

## THE STATE OF HOUSING IN EUROPE – 2025

# CZECHIA

|                       |
|-----------------------|
| ➡ Public housing*     |
| ➡ Other rental        |
| ➡ Housing cooperative |
| ➡ Owner-occupiers     |
| ➡ Free use**          |
| ➡ Other usage**       |
| ➡ Unknown***          |
| ➡ Total               |

| # OF DWELLINGS   | % OF TOTAL |
|------------------|------------|
| 221,882          | 5.0        |
| 668,920          | 14.9       |
| 140,821          | 3.1        |
| 2,717,073        | 60.6       |
| 260,225          | 5.8        |
| 133,474          | 3.0        |
| 337,744          | 7.5        |
| <b>4,480,139</b> |            |



SOURCE: Census 2021; Refers to occupied dwellings only.

\* 'Public housing' equates to all 'municipal' or 'state-owned' housing. However, in practice some of these dwellings are rented at market prices.

\*\* usually based on family connections or an agreement of an occupant and an owner of the dwelling or a building. The occupant does not have a rental contract but may cover living expenses (electricity, gas, water, sewage disposal).

\*\*\* "unknown" may partly refer to private rentals without proper rental contracts, a common situation.

### THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

Since the transition to a market economy during the 1990s, primary responsibility for the provision of public housing (i.e., municipal housing) has been a devolved competence of Czechia's 6,258 municipal authorities. This has led to a fractured system of provision.

However, in recent years the state has been more proactive on the issue, setting out a 2015-2025 national strategy, developing new funding packages to support the development of affordable forms of housing, and using public agencies like the *State Investment Support Fund* (SFPI) to increase local delivery capacity.

Furthermore, the recent adoption of the 'Housing Support Act' helps to clarify to whom affordable housing should be provided, and at what terms.<sup>1</sup> However, there is some discontent with the legislation, which includes quite a narrow definition of households needing support.

### DYNAMICS OF HOUSING SUPPLY

There is an increasing interest in developing affordable forms of housing in Czechia in recent years. This is supported by a number of funding streams; particularly the Integrated Regional Operational Programme (IROP), and the Affordable Rental Housing programme. The median new SFPI-backed development is an apartment building of 10 dwellings, with costs of €1.2 million, and located in a municipality of 3,000 people.<sup>2</sup> Public housing development accounted for 1.3% of overall output in Czechia in 2023, which is higher than in previous years.

### HOUSING NEEDS TODAY

There are no strict targets or clear objectives in terms of the need for housing in Czechia. At the local level, however, some municipalities (e.g., Prague and Pilsen) have defined targets.

|                          | Number of households | Number of persons |
|--------------------------|----------------------|-------------------|
| Without roof ➡           | 11,500               | 12,000            |
| Without apartment ➡      | 24,100               | 31,900            |
| Insecure housing ➡       | 23,500               | 66,500            |
| Unsatisfactory housing ➡ | 12,000               | 50,500            |
| TOTAL ➡                  | 71,100               | 160,900           |

SOURCE: Housing Exclusion Report 2024<sup>3</sup>

Recent analysis indicates that there were at least 71,100 households (160,900 people) who experienced acute housing exclusion or lived in unsatisfactory conditions in 2024.

### RECENT DEVELOPMENTS IN HOUSING

The Housing Support Act, adopted in June 2025 is entering into force on January 1, 2026. Municipal offices will play a central role in delivering support, which includes counselling, mediation, and maintenance assistance.

A recent innovation is the concept of guaranteed housing, where housing providers sign contracts with landlords and ensure rent payments even if tenants fail to pay. Contracts must run for at least a year. Eligibility is determined by both income

1 \_ See: <https://www.zakonyprolidi.cz/cs/2025-175>

2 \_ SFPI internal statistics.

3 \_ Česko na křižovatce Zpráva o vyloučení z bydlení 2024.

and an assessment by social services offices. Meanwhile, financing for housing development has been paused until the new government takes office. National legislative elections took place at the start of October 2025. This has left the SFPI in the position where it has no financing for its on-going funding programme, despite a very strong pipeline of projects.

The state is working on developing a framework for the establishment of limited-profit housing associations, though a number of key independent actors who could help to develop this sector in the future are not part of these discussions. The SFPI is supportive of developing some pilot projects first, before validating a final framework for associations. This would allow to slowly develop the model, and identify possible issues to be addressed before mainstreaming.

There are also on-going discussions around developing revolving funds between the state and regions to support housing development. Some regions are interested in this approach, but central government has so far not committed the necessary funding to establish it.

The government enforces stricter off-balance-sheet financing rules than most European countries. State funding for cost-rental housing linked to municipalities is recorded on the balance sheet, but church institutions could, in principle, access off-balance-sheet financing under existing regulations. Their main barrier is fragmented accounting and governance, which limits state confidence in them as partners. Ongoing initiatives seek to professionalise church administration to enable future collaboration with municipalities and the state—an effort that will require sustained investment in capacity building, financial management, and mutual trust.

Finally, Czech municipalities are reluctant to take on debt, even though borrowing is allowed for financially sustainable investments such as cost-rental housing. With current high construction costs, affordable rental projects outside major cities are typically viable only with subsidies of at least 25%. Legislation defines affordable housing as rent set 10% below local market levels, but in many areas this standard fails to reflect true affordability.

## **POLICY GUIDELINES FOR PUBLIC, COOPERATIVE, AND SOCIAL HOUSING**

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➔ **A comprehensive long-term strategy for housing financing is still missing.**

➔ **There is currently no initial capital available for the development of large-scale, non-profit housing companies based on a revolving fund principle.**

➔ **Municipalities are often too small to act effectively, and governance of housing remains fragmented.**

➔ **Tax policy undermines housing development by strongly favouring owner-occupied housing through low taxation, failing to incentivise construction on vacant land or discourage ownership of multiple unused dwellings, and offering municipalities limited and legally unsupported tools to address vacancies or promote refurbishment.**

➔ **The recent legislation is poorly understood and accepted due to repeated amendments that have left it incomplete and overly complex**

➔ **Financial conditions further complicate housing policy: despite lower interest rates that could attract investors, banking regulations discourage long-term lending for rental projects.**

## **THE EU'S ROLE IN BETTER SUPPORTING THE SECTOR**

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➔ **The EU Semester has, for a number of years, provided inputs and comments on the housing situation in Czechia. This has helped to provide some direction for the state.**

➔ **The provision of EU finding stream dedicated to the development of affordable forms of housing can help to further develop and support delivery.**

