

THE STATE OF HOUSING IN EUROPE – 2025

AUSTRIA

➡ Social housing

Of which: Limited-Profit Housing Associations

Of which: Municipalities

➡ Private Rental

➡ Owner Occupiers

➡ Other

➡ Total

	# OF DWELLINGS	% OF TOTAL
Social housing	978,500	23.5
Of which: Limited-Profit Housing Associations	694,600	16.7
Of which: Municipalities	283,900	6.8
Private Rental	808,700	19.4
Owner Occupiers	1,992,700	47.9
Other	378,600	9.1
Total	4,158,500	



SOURCE: Statistics Austria – 2024 Microcensus.

NOTES: Primary residences only. 'Owner Occupiers' includes around 300,000 units that are managed by LPHAs, though not owned by them (e.g., in mixed-tenure buildings).

THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

Austria has one of the largest social housing sectors in Europe in relative terms; 24% of the total. The stock is divided between municipal housing providers (overwhelmingly concentrated in Vienna) and the much larger Limited-Profit Housing Associations (LPHAs).

The LPHAs are represented by *Österreichischer Verband Gemeinnütziger Bauvereinigungen Revisionsverband* (GBV); which works on behalf of 176 local housing providers. They manage the homes of close to two million people.

DYNAMICS OF HOUSING SUPPLY

LPHAs typically build 15,000-16,000 new homes each year. While in 2024 LPHAs completed 14,000 new homes, the leading indicators point to a multi-decade low for completions of around 11,000–12,000.

Year	New builds (completed)	Acquisitions	Total New Social Units
2021 ➡	15 700	-	15 700
2022 ➡	16 800	-	16 800
2023 ➡	15 400	-	15 400
2024 ➡	14 000	-	14 000

SOURCE: GBV-Verbandsstatistik.

The reasons for the slowdown are higher construction and financing costs (e.g., interest rates), a reduction in public expenditure/supports, as well as the recent 'rent breaks' (see below).

However, looking ahead the signs for new delivery are somewhat more positive. Current building permits figures point to a recovery in activity, which should translate into higher LPHA completions from 2026/27.

In terms of renovations, GBV members managed to renovate over 13,000 homes in both 2023 and 2024. In the most recent year, this equated to around 6,570 decarbonisations of the heating system (e.g., switching from gas to electric) and 6,790 comprehensive thermal renovations. The cost of renovations and upgrades was around €1.3 billion in 2024.

HOUSING NEEDS TODAY

There are no official estimates of the unmet need for housing in Austria. However, the population and social dynamics point to a continued need for additional affordable homes. The population of the country continues to grow apace, particularly in urban areas. International migration in recent years, including from Ukraine, has been an important factor. At the same time, rising house prices and higher interest rates have put a strain on mortgage affordability for many.

The latest figures from GBV show that there are currently around 800,000 people registered on their waiting lists of the LPHAs. However, this does not only represent households looking to access limited-profit housing for the first time, but also households already in the system who are seeking to move to a different apartment (e.g., in a different area or as a result of a change in household composition).

RECENT DEVELOPMENTS IN HOUSING

In Austria, some segments of the rental market have inflation (CPI) linked rents; mainly the private rental and municipal housing sectors. In the LPHA sector, cost-rents generally mean that financing costs are more relevant (e.g. interest rates) than CPI in determining rent increases.

However, some components of the rents charged by LPHAs are inflation-linked. These include the so-called 'base-rent' (*Grundmiete*) and the 'maintenance & improvement fund' of each building.¹ Until recently, these rent components were CPI-adjusted every two years (April 1st). After the biennial increase in 2022 (+3.9%) the next increase was due in 2024. Inflation was very high at this time, and many private landlords had already increased their rents in line with the CPI. This caused the previous Government to limit the increase in 2024 to a maximum of 5%. The new Government, which took office in March 2025, introduced another rent break and forbid rent increases altogether.

The two rent breaks have had severe implications for LPHAs. While consumer prices rose by about 20% between 2022 and 2025, LPHAs could not fully increase rents to match higher prices. This will see the sector forego €865 million between 2024 and 2027. In a cost-based system like the one operated by the LPHAs, this means that there is less money available for new construction and renovations. The net impact is that it is estimated that 7,000–10,000 fewer LPHA flats will be built between 2025 and 2027, while 16,500 fewer existing homes will be renovated.

Some regional governments—through whom public funds for affordable housing are dispersed—did offer more favourable financing conditions (e.g., lower interest rates) in response to the issues being faced. At the same time, the national government developed a €1 billion subsidy package for construction and renovation. However, bureaucratic and structural issues made the take-up of these funds complicated. Meantime, national funding to support decarbonisation of heating systems has been stopped, due to high take up, and the depletion of the earmarked funds.

POLICY GUIDELINES FOR PUBLIC, COOPERATIVE, AND SOCIAL HOUSING



Ensure better access to land, especially in urban areas :

- LPHAs are spending around €450 million per year to acquire land for new construction.
- Land acquired—including public land—is at market prices. LPHAs do not have an explicit privileged access to public land.
- There are some special planning instruments that regional or municipal authorities can leverage to support the development of subsidised housing; e.g., Viennese special 'affordable housing' zoning for land.
- However, additional support is needed as access to land remains an issue for many LPHAs.

THE EU'S ROLE IN BETTER SUPPORTING THE SECTOR

Creation of an aggregator to access EIB funds :

- Currently administered via commercial banks, which generally works well
- However, lending conditions for LPHAs might be even more favourable if an aggregator bank could disperse loans to the sector instead

¹ _ For a detailed overview of Austrian cost-rents, see: Housing Europe (2021). *Cost-based social rental housing in Europe*.

