take into account differences in non-housing needs and non-income means (such as savings). Investigating ability to make ends meet contributes to overcoming these issues.

Having difficulties making ends meet is most common among households that spend at least 40% of their income on housing: 60% of these have difficulties making ends meet (Figure 12; difference due to rounding). However, spending a high proportion of income on housing does not necessarily make it difficult to make ends meet. Among households that spend at least 40% of their income on housing, 39% make ends meet at least fairly easily. Most of these (51%) are in the top income quartile, but 27% are in the bottom income quartile. They are likely to have a low level of non-housing needs, for instance because there are no children in the household. Of people in the bottom income quartile who spend at least 40% of income on housing, 18% of those who stated they were easily making ends meet have children in the household, compared to 29% of people with difficulties making ends meet. Conversely, even among households that spend less than 20% on housing, 42% report difficulties making ends meet. Many of these (37%) are in the bottom income quartile, but 33% are in the top income quartile. They are likely to have high non-housing needs. For instance, of people in the top income quartile spending at most 20% of their income on housing: 58% of those having difficulties making ends meet have children, compared to 47% of those who easily make ends meet.

Figure 12: Ability to make ends meet, by proportion of income spent on housing, EU27, 2019 (%)



Notes: *Housing cost burden (household total housing costs (net of housing allowances) as a proportion of household disposable income (net of housing allowances)) is shown on the horizontal axis.*
Source: *Calculations based on EU-SILC microdata*

Housing inadequacy

People may be able to afford secure housing, but it may be inadequate for their needs. It may lack space or be of poor quality or the location may be a bad match for the householders' social, employment or service needs. For instance, in April 2020 in Poland, 27% of people reported being unable to move to a dwelling that would meet their housing needs (Habitat for Humanity, 2020). This section deals with people's perceptions about their housing and problems with the local area. Perceptions vary among individuals. For instance, noise or lack of space is less of an issue for someone who is not bothered by it. People may be unaware of certain factors, for example that there is air pollution in or around their home, or of the harm it does, and thus not perceive it as a problem.

Extreme cases of housing inadequacy are generally considered forms of homelessness (Feantsa, 2017). These include informal settlements, often housing Roma people and other ethnic minorities, for instance in Bulgaria, Croatia, Czechia, Romania and Slovakia. They also include encampments housing undocumented migrants in Belgium and France. In Bulgaria, the number of informal settlements has increased (World Bank, 2017). In Croatia, 33% of Roma households live in barracks, sheds, shacks and houses not meeting basic security requirements (Croatian Government Office for Human Rights and Rights of National Minorities, 2022). In Romania, approximately 72,000 people live in informal settlements (Romanian Ministry for Development, Public Works and Administration, 2022). These groups are generally not well represented in the data used in this report, which focuses on more mainstream housing inadequacy.

Satisfaction with housing and local area

On average, people in the EU rated their satisfaction with their accommodation at 7.3 out of 10 and that with their local area as a place to live at 7.4 out of 10 in Eurofound's *Living, working and COVID-19* e-survey in spring 2022. In some countries, people tend to be more satisfied with their dwelling than with the local area, most notably in Romania (with a 0.2 higher rating for the accommodation) and Malta (0.4). It is more common, though, for people to be more satisfied with the local area than with their dwelling, most notably in Finland, Denmark and Ireland (with a 0.3 higher rating for the local area), Portugal (0.5), Latvia and Estonia (both 0.6) and Lithuania (0.9).

In all Member States, on average, people in the bottom half of the income distribution are less satisfied with their accommodation than those in the top half, but the difference is particularly large (over 1.0) in Cyprus, Germany, Greece, Portugal and Romania, and particularly small (below 0.5) in Finland, Lithuania and Slovakia. The difference is smaller for local area aspects than for housing. This is because households in the bottom half of the income distribution in the EU are more satisfied with their local area (7.1) than with their housing (6.9), while those in the top half are on average equally satisfied with their housing and the local area (7.8).

National-level evidence provides insights into drivers of satisfaction. In Poland, 29% of respondents to a survey said that the need for a larger home was an important factor in moving home; 17% mentioned a desire to be closer to nature, and 16% wanted to make a lifestyle change after the pandemic. The characteristics of a 'dream home' most commonly selected were proximity to parks/forests (32%), a safe neighbourhood (31%), a private garden (30%), a private balcony (30%) and a nice view (29%).

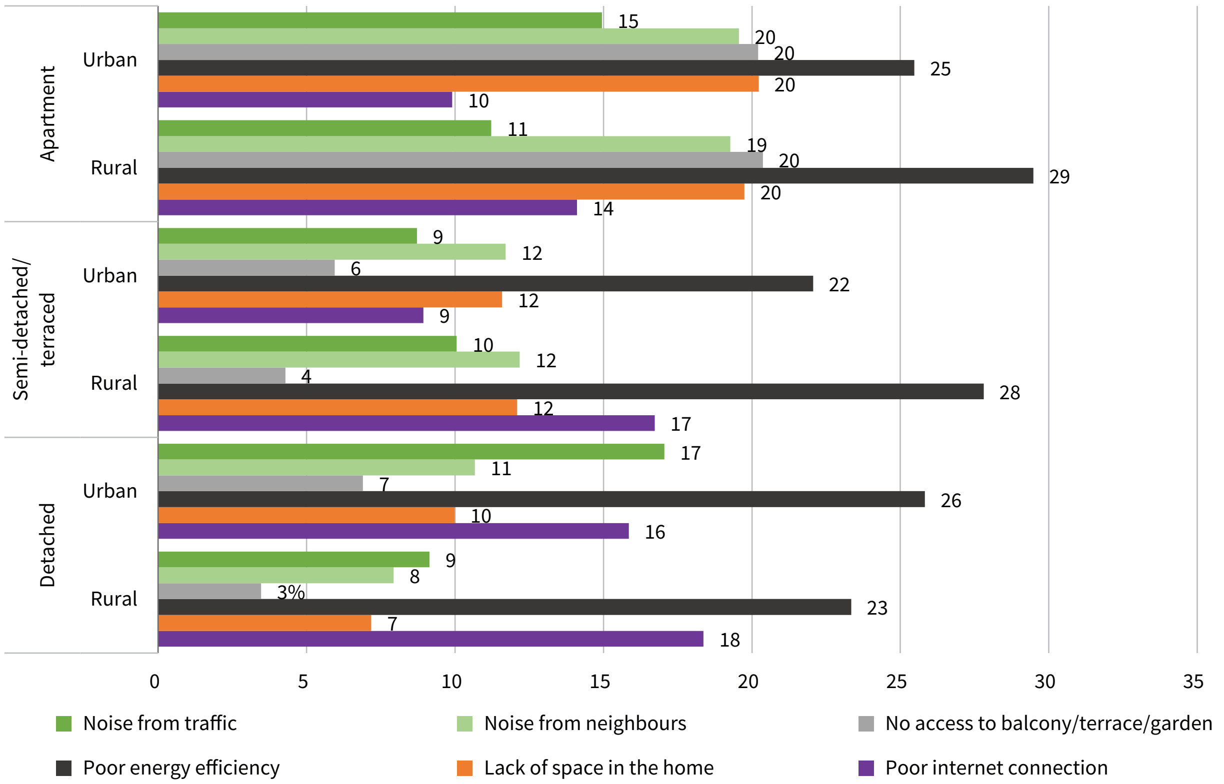
Problems with accommodation

Poor energy efficiency of the dwelling is a problem experienced by 26% of the EU's population (rating it 4 or 5 on a scale of 1 to 5, from not at all problematic to extremely problematic). Households with children, on a low income, of large size, renting social or private housing, or living in the countryside or a village or small town are more likely to experience this problem.[4] Many people also face problems with lack of space in their home (16%), noise from neighbours (15%), poor internet connection (14%), noise from traffic (13%) and not having access to a balcony, terrace or garden (13%).

In all countries, energy efficiency is seen as more problematic than any other issue (but this difference is more pronounced in some countries, for example in Cyprus and Portugal). There is more diversity in the second most problematic aspect: for example, this is noise from traffic in Belgium, noise from neighbours in France, a poor internet connection in Greece and lack of space in the home in Latvia.

Noise from neighbours and lack of a balcony, terrace or garden are more often a problem for people who live in apartments than for others (Figure 13). A poor internet connection is more often a problem in rural areas. Noise from traffic is somewhat more of an urban problem, and poor energy efficiency somewhat more of a rural issue. Lack of space is most often problematic in apartments in both rural and urban areas, and least likely to be a problem in detached houses in rural areas.

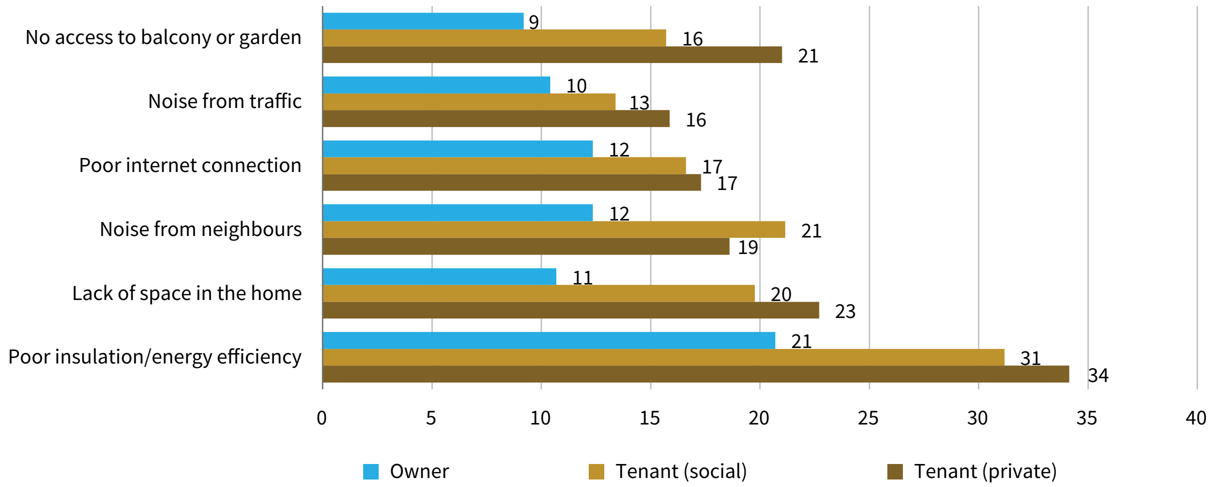
Figure 13: People reporting problems with accommodation, by type of accommodation and rural or urban area, EU27, 2022 (%)



Notes: *Rural includes 'the open countryside' and 'a village/small town', and urban includes 'a medium to large town' and 'a city or city suburb'. Question: 'Thinking about your accommodation, how problematic are the following issues for you? Lack of space in the home; poor insulation/energy efficiency; poor internet connection; no access to balcony/terrace/garden; noise from neighbours; noise from traffic. Answer on a scale ranging from 1 to 5, where 1 indicates not at all problematic and 5 indicates extremely problematic.' Answers 4 and 5 are considered as problematic in this graph.*
Source: *Eurofound, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022)*

4 This was true after controlling for type of tenure, degree of urbanisation, dwelling type, income, household size, children or none, gender, age and country effects, based on an ordinary least squares regression conducted by the authors using data from the *Living, working and COVID-19* e-survey.

Figure 14: People reporting problems with accommodation, by type of tenure, EU27, 2022 (%)



Notes: *Question: 'Thinking about your accommodation, how problematic are the following issues for you? Lack of space in the home; poor insulation/energy efficiency; poor internet connection; no access to balcony/terrace/garden; noise from neighbours; noise from traffic. Answer on a scale ranging from 1 to 5, where 1 indicates not at all problematic and 5 indicates extremely problematic.' Answers 4 and 5 are considered as problematic in this graph.*
Source: *Eurofound, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022)*

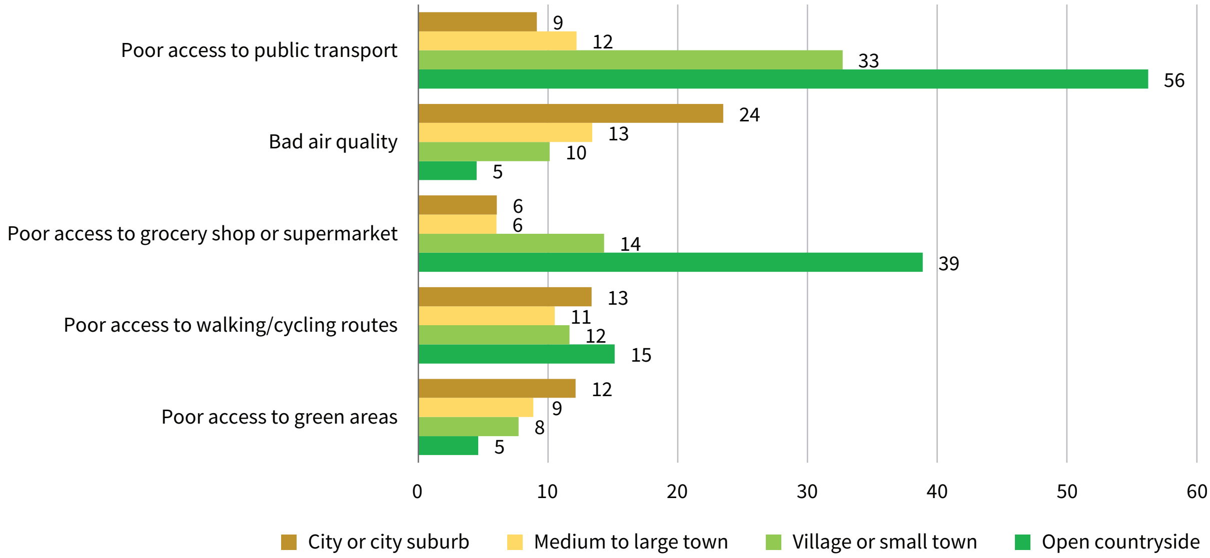
All these issues are more often problematic for tenants than they are for homeowners (Figure 14). This holds for people living in houses and people living in apartments. Furthermore, most are more problematic for private than for social tenants. Noise from neighbours, though, is more problematic for social tenants. However, this is due to the fact that people in the bottom half of the income distribution are more often likely to experience this problem, and people in this group are over-represented in social housing. Among people in the bottom half of the income distribution, both private and social tenants experience problems with noise (20%). All other problems remain more common for private tenants when only looking at the bottom half of the income distribution, and the gap increases especially for problems with energy efficiency (31% among social tenants and 39% among private tenants) and lack of access to a balcony or garden (17% social tenants, 24% private tenants).

Particularly in some Member States, dwellings of inadequate quality include those owned by people without a mortgage. These include run-down apartments in urban areas in post-communist countries and dwellings in rural villages in southern European countries. In 2019, Cyprus, Hungary and Slovenia were the countries with the highest rates of people owning their dwellings without a mortgage and reporting having damp foundations or rotting window frames (18%, 16% and 14%, respectively), and Romania, Latvia and Lithuania were those with the highest shares of mortgage-free owners who lacked an indoor toilet or shower (21%, 8% and 7%, respectively) (EU-SILC).

Problems with the local area

Poor access to public transport is problematic for 25% of people in the EU (rating it 4 or 5). Bad air quality and poor access to a grocery shop or supermarket are both considered problematic by 14%, poor access to walking/cycling routes is a problem for 12%, and poor access to green areas is an issue for 9%. As might be expected, poor access to public transport and to a grocery shop or supermarket are less problematic in urban areas, while poor access to green areas and bad air quality are more problematic in urban areas. Interestingly, poor access to walking/cycling routes is similarly problematic in urban and rural areas (Figure 15). Countries differ in what are considered the most problematic local area issues. For instance, in Bulgaria and Slovakia, bad air quality stands out. In Romania and Greece, poor access to walking/cycling routes is considered most problematic.

Figure 15: People reporting problems with the local area, by degree of urbanisation, EU27, 2022 (%)



Notes: *Question: 'Thinking about the area around your accommodation, how problematic are the following issues for you? Bad air quality in the local area; poor access to public transport; poor access to grocery shop or supermarket; poor access to green areas (nature/parks); poor access to walking/cycling routes. Answer on a scale ranging from 1 to 5, where 1 indicates not at all problematic and 5 indicates extremely problematic.' Answers 4 and 5 are considered as problematic in this graph.*
Source: *Eurofound, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022)*

Overcrowding

According to Eurostat, a dwelling is considered overcrowded if it has fewer rooms than one for the household plus one per couple in the household, one for each single person aged 18+, and one per pair of children if under 12 years of age or between 12 and 17 and of the same gender. Overcrowding decreased in the EU between 2010 and 2019, driven by large decreases (by at least 5 percentage points) in all post-communist countries and Portugal. Overcrowding rates are the highest (at 30% or more) in Bulgaria, Croatia, Latvia, Poland, Romania and Slovakia. The countries in which overcrowding is least common are also among those in which the most people live in houses (Belgium, Ireland, the Netherlands). However, there are some countries in which overcrowding is rare, although most people live in apartments (for instance Germany, Malta and Spain), or in which it is common, although most people live in houses (Hungary and Romania).

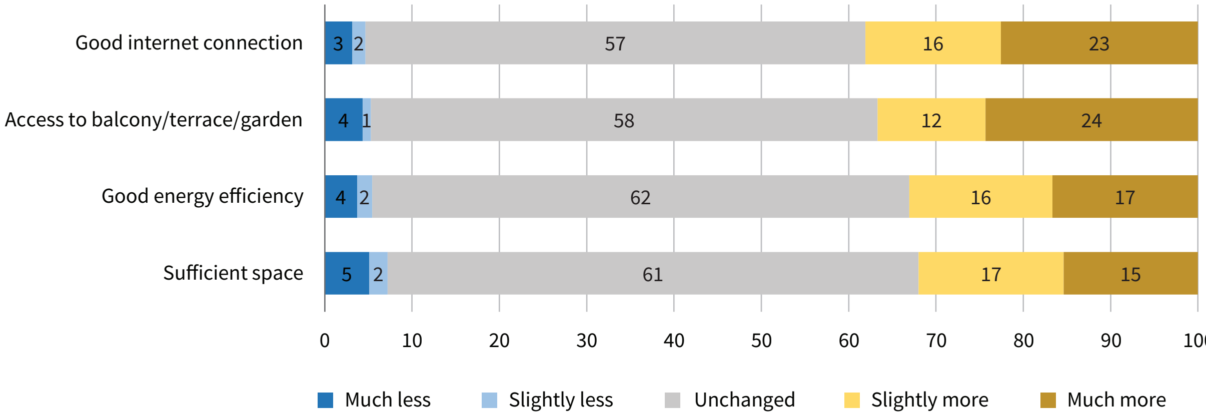
National-level evidence points to some groups of people being particularly affected by overcrowding. In Finland, the average living space per household has increased over time, but less so for people in rented housing rather than owner-occupied housing and for low-income tenants. In Croatia, households have on average 29 m^2 at their disposal, but Roma households have only 11 m^2.

Severe housing deprivation rate

The severe housing deprivation rate (another EU Social Scoreboard indicator) is the percentage of the population living in an overcrowded dwelling that exhibits at least one of the following problems: it has a leaking roof, it has no bath/shower and no indoor toilet, or it is considered to be too dark. The proportion of EU households suffering from severe housing deprivation decreased between 2010 and 2019, especially in countries in which the rate had been relatively high (such as Hungary, Latvia, Romania and Slovenia). This reflects a long-standing trend towards improved physical conditions in housing (Eurofound, 2016).

However, there are still Member States in which 5% or more of the population was in severe housing deprivation in 2019: several post-communist countries (Bulgaria, Croatia, Hungary, Latvia, Lithuania, Poland and Romania) and two Mediterranean countries (Greece and Italy). In the EU overall, severe housing deprivation is most common among tenants. This general pattern across tenure types persists across Member States. In the EU overall, deprived housing conditions are most common in rural areas (4.8%), followed by cities (4.2%), and towns and suburbs (3.1%). The difference between rural and urban areas is particularly stark in Bulgaria, Hungary, Romania and Slovakia, with deprivation rates among rural dwellers being at least double those among people living in cities. While overcrowding is less common in rural than in urban areas, the other housing problems taken into account in the deprivation rate are more common.

Figure 16: Changes in perceived importance of accommodation attributes during the pandemic, EU27, 2022 (%)



Source: *Eurofound, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022)*

Importance of housing and local area aspects during the pandemic

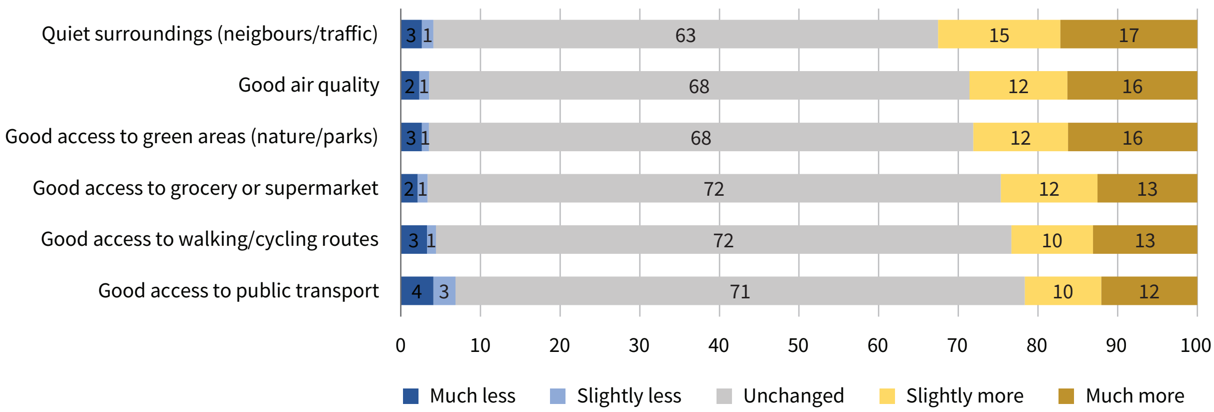
The importance that people attribute to aspects of their accommodation and local area increased during the COVID-19 pandemic. This is true for all types of tenure, but it applies in particular to people renting on the private market.

Having a balcony, terrace or garden and a good internet connection became (slightly or much) more important for 37% and 38% of the population, respectively (and for many much more important: 24% and 23%) (Figure 16; difference due to rounding). Having sufficient space (32%) and good energy efficiency (33%) also became more important for many.

Regarding local area attributes, quiet surroundings (33%), good air quality (29%) and good access to green areas (28%) became more important for many people (Figure 17; difference due to rounding). Having good access to a grocery shop or supermarket (25%) and to walking/cycling routes (23%) also became more important for many. The same holds true for good access to public transport (22%), albeit to a lesser extent and with the highest proportion of people reporting that it became less important for them (7%), possibly because the pandemic induced many to telework (meaning less commuting) and/or to prefer transport options involving less mingling with other people. It should be noted that, while access to public transport decreased in importance compared to other local area aspects, poor access to public transport is still considered the most problematic issue overall. All these local area aspects became much more important, in particular for people with great difficulties making ends meet.

Among its longer-term impacts, the pandemic has contributed to increased telework, and with it the importance of the 'teleworkability' of the home. The more hours people worked from home in the month

Figure 17: Changes in perceived importance of local area attributes during the pandemic, EU27, 2022 (%)



Source: *Eurofound, Living, working and COVID-19 e-survey, fifth round (carried out 25 March to 2 May 2022)* prior to the e-survey the greater the increase in importance of certain aspects of the home.[5] This was the case in particular for a good internet connection, sufficient space in the home and access to a balcony, terrace or garden. Interestingly, a higher number of hours worked from home was related to a significant increase in the perceived importance of all local area aspects, in particular good access to walking/cycling routes (especially for people with difficulties making ends meet) and good air quality, but also for quiet surroundings, good access to green areas and good access to public transport, and least notably (but still significantly) for access to supermarkets. Overall, both good access to public transport and good access to walking/cycling routes became much more important for women (15% and 16%, respectively, compared with 9% for both for men), and for people with great difficulties making ends meet (19% and 17%, respectively, compared with 8% and 12% among people making ends meet easily). While the questionnaire did not ask about wheelchair use, better access to walking routes (better pavements) is likely also to benefit wheelchair users.

5 This finding is based on data from the *Living, working and COVID-19* e-survey, after controlling for Member State, number of children, degree of urbanisation and ability to make ends meet.

3 Housing policies

When discussing housing exclusion, this chapter concentrates on housing homeless people; addressing housing insecurity, focusing on supporting people at risk of eviction; addressing problematic housing costs, including rent subsidies, social housing, ownership support and utility subsidies; and addressing housing inadequacy, presenting policies that improve energy efficiency. The chapter goes beyond listing policies, by including evidence on take-up and problems. There is a wide spectrum of other policies on affordable homes that are beyond the scope of this chapter (see, for example, OECD, 2022b).

Addressing exclusion: Housing homeless people

This section focuses on Housing First-type programmes. The Housing First approach takes providing homeless people with housing as a starting point, rather than seeing it as an end goal (Housing First Hub Europe, 2022). This contrasts with 'staircase models', which first provide other support.

The focus of this report is not on the provision of accommodation in shelters or other forms of shared or temporary housing. However, a somewhat flexible approach is taken. For instance, a programme in Ljubljana and Maribor in Slovenia organised by the non-governmental organisation (NGO) Kings of the Street is included here, although it mainly offers rooms in shared accommodation. The programme resembles a Housing First one in that it provides accommodation for a relatively long period (18 months, and often extended beyond that) and provides independent accommodation for families. Similarly, programmes in Pula and Zagreb were included, which resemble shelters, but provide accommodation for longer periods or were inspired by Housing First.

The unconditional offer of housing on acceptance of other support, a principle of the Housing First approach, is sometimes an aspect of the programmes covered here (for example in Denmark) but not always. All the programmes discussed offer users access to social services, with differing emphases. For instance, in the Austrian programme, housing support ends when other support and social work cease (although it may be extended by a few months if necessary), with users ideally staying in the same apartment but paying rent. In the Polish example, entitlement to housing depends on participation in counselling sessions, and in the Berlin pilot the offer of housing depends on acceptance of other support. Still, housing is provided at the same time as other support, rather than afterwards.

There are other programmes which are not labelled 'Housing First' and yet follow the approach more closely than some that are labelled as such. Germany's Ambulante Hilfe in Wohnungen, established in the 1990s, considers that acceptance of support should be voluntary and not the 'price' paid for access to housing, that leases should be permanent and that individual apartments should be provided. These principles match the Housing First approach (unconditional, individual housing) without using that label. Often social housing plays a key role in Housing First programmes (Housing Europe Observatory, 2018). However, social housing also provides access to housing for homeless people outside such programmes. Homeless people may be a priority group housed through regular social housing, as in Finland, Malta and Paris (see the subsection 'Priority groups' in 'Social housing' later in this chapter). The Home for Everyone project in Dupnitsa, Bulgaria, is included here although in a sense it is closer to a social housing scheme, being also accessible to groups other than homeless people (people living in very poor conditions, families with children with health problems or disabilities, teenage parents, large families), because the share of homeless people housed through it is relatively large.

Somewhere between shelters and Housing First programmes lie initiatives that do not directly provide housing but have as their explicit purpose helping homeless people into permanent accommodation. For instance, in 2021, 112 of the 907 users (12%) of Tallinn's *resotsialiseerimisteenus* (resocialisation service), moved into independent homes under municipal or private tenancies.

While the focus here is not on monetary support, housing subsidies sometimes target homeless people. The Slovak rent subsidy (see section on 'Rent subsidies' below) is also for homeless people in hostels (not night shelters). Since 2019, Greece has provided monetary (and psychological) support to people in homeless shelters, on the street or in unsuitable/unstable accommodation, and aimed to integrate them into employment. It did so initially in 14 municipalities with a population of more than 100,000; this was extended to 43 municipalities in 2022. It provides a rent subsidy for up to 18 months of up to €180 per month (€240 for a couple and €300 for a household of three or more) and a one-off payment of €750 (€900 for a couple and €1,000 for a household of three or more). In 2020–2021, the scheme provided support to 630 people (420 households); 182 were included in subsidised work. A predecessor of the programme (which ran from November 2016 to September 2017) was found to have succeeded for the first time in addressing various types of homelessness, with 40% of beneficiaries remaining in work after the subsidy ended. However, the subsidy was considered too low to enable recipients to move into decent accommodation, the social workers who managed the process lacked know-how on various topics (such as job integration), and the complex application process caused delays (EIEAD, 2017).

It is clear that entitlements to services and benefits are not always effectively enforced. Laws are key, but they need to be enforced to ensure access. This also applies to the 2008 DALO (*Droit au logement opposable*) law in France, entitling people to housing, which is safe, decent and not over-crowded. By 2020, nearly 1.3 million households had submitted requests to enforce their right under the DALO law; the proportion of requests judged eligible for rehousing increased from 25.0% in 2008 to 34.5% in 2019. Between 2008 and 2020, 333,724 households were recognised as eligible: 62.8% were offered the opportunity to be rehoused; 78,016 (23.4%) had not yet been rehoused by the end of February 2021. In 2021, the French Court of Auditors made recommendations on increasing the effectiveness of the DALO law in the form of five guidelines: guarantee the primacy of the DALO law; ensure that it is a last resort (excluding people in social housing and who refused previous housing offers); provide more support for applicants; specialise and simplify procedures; and make actors responsible.

Overview of Housing First programmes

About three quarters of Member States are experimenting with or have implemented initiatives or policies inspired by the Housing First approach (Table 1); none were identified in Cyprus, Estonia, Greece, Latvia, Lithuania, Malta or Romania. EU funds play a role in financing Housing First initiatives (Feantsa and Housing First Europe Hub, 2022), including funds from Operational Programme Human Resources (in Romania from 2013 to 2015 and in Slovakia), the Horizon 2020 research programme (in the Budapest initiative) and Operational Programme POWER (in Poland).

Housing providers differ even within a single programme. The Housing Now! programme in Hungary draws on private homeowners renting out their properties at below market prices to people with social needs, and guarantees that owners will maintain the quality of their home for the tenants (11 apartments in 2021). The programme also uses empty local-government-owned dwellings (24 apartments in 2021). The Slovenian example draws on private rentals and municipal housing. The Slovak call for proposals to be selected for funding focuses on private market tenancies.

The programmes differ in terms of user costs. In Ireland, where the tenant has no income, the housing agency/local authority provides the Housing First tenancy regardless, but tenants should contribute once they have an income, including from social welfare. In the Slovenian example, rent increases during the tenancy. In the Austrian example, rent is paid by the municipality, but users may contribute, depending on income. In Denmark and Finland, rent also depends on income.

Table 1: Examples of Housing First-inspired policies and initiatives in EU Member States

Member State	Programme and target group	Scale
	Larger scale	
Belgium	In 2013–2016, pilot projects took place in Brussels, four Flemish cities (Bruges, Roeselare, Ghent, Antwerp), two Flemish municipalities (Kortrijk, Limburg) and five Walloon cities (Tournai, Mons, Charleroi, Liège, Namur). In 2022, at least 25 projects were under way (monitored by Housing First Belgium).	Around 1,000 people were helped into housing between 2013 and 2022. In 2020, 17 projects had found homes for nearly 850 people since 2013 (445 in the Flemish Regions, 230 in the Brussels Region and 210 in the Walloon Region).
Denmark	One project implemented in 39 municipalities under the 2009 national homelessness strategy, targeting homeless people with mental illness, who have survived abuse or with other psychosocial difficulties who need social support.	8% of homeless people in Denmark (the municipalities covered host 81% of all homeless people in the country).
	The Housing First for Unge scheme has been piloted in four municipalities since 2020, targeting people aged 14–24 years who are homeless or at risk of becoming so (including people moving out of foster homes).	113 people helped: 50 at risk of eviction, 63 homeless.
Finland	Since 2008, three programmes have been implemented: PAAVO I (2008–2015), PAAVO II (2012–2015) and AUNE (2016–2019, consisting of 45 projects). Housing First is now incorporated into social services, as part of the government's plan to halve homelessness by 2023.	7,000 municipal apartments have been built (most of them used for Housing First programmes). Under AUNE, 1,910 additional apartments were earmarked for homeless people.
France	A programme was implemented under the 2018–2022 five-year plan for Housing First and the fight against homelessness.	Between 2018 and June 2021, over 280,000 homeless people were housed (including 174,000 in 79,000 social housing units).

Member State	Programme and target group	Scale
	Larger scale	
Ireland	A Housing First scheme has been implemented (since 2018 in Dublin, scaled-up country-wide in 2021), targeting homeless people given up on as ‘treatment resistant’, ‘hard to reach’, ‘not housing ready’ or ‘homeless/rough sleeping by choice’.	722 tenancies were created (560 under the Housing First scheme and 647 from before the programme). 1,200 new tenancies are planned for 2022–2026.
Netherlands	The action plan *Een (t)huis, een toekomst*, published in early 2020, included plans to create 10,000 homes by December 2021, partly through a Housing First approach; municipalities’ approaches differ.	In 2021, 6,000–7,000 homes were created to house homeless individuals, with access to services (some in shared accommodation).
Sweden	Following a 2009 pilot by the NGO Sveriges Stadsmissioner, since 2016 several municipalities have adopted a Housing First approach.	Municipalities had 20,000 tenancy social contracts in 2021, part of them used for this approach, but also housing other groups of people in vulnerable situations.
	Smaller scale	
Austria	Since 2012, VinziDach Salzburg has been housing homeless people who have been so for at least one year, with an addiction or a mental health disorder and who have been registered in Salzburg for at least three years.	By 2018, the scheme had housed 64 people (around 9 a year since 2012, reaching a peak of 15 in 2018).
	Since 2012, the neunerhaus Housing First project in Vienna has housed homeless people in independent (social) tenancies.	From 2012 to 2015, the project housed 84 adults and 47 children in 58 apartments.
Bulgaria	The Home for Everyone project in Dupnitsa targets homeless people and other groups in vulnerable situations.	150 dwellings in 15 buildings.
Croatia	Since 2015, the City Red Cross Society in Zagreb has been running community housing programmes.	Three to four homeless people were housed yearly, altogether around 24.
	In 2021, the government of the city of Pula provided the NGO Rachem with a shared living space to house homeless people who wish to return to the labour market.	Six homeless people were housed during 2021–2022.
Czechia	During 2016–2018, the Rapid Rehousing pilot was implemented in Brno. In 2019, 15 projects were approved to go ahead. During 2020–2023, a programme of housing families and individuals was implemented. For the period 2021–2027, an additional budget of €35 million was allocated to the programme, which was extended to 16 more municipalities.	In Brno during 2020–2022, the programme helped 22 households; the other projects were on a similar scale.
Germany	A pilot project was undertaken in Berlin during 2018–2021 when it became part of social services, targeting people wanting to live independently who could pay rent, were willing to accept support and who had not been reached by services before (or had sought help from services without success). Homeless people with acute mental illness and who might pose a risk to themselves or others, with a severe addiction, or with severe impairment of their cognitive abilities (such as dementia or Korsakoff syndrome) were not eligible.	During 2018–2020, 38 homeless people were housed.
	The Housing First Fund supported 22 projects in the North Rhine-Westphalia region between 2017 and 2020. Other projects were implemented in Hamburg and Hanover.	
Hungary	Since 2013, the NGO Utcából Lakásba has been running a *lakásügynökség* (housing agency scheme) in Budapest. In 2015, the NGO (with Budapest Municipality and the European Social Catalyst Fund) also established the programme Housing Now!. It provides housing for people with a disability, women who are survivors of domestic violence, people raised in state care and large families. Social support is provided.	63 adults and 13 children have been housed in 35 apartments.
Italy	There are 31 Housing First projects in 9 regions (Emilia-Romagna, Friuli-Venezia Giulia, Liguria, Lombardy, Piedmont, Sicily, Trentino, Tuscany, Veneto) targeting homeless people in 29 cities.	
Luxembourg	As part of the 2013–2020 national strategy against homelessness, between 2013 and 2020, seven projects were implemented targeting long-term homeless people (three provided rooms rather than studios or apartments).	128 people and 97 dwellings were involved in the seven projects in 2020.
Poland	The NGO Towarzystwo Pomocy Św. Brata Alberta implemented a Housing First project between 2019 and 2022 in Warsaw, Wrocław and Gdańsk, developed with Finnish and Portuguese foundations.	The project has 30 apartments (10 in Warsaw, 10 in Gdańsk and 10 in Wrocław, with plans to increase the number in Warsaw to 16); it has housed 42 people.
Portugal	In 2013, É uma Casa, a Housing First project in Lisbon, began. Similar projects got under way in Cascais in 2012 and (run by the Red Cross) in Braga in 2014.	In Lisbon, between February 2013 and March 2022, 131 people were housed. The project scaled-up from 7 homes in 2013 to 120 in 2020.

Member State	Programme and target group	Scale
	Smaller scale	
Slovakia	Two 2-year projects started in January 2021 in Bratislava (for ETHOS categories 1–5) and Košice (for ETHOS categories 1–3), with NGOs acting as social rental agencies. In February 2021, a call for proposals for further projects by NGOs seeking financing was published.	The Bratislava project has 9 apartments available and the Košice project 10.
Slovenia	In 2008, the NGO Kings of the Street began a pilot project in Ljubljana for long-term homeless people (in private rental housing or in housing offered by the municipal Public Housing Fund), who stay there for a limited period and actively participate in other activities of the association. It was extended to Maribor, and is now an official social protection programme.	In 2022, the programme had the capacity to house 34 people in Ljubljana and 13 people in Maribor.
Spain	The housing programme Habitat, run by Hogar Sí (formerly the RAIS Foundation), started in 2014; in 2017, Hogar Sí joined forces with the non-profit organisation Provivienda. The programme targets homeless people who have been in ETHOS categories 1–3 for three years or categories 1–2 for one year, with a mental health problem, an addiction or a disability.	In 2022, Habitat had 287 homes in 20 municipalities (2022); between 2014–2020, the project housed 393 people.

Source: *Based on input from the Network of Eurofound Correspondents, Eurofound's own desk research, Pleace et al (2019) and Feantsa and Housing First Europe Hub (2022)*

Evidence from programme evaluations

Most Housing First initiatives have been evaluated (see Annex 2). Evaluations differ in quality and degree of independence. Some evaluations (of the Czech, French and Spanish programmes) included control groups for comparison with Housing First beneficiaries. For instance, the Spanish evaluation's control group consisted of homeless people on the waiting list for the programme who were entitled to the support that participants were receiving (both groups were contacted when the evaluation started, after 12 months and after 18 months).

Overall, the small scale of most Housing First programmes suggests that these programmes contribute little to reducing homelessness overall. However, while it is hard to separate out the impacts of Housing First programmes from those of other factors, in some cases it seems clear that these programmes have actually contributed to a reduction in homelessness in the country. For instance, Pitkänen et al (2019) argue that the Finnish example has been largely responsible for a reduction in people experiencing homelessness of around 1,800 compared with the 2008 figure. The Danish example is also thought to have contributed to a significant reduction in homelessness.

Housing stability

Most people who enter a Housing First programme do not leave it after a short while. In the Czech example, one year after moving into the accommodation provided, 92% of individuals (and 96% of families) remained there. In the Belgian example, two years after moving in, 90% of participants remained in the accommodation provided. In Ireland, between 2018 and 2021, 87% did not leave their home. In the Slovak example, one person and one family lost their housing in Bratislava and Košice, respectively, within six months after moving in, representing a retention rate of around 90%. In Brno, Czechia, 96% of families and 92% of single households continued to pay the rent and remained in their housing one year after moving in. In the Portuguese example, 90% did not return to homelessness. In the Spanish example, after 18 months, 96% of participants remained in their accommodation; in the control group, about 50% indicated the street, an emergency shelter or a homeless shelter as their place of residence.

Evidence from other countries demonstrates similarly high retention rates, while giving more insight into what happened to programme participants (for instance, death rates can be high, as evidenced by the data from Austria and Finland below; in the Polish example, 12 participants died resulting in the housing of new people).

Austria: Of 64 participants, 38 were active participants and living in the accommodation provided during the evaluation. Four had dropped out of the programme: two were evicted; one threatened staff and was no longer supported but remained in the flat, paying rent; and one cut contact with the programme. Ten participants died during the programme, one moved to a care facility and one moved to unsupervised housing. Ten participants established an independent housing situation.

Finland: Between 2012 and 2019, 3,867 homelessness service users were registered with the municipalities as participating in the programme, and 75% moved in a planned manner to supported or independent accommodation (excluding 227 people who died).

Germany: Of 38 people housed over the three years, one died and one left (with rent arrears), representing a 97% housing stability rate.

Slovenia: 36% of participants stayed in the programme for 12–18 months, and 26% for longer. After leaving the programme, most (almost half) lived in private rentals; one-fifth lived in social rentals, emergency housing or care homes for the elderly. At the time of the evaluation, the rest were staying with friends or family, in a shelter, in a psychiatric hospital or on the street, or their whereabouts were unknown.

Broader positive impacts

Housing First initiatives can be costly (for instance, the Polish project cost PLN 5.6 million (€1,221,657 as of 4 May 2023), including PLN 5.4 million (€1,178,026) in EU funds, and the Vienna Social Fund spent €1.5 million on the three-year neunerhaus project). However, some evaluations quantify savings for society, for instance through reduced needs for social and health services, shelter usage and social benefits, and increased employment. The evaluation of the Czech project estimated that it had saved €1.5 million in public funds. The evaluation of the Belgian Housing First scheme quantified that healthcare costs decreased by 46% as a result of it. The Spanish evaluation demonstrated that after 18 months the provision of housing had cost 1.6% more than funding shelter usage. However, reduced use of social services and emergency services, accompanied by increased specialised medical care consultations (indicating the normalisation of health service use among the participants), led to net savings of €470.97 per month in public funding per beneficiary.

Benefits go beyond financial considerations, and include high satisfaction with the living situation (Austria) and improved health (Czechia) among participants. The Irish evaluation emphasises the scheme’s contribution to engaging homeless people in finding a solution to their situation; even if a tenancy failed, the programme supported the person to find another tenancy. It also argues that the scheme has better results than the staircase model in terms of self-reports on community integration, quality of life, achieved capabilities, rates of psychiatric symptoms and harm-related substance use. In the Portuguese example, between 2013 and 2022 all tenants reduced (and 46% ceased) drug consumption, about 50% engaged with healthcare services, 60%–80% adhered to medication, over 40% obtained documentation and about 30% restored family ties. Participation in the Housing First programme led to more autonomy, more empowerment, a greater sense of belonging, and increased community integration and participation. Housing enabled social interactions, encouraging personal development and increasing well-being. The evaluation of the Spanish programme demonstrated that the results included better coverage of basic needs beyond housing alone (for instance, food and personal hygiene) and fewer experiences of discrimination. Participants’ satisfaction with their overall economic situation hardly improved, but rates of undeclared work and begging reduced.

User characteristics

In Portugal, on average users were 51 years old and had been homeless for 14 years; they were 75% male and 25% female. In the Vienna example, about half of beneficiaries were female, while only about one-third of homeless service users overall were female; 70 were Austrian nationals, while 6 were citizens of other EU countries and 7 citizens of non-EU countries. In the German example, 10 (29%) of the 34 people receiving ongoing support in late 2021 were women and 24 (71%) were men. In Salzburg, the 15 people entering the programme in 2018 were 46.8 years old on average; 19% were female (the highest proportion of women was 30% in 2013). In the Danish example targeting young people, 88% of participants were aged 18–24 and 12% were aged 14–17. Most of the latter group were supported to move from a foster home into independent housing. Of participants in the Irish scheme, 55% had physical health problems, 30% had a psychiatric illness and 48% had substance use problems.

Issues and lessons

Lack of capacity and local/regional diversity: Programmes are often only available in certain cities, with limited capacity. In Hungary, there are 100 times more applicants than available places. In the German project in August 2021, 568 applicants had not yet received support. In Poland, 70 people applied for 42 places. In both Slovak projects, a lack of alternative dwellings where housed participants could move to in case of problems (conflict with neighbours, loss of income) was considered problematic. In Slovenia, cohabitation caused problems, as there was a lack of individual housing units or alternative housing for users to move to in case of conflict. The evaluation of the Irish programme revealed a lack of one-bedroom units, and access issues beyond housing: users were unable to access occupational therapy, physiotherapy, chiropody, physical mobility services or mental health services. In Finland, the programme faces difficulties in larger cities due to high rates of homelessness and a lack of affordable housing (Finnish Ministry of the Environment, 2020).

Exclusion depending on vulnerability, ability to pay rent and residence: Several groups are excluded from Housing First initiatives (and other services targeting homeless people). For instance, in Austria, nationals who have not previously had their residence in the federal state in which they apply for assistance and destitute mobile EU citizens (often seasonal, sex or construction workers) are excluded from such services (Amnesty International, 2022). Sometimes, Housing First projects target subgroups of homeless people in particularly vulnerable situations (as in Austria, Denmark, Ireland and Spain), while sometimes the contrary is true: homeless people in a relatively better situation qualify, usually with the aim of ensuring that some rent is paid (this is the case in, for instance, Germany and Slovakia). The Bratislava project is for homeless people who are eligible for social benefits (such as an old-age pension, parental benefits or benefits for those in material need), thus enabling them to make rent payments. The 2021 Slovakian call for proposals also focuses on homeless people with a regular income. The House of Tenants project in Hungary is excluded from Table 1 as it concerns shared accommodation (42 beds in 12 rooms with a shared kitchen, bathroom and laundry) and temporary housing (a 12-month tenancy that can be extended four times). However, it similarly gives preference to homeless people who have been homeless for at least six months, can pay three months' rent upfront, have a regular income of at least three times the rent and have no debt from a previous tenancy. Rents, which include utility costs, are HUF 29,000 (€77.27) per month for a single room (8.8 m^2) and HUF 44,000 (€117.24) per month for a double room.

Comparing success rates: Given the differences between programmes, their objectives and their means, comparisons are difficult. Programmes focusing on homeless people in less complex situations can be expected to have higher housing stability rates. An example of this effect includes Tallinn's resocialisation service (excluded from Table 1). The support provided includes teaching everyday activities (cooking, cleaning, hygiene), help in communicating with public employment services and other authorities, and help with finding an apartment. The service has been improved (for example, since 2022 there have been specific employees teaching everyday skills, and separate units have been established for families with children, substance users and so on). However, the rate of homeless people who have transferred from the service to independent housing has dropped, and this is probably due to improvements in other social services tackling fewer complex cases (for instance, homelessness in people who do not suffer from both mental health and alcohol dependence problems), thus increasing the proportion of complex cases that the resocialisation service handles.

One size fits all: Housing First provides a relatively simple solution to homelessness. However, it can be misinterpreted as a one-size-fits-all solution to an inherently complex issue, with interrelated phenomena, including migration, housing market dynamics, social exclusion and mental health problems (DEMOS Helsinki and Housing First Hub Europe, 2022).

Evaluations have limited scope: For instance, they do not always assess acceptance by neighbours. For instance, public protests broke out when homeless shelters were proposed to be built in several neighbourhoods in Sofia.

Guaranteeing quality: Finland's AUNE programme established quality criteria, including the following: apartments should be well connected to public transport, employees should be educated in social care or healthcare, housed homeless people should have their own rental contract, assistance with rental debt should be available from an early stage and accommodation should not be tied to other services. It can be a challenge for support staff to be trained to accept decisions by users to decline certain support, with staff having a role to inform rather than to prescribe (Publicystyka, 2020). The Czech government provides guidelines for Housing First projects, including on continuous evaluation and informing donors and the public (Sociální bydlení, 2022). In Luxembourg, important quality aspects were found to be maintaining access to good individual support and care (creating capacity and finding care facilities to partner with), exchanging knowledge between services (for instance, between homeless support and outpatient/hospital services), and developing job offers fit for employing homeless people. As a part of the Danish pilot targeting young people, a 'detection guide' was developed to help professionals identify risk factors around young people's living situations. Furthermore, the project built strong collaborations between actors (for instance, different departments in the municipalities, educational institutions, civil society). The municipalities saw cooperation with NGOs as key.

Addressing insecurity: Protecting people at risk of eviction

Advisory services

Debt advisory services and debt settlement procedures can play a role in addressing housing insecurity by putting people's finances back on track and helping them to reach agreements with creditors. Debt settlement procedures often include arrangements that protect, to varying extents, the debtor's ability to remain in their main dwelling (Eurofound, 2020b). In this section, examples are presented of services providing advice specifically on rent/mortgage arrears.

While ideally action would be taken well before eviction became a risk, some programmes are at least proactive in reaching out to households with arrears (for instance, Vroeg Eropaf in Amsterdam and Municipal housing funds in Ljubljana and Maribor) or eviction notices (such as Fachstelle für Wohnungssicherung and FAWOS in Vienna, and Kronofogden in Sweden) – see Eurofound, 2020b and further below. Sometimes, no new measures are needed, but people at risk of eviction need to be directed to the support that they are entitled to (Eurofound, 2015, 2020b). In France in 2020, half of households for which police assistance with their eviction was requested were unknown to social services. Most had not taken any steps towards being rehoused (Démoulin, 2020). For social services to prevent evictions or provide rehousing options, they have to be aware of the situation of households at risk of eviction and gain their trust (Eurofound, 2012; Démoulin, 2020). Evidence from other countries demonstrates the role that advisory services play to prevent evictions.

Finland: At least 54 (of 309) municipalities provide advisory services. While the number is set to increase in 2023 by about 10, in the others, support is either provided by social services or absent (Asumisen rahoitus- ja kehittämiskeskus, 2019). The 38 municipal debt advisory services that participated in a 2020 survey had on average 860 users per year, with the number per service ranging from 35 to over 10,000 (Asunto ensin, 2020). In 2019, the housing advisory team in Helsinki (established in 2006) made 5,005 interventions to prevent evictions, including preparing 885 payment agreements and preventing 521 cases of rent arrears resulting in court procedures. It has been estimated that the service saves public money: €1.5 million in 2015 and (after the expansion of the services) almost €6.5 million in 2019 (Karppinen, 2020). Well-established advisory services are concentrated in cities, and access to them is often limited to residents of municipal housing. In Helsinki, the housing advisory team's work focuses on resolving situations in which people are in arrears on their rent, but it also includes providing assistance to solve problems with neighbours or with housing maintenance (Heka, 2021). The advisory services collaborate with the authorities and NGOs.

Austria: In Upper Austria, Verein Wohnplattform provides information on how to apply for social benefits and other assistance and on legal procedures. From 2016 (when data were first available) until 2021, the number of users ranged from 290 to 342 per year. Between 35% (2016 and 2018) and 48% (2020) were able to stay in their home and between 24% (2019) and 33% (2020) were helped to move to a new apartment. In each year, 1% or 2% were evicted. Others moved to sheltered housing or assisted living or dropped out of the programme.

Belgium (Flemish Region): 11 districts have a housing assistance service aimed at preventing tenants' eviction through home visits, tackling underlying social and psychological problems; providing advice, information, practical help and psychosocial help; mediation; and referral to other services. In 2020, there were 970 recipients of support. Most users (90%) were put in contact with the services by external organisations, mainly housing organisations and local welfare services, and 62% of the users avoided eviction (CAW, 2021).

Estonia (Tartu): An advisory service supports people unable to pay rent to find solutions and facilitates access to specific social services. It helps people to communicate with the lessor, look for a job and search for a more affordable home. Furthermore, a moving allowance can be provided, to cover broker's fees, moving costs or a deposit. It is of up to three times the minimum income, amounting to a moving allowance of €600 since June 2022 (up from €450) for a single household. The service was used by 69 households in 2021 (41 in private tenancies and 28 in social tenancies). Take-up of the advisory services has decreased over the years due to improvements in other services (for instance, people with mental health conditions who previously might have turned to this service now receive better help from mental health services). There is no waiting list. Take-up of the moving allowance, however, has increased over the years, to 128 households in 2021 (receiving an average of €318). Since 2017, Tartu has employed two full-time support workers, eliminating the need for a procurement process that was time-consuming to manage and required to fix, in advance, hard-to-predict support workers' overall working hours. Challenges include that support workers have no access to the information held by state-level social workers about users and that time constraints prevent closer cooperation between support workers and social workers.

France: From February 2021 until the end of 2022, 26 teams were assigned to 26 departments with high eviction rates. Each team consisted of three to five social workers and lawyers who were to facilitate the use of existing measures to keep people in their housing (debt settlement, mediation with the lessor, etc.) or to find alternative housing (for instance, lodging a social housing application). Approximately 9,700 households were contacted by the teams; 3,000 have received social, financial and legal advice.

Hungary: In 2015, responsibility for this area was devolved to local governments, with several running debt advice services. In Budapest's District 8, for example, of 19 households facing eviction in 2021, 14 were enabled to stay in their homes by these debt advice services.

Ireland: Alongside its well-established debt advisory service, the Money Advice and Budget Service, Ireland established the support service Abhaile in 2006 for a three-year period, extended until 2022. It provides support to people with mortgage arrears, including assistance in negotiating with lenders.

The Netherlands: In 2020, the government established a national 'Prevention alliance': a team of experts that supports municipalities to improve policy to prevent evictions.

Slovenia (Ljubljana and Maribor): Municipal housing funds alert the NGO Kings of the Street when social tenants are facing arrears (or other problems, such as noise or pollution). The NGO aims to empower tenants to stay in their current accommodation. In 2019, there were 255 recipients of support (including 96 children) in Ljubljana and 353 (including 180 children) in Maribor

(IRSSV, 2020). The programme contributed to preventing evictions, with its success ascribed to the flexible and innovative nature of the support provided by social workers (Dekleva, 2018).

Sweden: Cooperative tenant associations (whereby tenants pay a mortgage jointly) and housing companies must inform the state debt collection agency, Kronofogden, when issuing an eviction notice. Once an eviction notice is issued, tenants have three weeks to pay arrears before being evicted. The agency puts the tenant in contact with social services, provides income and advice on budgeting, and aims to address the causes of arrears (for instance, drug addiction or health issues). The municipality takes over rent payment (with the tenant paying the municipality). During 2018 and 2022, Kronofogden was able to prevent 55%–62% of eviction notices from resulting in an eviction (Kronofogden, 2022).

Financial support/arrangements

General

In Spain, people who have been evicted from their homes (and homeless people and survivors of gender-based violence) are entitled to up to €600 per month in rental assistance. Czechia has a one-off benefit (extraordinary immediate assistance) for people who cannot afford necessary expenses, including housing-related ones. Employment office officials evaluate claims, which results in variations in the implementation of the measure, depending on their interpretations. In Hungary, until 2015 support had been provided by central government, in the form of social housing and financial support amounting to up to 75% of mortgage/rent arrears, capped at HUF 200,000 (€532.93). Since 2015, it was left to local governments to offer housing-related subsidies; according to a study by Kováts (2015), 26 of 31 local governments examined did so.

Tenants

Belgium (Flemish Region): Since April 2020, the *Fonds ter Bestrijding van Uithuiszetting* has paid half a household's arrears (up to a maximum of €1,250) if they are between twice and six times the rent. Lessors, social services and tenants can apply for this support. A social investigation verifies the tenant's service needs and ability to repay the arrears with support. The tenant and lessor must be willing to enter into a support agreement and sign up to an interest-free repayment plan. In 2021, 212 requests were approved and 1 was rejected. The fund was mainly used to support private tenants with a temporary payment problem (Vermeir, 2022).

Germany (Karlsruhe): The Department of Housing Security provides loans to cover rent arrears. In 2019, when there were 796 pending eviction procedures, 61 evictions were successfully cancelled, 196 tenancies were secured through financial aid (saving 342 people, including 133 children, from eviction) and 35 households were transferred to another dwelling. In 2020, when there were 640 pending eviction procedures, 167 tenancies were secured (saving 329 people, including 136 children, from eviction). Social housing providers, private lessors, social services providers, housing benefit authorities and district courts transfer relevant information to the department and its social services outreach unit.

Italy: The *Fondo Nazionale per il Sostegno all'Accesso alle Abitazioni in Locazione* supports private market tenants with difficulties paying rent and income below an ISEE[6] threshold calculated for each region (about €13,000 in Piedmont and €17,000 in Emilia-Romagna, for instance). It partially reimburses the difference between the rent for social housing and the actual rent that the tenant pays. From July 2021 until December 2022, Italy also provided support through the *Fondo Morosità Incolpevole*, which provided financial support to social and private tenants with an ISEE below €26,000 facing eviction because of arrears arising from decreased income due to loss of work, illness or family changes in high-population-density municipalities. For instance, in 2021 Emilia-Romagna allocated €4,374,000 to 39 municipalities with high rents and 63 municipalities with a population of over 10,000. Half of resources are divided among municipalities based on the number of households and half on the number of eviction orders. These funds enabled municipalities to address arrears and postpone evictions, facilitate transfer to cheaper accommodation (by paying deposits), reduce rents and offer financial aid of up to €12,000 per household. Challenges include that the relationship between the tenant and the lessor has usually already been compromised by the time the help is received and that the slow application process is incompatible with the emergency situation that people find themselves in when they are threatened with eviction.

Other schemes provide support for tenants with arrears, such as France's funds for unpaid rent and Hungary's *települési támogatás* (municipal subsidy), but no take-up data could be identified.

6 ISEE stands for Equivalent Economic Status Index, which is an indicator of household income based on income and assets over the past year.

Mortgage holders

In **Poland**, the *Fundusz Wsparcia Kredytobiorców* (established in 2015) is a public initiative funded by banks providing interest-free loans to cover mortgage instalments for up to 36 months and PLN 2,000 (€436.30) per month. It targets households in which a member is unemployed; with a monthly income (after paying the mortgage installment) of below PLN 1,522 (€332.03) for a single person (plus PLN 1,200 (€261.78) per household member); in which the mortgage instalments exceed 50% of household income; and which would be left with mortgage debts after selling the house. Repayment of the loan starts two years after the last instalment is paid. In 2020, the maximum support was increased (from PLN 1,500 (€327.23) to PLN 2,000 (€436.30) per month), as was the maximum duration of support (from 12 to 36 months) and the income limit; furthermore, a provision on cancellation of the remaining 31% of the loan when 100 (of the 144) repayment instalments are made without delay, was introduced. Between 2015 and 2021, 1,577 borrowers were granted PLN 54 million (€11,780,262) in support. Increased interest rates in Poland have translated into increased mortgage instalments and more requests for support. In 2021, there were 125 new beneficiaries in total; in 2022, nearly 9,100 applications were submitted and 8,674 agreements were signed for support from the Borrower Support Fund (worth PLN 553.7 million (€120,791,316). The banks have been obliged to increase their contributions, increasing the available funds to PLN 2 billion (€436,306,000) in 2023; they may be increased again to PLN 5 billion (€1,090,765,000).

The government of **Cyprus** offers restructuring of mortgages on a first home to households in arrears of over 90 days. In December 2019, households with incomes below €20,000 (single households) to €60,000 (families with at least four dependants) were entitled. There were 1,223 (still unreviewed) applications (62.8% of those potentially entitled) for help with mortgages worth €115 million (64.1% of the value of potentially eligible mortgages).

In **Italy**, the *Fondo di Solidarietà per la Sospensione delle Rate Mutui Prima Casa* supports mortgage instalment payment suspension for up to 18 months (paying 50% of accrued interest), for people with a mortgage on their first home who in the past three years have experienced job loss or working time reduction. In September 2022, 50% of online requests were from people under the age of 36.

In **the Netherlands**, people can buy a mortgage guarantee (backed by the government) for 0.6% of the mortgage amount for homes worth up to €405,000 (or €429,300 if the home has energy-saving measures in place). The threshold has increased over time, especially since 2020, when it was €290,000. When payment problems arise due to an unexpected life event, this guarantee covers the amount of the mortgage payment that the holder cannot pay. In 2020, the number of mortgages covered increased by 10% to about 132,000 (Nationale Hypotheekgarantie, 2022). Use of the guarantee peaked at 4,355 households in 2014, owing to house price decreases, with forced home sales (over half due to divorce and 20% due to unemployment) leading to residual debts, which were covered by the guarantee. A total of 362 households used the guarantee in 2019, and 134 did so in 2020.

In **Spain**, a code of good practice was introduced in 2012 that covers debt restructuring and write-off options. Mortgage mediation is available for households with a significant alteration in their economic circumstances in the past four years and an income of up to three times the IPREM,[7] which currently works out at €1,694.70 per month. Mediation agreements between banks and debtors were achieved in 60% of cases. For instance, La Rioja (a region with around 300,000 inhabitants) indicates that between 2013 and 2017 over 800 households participated in mediation, with the number per year ranging from 383 in 2014 to 69 in 2016. All households remained in their homes or were transferred to social housing.

Alternative dwellings/types of tenure

Social housing plays a key role in preventing eviction by providing affordable housing for many. People at risk of eviction can be offered social housing (as is done in France (in Paris), Italy, Latvia and Romania) (see ‘Social housing’ in the section ‘Addressing problematic housing costs: A range of measures’ below). In Romania, between 2009 and 2022, 2,987 social housing units for evicted tenants were built. Specific housing solutions for people at risk of eviction are in place in a number of Member States.

Bulgaria (Stara Zagora): In 2020–2021, 59 social housing dwellings were renovated in a neighbourhood of Roma households that were at risk of eviction because they live in illegal settlements. The renovations were initially funded using EU funds and later by the municipality, and rental contracts were for up to three years. However, those evicted in 2021 could not access the housing as they found themselves unable to cover the running costs of the dwellings that had been offered

7 IPREM (Indicador Público de Renta de Efectos Múltiples) is an income index used in Spain as a reference for the allocation of aid and subsidies.

to them. Since April 2022, the renovated homes have hosted 59 Ukrainian refugee households. Another project in Stara Zagora (the 2013–2014 Local Engagement for Roma Inclusion project by the European Union Agency for Fundamental Rights) identified 260 households at risk of eviction. In response, 260 plots of land next to the Roma neighbourhood were included in an urban regulation plan, with the result that 23 households were rehoused there by 2020.

Czechia (Brno): One-year tenancies (extendable by two years) to apartments in the renovated building 'Francouzská 42' (38 apartments, with the renovations co-funded by the EU) are offered to households in an unstable housing situation and with a household income below the national average wage. Social workers then help tenants transfer to private or social housing during their tenancies. From the start of the project in February 2016 to April 2022, 100 households were housed in the building. Between 2018 and 2021, 28 of these households transferred to municipal housing.

Greece (Athens): People at risk of homelessness and other groups in vulnerable situations are offered housing for 15 months. Between April 2014 and December 2018, 58 households (205 individuals) were housed under this initiative.

Hungary: Social accommodation is provided for tenants with rent arrears and who are unable to afford regular social housing, at a lower quality than social housing and at 70% of the cost.

Ireland: Under Ireland's Mortgage to Rent scheme, since 2012 people with mortgage payment problems can switch from ownership to a rental contract, for houses worth under €450,000 in key cities and the Dublin commuter belt and €345,000 elsewhere. Usage increased from 1 household in 2012 to 70 in 2016. After eligibility was expanded in 2017 (allowing some positive equity), usage increased, reaching 678 in 2021. Overall, 6,233 applications had been submitted by March 2022: 1,780 completed, 725 in progress, 3,728 ineligible/terminated (including 334 where housing was judged to be inappropriate and 199 not reaching agreement). Homes covered host 5,265 individuals (including 2,373 children). A 2021 government review found that the scheme had been successful but proposed expanding the eligibility criteria, increasing the positive equity allowed, revising property cost limits and increasing the degree of flexibility around the size limits on properties qualifying for the scheme, to take into account households' needs.

Luxembourg: In 60 (of 102) municipalities, social workers identify households that have a pressing need to be rehoused as they are at risk of eviction. In 2015, the Ministry of Housing secured 324 apartments from NGOs and local governments, paying them €100 per month per dwelling. Between 2013 and 2016, 1,612 people were housed in these apartments. An evaluation suggested that limiting the rental period to three years caused stress for tenants and recommended centralising the social housing waiting list (to remove the need for tenants to make repeated applications to different housing agencies).

Romania: Between 2007 and 2022, 3,911 apartments were built for tenants in properties nationalised during communism that were to be returned to their previous owners. The budget for this programme declined from RON 20 million (€4,052,220) per year (during 2015–2017) to under RON 1 million (€202,611) per year (in 2020).

Some laws mandate support in a more general way. In Latvia, since 2002, a household evicted due to arrears (on rent, mortgage payments, maintenance costs or renovation payments) must be provided with housing if the household includes a minor child with a disability caused by childhood illness, or if it has a low income and includes a retired person, a person with a disability or a minor child, or if the household receives municipal assistance.

Temporary measures implemented during the COVID-19 pandemic

Eviction bans

Although there were some exceptions (Hungary, Lithuania, the Netherlands), most countries implemented eviction bans during the COVID-19 pandemic, especially during periods when movements were restricted. Before the pandemic, some countries already had provisions in place that prohibited evictions in circumstances that included those of the pandemic. In Slovenia, the criteria for a ban on evictions from social housing included extreme unforeseen circumstances (job loss, natural disasters).

Examples are given here of general eviction bans for which there are data on impact or data comparing the post- and pre-pandemic situations. Sometimes eviction ban periods differed regionally (as in Belgium). In Ireland, the ban was in place between March and May 2020 and December 2020 to April 2021. According to NGO Threshold, it may have contributed to a reduction of 44% in family homelessness and 40% in child homelessness between February 2020 and February 2021. Evictions and homelessness surged after the ban ended.

In Italy, eviction orders (triggered by mortgage or rent arrears) issued before the pandemic were suspended until 30 June 2021, those issued between 28 February and 30 September 2020 until 30 September 2021, and those issued between 1 October 2020 and 30 June 2021 until 31 December 2021. In January 2022, there were about 100,000 immediately enforceable eviction orders (and 50,000–100,000 property evictions due to insolvency from March to December 2022). In the years prior to the pandemic, the number of evictions ranged between 120,000 and 150,000.

In Slovenia, an eviction ban was in place from 31 December 2020 to 18 April 2021. The impact of the ban's revocation was reduced by a March 2022 change in the law: people in vulnerable situations (with social/health problems) can request a three-month postponement of eviction (extendable). While many in the most vulnerable situations are in private informal rental contracts and not protected by the law, the ban did protect some households in vulnerable situations from eviction (maribor24.si, 2021).

Support for tenants

Moratoria on rent payments

Evictions due to rent deferrals were banned, if those deferrals were due to the pandemic situation (in Germany), its indirect impacts (in Romania) or pandemic-related reduced economic activity, such as unemployment or reduced hours (in Austria and Spain, where rental costs needed to be at least 35% of household income for the ban to apply to a household). Some countries restricted evictions of tenants more broadly (such as Poland, which banned evictions of tenants except in cases of domestic violence or due to a government infrastructure project). Sometimes provisions on rent deferrals covered only private renters (Luxembourg) or mainly concerned social rental (Poland). In Spain, if the owner of the property is a company, a public housing entity, or a large lessor (with over ten properties), rent could be reduced by 50% for up to four months, or rent payments could be deferred for the duration of the state of emergency (extendible for up to four months if housing vulnerability persists).

Examples of the duration and timing of rent deferral provisions include the following:

- Austria: April–June 2020
- Germany: April–June 2020
- Luxembourg: March 2020–March 2021
- Poland: March 2020–April 2022
- Portugal: March 2020 until (after an extension) June 2021 (for tenants without rent arrears, unless they lost over 20% of their income, in which case they would be covered by the April 2020 pandemic law)
- Romania: May 2020–June 2020 (during the state of emergency and for one month after it ended)

In some countries, penalties for or interest on deferred rents could be charged (for instance, a maximum of 4% in Austria); in others, this was not permitted (for example, in Spain). Sometimes deferred rent could be paid well after the deferral period ended (by June 2022 in Germany or March 2021 in Austria, for instance); in Portugal, deferred rent had to be paid within a period of 12 months after the end of the deferral period, in monthly instalments. Eviction might be allowed immediately after the deferral provisions ended (as in Portugal) or not until much later (30 June 2022 in Austria). In some countries (such as Austria), owners were not permitted to use tenants' deposits to cover deferrals.

Some countries relied on voluntary arrangements. In the Netherlands, owners were asked to make efforts to the extent that their means allowed to reach agreements with tenants (for example, on temporary suspension of rent) during the pandemic.

Support with paying rent

Although eviction bans and provisions on rent deferrals protected people from eviction, they left tenants with debts and reduced the incomes of private lessors and social housing services. For instance, in Poland, it led to an increased number of unoccupied social housing units (they had been reserved for the evictions that had been scheduled before the pandemic), reduced municipal investments (resulting in deteriorating housing conditions) and increased municipal debt (Dziennik Gazeta Prawna, 2022). Supporting rent payment was a way of avoiding these issues.

Loans: Spain, from March 2020 until August 2021, provided up to six months' rent (up to a maximum of €900 per month) in the form of an interest-free loan, with a repayment period of up to six years (extendable by four years). In Romania, local fiscal bodies paid deferred rents (up to a maximum of RON 2,000 (€405.22) per month) to owners during the period when payments could be postponed; tenants had to pay the money back. Portugal, from March 2020 to July 2021, entitled tenants to an interest-free loan that in effect capped rent payments at 35% of income and maintained monthly income remaining after rent payments at least at the level of the Social Support Index (SSI) (€438.81 in 2020 and 2021). Lessors whose household income was reduced by over 20% and below the SSI, and whose tenants did not use the loans, could get an interest-free loan to cover unpaid rent. The Walloon Region of Belgium, until July 2021, provided an interest-free loan covering up to six months rent (the Locaprêt) for private or social tenants with pandemic-related payment difficulties.

Grants: In Brussels, from April to December 2020, private tenants with an income below a certain threshold and who had lost income due to pandemic measures were entitled to a one-off contribution of €214.68.

Support to mitigate the impact of the termination of the moratorium: Following the end of rent deferrals in mid-2021, Austria provided €24 million (for 2021–2023; €60 million was later added to extend support until 2026) to finance, for instance, a 2022 programme to secure housing (Wohnschirm). Measures included counselling (expanding regional housing security networks) and covering rent arrears unpaid since March 2020 (and from autumn 2022 also energy arrears).

By May 2022, €1,014,475 had been paid out, securing housing or co-financing a more affordable tenancy for 378 households (173 with children; 87 single parents) (Bundesministerium Soziales, Gesundheit, Pflege und Konsumentenschutz, 2022). According to the debt counselling office, 500 apartments (housing 1,125 people) had been secured by June 2022. In France, the Housing Solidarity Fund financially supports people experiencing difficulties paying for housing (rent, utility costs). To prevent evictions increasing immediately after the ban ended on 30 July 2021, €20 million was added to the Lessor Compensation Fund.

Sometimes existing measures served to mitigate the effects of the pandemic situation, albeit with adjustments. The Flemish Region's *Fonds ter Bestrijding van Uithuiszetting* (see 'Financial support/arrangements' above), which provides support with rent arrears, was already planned but was brought forward, with higher subsidies, due to the pandemic.

Extension of rental contracts/prohibition on rent increases

Some countries already had policies in place to respond to situations, such as the pandemic, in terms of facilitating extension of temporary contracts. For instance, in Belgium tenants can request an extension to their lease due to extraordinary circumstances. The pandemic situation was accepted as an extraordinary circumstance. Others implemented new measures to facilitate this during the pandemic. The Netherlands extended by one to three months temporary rental agreements ending during the pandemic. Portugal suspended a lessor's right to enforce a rental agreement's end date and the ability to break a rental agreement or oppose its renewal. Some measures also included provisions to protect tenants against rent increases. In Spain, from March 2020 to February 2022, residential leases could be extended once for six months under unchanged conditions. Extension on these terms could be refused only if the lessor needed the dwelling to use as their own permanent residence. Luxembourg prohibited rent increases from 20 May 2020 to 30 June 2021 (this measure was extended, partly owing to fears about a winter 2020 rent surge).

Support for homeowners

Governments called on lenders to be lenient. In the Netherlands, mortgage lenders were asked to work with homeowners to find solutions and refrain from instigating forced sales between April 2020 and July 2020. Mortgage payment moratoria were also agreed upon among lenders; these were usually restricted to clients in temporary financial difficulties due to the pandemic (with shorter moratoria for consumer loans) (this situation arose, for example, in Estonia, Latvia, Lithuania and Poland). In Estonia, common rules were agreed on moratoria of up to 12 months until September 2021. The conditions of the mortgage could not be changed (in other circumstances, for example, a payment holiday would result in increased interest). The number of moratoria decreased from 23,000 in 2020 to 1,918 in the second half of 2021 to basically none in January 2022. The proportion of households with over two months' arrears were at a record low by that point. In Lithuania, mortgage moratoria of 12 months (9 months from January 2021) were agreed upon from April 2020 to September 2020, and then extended until March 2021. From March 2020 to September 2020, around 6,500 loans were deferred (representing payments of around €0.3 billion). From January to March 2021, over 100 additional deferrals were granted (€5.5 million). In Latvia, moratoria for up to 12 months were agreed upon from April 2020 to September 2022, with 12,664 moratoria granted (€920 million). In Poland, Polish banks agreed to moratoria, but the duration differed among creditors (one to three months) and additional costs were charged (such as handling costs, interest payments on deferrals, increased debts). Eventually, rules were set out by the government.

Many countries established nationally mandated loan moratoria specifically for mortgages or also covering other loans. Some countries had specific arrangements for government loans (for instance, in the case of Belgium's social loans). Italy's *Fondo di Solidarietà per la Sospensione delle Rate Mutui Prima Casa* (see 'Financial support/arrangements' above), supporting mortgage holidays, waived the need to submit ISEE details if working time had been reduced by 20% or (for self-employed workers) turnover had been reduced by 33% since the beginning of the pandemic, and entitlement was widened to people with mortgages up to €400,000 (previously €250,000), self-employed, professionals and housing cooperatives of which at least 10% of members use the property as their main residence. Some countries (such as Belgium) allowed postponements of up to nine months, making specific mention of European Banking Authority guidelines. Also, in line with these guidelines, arrears were usually not recorded as negative credit rating for the household, for example in Ireland and Slovakia. National moratoria had varied features and the extent of take-up differed.

Belgium: Moratoria of up to nine months were permitted. By September 2020, 6% of mortgages were in moratoria, down to 0.4% by April 2021.

Bulgaria: The measure was in place between March and May 2020. Take-up seems to have been limited, but it was seen as useful especially for tourism and construction workers, who were hard hit by the pandemic. For many of them, part of their income is undeclared, so they often received pandemic unemployment support (based on official pay) well below their real pay.

Hungary: The measure was in place from 18 March 2020 to 31 December 2022; 1.2 million moratoria had been granted by April 2021. After October 2021, deferrals were restricted to pensioners, parents and expectant parents, those enrolled in public works programmes, and individuals who had lost income in 2020 (about 700,000 people). In April 2022, there were 82,000 moratoria in place (worth HUF 465 billion (€1,239,057,600)). A survey by economic research institute GKI suggests that about 15–20% of household debt had a high risk of remaining unpaid.

Ireland: The measure was in place from March to October 2020. Deferrals were granted on 10% of mortgages from March to May 2020, half of these deferrals were extended by three months, and 20% of those who had requested an extension had requested forbearance or restructuring support by early March 2021. The rate of mortgages in arrears for 90 days or more dropped from 5.6% in March 2020 to 5.3% in October 2020, a long-term trend that continued, with the rate falling to 5.2% in March 2021 and 4.7% in September 2021.

Lithuania: Moratoria of up to three months were permitted for residents holding a mortgage or a consumer loan who lost their jobs or at least a third of their income. Until this measure was introduced, only mortgage holders could take payment breaks, and only in the case of job loss, death of a spouse, divorce or incapacity for work.

Luxembourg: Moratoria of up to six months were permitted prior to the pandemic due to exceptional and short-term circumstances, but in April it was amended specifying the pandemic situation as a valid reason for it. In July 2020, €3 billion worth of loans with retail banks were under this moratorium.

Malta: The measure was in place from March to September 2020; the peak was 11,330 moratoria in June 2020, declining steadily to none in September 2021.

Poland: From June 2020, moratoria of up to three months were permitted for people who had lost their job or main source of income owing to the pandemic. By February 2021, 954,800 moratoria (722,000 non-corporate) were in place, including 210,000 for mortgages (9% of all active mortgage credit accounts). Of all those who had been granted a moratorium, 95% returned to regular payments; most others had minor problems and made agreements with their banks. Non-performing złoty-denominated mortgages remained stable in 2020 and decreased in 2021 (at the end of each year, the figures were as follows: 2.05% in 2019, 2.06% in 2020 and 1.75% in 2021).

Portugal: Moratoria were permitted from March 2020 to September 2021, for people who had become unemployed, who had had their hours reduced, or who needed to care for children or grandchildren. By late January 2021, 8.8% of the population had at least one loan covered by a moratorium. This accounted for 16.1% of all loans (€20 billion), and 86% were mortgages. The number gradually reduced from September 2020 and throughout 2021 – especially from September 2021, with the end of the public moratorium for most loans – to just above zero at the end of 2021 (BdP, 2022).

Romania: Between March 2020 and March 2021, moratoria of nine months were permitted for people directly or indirectly affected financially by the pandemic. By June 2020, about 7% of mortgage holders had deferred payments.

Slovakia: Between April 2020 and June 2021, moratoria of nine months were permitted. About 6% of households (145,000) used moratoria for mortgages/consumer loans. Of deferred mortgages for which the national moratorium had ended in August–September 2021, 6.1% remained unpaid, a similar rate to that for non-postponed mortgages.

Spain: The measure applied between March 2020 and March 2021, with the same criteria as the code of good practice (see ‘Financial support/arrangements’ above). Banks received 271,307 mortgage deferment requests and accepted 224,967 (over 80%). About 70% of moratoria were applied for by salaried employees and 30% by self-employed workers.

Although payment deferrals temporarily reduce costs, borrowers often pay more interest in the long run as the term of the loan is extended, sometimes by more than the deferral period, due to accumulated interest during the moratorium (as in Romania) and additional interest paid over the longer term (both applied, for instance, in Hungary). Borrowers may also pay additional fees. Some countries mandated that no interest was to be charged during the moratorium period (as in Bulgaria and Poland) or that no additional fees or fines could be charged (as in Luxembourg and Slovakia). The term by which mortgages could be extended was also sometimes capped at the duration of the moratorium. In some countries (Estonia, Latvia and Lithuania), only mortgage instalments were paused, while interest still had to be paid. Borrowers taking advantage of moratoria also faced other risks, such as a negative impact on their credit history (but Slovakia and Ireland, for example, explicitly ruled this out) and/or the potential tightening of loan conditions (as in Lithuania; see Ciulada, 2020). Some moratoria applied only to loans taken out before the pandemic (this was the case in Estonia, Hungary and Poland). Usually, moratoria could be requested only once during the pandemic (this rule applied in Romania and Slovakia, for instance).

Moratoria impacted debt settlement procedures. In Portugal, *procedimento extrajudicial de regularização de situações de incumprimento* – mortgage proceedings following the out-of-court arrears settlement procedure – fell in the first half of 2021, when on average 2,764 proceedings commenced each month, compared with 2,934 in the second half of 2020. In 2021, the main reason given by creditors for closing procedures was that arrears had been paid (62.7%). In 8% of cases, a creditor–client agreement was signed, a figure that was 4 percentage points higher than in 2020. Renegotiating contractual terms was the most frequent solution, applied to €31.4 million in loans (BdP, 2022).

Some countries provided subsidies. Greece provided a subsidy known as Gefyra I, lasting nine months and paying up to 90% of the mortgage instalment or €600 per instalment. The measure was co-funded by the EU. Between the start of the programme and February 2022, €250.1 million in subsidy payments were made, with 83,351 recipients. The programme is not permanent and will end, so monthly expenditure will increase for recipients of the subsidy.

Addressing problematic housing costs: A range of measures

Rent subsidies

This section maps financial benefits supporting households to pay their private rents (see Annex 3). All schemes subsidise only rent on the main residence, where the recipient lives (not on holiday homes or investments).

Population coverage

The shares of households receiving rent subsidies are particularly large in France (21%), Denmark (20%), the Netherlands (18%) and Finland (14%). Around half (47% in Finland; 49% in Denmark) or more (60% in France and the Netherlands) of all tenants receive such subsidies. Countries where fewer than 2% of households receive such subsidies include Belgium, Cyprus, Estonia, Lithuania and Romania. In some countries where 5% of households or less receive rent subsidies, renting is uncommon, and 15% or more of tenants receive them; this is the case in Hungary (66% of tenants), Latvia and Slovakia (both 20%), and Croatia (16%).

Features of schemes

Only in some countries (Denmark, Hungary, Poland, Slovakia and Slovenia) can rent subsidies be received by both private and public tenants. Social housing tenants then benefit both from lower rent and from the subsidy. For instance, in Slovenia in 2014, about 8,000 households (out of 20,000 living in social housing) received a rent subsidy, as did 3,000 households in private housing. In Ireland, eligibility criteria for social housing are used as entitlement criteria for housing benefit (which is offered to people on the social housing waiting list).

Sometimes, both private tenants and people who own a home with a mortgage are entitled to subsidies (as in Austria, Cyprus, Czechia, Estonia, Finland, Germany, Poland and Sweden), but most recipients are usually tenants. In Finland, 376,232 recipients rent and 15,379 own, and in Cyprus 2,744 rent and 47 own their dwelling. In Poland in 2020, 25% of the PLN 580.8 million (€126,703,262) paid in subsidies was paid to homeowners and 75% to private or social tenants.

In some countries, there is **local or regional diversity in housing benefits**. Sometimes, benefits are set at local level (as in Hungary and Ireland) or at regional level (as in Austria and in the case of tax deductions in Spain). Less affluent areas usually have less generous schemes. Hungary cancelled national-level housing support in 2015, transferring about HUF 35 billion (€93,262,400 million) to local governments in which local tax revenue was below a certain threshold (about 92% of all) for social spending; they spend it to varying degrees on rent support.

Housing allowances are sometimes restricted to those on the minimum income (as in Croatia, Cyprus and Italy) **or recipients of unemployment benefit** (as in Latvia). In Cyprus, 14% of minimum income recipients (2,791 of 20,000) receive the housing subsidy because they are tenants or mortgage holders; others own their home without a mortgage or live with their parents or other family. In Germany, the contrary applies: people who receive social assistance benefits (Sozialhilfe) or the unemployment benefit (Arbeitslosengeld II) are not eligible for housing assistance. Some regions in Austria specify a minimum monthly income for entitlement (Vienna, Upper Austria) or exclude people who receive social assistance (Burgenland), part of which is already allocated to housing costs. Pensioners in Vienna receiving the minimum pension (€1,030.49 per month for a single person in 2022) can, however, apply for separate rent support. While this report focuses on housing-specific support, general minimum income schemes are discussed here if they specifically take housing costs into account for the magnitude of the benefit one is entitled to (as is the case in Estonia, for example).

Rent subsidies may increase with the amount of rent paid until a ceiling is reached (as in Germany and Latvia), they may be set locally (for example, in Hungary) and they may be higher in areas with higher rents. In Lithuania, where the minimum amount municipalities need to pay is set nationally, it is higher in the most expensive locations (Vilnius, Kaunas, Klaipėda, Palanga and Neringa). Sometimes subsidies are not paid if rents are below a certain threshold. In Sweden, housing costs need to be above a certain amount for a household to qualify for the income-dependent housing allowance for households with children. In the Walloon Region of Belgium, rent minus the allowance cannot be below 12% of the social integration income.

Some countries set **limits on the amount of assets that a recipient of housing assistance can possess**. Assets may need to be below a certain threshold (as in the Netherlands), or recipients may not be allowed to own a home (as in Portugal), or they may only be allowed to own one that is inadequate for the household's needs (as in Italy and Lithuania). In Lithuania, the household can own a dwelling if it has 'physically depreciated' by at least 60% (in practice, this criterion is not well defined, but it is frequently applied) or is smaller than 10 m^2 per person (14 m^2 if a member of the household has a disability). There may also be other limitations, such as in Portugal, where a recipient cannot be related to the lessor.

Some countries, including Belgium, Finland, Ireland and the Netherlands, have **in place size- or cost-related limitations**. In the Flemish Region of Belgium in 2022, the criteria for eligibility for housing assistance included that rent must be a maximum of €639.78 for an independent dwelling or €511.82 for a room in a house or apartment, plus 10% in some municipalities and 20% per household member (up to a maximum of 50%). In Estonia, the maximum cost depends partly on dwelling size, up to the 'socially justified standard': 15 m^2 plus 18 m^2 per household member (33 m^2 for a single person). This maximum size is raised to 51 m^2 for dwellings with one room per household member, single pensioners and people with limited work ability. In Finland, real housing costs are only taken into consideration up to a local maximum (for instance, in 2022 this was €634 for a two-person household in Åland Island municipality). There is no limitation in Denmark but support is provided for up to 65m^2 for the first person in the household, 20m^2 more for each subsequent person, and an additional 10m^2 extra for a person with disabilities.

The reference period on the basis of which entitlement is calculated varies. Usually entitlement depends on income/costs in the current/previous month (as in Bulgaria, Estonia and Hungary). Sometimes the time frame is longer. In France, since 1 January 2021, entitlement to *aide personnalisée au logement* (APL) has been based on income in the past year (to be updated only every three months), down from the past two years. In 2021, to increase the benefit's responsiveness to pandemic-related lay-offs and wage cuts, Poland made entitlement dependent on average income in the previous three, instead of six, months.

Some countries make efforts to **reduce the barriers to employment that housing costs can create**. In Romania, the programme *Prima Chirie*, which began in 2017, subsidises up to 75% of rent and utilities (up to a maximum of RON 900 (€182.35) per month) for a maximum of three years for unemployed people taking a job (for a minimum of one year, with a maximum salary of RON 5,000 (€1,013.06) per month) at least 50 km from their residence and relocating. There were 742 recipients in 2018. In Hungary, under the programme *Albérlet Támogatás* or *Lakhatási Támogatás*, employers can request subsidies for people with an income of up to 170% of the minimum pension (in 2022, the minimum pension was HUF 28,500 (€75.94) per month, so the threshold was HUF 48,450 (€129) per month) and wealth of up to HUF 2,280,000 (€6,075) who have been offered a job over 60 km or three hours' travel away from their home and who are relocating. The Ministry for Innovation and Technology estimated in 2022 that 12,000 people could benefit from the subsidy.

Tax deductions are sometimes used to subsidise housing costs. In Italy, the *Bonus Affitto* 2022 entails an annual deduction of €300 or €250 for tenants with incomes up to €15,500 or €31,000, respectively. A person with a contract regulated by a municipal agreement (with a trade union) and an income below €15,500 can deduct €500 per year. An annual tax deduction of 20% of rent applies to people aged 20–31 years (minimum €1,000, maximum €2,000) and students living outside their locality of residence (maximum €2,600). The Spanish regions offer income tax deductions to young people, people with disabilities, single parents and elderly people on low incomes to help them cover their rent. For instance, in Madrid tenants under 35 years who earn less than €25,620 per year can deduct 30% of their rent (up to a maximum of €1,000) from their income tax.

Subsidies may cover costs other than rent. Sometimes only rent is taken into account (as in Austria), and sometimes other costs are considered. For instance, entitlement to housing allowance may be calculated taking into account administration fees and the costs of water, electricity, gas, sewerage or waste collection, telecommunication services and internet access (this is the case in Latvia, and in Czechia, where television/radio and solid fuels are also taken into account). There are also schemes that cover deposits or moving costs. Since October 2020, the Flemish and Brussels regions' housing funds in Belgium have offered loans to pay rent deposits (usually three months of rent), to be repaid over 24 months (with the possibility of an extension). The Walloon Region offers households a moving allowance of €400 plus 20% (€80) per dependent child or person with a disability.

The characteristics of recipients depend on the entitlement criteria, and there are differences in non-take-up between groups (Eurofound, 2015). Households receiving rent subsidies tend to be smaller than average, possibly reflecting high proportions of young people (for example, students) and single pensioners. In 2021, the rent subsidy in Cyprus was paid to 5,233 people in 2,744 households of 1.9 people on average, compared with a national average household size of 2.5 people. In France, subsidies were paid to 13.3 million people in 6,543,800 households: 2.0 people on average versus 2.1 people on average overall.

In Estonia, they were paid to 16,508 individuals in 9,806 households: 1.7 people on average versus 1.9 people on average overall.[8] In Finland in 2020, 40% of recipients were students, 37% unemployed, 16% employed and 7% in another situation. In the Flemish Region of Belgium, about 90% of recipients are among the 60% of lowest income earners (Heylen, 2020). In France, most recipients of *allocation de logement sociale (*ALS) are young people, students, households without children, elderly people or people with a disability. Most recipients of *allocation de logement familiale* (ALF), 97%, receive the benefit because they have a dependent child. People who receive APL are mostly students (791,000 in 2020) or non-students aged under 25 years (574,000), including people living in young workers' hostels.

Gaps

There are groups of people in vulnerable situations who are excluded from housing subsidies. People without formal rent contracts are excluded (in Slovakia and Slovenia, for instance, and from tax benefits in Croatia), even though such arrangements may be common. People without fixed address, in settlements (for instance, in Slovakia) or illegal dwellings (there are 200,000 illegal dwellings in Bulgaria) are also usually excluded. Households with incomes just above the entitlement threshold are excluded. People with incomes below the threshold who are unable to find a dwelling below the maximum rent threshold may also be excluded (this situation arises in Ireland). In Dublin, by 2020, only 7% of one-bedroom rental tenancies fell below the maximum amount allowed for a non-homeless single recipient of housing assistance (ESRI, 2022a). People living in shared accommodation/a shared room (the Netherlands, Slovakia), or without their own kitchen (Denmark) are sometimes excluded. National or EU citizenship is usually required (as in Austria). In Greece, 12 years' residency is required for non-EU migrants (the subsidy is reduced by 1/35 for each year below 35 years of residence), and 5 years' residency is required for mobile EU citizens. Groups that are victims of prejudice are also frequently excluded, especially when entitlement criteria are unclear (as in Hungary; see Kováts, 2015). Private market tenants (for instance, in Bulgaria), or private market tenants who have not been on a social housing list for a long period (for instance, in the Flemish Regions in Belgium), are also sometimes excluded. People below 18 years are not entitled to rent benefits in most of the Member States (ESPN, 2021). This can pose problems for younger individuals who do not receive other types of support while living independently.

Others are entitled to housing benefits but do not receive them (Eurofound, 2015). In Luxembourg, only 20% of eligible households received the subsidy in 2020 (the figure was up from 6% in 2016). Furthermore, many applications are rejected. Of the applications rejected in 2021 (35% of all applications), the main reasons for rejection were that income was above the entitlement threshold (40%), that the rent–income ratio was below the entitlement threshold (24%), or that income was not disclosed (7%); over-application (applications by people who do not fulfil the entitlement criteria) and 'non-take-up/non-give-out of benefits' often come together (Eurofound, 2015). In Malta in 2021, of about 10,000 households estimated to be entitled to the pre-1995 Private Rent Housing Subsidy Scheme, 122 received it (Times of Malta, 2021). In Croatia, people on the minimum wage are entitled to a housing allowance, but less than 60% receive it. In Czechia, 24% of households are entitled, but 4% apply. Most do not apply because they think that they are not entitled because they do not meet cost criteria, because they own their dwelling or because they have savings. For others, complicated paperwork and stigma are barriers (iROZHLAS, 2022a).

Trends

Recipient numbers

Several countries have seen recipient numbers decrease in recent years, as income has increased more quickly than entitlement thresholds. In Sweden, recipients declined from around 270,000 households in 2005 to 210,000 in 2021. In Ireland, households eligible for housing support fell from 46.8% in 2011 to 33.9% in 2019 (ESRI, 2022a). In Poland, recipients fell from 9.2 million in 2005 to 2.6 million in 2020 due to increases in pensions and other income, tighter eligibility controls and lower benefits reducing the incentive to apply for them. In Latvia, recipients reduced from 70,954 per month in 2019 to 64,481 per month in 2020 and 29,000 per month in 2021. In Hungary, recipients decreased in 2015 when subsidies were decentralised, from around 450,000 people in 2013 to 333,149 in 2015. In Croatia, municipalities cannot set income thresholds for entitlement above a nationally set proportion of minimum income. The minimum income and national threshold have remained unchanged since 2014. Housing subsidy expenditure dropped from HRK 59 million (€7,830,657) in 2018 to HRK 44 million (€5,839,812) in 2020. In Estonia, the number of recipients has declined from 137,039 (9.9% of the population) in 2001 to 25,360 (1.9%) in 2017 (the number increased during 2008–2011). In Czechia,

8 The national household sizes were calculated based on Eurostat [lfst_hhantych], accessed 13 October 2022.

housing allowances and supplements have decreased since 2015 and 2014, respectively, when they peaked at 2,694,879 recipients (CZK 9,187,448,000; €390,076,073) and 73,177 (CZK 3,248,852,000; €137,938,134). Wages grew faster than normative housing costs, reducing the number of recipients and the amount of benefits, especially from 2017. Recent soaring housing and energy costs have, however, reversed this trend (iROZHLAS, 2022b).

Increasing trends were also observed. In Ljubljana, Slovenia, recipients have increased, more among private tenants (763 in 2017 and 1,066 in 2020) than among social tenants (1,458 in 2017 and 1,584 in 2020) (MOL, 2020). In Luxembourg, recipients increased from 1,090 in 2016 to 7,146 in 2021. In Denmark, recipients increased from 243,441 in 2015 to 269,625 in 2021 (dropping only between 2019 and 2020). In Ireland, 95,535 households received some of the housing benefits listed in Annex 3, up from 29,594 in the early 1990s. However, Ireland has seen an increase in renting overall, especially in (private) unsupported tenancies, up from 4% of households in 2002 to 13% in 2020 (ESRI, 2022a).

During the pandemic, some countries saw decreases. In Czechia, the decreasing trend continued (from 1,990,378 housing allowance benefits paid in 2019 to 1,870,989 in 2020). In Estonia, the decreasing trend also continued, from 10,904 recipients in 2019 (and 10,501 in 2020) to 9,806 in 2021, probably due to the wage compensation scheme introduced during the pandemic (Koppel and Laurimäe, 2021). Recipients in Slovenia decreased from 13,150 in 2021 to 12,795 in 2022.

Elsewhere, take-up increased during the pandemic, sometimes because the situation sped up or triggered structural changes. In Germany, recipients increased from 660,000 in 2020 to 670,000 in 2021. An increase in Latvia was due to the minimum income threshold increase implemented due to the pandemic situation. The Greek housing benefit (*Επίδομα Στέγασης*) had existed since 1985, but, after entitlement criteria were set out in law and online application became available in 2021, recipients increased, from 177,638 in April 2019 to 277,259 in April 2021 and 282,064 in April 2022. In April 2021, Greece paid, further to the housing benefit, an additional €211,146 in housing allowance to 846 recipients; in April 2022, the amount increased to €242,478.09, but recipients decreased to 780. The number of recipients of Czechia's housing supplement also increased, while the amount decreased. In Lithuania, recipients increased from 2,715 in 2020 to 3,725 in 2021. In Finland, 402,559 households received housing allowance in December 2020, an increase of 23,000 compared to December 2019 (Kela, 2022). Since then, the figure has decreased again. There was regional diversity: in Uusimaa (including Helsinki) applications increased by 15% between December 2019 and December 2020, to over 100,000; they increased by 10% in four regions and 3–5% in another four, but decreased by 5–10% in the nine other regions. Uusimaa has a large service sector, which was hard hit by the pandemic situation (Helsinki Graduate School of Economics, 2020). The housing allowance system buffered the pandemic's negative economic effects for tenants and homeowners (ESPN, 2021).

Entitlement criteria

Several countries have widened eligibility criteria or created new schemes. In 2017, Malta raised the income threshold for its Private Rent Housing Benefit Scheme from €14,700 to €19,000 for single people and from €28,600 to €32,000 for couples with two children (increases were smaller for single parents). Since 2019, rent paid must also be above a household-specific benchmark. The reforms were related to social housing access problems and increased housing costs (Maltese Ministry for Finance, 2017a). Malta also introduced a scheme for privately owned dwellings leased by the tenant or their predecessors before 1 June 1995. Lithuania increased its income threshold for rent subsidy in 2019. For example, for a single person residing in Vilnius, Kaunas, Klaipėda, Palanga or Neringa, it increased from 38 times the SSI in 2017 to 62 times the SSI in 2022. The asset threshold increased only due to an increase in the SSI from €102 in 2017 to €129 in 2022. In 2018, Luxembourg reduced the minimum share of income to be spent on rent from 33% to 25%, increased the income threshold, disregarded social benefits in calculating income and reduced the number of months for which people need to have had a regular income from six to three. Estimated entitled households increased from 18,600 in 2017 to 33,000 in 2018 (but take-up only from 1,090 to 4,433). France, since it introduced ALS in 1971, has progressively made more groups in vulnerable situations eligible.

Eligibility criteria have also been narrowed. France has excluded homeowners from housing benefits since 2018, reducing the number of recipients of APL by 48,000 (13.2%). Finland changed its student housing allowance to a general housing allowance, tying the amount to household composition and income, increasing and reducing the attractiveness of the benefit to single households and couples, respectively (possibly incentivising people to live alone for longer, postponing cohabitation).

Generosity

Some countries have reduced the generosity of subsidies in recent years. In France, housing benefits have been reduced, especially from 2017 onwards (for instance, a uniform €5 cut has been made, APL is no longer index-linked). Since 2021, eligibility for benefits depends on people's current income (previously, a reference period of the previous one or two years was considered). For 18% of recipients, this increased their benefits, by €49 on average (115,000 would not have received APL in 2021 without the reform), but for 30% their benefits were reduced, by on average €73 (7% were no longer entitled to any benefits). APL expenditure was decreased by €10 billion from 2017; in 2021, it covered 20.6% of recipients' rent on average, down from 23.3% in 2017.

Several countries have increased the generosity of subsidies, usually responding to cost increases. Some countries (such as the Netherlands) adjust the amounts to account for inflation yearly. Malta, in 2017, increased its subsidy from €800 to €1,000 per year, depending on household size and income (Maltese Ministry for Finance, 2017b). Slovenia, in 2021, increased the maximum subsidy from 80% to 85% of the rent paid (social tenants) or that would be paid for equivalent social housing (private tenants). Czechia increased its normative housing costs measure (which depends on area and household members) by CZK 1,000–2,000 (€42.45 – €84.92) per year. In Germany, a 2016 reform led to a 39% average increase of the housing subsidy; 2020 saw a further increase, by on average 30%. From 2022, housing benefit is to be increased every two years to compensate for rising housing costs. For 2022, the average monthly housing benefit was raised by €13. Germany also uses Wohngeld grants to cover utility price increases. Furthermore, from 2021 onwards, a 'CO_2 component' of on average €15 per month per household has been included in benefits; it is based on household size (for example, it is €14.40 for a single person and €18.60 for a two-person household). Estonia increased the amount of its monthly housing benefit (for the first household member) from €130 in 2017 to €140 in 2018 and €150 in 2019 (plus 80% per additional adult and 120% per child). In June 2022, it had reached €200. Since July 2022, the subsidy, which was originally only for tenants, has been extended to mortgage holders. Spain increased the generosity of its national housing benefit schemes in 2022.

Pandemic and energy crisis measures

Italy's *Bonus Affitto* 2021 covered 50% of rent (up to a maximum of €1,200 per month) for people with a maximum ISEE of €35,000 who, due to the pandemic situation, had lost at least 25% of their income. Luxembourg increased its rent subsidy to between €134 and €294 in April 2020 (from €126 per month on average between its introduction in 2016 and 2020). Malta covered 80% of people's rent if their income had been affected by the pandemic; 2020 figures indicate that this increased benefits for 113 recipients and made 37 people eligible for them. Greece, from March 2020 to July 2021, covered 40% of rent (mainly for businesses but also citizens) for those affected by the pandemic situation. Sweden, from July 2020 to December 2020 and (due to the energy crisis) from July 2022 to December 2022, temporarily increased housing benefits by 25%, to SEK 1,325 (€116.81) per month, with 157,000 recipients between July and December 2020.

From March 2020 to May 2022, Poland increased housing subsidies to 75% of rent (up to a maximum of PLN 1,500 (€327.23) per month). Higher dwelling size limits were introduced, and the income threshold was changed (before it was pegged to the minimum wage). For a person to qualify for the increased subsidies, their average monthly income for the previous three months needed to have decreased by more than 25% compared with 2019. In October 2021 (after the application deadline), PLN 11 million (€2,399,683) was allocated to the scheme, suggesting there was a maximum of 10,000 beneficiaries. Challenges included that the measure applied only to people who fulfilled general housing benefit eligibility criteria, so failing to support people not entitled to housing benefits. In addition, it was introduced only late in the pandemic (April 2021, applied retroactively), which resulted in rent arrears, with some private tenants needing to leave their dwellings (there was a ban on evictions from social housing).

Social housing

Overview of the role of social housing in the Member States

Social housing is loosely defined here as residential rental accommodation provided at below market prices, allocated according to specific rules (OECD, 2022b). Such housing is not always referred to as 'social housing' and could include, for instance, municipal housing used for social purposes. Residential care homes for elderly people, people with a disability and young people are not covered here, although they may be municipal housing with below market rental prices (as in Denmark). There are different varieties of social housing within countries. Some countries have, alongside regular social housing, housing for people in particularly vulnerable housing situations (for instance, this is the case in Hungary; see 'Addressing insecurity: Protecting people at risk of eviction risk of eviction' above).

Social dwellings are usually publicly owned (by municipalities) or semi-privately owned (by housing corporations), but they can be privately owned. For instance, in Polish cities, since 2020, social rental agencies can sign contracts with private owners at negotiated sub-market rates and offer them to households on municipal social housing waiting lists. A similar model exists in France. In the Flemish Region of Belgium, about 90% of social housing is owned by social housing associations and 10% rented on the market by social rental agencies. In Germany, social housing is provided by the private market, in addition to social dwellings owned or partially owned by the municipalities. In Portugal, private lessors who agree to a capped rent are exempted from income tax on rent (under the Programa de Arrendamento Acessível). In Luxembourg, owners receive a tax exemption of 50% on rental income, and contracted partners receive €120/month per dwelling from the Ministry of Housing to cover the management and maintenance.

The focus here is on in-kind benefits – that is, the provision of a service (housing), not monetary benefits. However, sometimes there are subsidies targeting social tenants, on top of the lower rent that they pay; in some cases, they receive the same subsidies as private tenants (see 'Rent subsidies' above). For instance, a Bulgarian allowance covers all rent (excluding waste collection fees) for social housing tenants with an income up to 250% of the minimum income, single people aged 70 or older, orphans up to 25 years old and single parents. In Sweden, while around 900,000 homes are public housing owned and managed by municipal housing companies, support is provided to the individual and not to the housing association. Access to these homes depends on a waiting list, without income entitlement criteria. However, municipality do rent some apartments from public or private owners, in turn renting it to households in particularly vulnerable situations.

Population coverage

Overall, social housing plays a major role in some Member States, especially in Austria, Denmark, France and the Netherlands (OECD, 2022b; see also Annex 4). In the Netherlands, 28% of all dwellings are social housing, in Austria 23% (6.9% municipal, 16.5% limited profit), in Demark 20% and in France 17%. There are countries where social housing is non-existent (Cyprus) or houses few households (for instance, 0.7% of households in Romania). In countries where social housing is limited, it usually concentrates on people in highly vulnerable situations. How social housing is organised and the groups that it targets differ across Member States. For instance, in Sweden, there are no income criteria for access to the most common form of municipal-owned housing, with rents negotiated by the Swedish Union of Tenants. The situation is similar in Denmark. In France, there are income checks, but about 60% of the population qualifies for social housing.

Affordability

Social rents usually lie well below private rents. For instance, in Hungary a local government-owned home was HUF 344 (below €0.92) per m^2 for 'need-based', HUF 468 (€1.25) for 'cost-based' and HUF 705 (€1.88) for 'market priced' rentals in 2020 (compared to about HUF 2,900 (€7.73) for private rents in Budapest). In Luxembourg, social housing tenants spend on average 21.3% of their income on housing (including charges) compared with 30.0% (excluding charges) among social housing applicants (and 43.3% of them spend over 50%) (Górczyńska et al, 2020). In France, rents for social housing have been found to be on average 46% below rents for similar private housing (INSEE, 2013). In 2018, Poland introduced a benefit for tenants in newly created (built or renovated) housing units owned directly or indirectly by municipalities, paid directly to the lessor (reducing the rent). Tenants must have an income below the average wage (plus 40% for each additional household member). Entitlement is checked annually, for up to 15 years. Since 2020, social rented housing (TBS/SIM) programmes have also qualified. Most (99%) municipalities do not take part, though, and 2% of the budget was spent (covering an estimated 3,000 households).

Social housing rents have not been immune from increases. In Austria, rent per square metre (including running costs) increased between 2017 and 2021 by 10% for private dwellings (average rent €644.70 in 2021), 7% for limited profit housing (€509.10) and 5% for municipal dwellings (€413.10) (Statistik Austria, 2022). In the Netherlands in 2020, rents overall decreased by 0.2% for incumbent tenants (net of inflation; otherwise, they increased). Social rents (but not service costs) were frozen for 2021, while private rent growth was capped for three years at 1 percentage point above the inflation (in 2021, the maximum increase permitted was 2.4%) (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2021).

While they are supported, social housing tenants have lower income on average than people in other tenures, and many face problems paying for housing, for example rent and utilities (Eurofound, 2018b).

Within-country diversity in social housing stock

Social housing tends to be more available in urban areas and in wealthier regions. For instance, in France 40% of households live in urban areas with over 200,000 inhabitants, where 57% of social housing is located. Northern, central and southern Italy are allocated respectively 68%, 20% and 7% of resources for social housing projects. In Germany, since 2006 the regions have set eligibility criteria, building norms and rent.

Entitlement checks

In some countries (Croatia, Finland and the Netherlands, and also generally in Austria), entitlement is checked only when someone first applies for social housing. Tenants can thus benefit from social housing even when their incomes increase beyond the entitlement threshold.

Elsewhere, entitlement criteria are checked regularly (for instance, in Estonia, Latvia, Malta, Slovenia and Spain) or social housing is provided for a limited period (as in Luxembourg). In Szombathely, Hungary, social accommodation tenants (see 'Alternative dwellings/types of tenure' in the section 'Addressing insecurity: Protecting people at risk of eviction' above) must report changes to their assets or income within 15 days. In Spain, checks are carried out every one or two years, depending on the region. In Latvia, if income reaches a certain threshold, the tenant needs to leave. Estonia has annual checks (or in some cases, depending on municipality and situation, as often as every six months or as infrequently as every five years), including an assessment of the tenant's behaviour and payment of bills. An indefinite contract (without checks) is granted if a household's situation is judged unlikely to change (Sotsiaalkindlustusamet, 2020). In Luxembourg, social housing is provided for a limited period of three years, with the aim being to integrate people into private housing.

Sometimes, checks are designed to guarantee some housing stability. In the Flemish Region of Belgium, if after nine years a tenant's income exceeds the threshold by 25%, they must leave. Improved circumstances may also lead to increased housing costs rather than a requirement for the tenant to leave. In Malta, the rent of many socially rented apartments is reviewed every two years based on tenants' earnings. In 2020, of 1,212 leases reviewed, rent was reduced for 245 and increased for 248 (Housing Authority, 2021). In Romanian social housing, rent may not be higher than 10% of household income. Germany has annual social housing contracts (*Wohnberechtigungsschein*), but tenants can continue to live in social housing if their income exceeds the threshold. In some regions, tenants who no longer meet the entitlement criteria pay a supplement.

Recent changes have occurred. In Poland, 'standard rent agreements' were indefinite (and inheritable), but for those signed after 2019 the eligibility criteria can be verified at most every 2.5 years. If income is above the threshold, rent can be increased. Tenants can be moved to a smaller social dwelling, if their current one is deemed too large for their needs. In Malta, social tenancies were indefinite and inheritable (Vassallo, 2019). However, to improve access to social housing, since 2022 contracts have been for at most two periods of four years, plus a final two-year period. After the second four-year period, tenants who do not pass the means test must leave. Tenants whose situation changes drastically, for example, because of job loss or retirement, can stay for longer than envisaged in the initial contract. In Ireland, rent is adjusted if income increases or decreases. Tenants do not need to leave if their income increases beyond a certain threshold, but the municipality often sells them the dwelling.

Characteristics of tenants and applicants

Social housing tenants' characteristics largely depend on the entitlement criteria. In France, social tenants are on average 50 years old (older than private tenants and younger than owner-occupiers). Their median income is €15,100 per year (below average), and 35% experience poverty (23% of private tenants, 7% of owner-occupiers). In Estonia, 5,289 of the 15,315 social tenants (34.5%) live alone, 3,442 (22.5%) are retired and 1,820 (11.9%) have a disability or age-related needs. In Latvia, of 6,793 social tenants, 1,208 are pensioners, 1,380 children and 995 people with a disability. In Italy, most social housing is inhabited by small households, often pensioners. People on waiting lists are younger, and more often non-EU migrants (37%) than current tenants (10%). In Finland in 2020, half of the 120,000 applications were from single-person households. In Malta in 2018/2019, 63% of applicants were single parents and 75% were women.

Priority groups

In Denmark, up to 25% of all social housing is assigned by the municipalities, which can allocate a certain share to people in acute housing need (such as low-income families, people with mental health problems, refugees); this share is based on municipal contracts with housing organisations (the share is especially high in Copenhagen: 33%). In Hungary, the municipalities apply priority points (as well as considering the entitlement criteria); priority points are allocated, for example, to single parents, people with three or more children, people with a disability and informal carers. Hungary also has housing set aside for municipal employees (for instance, teachers). In Latvia, priority groups include people who have been evicted, low-income households, elderly people, people with a disability and informal carers. Slovenia gives priority to young people/families, large families, people with a disability, victims of domestic violence and citizens with longer work histories. In France, 25% of social housing is allocated to priority groups, mainly people entitled to housing under the DALO law. For instance, Paris's social housing scoring system grants points for being at various stages of the eviction process (from being ordered to vacate the premises to the assistance of the police with the eviction having been granted) and being homeless. The Romanian local authorities can prioritise households evicted from houses returned to former owners, young people (under 35), young people who grew up in orphanages, people with a disability, retirees and war veterans. Marmarà and Brown (2021) found that, in Malta, of 2,380 applications, 43% were assigned priority because the applicants were in shared accommodation (558), were homeless (118, including 58 due to eviction) or lived in overcrowded accommodation (98) or substandard accommodation (79). Prague's municipal housing is mostly (70.1%) inhabited by long-standing tenants with an indefinite contract; 25.2% is rented to groups in vulnerable situations, including elderly people (6.5%), people with a disability (4.3%), people in need of accommodation for other social reasons (4.6%) and young people looking for their first home (0.5%); 9.3% is allocated to municipal employees (such as firefighters, teachers and police officers); and 4.7% is allocated by market mechanisms.

Some recent changes have occurred. In 2022, Lithuania assigned priority to single parents, whereas previously only people with a severe disability, orphans and large families were given priority (LRT.lt, 2022).

Waiting lists

Social housing waiting lists are common in Member States with both large and small social housing stocks. However, they differ significantly between and within Member States. Waiting lists are hard to compare cross-nationally and over time. Waiting times are affected, for instance, by whether people think they have a chance of succeeding when registering and by social housing's attractiveness.

Waiting times can be long. In the Netherlands, in at least 90 of its 344 municipalities, people must be registered for over 7 years to obtain social housing, and in 5 municipalities waiting times are even longer than 17 years (NOS, 2021). In Denmark, waiting lists are estate-specific, and waiting times can amount to decades. In Slovakia, in an April 2019 survey covering 64 district towns, 12,505 applicants for social housing had waited on average for 36 months, with the figures for the individual towns ranging from 2 months (Veľký Krtíš) and 3 months (Spišská Nová Ves) to 60 months (Bratislava), 80 months (Bánovce Nad Bebravou) and 84 months (Púchov).

The number of people on social housing waiting lists are considerable. In Poland, in 2020, 136,156 households were waiting for municipal housing, including 74,856 for social rental agreements. In Hungary in 2020, 12,245 people were waiting for social housing.[9] In Belgium, 170,000 people are on waiting lists in the Flemish region, 37,500 in the Walloon Region and 49,771 in the Brussels Region (2022). In Ireland, 61,880 households are on waiting lists. In Slovenia, 6,600 households are on waiting lists, 2,500 in Ljubljana, where only 1 in 10 applicants is granted non-profit housing (Piano, 2017, cited in Stropnik, 2019). The Portuguese *Programa de Arrendamento Acessível* had 19,000 applicants for tenancies by July 2021, while only 1,010 dwellings had been made available by private lessors at sub-market rents.

Waiting times have increased in some countries. The Stockholm housing agency's waiting times have been increasing for many years. In 1997, the waiting time was on average 5.1 years (the longest waiting time was 10 years). By 2017, the average waiting time for an apartment was 12.7 years. The maximum, for an apartment in Stockholm city centre, was 22 years (Swedish Union of Tenants, 2018).

However, decreases have also been observed. In Lithuania in 2010, 26,000 households were on waiting lists, waiting on average for 15–20 years in large cities (15min, 2009; Bernardinai.lt, 2010). The establishment of a rent subsidy in 2015 contributed to a reduction in waiting times. In 2021, 9,067 households were on waiting lists for social tenancies (9,195 in 2020). Still, 16% had waited for over five years (MSSL, 2020). In Vienna, dwellings that become vacant are no longer extensively renovated, and therefore they can be rented out again more quickly. Furthermore, since March 2019, social tenancies can be passed on only to immediate relatives, reducing the number of people on waiting lists from 24,000 (early 2017) to 11,100 (early 2020). In Malta, the waiting list for social housing peaked in 2017, at 3,288 households, decreasing to around 800 households by late 2022. This was achieved by implementing measures to stimulate homeownership, restoring vacant dwellings, and increasing the coverage and generosity of the rent subsidy (Maltese Ministry for Finance, 2017a).

People on waiting lists sometimes receive support. In Ireland they receive rent subsidies. In Malta, they are supported by social workers and care workers who collaborate with organisations such as Caritas, psychiatric hospitals and food banks. In 2020, 376 assessments of the needs of people on the waiting list for social housing were made (Housing Authority, 2021). In the Flemish Region (Belgium) people who are on waiting lists for over four years receive a rent benefit. However, people with housing needs who are on waiting lists are usually left without support or with inadequate support. To illustrate this, Sliven in Bulgaria has 469 municipal dwellings, of which 120 are virtually uninhabited because they need major repairs. The average waiting time for social housing is over two years (2021 figures). Since there is no temporary accommodation available in Sliven, social services refer people to Burgas, about 115 km away.

Other problems and gaps

Entitlement criteria sometimes exclude groups from eligibility for social housing for reasons that would seem to be associated with their being in a vulnerable situation. For instance, in Austria the entitlement criteria include having Austrian/EU/EEA/Swiss citizenship, a permanent EU residence permit or refugee status, thus excluding non-EU migrants and undocumented citizens. In Hungary, one must reside in the district where the application is submitted. Furthermore, some districts exclude people who have not been permanent residents for a certain number of years, who are in rent arrears, who have a criminal record or who are unemployed. Usually, one cannot own a dwelling and be entitled to social housing, even if it is unhabitable (this applies, for instance, in the Flemish Region in Belgium and in Hungary). In Ireland, one can own a property and still qualify if it is occupied by a household member's ex-partner and would be overcrowded if the household lived in it or if it is unfit for habitation.

9 See statistics on municipal housing management from the Hungarian Central Statistics Office: https://www.ksh.hu/stadat_files/lak/hu/lak0004.html.

The existence of waiting lists implies that people are not getting the housing that they are entitled to. Furthermore, social housing is not always assigned in a transparent manner. In Budapest, 13% of social tenancies were assigned through an application process and 55% through another process. Some 90% of all social housing contracts in Hungary are awarded following an assessment carried out on a one-to-one basis, and few are awarded based on set eligibility criteria. Furthermore, the Hungarian municipalities reportedly sometimes neglect their duty to consider the financial situation of tenants when setting rents (Utcajogász Egyesület, 2021). Tenants of Zagreb's 5,000 social housing apartments include poor people, but also famous rich people. Over one-fifth illegally sublet their apartment (Index.hr, 2020). In Romania, wealthy individuals (politicians, TV personalities) have obtained social tenancies, subsequently buying the dwellings at low prices (see, for instance, Ego, 2022).

Some countries have a small social housing stock, for households in particularly precarious situations; in these cases, adequacy is usually relatively low. In Romania, most social dwellings are small, overcrowded apartments (10–37 m^2). Electrical and sewage installations are often precarious. In Poland, 46% of municipalities did not perform any maintenance or renovation of their own social housing stock in 2016; 17% of municipal social housing there is in an unsafe condition. In Austria, where social housing is more widely available, overcrowding depends on (along with household size) the size of the dwelling, rather than the number of rooms, as per Eurostat's EU-SILC. Applying that approach, 29% of persons (13% of households) in flats in municipal buildings and 13% of persons in limited profit housing live in overcrowded dwellings, compared with 15% of private tenants (0.4% for owners of houses, 2.3% for owners of apartments) (Statistik Austria, 2022). Furthermore, in some countries, there are large sections of social housing stock that are unoccupied, partly due to poor conditions. This applied, for instance, to 7.7% of social housing units owned by the biggest cities in Poland in 2016 and to 15% of Budapest's 41,000 social housing dwellings in 2019.

When income thresholds are set, people earning just above the threshold are not entitled to social housing but are often in need of it. Sometimes, a low-income threshold is also set, to make sure that the tenant can pay rent (for example, by the municipalities in Slovakia, and for some forms of social housing in Hungary). In Alba Iulia, Romania, the points system seems to favour higher-income applicants (Alba24, 2022). Deposits can also be a problem. Denmark (where gaining access to social housing requires three months' rent as a deposit) offers loans to cover the deposit for households with an income below DKK 260,744 (€34,985) per year (plus DKK 45,700 (€6,132) per child), to be repaid over 10 years (interest and repayment free for five years) (2022 figures). The reference period for the asset check can also pose problems if the household's situation has changed recently. In France and Malta, the authorities take into account the household's means over the two and three years, respectively, prior to application.

Entitlement criteria have been adjusted. Malta in 2022 implemented an increase in the maximum amount of assets allowed (previously €28,000), ranging from €60,000 for those aged 35–69 years to €600,000 for those aged 70 or older.

Trends in social housing stock

Many post-communist countries have sold off most of their social housing over the past few decades. Slovenia sold most of its publicly owned housing to incumbent tenants in the 1990s, reducing its share from 33% to 6% of total housing stock in 2002 (Mandic, 2007). In Poland, social housing dropped from 1,980,300 dwellings in 1990 to 868,500 in 2016, with 65% of municipalities decreasing their social housing stock between 2015 and 2016. Prague's municipal housing stock also continues to decrease. In Sofia, the number of available municipal dwellings decreased from 120,000 in 1993 to under 9,018 in 2022 (2.5% of all dwellings in Sofia), of which 1,492 are for sale at below market prices. In most Bulgarian municipalities, social housing tenants can buy their dwelling after a certain period of living there. Hungary's social housing has decreased by about half since 1999. After a wave of privatisation in the late 1980s and early 1990s, municipalities continued to offer (usually more affluent) tenants buy-out schemes. Furthermore, municipal need-based tenancies decreased (from 45,341 in 2019 to 43,607 in 2020) as did municipal cost-based ones (from 24,434 to 22,964), while market-based tenancies increased (from 10,382 to 12,117).

Social housing stock has also decreased elsewhere. Germany's social housing shrank by 90,000 dwellings between 2017 and 2020 (from 1.219 million to 1.129 million). In some Member States, the social housing stock has not increased or increases have been very small. In Greece, since 2004 no social housing has been added. Ireland has seen a shift from social housing to subsidising private tenancies. In some countries (such as Spain), social housing has been offered for sale, usually at market prices, but adding to housing supply in a low-cost segment. Reasons for selling-off social housing often include increasing the municipal budget, and addressing issues relating to management of tenant disputes, rent collection and housing maintenance.

There have also been increases. In Luxembourg, social dwellings increased from 714 in 2018 to 1,073 in 2021. In Lithuania, social housing increased from 10,486 in 2018 to 11,419 in 2021 (11,416 in 2020; 10,550 in 2019). In France, the number of households moving into habitation à loyer modéré cost-based housing has been falling since 2015, from 509,000 entries to 480,000 in

2019 and 412,000 in 2020, the lowest level since 2011, and probably linked to the COVID-19 pandemic (L'Union sociale pour l'habitat, 2022). However, overall, social housing tenants have increased since 1984, from 3.3 million to 4.7 million in 2000 and 5.3 million in 2019. The local government in Athens submitted a proposal on social housing to the Ministry of Labour in April 2022 for social housing for unemployed young people (30% of places), young families on low incomes (30%), elderly people on low incomes (25%) and students who cannot be admitted to dormitories (15% of places). The Walloon Region in Belgium has allocated €1.2 billion for the renovation of 25,000 units over four years, aiming to renovate 55,000 units by 2030 (Housing Europe, 2021). In Bulgaria, from 2014 until 2023, EU funds are to be used to build 1,429 social dwellings. In Portugal, over the years social housing delivery has declined. From 2012 to 2015, social dwellings increased from 118,000 to 120,000, and the intention is to increase the proportion of social housing in all housing from 2% to 5%, serving not only the families in most need but also families with intermediate incomes who have great difficulties in accessing adequate housing (IHRU, 2018). The increase is expected to be achieved through a new rent support programme, the Regime do Arrendamento Apoiado. The social housing stock in Denmark has also increased. In Estonia, the number of new social housing tenants (including in social accommodation) rose from 1,383 in 2016 to 1,640 in 2019, by more than the number of leavers, which went from 1,555 in 2016 to 1,619 in 2019. Overall, in 2019 there were 8,674 households (15,315 people) in social housing (excluding social accommodation) compared with 8,582 (15,590 people) in 2016. In Ljubljana, social dwellings held by the Public Housing Fund of Ljubljana or by the municipality increased from 4,184 in 2017 to 4,276 in 2020 (MOL, 2020).

Temporary pandemic-related measures

In the Flemish Region of Belgium, during the COVID-19 pandemic, social housing tenants whose income decreased by at least 20% qualified for rent adjustment and payment referral. In Lithuania, during lockdown (December 2021 to June 2022), households whose assets or income increased to above the entitlement thresholds were permitted to remain on the waiting list.

Moratoriums, as discussed above, did also apply (see 'Addressing insecurity: Protecting people at risk of eviction' above). While this prevented evictions, it led – in Poland, for instance – to growing municipal housing rent arrears, reducing resources for social housing improvements.

Ownership support

This section focuses on public financial support for people who own or are purchasing a home.

Tax deductions

Many mortgage payment tax deduction schemes are being (or have been) reduced or abolished (in Finland from 2023, and in Ireland and the Netherlands). They tend to benefit people with higher incomes more than those with lower incomes. For instance, in Luxembourg mortgage interest is deductible from taxable income up to a ceiling that decreases with length of occupancy, from €2,000 (for 1–5 years) to €1,000 (after 11 years). Of the 88,000 people with a mortgage, around 95% could gain on average €73 from this deduction in 2020. Around 11% of beneficiaries are in the bottom income quintile and 25% in the top quintile (Observatoire de l'Habitat, 2022). In Belgium, the Flemish Region (in 2020) and the Brussels Region (in 2017) abolished a tax deduction scheme first introduced in 2005. In the Flemish Region, the scheme caused house price increases and the top 40% of income earners received 72% of the benefit (Goeyvaerts et al, 2014). Finland's tax incentives have hiked housing company loans and house prices, and pushed out owner-occupiers (Finnish Ministry of the Environment, 2019).

Tax deductions can have features that make them less regressive. First, they may have caps, preventing large mortgage holders from benefiting disproportionally. Czechia caps tax returned at CZK 45,000 (€1,911) per year, from a deductible income base of maximum CZK 300,000 (€12,737) (doubled from CZK 150,000 (€6,369) in 2020). Second, there may be income limits on entitlement. In Slovakia, people aged 18–35 years can deduct 50% of mortgage interest paid during five years (up to a maximum €400 per month, from a maximum base of €50,000) if their income is at most 1.3 times the national average salary. In 2020, there were 23,581 recipients, up from 7,072 in 2018 when the measure was introduced.

Subsidies

Housing subsidies that cover both rent and mortgage payments have been discussed (see 'Rent subsidies' in the section 'Addressing problematic housing costs: A range of measures' above), but there are also specific ownership subsidies.

In Cyprus, people on the minimum income are entitled to mortgage interest support, with 49 households (125 people) receiving this support. Luxembourg subsidises interest at between 0.575% and 2.45% (depending on income and household composition) for up to €175,000 of the loan; an interest relief scheme further provides a maximum 3% (plus 0.5% per child). Around 23,000 households received these two benefits in 2017. In 2020, average support amounted to €100 per month. During the pandemic, more people became eligible because their income decreased. Acquisition/construction premiums of €250–€9,700 (depending on taxable income and household composition) are also provided, plus 15% for semi-detached homes or 30% for condominium apartments or townhouses. Between 2013 and 2019, the number of recipients ranged from 1,276 (2016) to 1,534 (2013). The number declined during the pandemic: 1,081 in 2020 and 853 in 2021. The country also provides that people who have regularly saved over the past three years and use 90% of the funds for a home are further entitled to a subsidy of up to €5,000, with 31 recipients of on average €673 in 2021. Malta's Social Loan Scheme supports loan payments with up to €167 per month for properties of up to €140,000. Total expenditure in 2020 was €178,438, €1,668 per household on average. Almost 40% of beneficiaries were single parents (Housing Authority, 2021). Greece subsidises up to 80% of the instalment for 15 months (€70–210 per month, depending on household and property situation). Income cannot exceed €7,000 per year for a single-person household (plus €3,500 per household member, up to €21,000), and the measure covers properties of at most €120,000 (plus €15,000 per household member, up to €180,000). Household members must have resided in Greece for the past five years. Hungary's home purchase subsidy is for people who have or plan to have children. From its introduction (2016) until 2019, one in six property purchases (44% of newly built properties and 12% of other properties) relied on the home purchase subsidy. It paid households on average HUF 5.2 million (€13,856) for the purchase of new-build property and HUF 2.4 million (€6,395) for the purchase of other property. Almost 170,000 people had applied for the subsidy by 2020: just over one-third only for the non-refundable subsidy and two-thirds supplemented it with state-subsidised loans that became available in 2019 (estimates). The number of recipients increased in 2019, when interest-subsidised loans became available for people with two or more children. The pandemic caused a dip. Groups with modest incomes and housing were found most likely to commit to having (rather than already have) children in advance. Although the subsidy is intended to assist this group with housing, the amount received is considered small, and 8% of applicants used the subsidy to purchase a second property (Plöchl and Obádovics, 2021). From 2019, an employment history of one to two years, up from 180 days, was required to access support (Jelinek, 2019).

Subsidies targeting young people or first-time buyers

Poland had a measure in place from 2007 to 2013 subsidising around 180,000 mortgages for first-time buyers of dwellings up to a certain size and (locally specified) price. It was found to have contributed little to home construction, had an upward impact on house prices, ended up mostly going to people in more affluent areas and was spent on relatively expensive housing (Radzimski, 2014). Bulgaria, in its draft National Housing Strategy 2018–2030, envisages mortgage payment support for young families and for young professionals at the beginning of their careers (mortgage support for young married couples existed between 1971 and 1989). In Croatia, since 2017, people aged below 45 have been entitled to a subsidy for mortgages of up to €100,000. There are 22,000 recipients. The average recipient is aged 32 and receives €125 per month to help pay a monthly instalment of €378 on a loan of €75,000.

Subsidies aimed at reinvigorating geographical areas

In Hungary, a rural home purchase subsidy scheme supports people with, or who expect to have, children and who live in one of 2,678 prioritised villages or smaller towns with above average population decline. In Lithuania, since 2018, young parents (under 36) have qualified for a subsidy of 15–30% (depending on the number of children) of a mortgage (up to a maximum of €87,000) for on a first home in a region where the 'standard value' is at least 65% below the maximum standard value of an apartment (€827.40/m^2 in 2022). In 2021, there were 1,580 recipients; 420 households had their subsidy increased due to an increased number of children. Take-up has increased steadily (2020, 1,202 recipients in total and 189 receiving an increased subsidy; 2019, 820 and 55; 2018, 116 and 0), and municipalities face funding constraints. Most recipients (67%) indicated that they would have been unable to buy a home without the financial incentive, 27% had moved to the region from another municipality, 37% were working in the municipality where they had purchased their home, 11% indicated that the subsidy had encouraged them to stay in Lithuania and 6% indicated that the subsidy had encouraged them to have children (Bobinaitė et al, 2019). Spain subsidises home purchases by people under 36 years with an income of up to three times the IPREM up to a maximum of €10,800 or 20% of the purchase price (which must be below €120,000) in municipalities with up to 10,000 inhabitants.

Cyprus has two subsidies for purchasing or constructing homes in certain areas: the Housing Revitalisation Plan for Mountainous, Remote and Disadvantaged Areas, covering 277 communities/areas, and the Housing Revitalisation Plan for Specific Rural Areas, covering 109 rural communities/areas not included in the first scheme. The aid offered amounts to up to 50% of the cost (the cost must be at least €20,000), depending on household composition, age (young couples get additional aid) and area. People with a disability are entitled to up to €10,000 extra. The first scheme provides up to €25,000 extra to guarantee safety, for instance when building on a steep slope; its income ceilings have increased from €25,000–65,000 (2019) to €25,000–75,000 (2021) and €25,000–85,000 (2022).

For the second scheme, they have remained at €25,000–65,000. Overall, about 70% of applications were approved and around 1,500 households received €24 million between July 2019 and April 2022.

Government loans, guarantees and building

France has a zero-interest loan for households with incomes below a ceiling varying by geographical zone and number of household members, from €24,000 (one person, zone C) to €118,000 (seven people, zone A). Dwellings cannot cost more than a range of figures from €100,000 (one person, zone C) to €345,000 (seven people, zone A). Loans can cover a maximum of 40% of the value of a new home (mainly in urban areas with high property prices), 20% of the value of a new home (mainly in rural areas) or 40% of the value of the home for dwellings that need renovation (in any area). The loan is repaid over 20, 22 or 25 years, with no instalments needing to be paid for 5, 10 or 15 years (depending on household income and members). In 2019, 92,890 households received the loan, up from 2018, but below the peak in 2017 (122,700), until when it had increased since 2015 (58,500) (SGFGAS, 2020).

In Belgium, the Flemish Region has below market rate government mortgages that can cover 100% of (capped) purchases (80% for non-government loans). In 2021, 3,452 households received a loan, borrowing on average €196,029.70 at 1.80%. Recipients are in all but the highest income quintile (Heylen, 2020). The Walloon Region has a similar scheme but with a higher income threshold and income-dependent interest. In the Brussels Region, interest depends on income, family composition and home type.

Luxembourg's government loans cover the portion of loan above 60% of the purchase, construction and renovation costs (capped at 30% of the investment or average building price: €153,135 in 2019) for people unable to afford the required contributions. In 2021, 124 loans were granted for €126,323 on average.

Romania's Programul Noua Casa offers a guarantee covering 50% of the purchase price for homes below 50m^2 (60% for new-build homes) and 50% for other homes under 50 m^2, targeting first home purchases by young people with low incomes. The upfront payment is 5% of the property value if under €70,000 and 15% for property valued at €70,001–140,000. Since its 2009 launch, 321,000 loans have been approved (12,000 in 2021), for about RON 30 billion (€6,078,330,000).

Lithuania partially reimburses mortgages/leases for households with income and assets of less than 106 and 129 times the SSI, respectively, for single households (the thresholds are higher for larger ones) for homes of a maximum size of 14 m^2 per person, or, for people with a disability, for homes that need to be adjusted to their needs. In 2021, there were 377 recipients (there were 340 in 2020). The maximum loan that can be partially reimbursed by the state is €53,000 for a single person, €87,000 for a household of two or more people and €35,000 for the renovation of a house that the recipient owns. Between 15% (for young families without children) and 30% (for families with three or more children and for people with a disability) of the loan can be reimbursed.

Malta's 2021 New Hope Guarantee Scheme supports people who cannot obtain the necessary life insurance (covering illness or disability, for example) to take out a home loan, for loans up to €250,000.

Some programmes support home construction only. Croatia's Residential Construction Programme is based on surveys identifying housing needs in specific areas. Municipalities provide the land, equip it with utilities and identify qualifying households (applying varying income thresholds). The state covers the construction costs. Loans are taken out with commercial banks at below market interest and repayment terms. From 2001 to 2019, 9,363 dwellings were built under the programme. In 2020, 82 households moved into one of these homes. The targeting of the measure includes a social component only to a certain extent, and it has been argued that better-off households have benefited disproportionally.

Several countries (such as Slovenia) build houses for sale at sub-market prices. Cyprus, in 2019, resumed building houses for sale at below market prices (having ceased to do so in 2013) for households with incomes below thresholds set in 2012 – from €22,000 per year (single households) to €76,000 (families with six children) – with repayment capacity, problematic housing conditions and five years' residency in the case of mobile EU citizens. The programme involves 829 apartments and 1,850 houses; monthly payments are made for 1,389 dwellings. Between 2019 and 2022, 23 new dwellings were built. Applications numbered 211 in 2019, 62 in 2020 and 137 in 2021. Contracts signed numbered 26 in 2019, 13 in 2020, 11 in 2021, and 5 in 2022 up until 16 May. Poland's *Towarzystwa Budownictwa Społecznego* scheme entitles households with incomes above municipal housing thresholds but unable to afford private housing to state loans (up to 80% of the investment), a subsidy (up to 20%) and municipal financing to start construction. Households pay 25%–30% of construction cost, with rent capped at 4%–5% of construction cost. Since 2020, tenants can buy the flat by paying higher rent for at least five years or by covering the construction cost. Furthermore, a requirement for biannual verification of household income was lifted, the maximum income threshold was reduced and the requirement for at least 50% of the homes to be occupied by households with children was dropped. In 2020, the scheme involved 106,700 dwellings and funding was increased.

Other schemes facilitate social housing purchases. Malta's Sir Sid Darek scheme allows social housing tenants to purchase their housing at sub-market prices. In 2020, 110 households became homeowners (94 received a 50% subsidy of on average €46,022 per household; 16 paid the full price because their assets exceeded €150,000) and 121 signed an agreement. About half of recipients are over 70 years old.

Measures targeting young people

About 200 Dutch municipalities offer starter loans (up to on average €30,000) to people under 35, bridging the difference between the maximum mortgage they can obtain and the purchase price of their first home, which must cost under €355,000 (€376,300 if with energy-saving measures). No payments need to be made for three years. After several years of decreases (because of a reduction in availability of homes below the maximum price threshold and fewer people under 35 buying a home), recipients increased from 2,256 in 2019 to 2,340 in 2020 (SVn, 2021).

Latvia covers 20% of the mortgages of professionals under 35 years with vocational or higher education (up to €50,000) and families with children (up to €200,000), with the loan to be paid off over 10 years with a 4.8% charge to cover administrative costs. Czechia entitles people under 40 who are married or care for a minor to a loan under the Own Housing programme. Owing to the low amount of the loan, take-up has been limited, mostly to people building their own homes in rural areas. Italy's *Fondo di Garanzia per i Mutui per Acquisto e Ristrutturazione Prima Casa* provides loans at below market interest rates for 50% of mortgages up to €250,000 for people under 36, single parents and tenants in public housing of the edilizia residenziale pubblica type. Slovenia, from May 2022, entitles Slovenian citizens under 38 with children and a low income (maximum 1.5 times the average income) to guarantees for mortgages of up to €200,000 for 30 years (a 20% deposit is required).

Ireland's Rebuilding Ireland Home Loan, which was replaced in 2022 by the similar Local Authority Home Loan, offered first-time purchasers rejected by commercial lenders mortgages at reduced (fixed) interest rates for purchase or construction. The income threshold was €65,000 in Dublin and €50,000 elsewhere (for joint applications by couples, the threshold was €75,000). Property can cost up to €350,000 in Dublin (and €250,000 elsewhere). The scheme had approximately €414 million in drawdowns (€218 million) and live approvals (€196 million) between February 2018 and September 2019 (ESRI, 2020). Since mid-2022, Ireland's First Home Scheme has bridged the amount between first-time buyers' approved mortgages and purchase prices, if the home costs less than the relevant threshold (€450,000 for homes and €500,000 for apartments in Dublin and Cork, for instance). It is without charge for the first 5 years, then the homeowner pays interest of 1.75%, increasing to 2.85% if the homeowner fails to pay off the loan after 30 years. In its first two months of operation, the scheme received around 1,000 applications.

Some schemes provide the required upfront payment for a commercial loan. Since May 2022, Poland has entitled first-time buyers to the required 20% deposit for homes below a regionally set size and price. Allowed sizes are larger for people with two or more children, and PLN 20,000 (€4,363.06) per child is deducted from the down payment for people with more than one child after taking up the mortgage. Malta entitles people aged 21–39 who lack savings to cover the 10% deposit for their first home (valued at up to €175,000) to a 25-year interest-free loan. Income needs to be €19,000–25,000 (for single people aged 21–30), €25,000–35,000 (for single people aged 31–39), or €19,000–€35,000 (for a couple aged 21–39). In 2020, 204 households applied and 121 recipients had their loans processed. On average, applicants earned €23,736 per year (and had assets of €4,469), were 29 years old and purchased properties worth €160,900. About half of the applicants were single, 40% married or in a relationship and 10% single parents (Housing Authority, 2021).

Some schemes facilitate the purchase of publicly constructed dwellings. In Romania, public housing is constructed for people aged 18–35 at below market rents. The rental period is five years, with the possibility of extension. After one year, the tenant can purchase the property. Between 2001 (when the programme started) and 2020, 34,932 homes were completed. The budget decreased from RON 409 million (€82,867,899) in 2009 to RON 57 million (€11,548,827) in 2020. Croatia's state-supported housing programme provides loans at below market interest rates covering part of the price of publicly constructed homes. During the first 15–20 years, the commercial loan is repaid, at a maximum (variable) interest rate (5.45%–5.98%, average 5.75%); during the remaining 10–15 years (or after repayment of the commercial loan), the public loan is repaid. Since 2000 (when the programme started), 8,356 apartments have been constructed.

Measures targeting older people

Malta's Equity Sharing Scheme funds up to half the property's purchase price for people aged over 30 years who cannot obtain a bank loan and who have an income below €25,000 (for those aged 30–34), €30,000 (for those aged 35–39) or €40,000 (for those aged 40 or older). Since the programme started (2019), 310 households have applied. In 2020, 100 households applied: 59 single people, 25 single parents and 16 couples. In 2020, 52 households received €3.6 million.

Utility subsidies

Several rent subsidy schemes take utility costs into account (Croatia, Czechia, Estonia, Finland, Germany's CO_2 component; see 'Rent subsidies'). However, separate measures have also been taken to subsidise utility costs (Eurofound, 2022a). Here, up-to-date examples specific to housing are provided.

Lithuania, from 1 June 2020 until 1 May 2022, compensated owners and tenants for home heating, hot water and drinking water costs exceeding 10% of the difference between household income and twice the SSI per person (three times the SSI for a single person). This meant that, for example, a single person living alone and receiving a retirement pension of €489 per month was reimbursed for 100% of heating costs above €10.20 per month for dwellings up to 50m^2 (and nothing for the area above that; so amounting to e.g. 50% for dwellings of 100m^2, and 25% for dwellings of 200m^2). Recipients numbered 100,498 in 2021, up from 93,704 in 2020. Total compensation amounted to €119,573 in January 2021 and €188,104 in January 2022. Croatia, since 11 April 2022, has had in place an energy supplement for (around 720,000) pensioners with pensions below HRK 4,000 (€531) ranging from HRK 1,200 (€159) (for people with pensions up to HRK 1,500 (€199)) to HRK 400 (€53) (for people with pensions of HRK 3,000–4,000 (€398–531)). Total expenditure is around HRK 480 million (€63,707,040). Croatia increased the electricity supplement from HRK 200 (€27) until March 2022 to HRK 400 (€53) until October 2022, and HRK 500 (€66) until March 2023. Slovenia, in April 2022, entitled around 710,000 people with pensions below €1,000 per month, foster parents, and people with a disability, in receipt of social assistance, receiving child benefits or receiving benefits for large families to a one-off utility allowance.

There are coverage gaps. For instance, Hungary's utility cost reduction programme (established in 2013) decreased utility cost arrears, but it excludes wood, although 21% of dwellings are heated by wood only, including over half of the homes of households in the bottom income quintile (Habitat for Humanity, 2021). As with rent subsidies, people with informal rental agreements may not qualify, for example, as is the case in Lithuania.

Addressing inadequacy: Improving energy efficiency

There are initiatives aimed at improving broad adequacy of housing, including, for example, for groups in particularly inadequate housing, such as informal settlements. For instance, since 2008, in eight Bulgarian municipalities, Habitat for Humanity has offered interest-free microcredits for home legalisation, renovation or purchase. The project aims to discourage borrowing from money lenders, who target families in informal non-conventional buildings and temporary structures in squatter settlements. Recipients must enrol their children in school, where they must regularly attend classes, and they are required to help with building and repairing the dwellings; the work is unpaid, but the aim is to build their skills. Local community stakeholders are involved, including in selecting beneficiaries, prioritising housing needs, collecting loan instalments and monitoring repair work. Between 2014 and 2020, 3,345 households received loans. Romania has sought to improve the situation of people in informal settlements with its 2019 Informal Settlements Law and the technical rules for its application published in 2020 and through building sewers. This section, though, focuses on measures to improve mainly energy efficiency, but has a somewhat broader scope, including information on take-up.

Cyprus's 2021–2027 EU co-funded programme Foundations of Change, Prosperity, Equality, Development (which builds on a 2014 programme) reimburses 60% of energy upgrade costs, and 80% for people in vulnerable situations (mainly recipients of social benefits). It covers thermal wall insulation, frame replacements, shading system installation and technical system installation (such systems include solar cells, air conditioners, storage batteries and control systems). Since 2021, 2,153 applications have been submitted, 118 (5.5%) by people in vulnerable situations.

As an example of home renovation measures funded through the EU's Recovery and Resilience Facility, Slovakia subsidises renovations to homes that are 10 years old or older and inhabited by their owners to improve energy efficiency and support adaptation to climate change (for instance, installing a green roof or a water retention systems). The budget is €528 million for renovation of 30,000 homes between 2022 and 2026. Application is online or by visiting one of 10 regional offices (first come, first served), which could pose problems for people with limited access to these offices and the internet.

Lithuania renovated 2,631 multi-apartment buildings between 2013 and 2020 (the project continues), covering 100% of the costs for recipients of heating allowance. Investments amounted to around €750 million (€8.6 million came from the Climate Change Programme), mostly paid directly to builders (Lietuvos Respublikos Vyriausybė, 2021). Overall, €35.9 million in support was paid in 2020 to property owners implementing renovation/modernisation projects (€19.4 million from the state budget, €8.6 million from the Climate Change Programme and €7.8 million from European Structural Funds) (BETA, 2021). It can be a challenge to get inhabitants to agree to such renovations (Eurofound, 2016).
To address this, heating compensation is reduced for low-income households who vote against renovations or do not vote, if as a result the renovations cannot start. Survey results reveal what drives people not to vote for renovation: fear that the financial obligation incurred would be too burdensome (especially among middle-income households) (63%), lack of interest in the opportunities offered (52%), lack of trust in the quality of the renovation (46%) and concerns about complicated procedures (40%) (Spinter tyrimai, 2021).

4 Discussion and policy pointers

The importance of housing and its surroundings has increased for people during the pandemic. At the same time, housing unaffordability is an issue across the EU. It affects people in all tenures. Young people are staying longer in their parental home because they cannot afford independent housing, and few homeless people are offered independent housing. People who own their home with a mortgage with variable interest rates face increased interest payments. In the post-communist and southern European Member States where most people own their home without a mortgage, many are at risk of poverty and struggle with utility costs. Private tenants have faced particularly large cost increases, and often experience housing insecurity and inadequacy. Social housing tenants seem somewhat protected against such issues, but many also face problematic housing costs, and housing insecurity and inadequacy. It is key to address such issues over the coming period, in line with the European Pillar of Social Rights, and with clear potential for synergies with the European Green Deal.

Housing support is key for social protection and resilience

EU Member States have a broad range of social housing, rent subsidy and ownership schemes, facilitating access to housing for people in vulnerable situations. Schemes sometimes provide support for people in very specific vulnerable situations, such as those related to return of dwellings that were nationalised by communist regimes to their former owners, or for people who face barriers to relocate for employment. Many countries provide extra housing support to people with a disability and households with children.

Housing subsidies offer swift protection from income and cost-of-living shocks when entitlement to them, or their magnitude, depends on current income or actual housing costs, including utility costs. Policymakers should bear in mind this potential contribution of housing benefits to resilience when reforming benefit systems.

Some countries seem particularly active in introducing housing measures, for instance in response to the COVID-19 pandemic and to homelessness. We should be cautious in seeing this in a purely positive light. Countries that took few measures in response to the pandemic situation may have done so because pre-existing measures were relatively effective (for example, Denmark), and countries that have a relatively well-established Housing First programme may have felt more pressure to introduce such a programme because they have a large problem with homelessness (for example, Ireland).

Policymakers should acknowledge the role of adequate income from work and of non-housing benefits in housing affordability. For instance, where housing affordability has improved over the past decade, this is largely due to increased household income from work. In the Netherlands, since 2018, housing costs compared with income for renters have decreased somewhat, partly due to a care allowance increase (Ministerie van Binnenlandse Zaken en Koninkrijgsrelaties, 2021). During the pandemic, policies in areas other than housing reduced the need to step up housing support, including job/wage retention schemes (for instance, in Denmark and Estonia).

Some housing support schemes described in the report have remarkably low take-up, because they are highly targeted or, because they fail to reach people who are entitled. They may still be important for recipients, but they should be critically assessed against their administrative cost or better reach those entitled.

Inequalities and how policies shape them

Demand-side policies often decrease housing affordability unless they are accompanied by an expansion of housing supply (European Commission, 2022b). Policies to increase housing affordability can have complex impacts that may not always improve access to housing and enhance quality of life. It can be a challenge not to reduce housing affordability for some groups when improving it for others. For instance, rent subsidies enable recipients to pay higher rents, driving up rents for others in that housing segment.

Ownership support raises concerns about equality. People with higher incomes are more likely to own a home than people with lower incomes. Housing support in the form of tax deductions on mortgage payments tends to benefit people with higher incomes. People with low incomes have more difficulties taking out mortgages and thus are less likely to benefit from mortgage support. First-time home buying schemes mainly advance home purchase by households already close to doing so, rather than opening homeownership access to households that would otherwise be excluded (Pawson et al, 2022). Low-income mortgage holders tend to have smaller mortgages than higher-income earners. Therefore, people with larger incomes/mortgages benefit more than those with lower incomes/mortgages.

Specifically with regard to tax deductions, people with lower income/capital tend to be in lower tax brackets, and thus benefit less. Ownership support increases the prices that this group can pay for homes, driving up prices for others as well. Policymakers should recognise these risks and make sure that the burden is not shifted to groups unable to bear the costs. Furthermore, facilitating access to mortgages (for instance, by subsidising required upfront payments) and stimulating take-up of larger mortgages come with risks of household over-indebtedness and economic and financial system vulnerabilities, as demonstrated by the global financial crisis.

In some countries groups of tenants benefit from lower rents due to rent controls, especially in large cities (Mense et al, 2019; ESRI, 2022b). However, they can drive-up rents in free market segments. In some countries, furthermore, they fail to protect tenants signing new rental contracts. These are often young people, people who move for work, and recently arrived mobile citizens and migrants. Rent controls can also inhibit long-standing tenants from moving to dwellings that better fit their needs (as in Germany). As these long-standing tenants are likely to be older, they are more likely to want to downsize (for instance, because their children have left home), but they also include people who need more space, because their home is overcrowded or to facilitate teleworking. Rent controls can further inhibit people from relocating for work, with a negative impact on job mobility and leaving people with long commutes. Policymakers should adjust rent controls to prevent such adverse incentives.

Currently, many older people who previously held mortgages have paid them off during their working lives, thus reducing their housing costs in retirement. This has mitigated the impact of household income reduction on transition to retirement. The observed reduction in homeownership among young people is not a problem if rents are affordable and retirement income sufficient (or if they benefit from an inheritance that takes place later in life due to increasing longevity). Concerns arise for people who are likely to experience high housing costs and low old-age income, including self-employed people with small pension funds and people who have relied on a partner's pension and face that partner's death (given that survivors' pensions are being reduced).

Some schemes facilitating home buying among younger people seek to reinvigorate areas that face depopulation and/or economic decline (for instance, in Cyprus, Hungary, Lithuania and Spain). However, where the threshold lies for an area to be included is arbitrary (risking putting areas not included at a disadvantage). These schemes also risk attaching households to areas with little employment and few social opportunities (Habitat for Humanity, 2019).

In some countries, social housing tenants can keep their entitlements if their income increases. This creates inequalities. People on lower incomes than incumbent social housing tenants may be on waiting lists or not entitled to social housing. Income reassessments of social tenants should not cause housing insecurity and should limit disincentives for people to improve their economic situation. However, support that decreases when income increases could be an option.

Social housing waiting lists pose a considerable problem, including in countries with large social housing stocks. Countries and cities (such as Malta and Vienna) have sought solutions in the form of tightening social housing entitlement criteria, increasing housing stock (sometimes at the cost of quality) and broadening other support (importantly, housing subsidies). While it is vital to ensure access for those most in need, long waiting lists may feed feelings of unfairness and lack of trust in the system.

Social housing and subsidies for private tenancies can both facilitate access to affordable rental accommodation. One might expect that countries would opt to focus on one of these two broad policy types. However, some of the countries that have relatively extensive social housing systems (the Netherlands, France) also have among the most extensive monetary housing benefit systems, and rank well in terms of limiting the extent of housing problems. Policymakers in countries seeking to improve the housing situation might consider similarly acting on various dimensions simultaneously, rather than opting for either social housing or rent subsidies.

On some housing dimensions, country groupings makes sense, especially in terms of tenure (see, for example, Krapp et al, 2020). For instance, post-communist countries have all seen the sell-off of public housing and the emergence of a mortgage market. Post-communist and southern European Member States generally have high rates of ownership without a mortgage. However, the report also demonstrates that there is great diversity within these country groups, and within countries, on these and other housing dimensions.

Gaps in housing support coverage

Groups in particularly vulnerable situations that are sometimes explicitly excluded from housing benefits include people who live in a room in shared accommodation, rent without a (formal) contract, live in an informal settlement or do not fulfil residency requirements. They are also not reached by support linked to housing benefits, such as pandemic support measures and support with rising energy prices. Policymakers can seek to address such issues by strengthening social security benefits (such as minimum incomes), regardless of tenancy status.

However, higher incomes cannot solve everything, as people may face high expenditures, be over-indebted or face discrimination (Eurofound, 2020c). Some schemes, furthermore, do not take into consideration the greater needs of households with people with a disability or children, or do so insufficiently. Overall, to prevent excessive housing costs from reducing standards of living, it is important to provide good access to services for the public (such as education, healthcare, childcare and long-term care) regardless of income. Furthermore, informal renting should be addressed by a combination of preventative measures and sanctions.

Housing support schemes with income thresholds further fail to support people with incomes (just) above this threshold. They often face housing cost problems similar to people with incomes just below the threshold. Such 'twilight zone' groups have been identified as at risk of being in vulnerable situations also in other areas, such as access to healthcare (Eurofound, 2014). Single parents, large families and young people in their first jobs, in particular, have incomes too low to afford market rents but too high to qualify for social housing (European Parliament, 2021). The report provides examples of support for households with incomes just above the social housing entitlement threshold (in Poland, for instance, or in the form of the *edilizia residenziale sociale* type of social housing in Italy). Some housing subsidy schemes address this problem through benefit levels that decrease gradually with income (in Germany, the Netherlands and Poland). In some social housing schemes, similarly, own contributions (rent) increase with income rather than discontinuing fully the entitlement to social housing (Malta, Poland, the Flemish Region in Belgium, some regions in Germany). These solutions improve fairness and reduce disincentives to maximise (or declare) income. Policymakers thus have multiple reasons to seek to avoid fixed income thresholds for housing support entitlements.

Finally, some groups of people are legally entitled to financial housing support but do not receive it. To ensure the effectiveness of benefits and fairness, policymakers should monitor this phenomenon and can address it by increasing benefit systems' proactiveness in reaching people who are entitled (Eurofound, 2015). Similarly, social housing is not accessed by some groups of people who are entitled for a broad range of reasons, including waiting lists and expectations of low quality. Policymakers should seek to address this, improving access along all its dimensions, from identifying support needs to meeting them (Eurofound, 2020a).

Addressing and preventing homelessness, evictions and arrears

Evictions are still too common, and too often lead to homelessness. Policymakers can facilitate adequate incomes from work and social protection, and implement proactive mechanisms to prevent evictions or transfer households to more affordable dwellings. Such mechanisms include the requirement to communicate planned evictions to an organisation that then approaches the household and provides support (as in Sweden, for example). Ideally, though, support service providers would be alerted at an earlier stage, when rent, mortgage or utility payment problems first arise.

Housing policies targeting population groups in vulnerable situations often exclude sub-groups in the most vulnerable situations, such as those unable to make regular payments or those with mental health or substance use problems. This is the case for some initiatives providing social housing, social loans and housing for homeless people. Furthermore, social housing arrears still often lead to evictions. Shelters often fail to provide the safety and stability that people need to get their lives back on track. To guarantee access to housing for all, policymakers should seek solutions that provide housing that is stable, unconditional on engagement with services and independent. Housing First-type programmes seem to be the best way to go. In contrast with many other policies and initiatives, most Housing First programmes have been evaluated, and it has been found that they are largely successful in keeping people out of homelessness. Many Member States have such initiatives in place, but most are experimental or small scale. In addition, many of these programmes are not truly unconditional on engagement with support services and housing offered is not independent. Finland, where homelessness is being addressed in a relatively comprehensive way (including through a sizeable Housing First programme), provides a positive example, with decreasing homelessness.

Policymakers should pay particular attention to low-income private tenants. Tenants have experienced the highest housing cost increases over recent years, and private market tenants in particular face problems in terms of problematic housing costs and inadequacy. However, mortgage holders are at risk of being in an increasingly vulnerable situation. Rising interest rates pose challenges especially for people with high loan-to-income ratios (including people who have bought homes in recent years, at high prices) and mortgage interest rates that are variable or fixed only for a short time. An economic downturn would aggravate the situation. Solutions include effective debt advisory services and settlement procedures, and, ideally, measures to prevent future problems (Eurofound, 2020b). The EU's Mortgage Credit Directive contains important preventative measures, such as safeguards to prevent granting mortgages to people at risk of being unable to make required payments. Possible examples of good practice can be found in Belgium. First, in that country most mortgage interest rates are fixed. Second, since 2001, the country has required registration of consumer loans and mortgages, and creditors should check the register before granting a loan. Third, Belgium requires creditors to fund debt support, with contributions depending on the proportion of loans with arrears (Eurofound, 2020b). Countries may also consider developing a system along the lines of the Dutch mortgage guarantee protecting people against inability to make mortgage payments due to life events such as job loss or divorce. It can take over mortgage payments for periods during which households cannot make their payments and covers the remainder of the debt when negative equity remains after sale. Although the system has failed to prevent many debt problems in a country with the second-highest household debt ratios in the EU, a similar system with wider scope and coverage could protect people against problems.

Another problem concerns measurement of inflation, which informs policymakers and is used to adjust social benefits and wages. The European Central Bank's measure includes rent costs, but excludes costs for homeowners (European Parliament, 2021). If homeowners' housing costs increase more rapidly than other costs, correction for general inflation would underestimate living cost increases, posing a problem in particular for low-income mortgage holders, for whom housing costs are a large share of their income.

Homeowners without an outstanding mortgage should not be overlooked. They may be low-income households in low-quality housing. Despite not facing rent or mortgage costs, they do face utility, service and maintenance costs. Rent or mortgage subsidies do not reach them. In addition to energy subsidies and energy efficiency improvement programmes, adequate social protection systems more generally can help them.

Increasing housing adequacy

The EU is allocating large amounts of funding to schemes to improve the energy efficiency of dwellings (EESC, 2022). It is also facilitating solar energy generation by households. Such measures reduce households' external energy dependency and increase resilience, while contributing to combating climate change and environmental harm, and improving population health. However, for these policies to address housing unaffordability, they should effectively reach the lowest income groups, including private and social tenants (Eurofound, 2022b). This report shows that these groups are most likely to report problems with poor energy efficiency of their dwellings. Private and social lessors should be effectively targeted, while protecting tenants against rent increases when investments are made in the quality of their homes, making sure both the lessor (for instance, through an increased property price) and the tenant (through reduced utility costs) benefit from the investment. Non-take-up needs to be prevented. This can be done by reducing barriers such as upfront payment or co-funding requirements and by taking highly proactive approaches, such as going from door to door in low-income areas and accompanying households through the whole process.

It would be a missed opportunity not to combine this push to improve energy efficiency with housing quality improvements more generally. When renovations take place, small housing adjustments can be incorporated to improve housing satisfaction more broadly. In doing so, it is key to listen to residents and understand their needs, with future inhabitants in mind and considering trends such as ageing societies and digitalisation. Older people tend to spend more time in their home, so the importance of the home is likely to increase, especially given the emphasis on enabling longer lives at home and in the community (for instance, in the 2022 European Care Strategy). Many people of all ages with mobility issues report having problems finding adequate housing because dwellings are not accessible, for example, for someone using a wheelchair (EESC, 2022). In addition, telework is on the increase, and with it the need for 'teleworkable' homes.

Building and renovating more homes in areas where demand is high can improve housing affordability by increasing supply. Supply can also be increased by taxing vacant dwellings (European Parliament, 2020; ESRI, 2022c). Fines can also be imposed when homes are left vacant for too long (the threshold is eight months in Amsterdam). Romania has a 2002 law on taxing unrented homes, which is yet to be implemented. However, efforts to increase the housing stock should not lose sight of adequacy, considering people's needs. For instance, in Bulgaria 30% of all dwellings are vacant, but three-quarters of them are over 30 years old, lacking maintenance (leaking roofs, damaged façades with fallen plaster, ill-maintained stairwells and hallways, and leaking water and sewer pipes) (World Bank, 2017).

Housing inadequacy cannot be separated from the adequacy of the home's surroundings. The importance of the latter has increased, especially for teleworkers. While it can be difficult to improve some aspects of housing (for instance, lack of access to balconies or gardens), improving the surrounding area (for example, by improving access to public squares and green areas) can mitigate housing deficiencies to some extent.

Conversely, certain problems in the local area can also be mitigated by home improvements. For instance, in a Polish study, good acoustic insulation was found to be a significant factor in increasing well-being (Otodom, 2021). It can be assumed that that is particularly important if there are issues with noise outside the dwelling (neighbours, transport). Improving the quality of a dwelling can have a limited impact when its surroundings are not also improved. For instance, improving indoor air quality and reducing risk factors for falls (such as uneven or slippery surfaces, or poor lighting) inside the home will have a limited impact if such issues are not also addressed around the dwelling.

Lack of integration of housing with high-quality networks of public transport, and infrastructure that facilitates walking, wheelchair use and cycling, is problematic and undermines sustainability objectives. Increasing connections to services and employment in areas that remain affordable to large numbers of people can ease pressure of demand for housing in other areas (Dubois, 2022). Facilitating active modes of transport further contributes to better standards of living among residents by reducing travel/commuting costs for users, and it enhances resilience to future fuel price increases (Eurofound, 2022a). This report shows that access to public transport and access to walking and cycling routes have become more important to low-income households and women in particular. Furthermore, there has been an increase in people living in apartments in towns and suburbs, possibly reflecting reduced affordability in the largest cities. The typical image of urban sprawl with suburban family homes may thus not be the main driver of suburbanisation. Better connecting these areas with active modes of transport can benefit low-income groups in suburban areas, especially if such improvements are large-scale and not focused on a few areas alone (possibly increasing housing prices in these areas).

There is a risk that policies which aim to improve the housing situation in Europe focus too narrowly on one dimension only, for instance on the physical aspects of homes. Housing may be physically adequate but with the inhabitants facing significant housing insecurity, considering it likely that they will be forced to leave their accommodation soon. A broader focus should include measures to tackle problems that householders perceive with their local areas, including not only physical aspects (even sidewalks, appropriate street lighting) but also social and service aspects (Eurofound, 2018a). Policy measures in this regard could include, for instance, mediation between neighbours to solve disputes or problems with noise, efforts to make people feel safer from crime, and ensuring good-quality schools and health centres are within reach.

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Annexes

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Annex 2: Recent examples of evaluations of Housing First-type schemes

Member State	Evaluation
Austria	Neumayer, B. and Linhuber, P. (2019), *Evaluation VinziDach Housing First Salzburg 2012–2019*, VinziWerke, Salzburg. Neunerhaus (2015), *Housing First pilot project Vienna*, Vienna.
Belgium	Buxant, C., Liagre, R., Lelubre, M. and Brosius, C. (2016), *Housing first in België: Het werkt!* Housing First Belgium, Brussels.
Czechia	Ripka, Š, Černá, E. and Kubala, P. (2018), *Závěrečná evaluační zpráva/Analýza cílového stavu: Dopady zabydlení po 12 měsících od nastěhování – Pilotní testování rychlého zabydlení rodin s dětmi (Rapid Re-Housing)*, Ostravská univerzita, Fakulta sociálních studií, Ostrava.
Denmark	Pleace, N., Baptista, I. and Knutagård, M. (2019), *Housing First in Europe: An overview of implementation, strategy and fidelity*, Housing First Europe Hub, Brussels.
Finland	Karppinen, J. (2020), *Varmista asumisen turva! Asunnottomuuden ennaltaehkäisyn toimenpideohjelman (AUNE) loppuraportti*, Kehittämisosuuskunta Avainväki, Helsinki.
France	Délégation interministérielle à l'hébergement et à l'accès au logement (2016), *Un chez-soi d'abord: Retour sur 6 annés d'expérimentation*, Paris La Défense Cedex.
Germany	Busch-Geertsema, V. (2020), *Evaluation des Housing-First-Fonds NRW: Endbericht im Auftrag des Paritätischen Landesverbandes Nordrhein-Westfalen,* Gesellschaft für innovative Sozialforschung und Sozialplanung, Bremen, Germany. *Gerull, S. (2021), Evaluation des Modellprojekts* 'Housing First Berlin' , Alice-Salomon-Hochschule Berlin, Berlin.
Ireland	Greenwood, R. M., Byrne, S. and NHFIE Team (2022), *National Housing First Implementation Evaluation Findings*, Psychology Department, University of Limerick, Limerick, Ireland.
Luxembourg	Sorvillo, S. (2017), *Évaluation intermédiaire de l'application de la stratégie nationale contre le sans-abrisme au Luxembourg 2013–2020*, Service solidarité, Ministère de la Famille, de l'Intégration et à la Grande Région, Luxembourg.
Poland	Szarfenberg, A. (2022), *Ambiwalencja raport z ewaluacji zewnętrznej*, Najpierw Mieszkanie, Warsaw.
Portugal	Crescer (2020), *É uma casa, Lisboa Housing First*, Lisbon.
Slovakia	Inštitút pre výskum práce a rodiny (2022), *Housing-first: priebežné správy z výskumov v Bratislave a Košiciach,* web page, accessed 1 March 2023.
Slovenia	Dekleva, B. and Razpotnik, Š. (2020), 'Evalvacija desetih let izvajanja programa nastanitvene podpore pri društvu kralji ulice: An evaluation of ten years of the Kralji ulice (Kings of the Street) association's housing support programme for homeless people', *Socialna pe dagogika*, Vol. 24, No 3–4, pp. 133–166.
Spain	Provivienda and Hogar Sí (2021), *Evaluación de la metodología Housing First en España: Soluciones al sinhogarismo*, Madrid.
Sweden	Segnestam Larsson, O. (2021), *Vad vet vi om resultat av Bostad först för människor i långvarig hemlöshet i Sverige? En systematisk litteraturöversikt av forskning, uppsatser, utredningar, utvärderingar och rapporter*, Sveriges Stadsmissioner, Stockholm, and Bostad först, Malmö.

Source: *Authors' own elaboration based on input by the Network of Eurofound Respondents and Eurofounds desk research*

Annex 3: Major rent subsidy programmes, 2022

Member State	Scheme*	Amount	Eligibility	Recipients**	
				Households	% of all households (% of tenants)
Austria	Regional (*Wohnbeihilfe, Mietzuschuss*)	Usually depends on the difference between rent and regionally set 'reasonable housing cost' (depending on household income and size); for example, Vienna (average): *Mietzinsbeihilfe* – €1,509 and *Wohnbeihilfe* – €1,500/year (average, 2019)	Income threshold implicit in calculation (explicit in Upper Austria: €1,267.30 for single person in 45 m^2 dwelling)	Vienna: *Mietzinsbeihilfe* (for social assistance recipients): 9,73; *Wohnbeihilfe* (others with low income): 39,655 (2019)	Vienna: 2.6%
Belgium	Flemish Region: *huursubsidie* (*huurpremie* if for social housing).	Average €160/month (2019)	Specific situations (move from inadequate home/4+ years on social housing waiting list) or income < €25,850/year for single person (€28,015 for people who are disabled) and €38,773 for others (plus €2,167/dependant)	42,000 (2019)	0.8% (2.9% and 7.5% of private tenants)
	Walloon Region: *Allocation de déménagement et de loyer*	Difference between rent of the adapted accommodation and of the previous one (homeless: €0); maximum of €100/month, plus 20% (€20, up to the rent difference) per child or person with a disability	Specific situations, or income < €14,500/year for single person and €19,900 for others (plus €2,700 per child, or adult who is disabled)		
	Brussels	€120–160/month (income dependent), plus €40/child	Income < €12,867.57/year for single people, €22,315.89 for single parents and €17,389.83 for others		
Bulgaria	*Помощи за наем на жилище*		Social tenant and income < 250% minimum income		
Croatia	*Naknada za troškove stanovanja*	Housing costs (rent, utilities, works to increase energy efficiency) up to 30% (HRK 240 (€32) of minimum income (HRK 800 (€106)); municipalities can set it higher (up to 50%, for example in Pazin). Average: HRK 1,298 (€172)/year. Electricity costs were also reimbursed 100% up to HRK 200 (€27) until March 2022/HRK 400 (€53) from March until October 2022 (see 'Utility subsidies' section).	Minimum income beneficiaries	22,768 (2018)	1.6% (16.4%)
Cyprus	Local (*Επιδότηση Ενοικίου στο πλαίσιο του Ελάχιστου Εγγυημένου Εισοδήματος*)	Highest in Limassol: €4.41/m^2, from €243 for childless households, to €441 for couples with three minor children (or one adult and one minor child) plus €88 for every two minors or one adult (2019); people with disabilities – 20m^2 extra subsidised and allowance, plus 20% (50% for wheelchair users)	Minimum-income recipients who pay rent (mortgage holders are entitled to mortgage support)	Rent allowance: 2,744 Mortgage support: 47	0.8% (2.6%)
Czechia	*Příspěvek na bydlení*	'Normative costs' (differs between five areas; for example, Prague – CZK 10,121 (€430)) – 0.3 × income (0.35 in Prague) (average CZK 3,726 (€158)/year) (also depends on household size)	Housing costs (rent and utilities) > 30% of household income (35% in Prague)	188,000	3.9% (17.9%)
	Doplatek na bydlení (supplement)	Set so that after paying housing costs people have enough to live on (average: CZK 49,725/year)	Below minimum living costs after paying housing costs (with housing allowance)	32,735 (2020)	

Member State	Scheme*	Amount	Eligibility	Recipients**	
				Households	% of all households (% of tenants)
Denmark	*Boligstøtte*	Pensioners: Difference between 75% of annual housing cost, after DKK 7,300 (€979) supplement, and 22.5% of household income > DKK 173,500 (€23,279) (plus DKK 45,700 (€6,132)/child (after the second child and up to four children), corrected for wealth. Housing costs are covered for 65 m^2 for single households (plus 20 m^2 per additional person). Pensioner households should pay a minimum of 11% of income in rent (or DKK 18,300 (€2,455)). The benefit is capped at DKK 4,280 (€574)/month (DKK 5,350 (€718) if there are four or more children in the household), plus an additional 50% if a household member is severely disabled (or receiving 24-hour assistance) Working-age adults: The calculation is similar, but they can get up to 60% of housing cost (size-corrected) and without supplements, and the limits for income, wealth and extra supplement for children are lower. The maximal amount for a household without children is DKK 1,039 (€139)/month, increasing up to DKK 4,568 (€613) for households with children There is also an intermediate category of housing benefit for people of working age receiving a disability pension	Housing cost/income ratio < 11%. Income < DKK 317,000/year.	593,783 (2021)	20.0% (49.0%)
Estonia	*Toimetulekutoetus*	Household income minus housing costs	Income (including social benefits) minus housing costs (rent/mortgage, utilities, land tax, building insurance) < subsistence level (€200 for single people, June 2022)	9,806 (2021)	1.4% (7.8%)
Finland	*Asumisen tuet*	Depends on household size, location and income, and capped real housing costs (rent/mortgage interest, and housing association, water and heating fees)	Income limit depends on and household size, location and composition (share of adults and minors); for example, Åland Islands – €2,042/month for two-adult household	391,611 (2021)	13.8% (46.6%)
France	*Aide personnalisée au logement* (APL) *Allocation de logement familiale* (ALF) *Allocation de logement sociale* (ALS)	Overall: €382 (single-person households) to €694 (households with three children) (1 April 2021); lower if income higher (for ALF and ALS, not paid if allowance < €10); for example, Paris – €44/month for households with two adults and two children (younger than 21 years old) with rent of €1,500, income of €27,000/year, and La Garenne-Colombes (Haut-de-Seine) – €154/month for single student without income, with a rent of €1,060	People living in approved housing ALF: Households with children, people with disabilities and young couples without children are not entitled to APL People with low resources are ineligible for APL and ALF	6,543,800 (December 2019)	21.1% (59.7%)

Member State	Scheme*	Amount	Eligibility	Recipients**	
				Households	% of all households (% of tenants)
Germany	*Wohngeld*	Depends on household income, number of people in household and rent or mortgage payment	Private tenants and mortgage holders. Local areas categorised in seven rent levels with maximum (a) income thresholds (for 2022, lowest-level area: €968/month (one person), €1,348 (two people), €1,633 (three people), etc.; highest level: €1,189 (one person), €1,633 (two people), €1,955 (three people)) and (b) rent levels	670,000 (2021)	1.6% (3.2%)
	Housing component in social assistance (*Sozialhilfe*) and unemployment benefit (*Arbeitslosengeld II)*	If rent is above threshold, deducted from component.	Adequacy criteria (for example, dwelling size, rent in relation to local rent levels)	Social assistance: n.a. Unemployment: 2,632,719 (October)	Social assistance: n.a. Unemployment:6.3% (12.7%)
Greece	Επίδομα Στέγασης:	Single people: €70 plus €35/additional member (max €210) Average: €121.35	Income (≤ €7,000 for single people, plus €3,500/additional household member, and €7,000 for the first dependent child), property, residence	282,064 (€34,230,432.37) (April)	6.8% (25.6%)
	Housing allowance	Rent (≤ €362) Average: €311	65+, uninsured, maximum income of €4,320 (€8,640 for couples), do not own a house, maximum means of €7,000 (€10,500 for couples)	780 (April)	
Hungary	Local (*Lakbértámogatás*)	Average: HUF 38,000 (€101.26) per year (for example, Szombathely: maximum of HUF 20,000 (€53.30) per month)	Usually decided on a case-by-case basis, considering income and children. For example, Szombathely: rent ≤ HUF 1,500 (€4) per m^2/month, income ≤ 80% (highest for large households with pensioners/children) of minimum pension, plus 10% for disabled tenants. Maximum of $55m^2$ (one to two people) to $90m^2$ (six people)	223,000 (provided by 70% of municipalities) (2016)	5.4% (65.6%)
Ireland	Rent supplement	Set so that income minus (private) rent not below Supplementary Welfare Allowance (€206, plus €138/dependent adult and €40–48/child) minus appropriate rate of household contribution (minimum of €30) Average: €1,733/year	Unable to pay rent due to a change in circumstances and rent below regional threshold; employed < 30 hours/week, in private tenancy ≥ 6 months/year	All: 95,535 (2020) Rent supplement: 17,893 Rental Accommodation Scheme: 17,682 Housing Assistance Payment: 59,821 (ESRI, 2022)	All: 4.9% (16.3%) Rent supplement: 0.9% (3.1%) Rental Accommodation Scheme: 0.9% (3.0%) Housing Assistance Payment: 3.1% (10.2%)
	Local (Rental Accommodation Scheme) (wound down)	Average: €7,522/year	Income ≤ limit and having housing needs according to municipality		
	Local (Housing Assistance Payment)	Average: €7,773/year (paid directly to lessor)	Income ≤ limit and having housing needs according to municipality		

Member State	Scheme*	Amount	Eligibility	Recipients**	
				Households	% of all households (% of tenants)
Italy	Citizenship income rent supplement	€280/month (€150 for mortgage holders)	Citizenship income recipients with rental contract; annual indicator (considering income, assets and household composition < €9,360/year (for example, income ≤ €780 for a person without assets)		
	Contributo a fondo perduto per la riduzione degli affitti	50% of negotiated reduction; ≤ €1,200/tenant	Living in densely populated area, subject to rent renegotiations		
Latvia	*Dzivokla pabalsts*	Minimum income threshold (household income – housing costs); housing cost allocation and expenses set by municipality, or fixed amount	Local	29,000 (2021)	3.3% (19.9%)
Lithuania	Local (Būsto nuomos mokesčio kompensacija)	Usually dependent on household size and market rental prices, above the nationally set minimum (differs geographically: for example, in Vilnius it is €7.28/m^2/month, in Klaipėda it is €5.59/m^2/month and in many smaller towns it is €2.32/m^2/month)	Highest cost locations: net income threshold – single person: 62 × SSI (assets: 93 × SSI), two to three people: 122 × SSI (assets 168 × SSI) and 4+ people: 35 × SSI/person (assets of 75 × SSI/person); elsewhere, single person: 51 × SSI (assets of 56 × SSI); two to three people: 106 × SSI (assets 112xSSI) and 4+ people: 31 × SSI/person (assets of 56 × SSI/person)	3,725 (2021)	0.3% (2.4%)
Luxembourg	*Subvention loyer*	Depends on household income and composition Average: €1,481/year (2021)	Rent > 25% of income, and income < €2,500/month/household member	7,146 (2021)	2.7% (9.3%)
Malta	Private Rent Housing Benefit Scheme	€3,600 (single people) to €5,000 (single parents and couples with two or more children; three-adult households) (2019–2022) Average: €1,923/year 2(020)	Income ≤ €19,182 (single people) to €32,182 (couple with two or more children), and rent > household benchmark	4,040 (2021)	2.0% (11.0%)
	Pre-1995 Private Rent Housing Subsidy Scheme	Rent – 0.25*income. Pensioners and social welfare recipients: 100% of rent. ≤€10,000/year (rent ≤2% of property value)	Dwelling rented before 1995	82 (€49,140) in 2021, 122 (€211,668) by May 2022	0.0% (0.0%)
Netherlands	*Huurtoeslag*	≤ €378 (single household) for incomes ≤ €17,350/year (single-person households) to €22.500/year (multi-person households); lower if higher income	Household income ≤ €49,525; rent ≤ €763.47, assets ≤ €31,747 (for couples, it is double)	About 1.5 million households (2021)	18.0% (60.1%)
Poland	*Dodatek mieszkaniowy*	Average PLN 247.84 (€54.07) (2021)	Gross income < 30% national average wage/adult household member (if higher, benefit reduced by 'income – threshold'); dwelling < 45.5m^2 (single person), increased for larger households (for example, 71.5m^2 for 4 people), people with a disability and large non-living spaces (for example, large corridor)	About 200,000 households	1.4% (11%)

Member State	Scheme*	Amount	Eligibility	Recipients**	
				Households	% of all households (% of tenants)
Portugal	Programa Porta 65 – Arrendamento por Jovens	Depends on household type and municipality: €306–869 Average: €1,585/year (often for few months only) (2007–2017)	The adjusted monthly income of the young person/household should not be higher than four times the minimum guaranteed monthly pay (€705)	123,499 from 2007 (start of programme) to April 2017	0.3% (1.5%) (estimated 12,000/year)
Romania	Local (*ajutor pentru plata chiriei*)		Typically target people who are young, old, unemployed, homeless in state shelters, disabled or poor	Few; for example, Cluj-Napoca (340,000 inhabitants): 34 from 2018 to 2020	0.0% (0.0%)
Slovakia	*Príspevok na bývanie*	Single people: €59.40; couples: €93.40	Minimum-income recipients: income < subsistence level – €214.83/month (plus €149.87/adult and €98.08/child), and rent/own their home or stay in a homeless hostel (not night shelters)	28,681 (46% assistance in material need recipients)	1.5% (20.1%)
Slovenia	*Subvencija najemnine*	Difference in social rent paid for similar dwelling, and income (increased by 30%, and reduced by minimum income) Average: €141.30	Income < minimum income (increased by 30% and the actual rent)	17,795	2.1% (8.9%)
Spain	Programa de Ayuda al Alquiler de la Vivienda	40% of rent up to €600/month, 50% for 65+; regions can decide (for example, for big cities) to add 30% from €601–900) Tenants up to 35 years old: 60% of rent (max €600/month) Tenants in vulnerable situations: rent (max €900/month)	Income < 3 IPREM (3 × €579,02 gross in 2022) (four or five times more for large families and people who are disabled) Tenants in vulnerable situations: same as for other tenants, but should have dropped from 5 IPREM (and by at least 20%)	n.a.	
Sweden	*Bostadsbidrag* Specific housing allowances for people aged 18–29 and 65+ (66+ from 2023)	SEK 6,550 (€577.449) (for older people with children, amount depends on yearly income, rent/mortgage cost and dwelling size)	Income ≤ SEK 86,720 (€7,645.25) (single person) or SEK 103,720 (€9,143.98) per year (with cohabitant); housing costs ≥ SEK1,800 (€158.68) per month	210,000 (2021)	3.8% (10.9%)

Notes: *Only the national-language names of the benefits are mentioned; all can be loosely translated as 'housing benefit'. When there is more than one, the difference is explained. Unless specified, amounts are gross and monthly. Information refers to 2022 unless specified. * 'Local/regional' means locally/regionally set; ** Proportions as a percentage of 2021 Eurostat data on numbers of households [ilc_lvho02] and tenants [lfst_hhnhtych], downloaded 13 October 2022.*
Source: *Authors' own elaboration based on input by the Network of Eurofound Respondents and Eurofound's desk research*

Annex 4: Social housing provision, 2022

Member State	Description	Entitlement criteria	Magnitude
Austria	Municipal (*Gemeindewohnungen*) and limited-profit housing (*gemeinnütziger Wohnbau*)	Income threshold for both private and social housing built with a subsidy for Vienna is €3,505.71/month (net) for one person; €5,225 for two people; €5,912.14 for three people; and €6,599.29 for four people, plus €385/additional person	6.9% of homes are municipal (for example, housing 500,000 people in Vienna), and 16.5% are limited profit
Belgium	Rent depends on the income, dwelling type and (in the Walloon Region – Société de Logement Public) composition of the household	Flemish Region: income ceilings same as rent support (Annex 1) Walloon Region: €45,100/year for a single person and €54,500 for a couple, plus €2,700/child Brussels: €24,066.39/year for a single person and €30,560.56 for a couple (€26,740.45 if single-income household), plus €2,292.03/child (or twice that if the child is disabled) and €4,584.07/disabled adult	7% of dwellings in Belgium (6% in the Flemish Region) Flemish Region: 160,000 homes Walloon Region: 100,000 homes Brussels: 40,000 homes
Bulgaria	Municipal	Depends on availability and income	Below 2.4% (the share of dwellings that are publicly owned)
Croatia	Some estates in larger cities; rent, for example, in New Zagreb project is €64 for housing below 60 m^2, plus €1.60/ m^2	Criteria such as income below €200/household member/month, number of children, period on the waiting list, disabled household members, participation in war	2% (for example, in Zagreb 5,000 dwellings)
Cyprus	None		
Czechia	Municipal	Specific groups in vulnerable situations	Prague area: 25% of 30,345 municipal dwellings; other cities also have social housing
Denmark	Median rent for a home < 50 m^2 is around DKK 3,000 (€403) and for a home > 85 m^2 is DKK 6,400 (€859)	Everybody can subscribe; local authorities can assign part of vacant dwellings (for example, 33% in Copenhagen) to people with an urgent need for housing	
Estonia	Municipal, for example Tartu: income (average net of previous three months) minus housing costs (estimated for housing that meets the needs of the applicant) and financial obligations (loans, fines, maintenance, alimentation payments) below subsistence level	For persons who cannot obtain a dwelling that meets their needs due to insufficient physical abilities, special psychological needs or social inability to cope, or with low means/income.	8,674 households and 15,315 individuals (2019)
Finland	Housing Finance and Development Centre of Finland (built, state-subsidised housing)	Priority given to homeless and other applicants with the most urgent housing needs, least assets and lowest incomes	351,000 dwellings
France	*Habitation à loyer modéré* (cost-based housing)	For example, in the Île-de-France region income ≤ €31,611 (single-person household) to €98,994 (household with one adult and four dependants, or six members) and elsewhere it is €27,481–70,639	5.3 million households (2019)
Germany	Regions decide on dwelling size for which social housing residence permit can be used (for example, North Rhine-Westphalia: ≤ 55 m^2 for single-person households and 70 m^2 for two-person households); rent set in grant approval for social housing projects for agreed period	Income < €12,000/year (single-person households) (€18,000 for two-person households, plus €4,100/additional household member); regions can set higher thresholds (for example, in North Rhine-Westphalia: €20,420 for single-person households and €24,600 for two-person households, plus €5,660/additional person and €740/child)	670,000 households (2021)
Greece	Buildings in Athens metropolitan area		1.6% of Athens' population (19,299 homes)

Member State	Description	Entitlement criteria	Magnitude
Hungary	Municipal; average rent/m^2: HUF 344 (€0.91) per month (need-based rents), HUF 468 (€1.25) (cost-based rents) and HUF 705 (€1.88) (rentals where local government can make profit) (2020)	Depends on the social situation, income and living circumstances; for example, in Szombathely, income needs to be below 244% (five or more people in household) to 450% (single-person household) of minimum pension. Points granted if income ≤ 50% of the minimum pensionable income	104,000 homes (2020), with 43,607 rented out need based, 22,964 cost based and 12,117 market based
Ireland	Rent depends on income (usually about 20% of income), with allowances dependent on dependants and their age	Varying income thresholds: for Dublin (and surrounding counties), Cork and Galway the net income threshold is €35,000/single person and elsewhere it is €25,000–30,000/single person, plus 5%/additional adult and 2.5%/child.	143,178 local authority houses (2016 census)
Italy	*Edilizia residenziale pubblica*, managed by regions/ municipalities; rents are set nationally at €50/month (two-room dwelling), €100 (three-room dwelling) and €200 (four-room dwelling)	ISEE below €17,000 in Reggio Emilia and below €16,000 in Milan	4% of population (2.2 million people)
	Edilizia residenziale sociale; private with public involvement (rents up to 30% of income)	Income > ERP threshold and < regional threshold (€25,000–30,000/year); older disadvantaged people, students, people undergoing eviction procedures, low-income migrants, ≥ 10 years Italian residents.	
Latvia	Local, rent partially/fully covered (average rent: €0.17/m^2 (2016))	Local, but entitled if all household members are retired/disabled, or there is a child who is disabled in the household (without room/adequate amenities)	6,793 people in 3,632 apartments in 109 social houses (average: 26.4 m^2) and 1,351 outside social houses
Lithuania	Rent: reduced/waived if income below 1.5 state-supported income (SSI)/month, or a maximum of 20% of costs for single parents, people ≤ 5 years from pension age or without family, people with a disability and people with three or more children	Vilnius, Kaunas, Klaipėda, Palanga and Neringa; net income threshold: 46 × SSI[a]/year for single-person households, 91 × SSI for two- to three-person households and 26 × SSI/person for households with four or more people; elsewhere, net income threshold is 40 × SSI for single-person households, 80 × SSI for two- to three-person households and 23 × SSI/person for households with four or more people. Asset thresholds equal those for rent subsidy (Annex 1)	11,419 (2021)
Luxembourg	Social monitoring registered organisation renting dwelling from private owners (37 partners in 2022), rent on average 30-40% below market prices, set on case-by-case basis	People in emergency situations as identified by the municipalities and/or social services as being at risk of homelessness	1,073 (2021), 0.4% of housing stock (2018)
Malta	Rent: % of income ≤ €6,000: 8% (10% for high-demand areas); €6,001–12,000: 16% (and 18%); €12,000+: 23% and 25%; minimum of 3% of dwelling's market value	Maximum of €28,000 of assets; income ≤ €10,000 (single-person households) or €12,000 (single parent/married couple/siblings living together), plus €700/child under 18; income from sickness assistance, energy benefit and children's allowance excluded from this threshold; maximum of €28,000 of assets during the three years before application	1,167 housing blocks
Netherlands	Maximum rent of €763,47/month (matching the limit for rental allowance)	85% of social housing is for households with a yearly income ≤ €40.765 (single-person households) or €45.014 (multi-person households); 15% can be allocated by housing associations to others	Around 2.3 million dwellings (28% of all dwellings and 68% of rental dwellings) (2021)
Poland	Social agreements: municipal rents capped at 50% of lowest rent for standard agreements for housing	Poverty or evicted	807,600 municipal social housing units (5.4% of total housing stock): 648,374 standard agreements and 65,846 social agreements
	Standard agreements: average rent of 1.23% of construction costs	Income limit, 40% of municipalities: single: 150% of minimum pension (larger households: 100%); 73% also have non-financial criteria	
	Social rented housing (*towarzystwa budownictwa społecznego*)	Incomes too high for social agreement, but too low for renting/buying at market prices	106,700 (2020)

Member State	Description	Entitlement criteria	Magnitude
Portugal	Regime do Arrendamento Apoiado; publicly owned; rent lower for lower-income households	Specific housing needs (for example, single-parent families, and families with minors, disabled people, people aged 65+ and victims of domestic violence)	Overall, 2% of dwellings 120,000 dwellings (2015)
	Programa de Arrendamento Acessível; private owners committing to a minimum rent of 20% below the municipal benchmark (based on area, median local price, energy efficiency, etc.) and a minimum term of five years.	Maximum income of €35,000/year for single-person households; maximum income of €45,000 for couples (plus €5,000/dependent)	467 contracts signed by July 2021
	Programa de Apoio ao Acesso à Habitação, rehabilitation/obtaining buildings, partly paid by municipality/private owners (the rest is paid by the state), assigned to tenant	Assets < €5,146.8 and income < 4 × IAS, i.e. €1,772 in 2022 (€1,743 in 2019 and €1,755 in 2020 and 2021).	9,383 households (45% financing rehabilitation by municipal/private owner, 23% acquisition/rehabilitation, 18% construction and 14% land acquisition, leasing, etc.).
Romania	Municipal (social: rent is a maximum of 10% of net household income)	Average monthly wages per person in the last year < latest national average salary	Public housing: 47,507, of which 29,167 'social' (2014 survey among municipalities); in 2020, 2,749 apartments were under construction
Slovakia	72% of municipal housing was constructed/bought with ministerial grants and can charge maximum annual rent of 5% of costs; 28% was owned by municipalities prior to grant (2000).	Municipal flats constructed/bought with grant: maximum income of three times subsistence minimum (four times if a household member is a person with disabilities, or a single parent); municipalities can and often do set minimum income requirements; other dwellings: not mandated, but in practice municipalities apply the same criteria	At least 27,833 (2019)
Slovenia	Municipal; non-profit rent; list A: no deposit nor participation; list B: deposit (three months' rent) and participation (10% of the dwelling's value returned to the tenant after 10 years with 2% interest)	Low income, housing situation, family circumstances (size, health and disability, victims of violence, etc.), citizenship status (only EU) and permanent municipal residence; for example, Ljubljana: maximum of 90% (single) and 194% of average income (four-person household) for list A; 200% for single-person household for list b; cannot own a dwelling (or wealth that would equal 40% of suitable dwelling)	20,000 (2014), with a small increase since (about 3% of all homes)
Spain	*Vivienda de protección official* (maximum size and minimum quality standards)	Income threshold and other financial requirements	1.4% of housing stock (insfoessa 2018 survey)
Sweden	Municipal social rent contracts	Unable to access rental market due to arrears, drug/alcohol abuse or homelessness	19,600 (2020)

Note: [a] *€129/month in 2022.*
Source: *Authors' own elaboration based on input by the Network of Eurofound Respondents andEurofounds desk research*

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Unaffordable housing is a matter of great concern in the EU. It leads to homelessness, housing insecurity, financial strain and inadequate housing. It also prevents young people from leaving their family home. These problems affect people's health and well-being, embody unequal living conditions and opportunities, and result in healthcare costs, reduced productivity and environmental damage. Private tenants have faced particularly large housing cost increases, and owners with mortgages are vulnerable to interest rate increases. In addition, many owners without mortgages, especially in post-communist and southern European countries, experience poverty and housing inadequacy. The cost-of-living crisis affects people in all tenancies. Social housing and rent subsidies support many, but capacity differs across and within countries, and these measures exclude certain groups in vulnerable situations and fail to reach everyone who is entitled to them. Three quarters of Member States have Housing First initiatives – providing housing for homeless people – but these mostly operate on a small scale. This report maps housing problems in the EU and the policies that address them, drawing on Eurofound's *Living, working and COVID-19* e-survey, European Union Statistics on Income and Living Conditions and input from the Network of Eurofound Correspondents.

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