

CZECHIA

PREPARED BY Metropolitan Research Institute
PRIMARY AUTHOR Eszter Somogyi; Sára Aradi
DATE 06-October-2025
SERIES Social and Public Housing in the EU & UK

PARTNER ORGANISATIONS



THIS RESEARCH HAS BEEN
FUNDED BY



An Roinn Tithíochta,
Rialtais Áitiúil agus Oidhreachta
Department of Housing,
Local Government and Heritage

The views expressed in this paper are those of the authors and they should not be regarded as an official position of the Department of Housing, Local Government, and Heritage.

Table 1: Housing stock in Czechia, by ownership category

Tenure	# of Dwellings	% of total
Public housing*	221,882	5.0
Other rental ¹	668,920	14.9
Housing cooperative	140,821	3.1
Owner-occupiers	2,717,073	60.6
Free use**	260,225	5.8
Other usage**	133,474	3.0
Unknown***	337,744	7.5
Total	4,480,139	

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 phenomenon in former socialist countries.

Origins and brief historical overview

During the state socialist era (1948-1989), Czechoslovakia nationalised a large share of the housing stock and introduced a state-controlled distribution system. In addition, the state launched large-scale housing construction programs, both state-owned and cooperative housing. Although, this only partially alleviated the post-war housing crisis.²

The majority of the housing stock was owned directly by the state or by entities affiliated with the state. The housing encompassed various tenure types—rental and cooperative, but the whole housing sector, including the owner-occupied stock was tightly controlled by the state in terms of investment, standards, costs, and pricing. There was no distinct 'social housing sector', as housing was universally subsidised, eliminating the need for formal housing assistance. Since the informal housing market was not officially recognised, no income-based support measures were implemented. The 'public housing sector' included 'enterprise housing', managed by state-owned companies for their workers; 'council housing', controlled by local governments; and 'shared-control housing', where enterprises and councils jointly managed homes. Some housing was tied to specific jobs (e.g., military, police, railway workers), and tenants generally had strong rights, including the ability to inherit or exchange leases, except in tied accommodations, where rights were more restricted.³ By 1990, the owner-occupied

¹ The Ministry of Regional Development (MMR) analysed the Census and the EU SILC data on rental housing more in depth. They found that there are 720 thousand private rental units in 2021, out of which 78% (565 thousand) is owned by private individuals, 13% (115 thousand) by legal entities (e.g., large corporate landlords). This makes Czechia the only former socialist country where institutional investors are present in a significant way in the private rental sector. Almost half of this stock is owned by one company (Heimstaden CPI). See: Ministerstvo pro Místní rozvoj ČR: Nájemní bydlení v Česku. (Rental housing in Czechia). <https://mmr.gov.cz/getattachment/f9f64324-2264-4e00-9d16-518faa0b02cf/Data-brief.pdf.aspx?lang=cs-CZ&ext=.pdf>

² Holečková, M. (2022). On Cooperative Housing in Socialist Czechoslovakia, 1959-1970. *Architektúra & urbanizmus* 56(3-4). <https://doi.org/10.31577/archandurb.2022.56.3-4.5>.

³ Hegedűs, J. Lux, M. & Teller, N. (2013). *Social Housing in Transition Countries*. London: Routledge.

sector was 38%, public rental 39% and the cooperative sector formed 19% of the total stock.⁴

After the change of regime in 1989, the processes of privatisation had a huge impact on the housing situation in Czechia. First, as a result of decentralisation, the previously state-owned housing stock was transferred to municipalities. In the Czech Republic, unlike other transition countries, there was no national ‘right to buy’ policy (tenants were not always able to buy their homes from the municipality at a discounted price), and municipal governments had authority over privatisation decisions. As a result, the privatisation process was much slower than elsewhere and the public housing sector remained somewhat more significant in size than in other post-socialist nations; making up about 5% of the inhabited housing stock, compared to countries such as Hungary, Romania or Slovakia where it had fallen below 2% by 2022. Municipalities were then free to choose among different forms of housing management for their housing stock.⁵ However, a unique feature of the public housing privatisation was the compulsory in-kind restitution, which meant that the stock that was nationalised after World War II had to be returned to the original owners or their descendants. This resulted in a significantly larger private rental stock (14%) compared to other transition countries.

It is important to mention the quite unique Czech rent-control method for both the public and private sectors, which remained in place until 2012, as a remnant of the previous regime. During the communist period, the state set rental contracts for life, and such contracts could even be inherited. As such, there was absolute security of tenure. At the same time, the rents were not based on market conditions. As such, at the beginning of the new market economy period Czechia had two distinct private rental markets. One where leases were carried over from the previous regime, and another with newer market-based contracts. The older apartments were often badly maintained, as the low rents meant that owners could not, or would not, afford the upkeep. This is what, in large part, eventually prompted reforms.⁶

Before 2015, the Czechia lacked a unified, national social housing system. Instead, public housing was largely decentralised, with municipalities responsible for providing housing supports. Since it was a defining issue in public discourse, in 2015, the Government introduced the ‘Social Housing Policy Strategy 2015-2025’, which aims to address a number of key issues in the sector.

CASE STUDY / KEY POLICY FEATURE

The 2015-2025 Strategy

The Strategy defines three levels of housing: ‘crisis housing’ for immediate needs; ‘social housing’ for vulnerable groups; ‘affordable housing’ for low-income households. It addresses key challenges, such as the high financial burden on some households, discrimination in accessing affordable housing, and inconsistencies in municipal social housing policies. The strategy sets objectives for 2025, including the adoption of new social housing legislation.⁷

This strategy has provided capacity building programmes for municipal housing providers, developed suggestions for local-level social housing policies, and launched schemes for social housing support. However, social housing construction schemes have largely not worked thus

⁴ Lux, M., & Sunega, P. (2017). Social housing in the Czech Republic: change of trend?. *Critical Housing Analysis*, 4(1), 81-89.

⁵ Hegedűs, J. Lux, M. & Teller, N. (2013). *Social Housing in Transition Countries*. London: Routledge

⁶ Ibid.

⁷ Ministry of Labour and Social Affairs (2015). The Social Housing Concept of Czech Republic 2015 – 2025. Prague: Ministry of Labour and Social Affairs.

https://www.mpsv.cz/documents/20142/225517/Koncepcce_socialniho_bydleni_CR_2015-2025.pdf/4f243307-649b-ecf3-a191-3d89d33717c4.

far. This reflects several factors.

For example, they were not accompanied by adequate supports from the state to the municipal level. Given that many municipalities have effectively forgotten how to develop new social housing, focusing solely on upkeep and management of their remaining stock of homes, this was a significant issue. At the same time, there were nominal supports from the agency for social integration to help with the integration of new households into the social housing system.

However, in practice they lacked the actual financial means to really be effective in this regard. This led to a perception from the municipalities that they are not well supported by the State. These design issues have not helped to foster a positive view of new social housing development from the perspective of many Czech municipalities.

The ‘Social Housing Law’ was later rebranded as the ‘Law on Housing Support’. This reflects the abovementioned issues with the roll-out of the 2015-2025 Strategy, which created a negative association with the concept of ‘social’ housing for some important stakeholders. The law⁸ was eventually ratified in May 2025 after several years of intense debate. However, several amendments to the original draft law have arguably weakened the final legislation, mainly by further narrowing target groups for support. The eligible income threshold has been lowered to no more than 1.43 times the subsistence minimum. According to some estimates, this change reduces the number of potential beneficiaries from the originally planned 160,000 to just 24,000 people and excludes a number of vulnerable households from benefitting from priority housing assistance (e.g., single mothers with a school-age child, young adults leaving foster care, or victims of domestic violence).⁹

The law sets out three main pillars aimed at households in need or at risk of losing their housing (exact criteria defined by the law).

- (1) It establishes so-called housing “contact points” in municipalities with extended powers. However, the number of municipalities required to set them up has been reduced from 205 to 115. These contact points assess and verify households’ housing needs and determine how to secure appropriate housing, provide financial support if necessary, and deliver individualised social services to help vulnerable households retain their homes;
- (2) It introduces “housing with a guarantee”, which assures private landlords who rent to vulnerable groups that the state will compensate them if tenants fail to pay rent or utilities, or if they cause damage;
- (3) The law also introduces a state contribution to municipalities that provide housing to those in housing need.

While the Law on Housing Support targets vulnerable groups without adequate and secure housing, the Czech Housing Strategy (2021) identifies measures aimed at expanding affordable housing; e.g., for essential workers such as healthcare staff, teachers, and police. These measures include state contributions for housing construction, support for housing cooperatives, and the use of urban planning tools to promote affordable housing.

In practice, the government has launched the Affordable Housing Program and passed an amendment

⁸ Law on Housing Support: [175/2025 Sb. Zákon o podpoře bydlení](#)

⁹ Za bydlení: Zákon o podpoře bydlení prošel druhým čtením. Pozměňovací návrhy šité horkou jehlou ohrožují jeho funkčnost (The Housing Support Act has passed its second reading. Hot-stitched amendments threaten its functionality). Press release. 6. 3. 2025, Praha. <https://zabydleni.org/tiskove-zpravy/zakon-o-podpore-bydleni-prosel-druhym-ctenim-pozmenovaci-navrhy-site-horkou-jehlou-ohrozujji-jeho-funkcnost>

to the Act on the State Fund for Investment Promotion,¹⁰ which introduced a definition of affordable rental housing. It specifies rent development, target groups, and baseline contract rules that all housing providers (municipal or private) receiving state support must comply with.

These concrete housing policy measures also address the issues highlighted in the European Committee of Social Rights' ruling that Czechia's housing policies violate the European Social Charter. The Committee identified significant issues, including inadequate eviction safeguards, a severe shortage of social housing, and systemic discrimination against Roma families.¹¹

The role of government and other actors in the provision of public housing

The national government plays a critical role in housing policy through various ministries and public bodies. The Ministry of Regional Development (MMR) oversees the housing sector; supporting affordability measures, expanding the public housing stock, and improving quality. It is also responsible for aligning policies with EU standards and managing funding programmes. Additionally, it coordinates the State Investment Support Fund (SFPI), which provides financial and planning assistance for housing projects. Other notable public actors include the Ministry of Labour and Social Affairs (MPSV). It handles housing allowances and specific subsidy schemes for households. It is also responsible for setting eligibility criteria for social housing. Meantime, the Ministry of the Environment administers energy renovation programmes, while the Ministry of Finance establishes tax relief measures and building savings schemes to support homebuyers.

CASE STUDY / KEY POLICY FEATURE

State Investment Support Fund (*Státní fond podpory investic*, SFPI)

The SFPI – formerly the 'State Housing Development Fund' – supports the development of housing in Czechia and the sustainable development of municipalities, cities, and regions. The main pillars of the SFPI's housing policy are ensuring the availability of adequate housing, helping create a stable environment for housing, and supporting the improvement of housing quality. The SFPI therefore aims at regenerating the existing housing stock, reducing the energy consumption of housing, and the construction of new affordable housing. It is currently charged with the implementation of the new 'Affordable Rental Housing Programme';¹² which will be outlined in greater detail later in the chapter.

The current SFPI programmes are aimed at the construction of cost-rental 'affordable' housing, generally for low- and middle-income groups and some key workers. It employs various policy tools, including buy-to-rent schemes (for municipalities to provide public affordable rental housing) and modernisation schemes for complex retrofitting of owner-occupied apartment buildings. The Fund previously supported homeownership, though these programmes were stopped in 2021, with the Fund instead reorientated towards supporting affordable housing.

In 2022, SFPI revenues totalled CZK 1.9 billion (approximately €75 million). This included CZK 650 million from the state budget (approximately €27 million), CZK 350 million in EU funds (approximately €15 million), and CZK 820 million (approximately €35 million) in loan repayments and interest. The SFPI disbursed CZK 1.0 billion in grants (approximately €42 million) and

¹⁰ No. 126/2024 Coll. §11a-e; <https://www.zakonyprolidi.cz/cs/2024-126>

¹¹ FEANTSA (2025). Czech Republic's Housing Policy Violates European Social Charter. <https://www.feantsa.org/en/press-release/2025/01/21/>

¹² This new affordable housing programme has only very recently been approved by the European Commission. See: <https://competition-cases.ec.europa.eu/search?search=SA.106249&caseInstrument=SA&sortField=relevance&sortOrder=DESC>

offered CZK 1.2 billion (approximately €51 million) in loans over the same period.¹³

The governing body of the SFPI is the Fund Committee, chaired by the Minister for Regional Development and made up of representatives from the Ministry of Regional Development, the Ministry of Finance, the Ministry of Industry and Trade and independent experts. A second body, the Fund's 'Supervisory Board', is appointed by the Chamber of Deputies and is responsible for approving the fund's financial statements and overseeing the fund's activities.¹⁴

Finally, the 'State Environmental Fund' secures EU funding for housing modernisation efforts. While national institutions play a leading role in housing policy, local governments are primarily responsible for housing provision and social housing. However, the absence of a comprehensive municipal policy framework presents challenges in effectively addressing housing needs.¹⁵

In addition to governmental entities – including municipalities – other stakeholders can participate in the affordable housing system. For example, the Affordable Housing Programme, launched in 2024, offers preferential loans for housing development not only to municipalities, but also to non-profit organisations (such as NGOs or church-based bodies) and private companies. In return, the government requires the rent charged to be at a 'discounted' rate, with homes provided to individuals who meet specific criteria and are in need of social housing.¹⁶

NGOs (including those linked to churches) play two roles related to social housing. Firstly, they provide social services (counselling, information, social work) for disadvantaged households while assisting them to receive housing allowance and other benefits and find housing in the private rental market (or municipal housing). The other role is as a social landlord, as some of the NGOs own some dwellings, or they take over the management of some apartments from private landlords. Housing 'provision' is overall, though, less common than housing 'counselling'.

An example of a successful cooperation of the public and the private sector is the 'Municipal Rental Agency' of Prague (*Mestská Najemní Agentura - MNA*), which manages private apartments and leases them to individuals who would otherwise struggle to find housing on the private market. Established as a pilot in 2021, the Social Rental Agency became a permanent city service in 2024. MNA sets rents at 70-80% of market rates, provides maintenance, and ensures landlords receive timely payments regardless of tenant delays. It assists tenants in financial difficulty, often partnering with social workers to support them.

The financing of social housing, and public housing supports

When discussing the financing of social or affordable housing in Czechia, there are two current programmes to be aware of:

1. Integrated Regional Operational Programme (IROP)
2. Affordable Rental Housing' programme (*formerly 'Construction for Municipalities' programme*)

Integrated Regional Operational Programme (IROP)

There are no official aggregate data on the scope and financing structure of public housing related investments. This is because municipalities have complete autonomy to manage the delivery of new

¹³ SFPI. (2023). 2022 Annual Report and Financial Statements for 2022, <https://sfpi.cz/vyrocnizpravy/>

¹⁴ OECD. (2024). Optimising Public Infrastructure Investments in Czechia.

¹⁵ Földi, "Country fiche: Czech Republic".

¹⁶ See: <https://competition-cases.ec.europa.eu/search?search=SA.106249&caseInstrument=SA&sortField=relevance&sortOrder=DESC>

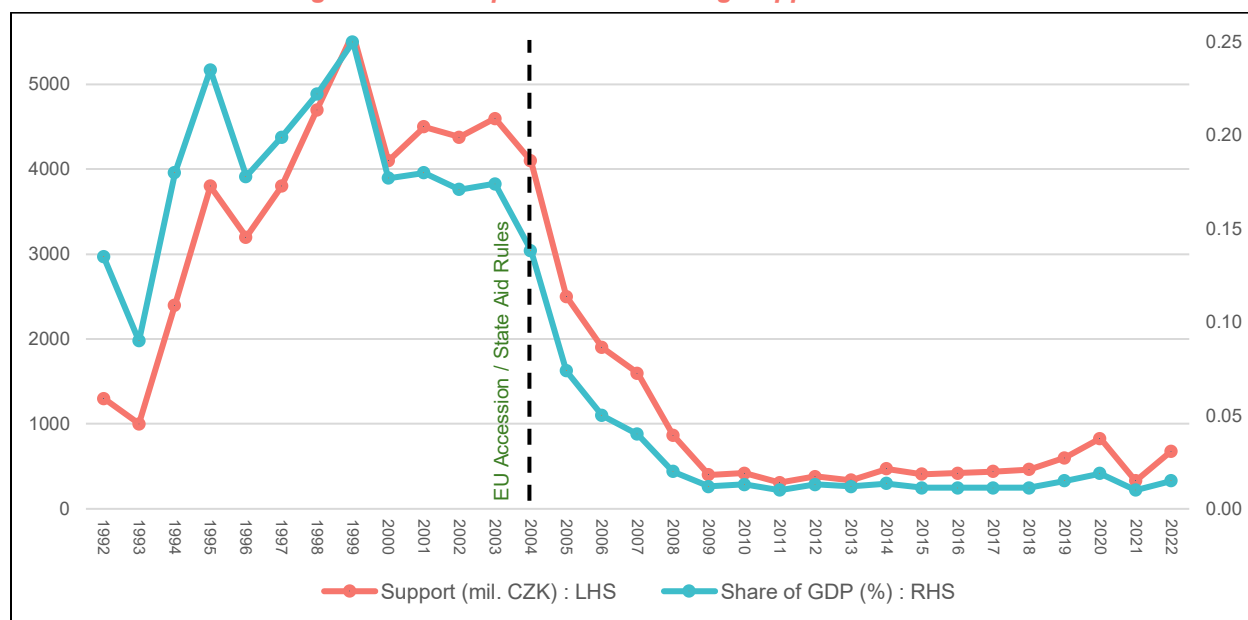
public housing and central government does not require them to submit annual reports. Although, given that it is assumed that most funds for municipal social housing development come from the so-called 'Integrated Regional Operational Programme' (IROP), which relies on the European Regional Development Fund (ERDF), we can still provide some sense of the likely scale of these investments.

In the 2014-2020 funding period, the IROP made available CZK 2.32 billion (€87mn)¹⁷ for social housing development by municipalities. This helped to support the development of 2,038 homes. In the current funding window (2021-2027), as of February 2025, the IROP had successfully provided funding to 42 projects, for a total of 424 million CZK (€17 million)¹⁸, for 197 social apartments.

It should be noted that the IROP, which is run by the MMR, is the mechanism by which several EU funding sources, of which the ERDF is just one, are aggregated and then disbursed. With regard to public social housing, it covered 70-85% of the project costs, with the remainder to be covered by the municipalities from their own funds. However, available IROP funds were substantially underused in the last programming period, as the conditions were not favourable. For example, the construction costs were capped at a level that did not reflect the real costs of delivery, and several kinds of costs were not eligible (e.g. the basic equipment in the apartment). This was in addition to the aforementioned issues with regard to capacity building for municipalities.

In the new programming period of 2021-2027, the IROP has made available CZK 1.9 billion (around €76 million) in two public calls to fund social housing projects. As before, the state support will cover 70-85% of the costs in the form of grants. The second call was announced in January 2024. Of the CZK 1.9 billion that has been made available, as noted above, to date only 424 million CZK has actually been allocated.

Figure 1: Municipal Rental Housing Support in Czechia



Source: MMR; included in a presentation given at the European Parliament in 2025

Note: The authors could not obtain the original data series from the MMR. Thus, the data have been reproduced from a screenshot of the original chart produced by the MMR, assisted by an AI tool and then visually validated by the authors. As such, the values presented above may differ marginally from the actual values.

¹⁷ Currency conversion based on average EUR to CZK exchange rate (2016-2020) of 26.6 CZK. See: Ministry for Regional Development, *Sociální bydlení z IROP: Ministerstvo pro místní rozvoj investuje do důstojného a bezpečného bydlení*. <https://mmr.gov.cz/cs/ostatni/web/novinky/socialni-bydleni-z-irop-ministerstvo-pro-mistni-ro>

¹⁸ Based on an Exchange rate of 1 EUR = 24.8 CZK

Affordable Rental Housing' programme

Separate to the IROP, we need to consider the funding that has been made available by specialist public financing institutions. Since the foundation of the 'State Fund for Housing Development' in 2000 (Act. No. 211/2000) – which is now the SFPI – various schemes have been put in place for municipal housing development. However, it must be noted that the situation with regard to financing was significantly different prior to 2004, when Czechia joined the European Union. Since then, EU State Aid rules have been a complicating factor, which has impeded the smooth flow of public funds into affordable housing provision.

The 'Construction for Municipalities' programme had been running, though not always under the same name, since the 1990; providing subsidised loans and grants to municipalities to build housing. The programme was administered by the SFPI, or its predecessors, from a centralised national pool of funds. The programme was terminated in March 2023 and was replaced by the aforementioned 'Affordable Rental Housing' programme in 2024.¹⁹

The last call of the 'Construction for Municipalities' programme was launched in 2022 by the SFPI; with 23 municipal governments and nine legal entities (e.g., NGOs) receiving funding to develop a total of 474 units. The funding amounted to 1.056 billion CZK (around €40 million), 75% of which was provided as loans with an interest rate of around 3%, the rest was in the form of a subsidy.²⁰

The new 'Affordable Rental Housing' programme – available for municipalities and private actors – was launched in October 2024; ensuring funding for new housing construction, modification of existing buildings, or their extension. The programme allows for loans and grants to be combined. The base level of the grant portion equals 25% of eligible investment costs, and additional grants can be added, bringing the total up to a maximum of 40%. The additional top-up grants are available for things like high levels of energy efficiency in buildings, additional social housing dwellings, student housing, or heritage zone construction. The fixed interest rate of the loan may be based on the EU reference rate set for the Czech Republic, with a possible reduction of up to 3 percentage points. The loan can be secured for a maximum term of 30 years and can be repaid early without penalties.²¹

To further support the Affordable Rental Housing programme the government established the Housing Investment Fund in 2024, investing CZK 1 billion (€40 million) into the fund and negotiating with the private sector (pension funds and real estate investment funds) to invest another billion CZK.²² The Housing Investment Fund is managed by the National Development Investment, a subsidiary of the National Development Bank (NDB).

Other financing channels

Another actor in 'affordable' rental housing space in Czechia is the National Development Bank (*Národní Rozvojová Banka*). The current three investment programs for affordable housing construction are the joint initiative of the state (MMR), the NDB and the SFPI. The NDB takes part in the housing support specifically for the purpose of co-financing investment into projects with the private sector.²³ One of the first schemes published under this programme in the NDB has been a subordinated loan scheme, through which 2.25 billion CZK (c.€90 million) shall be channelled to affordable housing projects. The purpose of the scheme is to leverage in private finance, specifically

¹⁹ <https://www.portalobydleni.cz/ukonceni-programu-vystavba-pro-obce/>

²⁰ Ministry for Regional Development, MMR: Miliardu v programu Nájemní bydlení si žadatelé rozebrali za čtyři měsíce. Vznikne 474 nových bytů, online (16. 10. 2023) available at: <https://mmr.gov.cz/cs/ostatni/web/novinky/mmr-miliardu-v-programu-najemni-bydleni-si-zadatel>

²¹ <https://sfpi.cz/dostupne-bydleni/>

²² <https://www.property-forum.eu/news/czech-state-launches-fund-for-affordable-housing/18920>

²³ See: <https://www.nrb.cz/produkt/dostupne-najemni-bydleni/>

to develop housing for young people, young families under 35, or people of retirement age without their own home. So-called “necessary professions” – such as doctors, nurses, firefighters, police officers, teachers, social workers – should also benefit.

It is theoretically possible for municipalities to fund new construction themselves, from their available local resources. However, this is rare. The example of Pilsen can be considered as one of the few exemptions, as the city, between 2019 and 2022, developed 179 apartments²⁴ exclusively from the budget of the municipality amounting to 369.3 million CZK (c.€14 million²⁵). Another example is Brno, where the municipality is building an affordable cooperative housing project, using primarily commercial bank financing.²⁶

Other public housing supports

In 2022, the Czech government allocated CZK 10.36 billion (0.17% of GDP) to housing allowances (*příspěvek na bydlení*), which help low-income households cover rent and other housing costs.²⁷ If housing expenses exceed 30% of a household’s net income (35% in Prague), they may qualify. For those in severe financial distress, a housing supplement (*doplatek na bydlení*) provides additional aid. Extraordinary immediate assistance (*mimořádná okamžitá pomoc*) offers emergency support to prevent homelessness. These benefits are managed by the Labour Office (*Úřad práce ČR*) under the Ministry of Labour and Social Affairs (MPSV).

One final issue that should be considered is ‘land’. In case of new social housing construction, the land already has to be in the ownership of the future housing provider (e.g., municipality or NGO). The cost of purchasing plots is not ‘eligible’ in any of the supported housing schemes. However, as analysis by the OECD has revealed,²⁸ most of the municipalities, particularly in bigger cities, face the problem of scarcity of land suitable for housing construction. To overcome this bottleneck, the Ministry of Finance has identified around 200 plots that can be used for affordable housing developments,²⁹ out of which the government set aside 100 state owned plots at the beginning of 2024 that can be transferred to cities and towns free of charge.³⁰

Accessing social housing

Municipalities enjoy significant freedom to determine the eligibility conditions for access to the municipal housing stock they own, meaning it is in many cases not confined only to those on low-incomes. However, recent policymaking has aimed at standardising the criteria applied by municipalities to allocate housing, which is a challenge due to the longstanding principle of municipal autonomy.³¹ For example, according to the new legislation if a municipality receives state funding for affordable housing construction then it has to comply with specific rent, tenant selection and contracting rules.

²⁴ See: <https://plzen.eu/o-meste/aktuality/aktuality-z-mesta/plzen-postavila-18-bytovych-domu-se-179-byty-v-lokalite-zatasi-pripravuje-plochy-pro-dalsi-stovky-bytu/>

²⁵ Based on average EUR to CZK interest rate during the 2019-2022 period of 25.6

²⁶ Bytové družstvo Kamenný vrch II, <https://bdkamennyvrch.cz/>

²⁷ OECD Affordable Housing Database - Table PH 3.1 A2.

²⁸ OECD. (2021). Housing Affordability in Cities in the Czech Republic. Paris: OECD Publishing.

²⁹ The Prime (2024, 28 May). Government rolls out affordable housing program. Accessed at:

<https://theprime.cz/news/government-rolls-out-affordable-housing-program/>

³⁰ MMR (2023, 7 February). Press Release – ‘Dobrá zpráva pro obce. Získají pozemky na výstavbu dostupných bytů. MMR dá na přípravu projektů až 1,6 miliardy korun’ [Good news for municipalities. They will receive land for the construction of affordable housing. The Ministry of Regional Development will provide up to 1.6 billion crowns for the preparation of projects]

³¹ Földi, “Country fiche: Czech Republic”.

According to the ‘Law on Housing Support’ a household in housing need is one who is either without suitable housing or at risk of losing suitable housing or whose household income is lower than the 1.43 times the minimum subsistence (*životní minimum*) after the deduction of housing costs.³² Also, particularly vulnerable people are defined (e.g. a person receiving a retirement pension, a person caring for a minor). These people should be eligible for a short-term (2-years with a possible extension of another two years, and for some groups even of an open-ended) contract in social rental housing.³³

The involvement of municipalities in the social housing system is voluntary. The ‘Social Housing Strategy’ defined the allocation process of social housing as follows: if the municipality is involved, it can take a social survey on the applicant household’s living condition and assess whether the applicant meets the eligibility criteria of social housing. Based on the result of the assessment, the municipality decides on the form of assistance and provides a home (within 24 months). If the municipality is not involved, the local welfare office assesses the entitlement to enter the system. In that case, the ‘SFPI’ provides housing (within 36 months).³⁴ However, since the law has been approved only recently, this system will be only enforced in the near future.

CASE STUDY / KEY POLICY FEATURE

Eligibility under new government funding programmes

The programmes that supported social and affordable housing construction and renovation defined their target groups according to the Social Housing Strategy and the related draft law. Thus, families with children, elderly people and key-workers have been in the focus of the social housing investments. Some of the calls targeted specific groups such as elderlies by building retirement care homes, others targeted people with disabilities by creating barrier free homes.³⁵

From 2024 September there was launched the so-called ‘Affordable Rental Housing Programme’ which targets four groups of potential tenants of social rented housing:

- Persons who are under the top 20% income bracket, as long as they do not own residential property;
- Those under 35 who are not in the top 10% income bracket;
- Workers who are working in different essential industries, such as health, police or social workers and others;
- Victims of domestic violence.

Even prior to the new legislation, some municipalities had already started to introduce more transparent and targeted systems to allocate public housing based on the severity of housing needs of the applicants. For example, in September 2023, Prague's city council approved new housing allocation rules, introducing five eligibility categories: seniors, individuals with disabilities, those in social distress, essential professionals, and young families. The Prague Social Services Centre (CSSP) will manage allocations, retaining a points system specifically for applicants in social distress. In spite of these changes, the decision faced criticism from non-governmental organisations and

³² The minimum subsistence varies periodically, based on changes in living expenses in Czechia. For more information, see: <https://www.mpsv.cz/zivotni-a-existencni-minimum>

³³ Lux, M. & Sunega, P. (2017). Social Housing in the Czech Republic: the Change of a Trend? *Critical Housing Analysis* 1(4), 81-89. <https://doi.org/10.13060/23362839.2017.4.1.327>.

³⁴ Glumbíková, “Czech Social Housing Strategy”

³⁵ Ministry of Regional Development (2020). Housing support. <https://portal.gov.cz/en/informace/housing-support-INF-196>. Retrieved: 27/01/2025.

political parties, who argue that the new rules are opaque and may exclude the most vulnerable.³⁶

One of the criticisms of the new legislation (during the draft stage) was that the social housing structure outlined in it was not sufficiently sustainable. A four-year limit on social housing is often unrealistic, as this period is usually too short for households to significantly improve their financial situation. Since social housing rents are much lower than market rates, tenants may have an incentive to maintain their low-income status to remain eligible. Additionally, municipalities are unlikely to evict low-income households simply because their contract term ends. As a result, the actual duration of social rental contracts will likely be much longer than initially intended.

Finally, with regard to the rent setting in Czech public housing, the method and process for setting rents varies from one municipality to another, and there are no data on the rent level of municipal housing. At the same time, it is known that at least part of the existing stock of municipally-owned homes are offered at, or very close to, market rents. It is also the case that allocations are not always made to those in the greatest need. Again, this reflects the very strong level of municipal autonomy on public housing. There are 6,258 municipalities in the Czech Republic. However, as already alluded to, the new investment programmes (e.g., SFPI) can bring changes in this respect, as if the municipality wants to avail of public funding, they must agree to adhere to certain restrictions around eligibility and allocations. Such criteria will be determined by the provider of funding, and will vary from funding programme to funding programme.

Developing new social housing and meeting targets

When it comes to the actual delivery of new public housing projects, the main providers remain the municipalities. In addition, non-profit civil society and church-based organisations also provide housing, however the size of the non-profit housing sector that they oversee is very small, as their main profile is providing social services and counselling to low-income households.

Regarding the management of municipal housing, somewhat less than a quarter of the municipalities (especially in the larger cities) contract this out to commercial companies. Although, more than 60% do manage their housing stock themselves, within their administrative structure and using their own personnel.

Private landlords do not run social housing schemes, although they can house low income and even vulnerable households on market rents, if the latter are entitled to housing allowances. Moreover, a part of the private rental housing still falls under the category of “controlled rent”, which means that rents are tightly regulated. A part of this stock is owned by institutional landlords.

However, in the future, institutional private landlords may enter into the affordable housing sector as the government launched such a programme in 2024 (Affordable Rental Housing Program). As it was described, private investors are also entitled to participate in the programme if they collaborate with municipalities and adhere to social rents. As of April 2025, 142 proposals had been submitted as part of the programme; 101 by municipalities, 39 by private investors, and 2 by other applicants.³⁷

A new player in the housing market is ‘Dostupné Bydlení České Spořitelny’ (DBCS), a subsidiary of the bank České Spořitelny belonging to Central European Erste group, which constructs new apartments and rents them out at a price 20% lower than the market rate. Target groups are public sector employees, such as nurses, doctors, teachers, police officers, and firefighters, who are also

³⁶ Czech Daily (2023). Prague Approves New Rules for Social Housing, Despite Criticism. [czechdaily.cz, https://czechdaily.cz/prague-approves-new-rules-for-social-housing-despite-criticism/](https://czechdaily.cz/prague-approves-new-rules-for-social-housing-despite-criticism/).

³⁷ See: [Ministerstvo pro místní rozvoj ČR - Program Dostupné nájemní bydlení půl roku od spuštění – 142 žádostí za téměř 8 miliard korun](#)

employed by partner organisations, which are municipalities and other public institutions. Although DBCS owns the apartments, the selection of tenants is exclusively decided by its partners.³⁸

Relatively little is known about the actual annual change in the stock of municipal housing in Czechia. In 2023, the Ministry of Regional Development (MMR) carried out some research, with 242 municipalities responding to a questionnaire.³⁹ According to the respondents' distribution by region and size of the population, the sample can be considered as representative. Municipalities taking part in the survey own altogether almost 150,000 housing units. The survey found that

- only 84 municipalities built dwellings since 2015 (a total of 2,010 new homes), which means that only 35% of the surveyed municipalities have recent experience with construction;
- the size of the projects varied greatly, from smaller projects up to 20 units to larger housing blocks of 100-500 units. Most commonly municipalities constructed housing with “normal rent”, then social housing distributed to households in housing need, while elderly housing was the third most frequent form of investments;
- during the same period municipalities renovated or reconstructed 7,600 flats corresponding to around 5% of their stock;
- Around 70% of the municipalities were interested in further investment in social and affordable housing in the upcoming years;
- In total, the responding municipalities wished to expand their stock by 14,000 units.

Additional research⁴⁰ conducted by the NGO *Platforma pro Sociální Býdlení* in 2021 examined the social housing projects funded by the IROP in the 2014-2020 period. The research found that altogether 375 projects were approved with a total 2,350 flats, out of which 1,058 were completed by 2021, with others still under development. Almost three-quarter of the flats were built, reconstructed or purchased by municipalities, while NGOs built/renovated 513 flats and churches and church-based organisations built/renovated 75 flats.

As already mentioned, the last call of the Construction for Municipalities Program resulted in the construction or refurbishment of 474 new apartments, most of which will be completed in 2025.⁴¹ The 142 submitted and approved proposals for the Affordable Rental Housing programme aim to build more than 2,000 apartments at a cost of almost 8 billion CZK (€318m), of which 3 billion CZK (€119m) is in the form of a subsidy. As for the DBSC scheme, 5 projects are under construction, with a total of 694 units. The projects will be completed in 2025 and 2026.⁴²

Some large Czech cities have public companies dedicated to managing development projects, including housing. Although, the actual construction is carried out by companies contracted through public procurement. Prague, for example, established the Prague Development Company (PDS) in 2020 to evaluate the real estate assets of the city and prepare projects with a main focus on expanding the city's housing stock. The city transferred the management of 800,000 sqm of land to PDS in order to develop 6,000-8,000 units by 2030. The company submitted the documentation of six municipal rental housing projects with a total of 450 apartments for building permission in June 2024. One of the locations also includes the development of a kindergarten. The cost of the investments amounts to

³⁸ See: <https://www.dostupnebydlenics.cz/cs/o-nas>

³⁹ Výsledky šetření „obecní bydlení“ (Results of the survey "Municipal Housing"). Zpracovatel: Odbor strategií a analýz regionální politiky a politiky bydlení Ministerstvo pro místní rozvoj Listopad 2023, Praha. (Prepared by: Department of Strategies and Analyses of Regional and Housing Policy Ministry of Regional Development November 2023, Prague) <https://mmr.gov.cz/cs/ministerstvo/bytova-politika/archiv-do-2024/publikace-a-analyzy/analyzy-a-odborne-texty-z-oblasti-bydleni>

⁴⁰ See: *Sociální bydlení v ČR (2021)* <https://socialnibydeni.org/publikace/aukni-katalog-test>

⁴¹ See: <https://mmr.gov.cz/cs/ostatni/web/novinky/mmr-miliardu-v-programu-najemni-bydleni-si-zadatel>

⁴² See: <https://www.dostupnebydlenics.cz/cs/projekty>

CZK 2 billion (€79m). The primary target groups will be key-workers, and vulnerable groups such as seniors and single-parent families.

Finally, we should also consider the actual scale of the need for affordable housing in the Czech Republic. Based on one independent assessment, there are around 160,000 people with a current compelling need for public housing or other similar supports.

Table 2: Number of persons and households in housing need, 2023

	Number of households	Number of persons
A. Without roof	11,500	12,000
B. Without apartment	24,100	31,900
C. Insecure housing	23,500	66,500
D. Unsatisfactory housing	12,000	50,500
Total	71,100	160,900

Source: *Housing Exclusion Report 2024*⁴³

However, in this context, no official national targets have been set for public housing construction or the expansion of social and affordable housing in official documents or strategies. At the local level, however, some municipalities, such as Prague and Pilsen, have already defined mid- or long-term targets. However, municipalities are legally not bound to achieve any delivery targets; they are currently completely free to determine their own policies in terms of the size and the method of allocation of their stock.

Integration with social and urban policy

Generally speaking, the cooperation and communication between municipal housing managers and the social department and/or social service institution of a given municipality is weak. The situation is even more complicated in big cities, where there is a two-tier municipal system (e.g. Prague, Brno, Ostrava). District-level authorities own most of the public housing, while the larger city-level policymakers have considerably fewer. This means that local municipal housing sectors are fragmented in large urban areas, where demand tends to be greatest.

However, in the last decade there have been several initiatives to better integrate housing and social services. These initiatives came first from the non-profit sector, NGOs and advocacy groups working with marginalised households with severe housing needs, and were later supported by the MPSV and incorporated into EU-funded programmes. The Agency for Social Inclusion (*Agentura pro sociální začleňování*, ASI) was set up in 2007, originally under the Office of the Government, now under the MMR, and since then it has been assisting municipalities in preparing and implementing development strategies and projects in the field of public services and spatial development to ensure the inclusion of socially excluded people, among them Roma.

A European Social Fund (ESF) project launched in 2017 supported 16 municipalities in the development of their local housing concept, and new ways of allocating and managing public housing.⁴⁴ The City of Brno is an example of the result of the ESF programme. It prepared the Strategic

⁴³ Česko na křižovatce Zpráva o vyloučení z bydlení 2024. Authors: Mgr. Klusacek, Jan, Prof. Mgr. Sona Kalenda Vavrova, Phd. Za bydlení, Za Ostravskou univerzitu. Funded by OP JAK. https://cdn.prod.website-files.com/5ef4ac1cc5dd69384a10c66e/67051b21b2774f44ad64218a_zprava2024_compr.pdf

⁴⁴ Mikulec, M., & Glumbíková, K. (2025). Výzkumná zpráva C: Vyhodnocení dopadů, procesů a limitů místních systémů sociálního bydlení v obcích spolupracujících s MPSV i ve srovnávacím vzorku obcí a jejich následná komparace [Evaluation of the impacts, processes, and limitations of local social housing systems in municipalities cooperating with the Ministry of Labor and Social Affairs and in a comparative sample of municipalities, and their subsequent comparison]. Prague: Ministry of Labor and Social Affairs.

Plan for Social Inclusion in 2016, which also defined the local system to end housing distress, with important contributions from the MPSV, the *Platforma pro Sociální Bydlení* and several local NGOs. The new approach linked social housing provision with measures in other areas, such as employment, debt and social services. The city launched the project of “Pilot Testing of Rapid Re-Housing of Families with Children” in the same year with state funds. The project adopted the method of ‘Housing First’, providing comprehensive social support for the families without any preconditions. The evaluation carried out 12 months after the start of the project found that 48 families were able to retain their housing.⁴⁵

Based on the positive results in Brno, the MPSV launched a call in 2019 to support the implementation of Housing First programs in the country. Thirteen implementers carried out 16 projects (among them Brno as well) and housed 215 households while providing intense social support for the households (families and individuals). The project implementers were both municipalities and NGOs. Municipalities used IROP funding to renovate their apartments which were then used for programmes including Housing First.⁴⁶

Another important, partly social housing related measure, has been the establishment of Housing Contact Points (KMB)⁴⁷ with funding from the EU, via the European Social Fund. The contact points give consultation to anyone who is in any kind of housing difficulties. The main focus is to prevent housing loss and to facilitate the access to standard housing for those who are in housing need. The social counsellors assess the problems of households and support them through the often confusing system of public supports. If needed they provide debt counselling and assist to find rental housing on the market. As of the beginning of 2025, 28 KMBs were in operation, most of them operated by municipalities within their social or housing service departments, but a few KMBs are run by NGOs.

In Prague, the city municipality initiated a systematic solution to end homelessness for families with children and seniors residing in private hostels and related to its housing stock it adopted new transparent rules for allocating social housing by prioritising those who are most in need. The social tenants receive individually tailored social services. They can choose their service providers from about 20 NGOs. In addition, a guarantee fund to support deposit and rent payment and an emergency fund to cover unexpected costs was created. The longer term aim of the City Municipality is to create a coordinated system for the municipal housing policies among the districts.⁴⁸

Two other aspects of social policy that must be mentioned are the recent arrivals to the country from Ukraine, as well as the long-established issue of adequate housing for the Roma population. Ukrainian refugees, who have been coming to the Czechia since the war began, have been supported with municipal rented housing and publicly funded humanitarian shelters.⁴⁹ However, after September 2024, these kinds of options were not available anymore. As a consequence, refugees had to find their own housing. To try and manage this process, the government has extended housing assistance

⁴⁵ Platforma pro sociální bydlení. (2022). Sociální bydlení v České republice: Zpráva pro Zastoupení Evropské komise v ČR. https://socialnibydeni.org/wp-content/uploads/2022/11/Socialni-bydleni-v-CR_final.pdf

⁴⁶ Platforma pro sociální bydlení. (2021). MAPA 2020 E4: Výsledky výzvy MPSV na podporu Housing First. <https://socialnibydeni.org/wp-content/uploads/2021/02/MAPA-2020-E4.pdf>

⁴⁷ Ministry of Labour and Social Affairs. (2025, September 18). *Housing contact points*. <https://socialnibydeni.mpsv.cz/socialni-bydleni/temata/kontaktni-mista-pro-bydleni>

⁴⁸ Platforma pro sociální bydlení. (2022).

⁴⁹ European Website on Integration (2022). Voice of Ukrainians in the Czech Republic: refugees' experience of living in the Czech Republic and their prospects for the future. https://migrant-integration.ec.europa.eu/library-document/voice-ukrainians-czech-republic-refugees-experience-living-czech-republic-and_en

to Ukrainian refugees.⁵⁰

With regard to Roma families. The *Czech Republic National Roma Strategic Framework: 2021-2030* refers to the Roma people as “*particularly exposed*” to housing issues. There are several reasons for this problem: first of all, they are overrepresented in low-income households, and secondly, they are severely discriminated against in the housing market. This is why special awareness is needed, even if Roma are not the primary target of social housing structures.⁵¹

The aforementioned collective complaint taken to the European Commission specifically mentioned discrimination against Roma people, which it is noted are disadvantaged in accessing social housing in the Czech Republic and may be at greater risk of segregation and eviction. Following FEANTSA's actions, the European Commission confirmed in 2024 that Czech housing policy violates the European Social Charter.⁵²

Turning to the issue of ‘placemaking’ and public housing, including urban regeneration, after the period of mass housing privatisation, the majority of areas with high concentrations of public housing were the so called ‘socially excluded localities’ (*sociálně vyloučené lokality*, SVLs), characterised by poverty, social exclusion and poor housing conditions. However, not all SVLs are comprised of public housing. Measures related to the social inclusion in SVLs can be funded from the IROP and other schemes (e.g., ESF), such as social, education and employment programs and investments in social infrastructure.

As the MMR and MPSV want to avoid the further strengthening of segregation, new social housing construction in these areas is usually not funded, with a desire to rather promote the development of new social housing outside SVLs. Thus, IROP development projects aiming at the social inclusion of SVLs allowed relatively limited options for housing development in these areas.⁵³ However, in some projects social housing was renovated in SVLs, because there were no available flats elsewhere or the municipalities were unable to relocate families. This highlights the fact that many municipalities do not want to engage in projects that aim to spatially integrate marginalised people, with SVLs having, for example, higher than average numbers of Roma.

Additional local context and conclusions

The housing system in the Czechia shares many similarities with those of other former socialist countries, but there are also some important differences. Due to ‘restitution’ (i.e., returning forcibly nationalised housing to their owners), the private rental sector was already significant in the early 1990s. Rent controls are still in place for old contracts, gradually approaching market rent levels, but different rules apply to rent increases for these contracts compared to private rental agreements signed after 1993. Related to this is another important feature of the Czech housing system, namely its extensive and significant housing allowance system, which perhaps makes renting in the private market more accessible for lower-income groups.

The public housing sector in Czechia is provided by municipalities. However, a significant difference to other countries in the region is that a large part of this sector is not rented out on a ‘social’ basis.

⁵⁰ European Website on Integration (2024). Czech Republic: Housing support increased for people displaced from Ukraine. https://migrant-integration.ec.europa.eu/news/czech-republic-housing-support-increased-people-displaced-ukraine_en

⁵¹ Government Council of Human Rights (2021). Czech's Republic National Roma Strategic Framework 2021 - 2030. https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/combating-discrimination/roma-eu/roma-equality-inclusion-and-participation-eu-country/czech-republic_en.

⁵² FEANTSA, “Czech Republic's Housing Policy”.

⁵³ MMR. (2017, June 12). Výzva č. 30: Rozvoj sociálních služeb v sociálně vyloučených lokalitách [*Call no. 30: Development of social services in socially excluded localities*].

While rents in the municipal sector are generally somewhat lower than in the private rental market, the allocation and rent setting procedures are highly-localised, and the overall system is not transparent; though recent funding and legislation aim to improve this. Moreover, in major cities the sector is even more fragmented, as it is the district municipalities, and not city municipalities, that own the majority of the public housing. This is the case for example in Prague, Brno, Ostrava and Pilsen.

There is ongoing discrimination against marginalised and vulnerable groups in the private rental and the public housing sectors, which disproportionately affects the Roma population. Discrimination and the lack of a social housing sector have contributed to the fact that many households have been excluded from the standard housing sector, among them families with children and seniors, and many of them reside in private hostels. Residents of private hostels are also eligible for housing allowances, but the state does not monitor the quality of their accommodation. The result is that many hostels are of poor quality. This phenomenon, often referred to as the "poverty business" has sparked efforts by civil society organisations, advocacy groups, and even government ministries to put an end to the practice.

Overall, municipalities and the government have started to show greater interest in social and affordable housing investments, as the housing affordability crisis has deepened. The government launched the Affordable Rental Housing Program to expand the sector; including via the renovation or conversion of existing premises. To fund the program, the government channelled not only EU funds, but also long-term cheap loans from EIB and wants to attract further private investments (e.g. pension funds). At the same time, eligibility for funds to develop social housing are now expanded past the scope of the municipalities, with some NGOs also providing homes; though not yet in great numbers.

With regard to the general view of developing social housing, the MPSV conducted a representative survey on the draft 'Law on Housing Support' (which was significantly altered during the final adoption) asking the public whether they support the provision of standard housing and intensive social work for households in housing need. It was found that the large majority (85%) were in favour of these statutory measures.

However, on a political level the support is more ambiguous. Many groups in Parliament tend to favour restricting the overall level of public support and limiting the eligible target groups; even if they generally support the overall objectives of the scheme. Indeed, these restrictions were reflected in the final legislation. On a municipal level, the support varies according to the political leadership and in larger cities the two-tier housing system creates a fracturing effect, that may make consensus-building more difficult.