

THE STATE OF HOUSING IN EUROPE – 2025

SPAIN

- ➡ Owner occupied
- ➡ Private rental
- ➡ Public social rental
- ➡ Other
- ➡ Total

# OF DWELLINGS	% OF TOTAL
13,988,627	75.5
2,693,619	14.5
318,000	1.7
1,538,977	8.3
18,539,223	



SOURCE: Estimates based on: INE Census 2021; Estimates of social rental housing from AVS.

NOTES: The census data does not distinguish between social and private rental. Thus, the author has used secondary sources to estimate the tenure breakdown in Spain.

THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

Housing policy in Spain is largely devolved, so the definition, support, and management of social housing vary across regions.

Since the 1950s, Spain's housing policy has strongly promoted homeownership, fostering a long-standing culture of property ownership. Social housing, mainly provided through the Vivienda de Protección Oficial (VPO) program, has historically prioritized affordable purchase over long-term rental, often allowing tenants to buy their homes at below-market prices, which has contributed to the country's small public social rental housing stock. According to estimates by the Spanish government, protected housing should represent overall around 3.4% of the housing stock in the country.

Included within this estimate, public housing represents about 1.7% of Spain's housing stock. Public housing is owned and managed by regional and municipal housing companies, represented by the Asociación Española de Gestores Públicos de Vivienda y Suelo (AVS).

DYNAMICS OF HOUSING SUPPLY

Construction and renovation activity by public housing companies in Spain has grown moderately after years of stagnation, largely supported by public-private partnerships, public land use, and funding from EU Recovery and Resilience Facility.

Local housing agencies face barriers such as administrative constraints, complex funding rules, and ageing building stock requiring extensive work. Overall, both construction and

renovation activities show positive momentum but remain insufficient to close Spain's structural housing and energy performance gaps.

HOUSING NEEDS TODAY

Spain faces a structural housing deficit caused by over a decade of limited construction after the 2008 real estate crisis, compounded by rising costs, labor shortages, and population growth.

The Bank of Spain estimates that 1.2 million new homes will be needed by 2030—800,000 affordable and 400,000 social units—to meet both current and past unmet demand. The shortage is most severe in major metropolitan areas, where alternative uses such as tourist rentals and foreign purchases further reduce available housing.

Currently between 180,000 and 250,000 households are estimated to be on waiting lists for social housing, with waiting times of up to five years in large cities. Public programs led by the Ministry of Housing and Urban Agenda (MITMA) aim to add around 300,000 social or affordable rental units by 2030, supported by €4 billion in investment, though targets are fragmented across regions.

Another issue in housing is the high number of vacant dwellings and seasonal or holiday homes. Vacant dwellings account for almost 15% of the total housing stock, and when seasonal or holiday homes are included, this share rises to over 25%.¹

RECENT DEVELOPMENTS IN HOUSING

Since 2022, Spain has significantly increased public housing funding, mainly through the European Recovery and Resilience

1 https://webfs.oecd.org/Els-com/Affordable_Housing_Database/HM1-1-Housing-stock-and-construction.pdf

Facility (RRF) and new State Budget allocations. The Ministry of Housing and Urban Agenda's budget rose from around €3 billion in 2022 to over €7 billion in 2025, focusing on energy-efficient rehabilitation, affordable rental and social housing, and rental assistance for young and vulnerable groups.

Regional and local governments also manage a large share of these resources, though investment levels vary widely across regions. However, much of this funding relies on temporary European funds that will expire by 2026–2027, making sustainability uncertain. Despite the recent surge, Spain's public housing expenditure remains below the EU average, at under 0.4% of GDP. The key challenge ahead is to convert these temporary boosts into a permanent, stable financing framework for social and affordable housing.

Besides funding, in recent years Spain has introduced major legislative and regulatory reforms—such as the 2023 Housing Law, rent controls, tourist rental regulation, and fiscal and urban planning changes—aimed at rebalancing the housing market and reinforcing the public role of housing.

These measures include rent caps in stressed areas, stricter mortgage rules, new taxes on vacant homes, and faster planning procedures to promote social and cooperative housing. A national register for tourist rentals seeks to limit conversions of residential homes into short-term accommodations, freeing more units for long-term residents. Energy efficiency and sustainability requirements, supported by EU funds, are also reshaping housing standards.

While these reforms create new opportunities, their success depends on coordination among national, regional, and local authorities and on stable, long-term financing beyond EU funds.

POLICY GUIDELINES FOR PUBLIC, COOPERATIVE, AND SOCIAL HOUSING



- ➔ Spain needs a more coherent and stable national framework that aligns housing, land, energy, and territorial cohesion policies, providing public managers with stronger coordination tools and long-term planning capacity.
- ➔ Expanding public housing supply must go hand in hand with quality management, adequate funding, and efforts to ensure social housing promotes integration and cohesion.
- ➔ Currently, financing for social and affordable housing remains fragmented, short-term, and heavily dependent on regional implementation. To build a stronger and more sustainable sector, Spain requires a national investment framework that guarantees continuous funding for construction, renovation, and management.
- ➔ Access to low-interest loans and targeted fiscal incentives would further enhance the financial stability and long-term viability of public, social, and cooperative housing providers.
- ➔ Need to tackle restricted land available and complex bureaucratic procedures.

THE EU'S ROLE IN BETTER SUPPORTING THE SECTOR

Albeit indirectly, the European Union has increasingly influenced housing outcomes in Spain, with regards to financial, environmental, and social aspects.

EU support, mainly via recovery and cohesion funds, has focused on energy efficiency and temporary investments, highlighting the need for long-term financial instruments to expand affordable housing stock.

- ➔ According to the Association of Public Housing Providers (AVS), the EU could strengthen national and local frameworks by:
 - ➔ Providing a reference framework with common targets for affordable and social housing.
 - ➔ Providing stable EU financing to build permanent public housing, not just fund rehabilitation.
 - ➔ Supporting knowledge exchange and cooperation among public, social, and cooperative housing providers.
 - ➔ Recognising housing as essential social infrastructure to allow more flexible use of EU funds.
 - ➔ Promoting common quality standards to professionalise the management of public and social housing.
 - ➔ Integrating climate, social inclusion, and employment considerations into housing policy is also crucial for sustainable development.

