



ITALY

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Table 1: Tenure structure of dwellings, Italy (2022)

Ownership type	Number of dwellings	Percentage
Owner-occupied	19,432,745	76.7
Rental	4,306,112	17.0
- Of which: <i>social rental</i>	893,000	3.5
Other	1,607,666	6.3
Total occupied	25,346,523	

Source: ISTAT Population and Housing Census (2022); Nomisma (2024)

Brief historical overview

We can consider the history of social housing in Italy as starting at the beginning of the 20th century, with Law n. 251 of 1903. This set the legal basis for the establishment of public bodies called IACP (*Istituti Autonomi Case Popolari*) across the country. The newly created public bodies were tasked with planning, building, and managing homes for low-income households at the level of municipalities or provinces.

The period of strongest expansion of public housing started in the post-WWII period, supported by the establishment of dedicated state funding programmes.

A large scale national social housing plan ('*Ina-Casa*') was developed in 1949. Its main aims were to spur employment in the construction sector, recapitalise the firms in the sector, and address housing shortages. The fund *Gestione case per i lavoratori* (Gescal) was established in 1963 as the successor of Ina-Casa. It was financed through a compulsory contribution system for employed workers and their employers. About 800,000 dwellings were built in the period 1951-1970.¹

The 1990s marked a significant dis-engagement of the state from housing provision. Sale of public housing to tenants started in 1993 with the adoption of a specific law (560/93) that allowed Regions to establish plans for sale of the housing stock. This has since led to the sale of over 210,000 units. Homes were sold to sitting

tenants at highly discounted prices. As such, sales did not generate enough resources to support meaningful levels of newbuild public housing to replace the homes that were lost.

In 1998, competence for housing policy in Italy was transferred from the national level to the regions and local authorities. Regions re-organised public housing structures into companies with different approaches and active at different levels (provinces or regions). At the same time, the main central fund which used to guarantee a constant flow of resources for public housing (Gescal) was abolished at around the same time. It has not been replaced by a stable funding mechanism since, although a number of programmes have been adopted over time providing *ad hoc* funding—both at national and regional level. However, this means that providers of public housing lack certainty.

Overall, in recent decades public support has rather concentrated on supporting homebuyers through tax benefits and guarantees on mortgage loans. The supply of new public housing has been extremely low, and state support has been limited and focused on leveraging private investment for intermediate/affordable housing projects.

What is meant by social housing?

An official definition of social housing in Italy was provided for the first time in 2008. According to

¹ Poggio, T., & Boreiko, D. (2017). Social housing in Italy: old problems, older vices, and some new virtues?

the ministerial decree of 22 April 2008,² social housing consists of a “*residential unit for permanent use which fulfils the objective of general interest of reducing difficulties faced by disadvantaged individuals and families who cannot access housing for rent at market conditions - thus safeguarding social cohesion...It includes housing units built or rehabilitated by public and private entities, with the help of public subsidies or incentives (such as fiscal incentives, allocation of land, guarantee funds) for rent during at least 8 years or for sale*”.

Despite the rather broad definition, it is important to highlight that in the Italian context the term social housing (*‘edilizia residenziale sociale’*, or ERS) is not frequently used, and when it is it usually refers to the supply of intermediate/affordable housing; typically led by private initiative.

However, a larger sector is that defined as ‘public residential housing’ (*‘Edilizia residenziale pubblica’*, or ERP), commonly known and referred to by the wider public as “peoples’ housing” (*‘case popolari’*).³ It consists of units rented out by public housing companies or municipalities to low-income and vulnerable households.

Financing and supports

A study by Bocconi University⁴ has produced a detailed overview of the ERP business model, based analysis of a sample of 10 public housing companies. Results show that, although with significant variations, rental revenue covers only around 45% of the annual operating costs of public housing companies. This is due to very low rent levels and a persisting problem with rent arrears.⁵ Although, public housing companies can count on (limited) resources from other activities (including management of properties,

letting of commercial premises, the sale of existing stock), they are, overall, largely dependent on public funding.

As the competence for housing policy is essentially devolved to regions and local authorities, funding available for public housing across the country is very diverse and fragmented. However, in general terms the sector suffers from severe under-funding, which has led to a very low level of new supply and problems with maintenance of the existing stock. A recent survey has identified over 66,000 units owned by public housing companies that are currently vacant, but which cannot be let unless they undergo major renovation.⁶

In response to this persisting problem, funds were allocated in 2021 from the Italian Recovery and Resilience Plan (RRF) amounting to €2 billion, which were transferred to the regions to help increase the public housing stock through rehabilitation, energy efficient renovations, and anti-seismic measures (through the ‘Safe, green and social’ plan).

More recently, €1.4 billion from the EU’s RepowerEU initiative have been allocated for the energy efficient renovation of public rental housing. A dedicated fund will offer subsidies of up to 65% of the renovation cost and companies will have to raise the remaining 35% from private finance.

Accessing social housing

Basic preconditions determining the possibility to apply for public rental housing (ERP) include having an income below a predefined ceiling, being a resident in the region for at least three years, and not owning residential property either in Italy or abroad.

² Decreto 22 aprile 2008 ‘Definizione di alloggio sociale ai fini dell’esenzione dall’obbligo di notifica degli aiuti di Stato, ai sensi degli articoli 87 e 88 del Trattato istitutivo della Comunità Europea’. Gazzetta Ufficiale.

³ Housing Europe (2012), Housing Europe Review 2012: The nuts and bolts of European social housing systems

⁴ Saporito, R., & Perobelli, E. (2021). Management dei servizi abitativi pubblici. Gea.

⁵ Public housing companies can offer ERS homes, which have higher rents. However, as the waiting list for ERP is typically long, this rarely happens in practice.

⁶ Nomisma (2024). ‘Osservatorio nazionale ERP 2023’, preliminary findings presented at Federcasa General Assembly on 13 December 2024.

These preliminary criteria are relatively broad. However, and most importantly, regions can set additional criteria to assign points to applicants who are accordingly registered on municipal waiting lists—including, among others, household composition, the presence of people with disabilities or certain medical conditions, and living arrangements including risk of being evicted from current accommodation or living in unsanitary conditions.

Access to affordable/intermediate housing (ERS) is more loosely defined, and selection can occur on a project-by-project basis, depending also on the types of actors involved (whether for instance municipalities or public housing companies play a role and can reserve part of the projects according to their own criteria). The situation is summarised as follows by *Fondazione Housing Sociale*:⁷ the allocation, rents charged and other elements of the projects are not the result of the application of regulations, but are defined with the aim of maximising the benefit to individuals such as young couples, single-income families, students, the elderly, foreigners and others in fragile conditions, but also creating sustainable communities and sustainable investments. For the most part projects are directed to residents with the characteristics foreseen to benefit from the “moderate rent” scheme; as outlined below.

Service delivery

The production of intermediate/affordable housing under the label of ‘social housing’ started with the 2008 Housing Plan, which marked the establishment of private affordable housing in Italy and the entry into the sector of new players; especially dedicated banking foundations such as *Fondazione Housing Sociale*.

The 2008 Plan also led to the creation of a new financing platform with a multi-stakeholder structure: it consists of a national fund (FIA, to the value of €2 billion, including resources from

the public development bank *Cassa Depositi e Prestiti*, from the Ministry of Infrastructure and Transport, and from other private investors) which contributes to setting up funds at the regional and local level, that are in turn managed by a cluster of dedicated companies.

By 2022, it was estimated that the fund had contributed to 194 projects corresponding to 10,800 social housing units (i.e., ERS) and 4,700 places in temporary housing structures and student accommodation, since 2010. Projects typically include not only affordable rental housing but also units to be sold at market prices and premises for commercial activities.⁸

Furthermore, housing cooperatives have historically been involved—and still are today—in the provision of affordable housing, especially in the form of intermediate rents or affordable home ownership through agreements with the local authorities.

There are also conventions between municipalities and private landlords that guarantee moderate rents in exchange for guarantees and fiscal benefits.

Overall, the precise number of these different types of intermediate/affordable housing, which mainly fall under the category of ‘moderate rent’ schemes, is not known as there is not attempt at data aggregation at the national level.

While there is no official centralised collection of data by government, according to information collected by the research institute Nomisma, the overall stock of public housing in Italy would be around 893,000 dwellings, corresponding to 2.6% of the total housing stock.⁹

The largest share of public housing is provided by the abovementioned public housing companies (formerly called IACP), whose history goes back to the beginning of the 20th century. They act at the local level and manage about 766,000 homes across the country. Together with municipalities, which often also manage a

⁷ Fondazione Housing Sociale
<https://www.fhs.it/frequently-asked-questions/>

⁸ Alberio Giulia, Dal Maso Davide, Melloni Erica, Sevinyan Ani (2022), Primo rapporto sulla performance sociale del social housing in Italia. Avanzi.

⁹ Nomisma (2024)

small housing stock directly, they address the needs of vulnerable and low-income households, many of them elderly, selected by municipalities through a waiting list system.

Rents in public rental housing depend on household incomes. Rents corresponding to the different income levels are set by law. The minimum ERP rent is as low as €34 per month. The actual rents applied by public housing companies amount (on average) to €114 per month for ERP housing, and €263 for non-ERP units. This compares to the average market rent of around €500 per month in Italy, though with very strong regional variances.¹⁰

Overall, the production of new public housing in recent decades has been extremely limited and public housing companies largely focus on management and upkeep of their existing stock.

According to a recent survey among the members of Federcasa (the national association of public housing companies, covering about 84% of all public housing in Italy), only 1,147 new units of public housing were completed in 2023. In addition, only about 16,000 new rental contracts were signed by public housing companies affiliated to Federcasa in 2023. This relates to the low levels of new construction, but also the low level of turnover of tenants in the public housing stock.

Integration with social policy

Due to the very low turnover in public housing, a large share of the stock is currently occupied by elderly people (many of them living alone) who have lived there most of their lives. Looking at new allocations, large households and families with children are prevalent, and over-represented compared to the general population. Furthermore, public housing companies have reported a progressive decline in the average incomes of households who enter the sector.¹¹

Furthermore, the sector is playing an increasingly important role in housing people from migrant backgrounds. Although, the overall share of foreign nationals is still only about 12% in the public housing stock. However, looking at waiting lists foreign nationals represent almost half of those registered.¹²

Overall, there is a clear consensus amongst stakeholders that public housing companies have to cater for an increasingly vulnerable population and diverse needs, and they often do not have the necessary competences and staff to achieve this.¹³ However, there are some examples of public housing companies employing social workers, who are then in charge of liaising with social services and the health sector, as well as dealing with conflict mediation issues.

CASE STUDY / KEY POLICY FEATURE

Tackling vacant public housing in Emilia-Romagna

The Emilia-Romagna Region announced in June 2025 that it is launching a €300 million plan for the redevelopment of its public housing stock. The goal is to tackle vacant public housing in need of renovation. These homes will be targeted at workers on medium and low-to-medium incomes. Of the allocated funds, €200 million will come from a subsidised loan with the European Investment Bank (EIB) and €100 million from regional co-financing.

The measure will be structured around two lines of intervention. The first concerns the approximately 3,500 homes that, according to an initial estimate from the Regional Housing Observatory, are currently vacant because they are in need of renovation. These homes require an average of €30,000 in renovations, which can be completed quickly. The second line of

¹⁰ Ibid.

¹¹ Saporito, R., & Perobelli, E. (2021).

¹² Nomisma (2024).

¹³ Saporito, R., & Perobelli, E. (2021).

intervention involves energy efficiency improvements in inhabited public housing buildings, with the aim of reducing energy poverty, which is an issue for many households.

The EIB loan will be repaid over 30 years, entirely funded by rental income. Municipalities will contribute pro-rata to the instalments to be paid by the region. Additionally, a portion of the proceeds will be channelled into a guarantee fund to cover any outstanding payments. Any profits that may accrue from rental income will be reinvested into maintenance of public housing. The rehabilitated homes will temporarily become part of the ERS portfolio, and will be allocated to citizens and families with moderate incomes, who will pay a subsidised rent. Allocating homes to the ERP system would have meant that repayment of the EIB loan would have become a potential challenge for the region and its municipalities. Without the loan, the homes would likely have remained vacant.

The planned timeframe for completing the two programme lines is five years, but the goal is to begin and complete the housing renovations within two years. By early 2026, a call for applications will be published for municipalities, inviting them to submit housing and buildings that could benefit from renovation and energy efficiency interventions, as well as calls for applications for households interested in rent-controlled leasing.

Conclusions

Italy is often mentioned together with other southern European countries like Portugal and Spain as having a strongly rooted preference for homeownership, and a small social housing sector. However, the reality of social housing is more complex in Italy, where different segments coexist.

The public social housing sector suffers from underinvestment, which has led to extremely low levels of new supply and problems with management and upkeep of the existing stock. However, the sector is still significant in size, with almost 900,000 units across the country and is the main solution available for low-income and vulnerable groups. At the same time, there is a smaller sector defined as “social housing”, which despite the name broadly speaking includes a range of intermediate/affordable housing solutions provided by different actors including banking foundations, housing cooperatives, and companies based on schemes combining public and private finance. As competence for housing lies at the level of the regions, the situation varies significantly across the country and in general there has not been a clear direction in housing policy for the past two decades.