

# POLAND

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**Table 1: Housing in Poland in 2021, by ownership (occupied dwellings)**

Tenure	# of Dwellings	% of total
Public Housing	712,262	5.3
- Of which: Municipal Housing	564,434	4.2
- Of which: Public Building Societies (TBS)	120,950	0.9
- Of which: State Treasury	26,878	0.2
Cooperatives	2,096,468	15.6
- Of which: Rental properties	295,656	2.2
- Of which: Privately owned	1,800,813	13.4
Natural persons	10,253,881	76.3
Companies	53,756	0.4
Other	215,022	1.6
Unknown	107,511	0.8
<b>Total</b>	<b>13,438,900</b>	

Source: Authors' estimates, based on: Statistics Poland – National Population and Housing Census 2021. Notes: 'Other' primarily includes "profit-making entities (developers), religious institutions and other organisations". 'Unknown' includes properties for which the current ownership could not be clearly established.

### Origins and brief historical overview

Following World War II, Poland faced a massive shortage of housing; primarily due to extensive wartime destruction.<sup>1</sup> In order to deal with the lack of housing, the socialist government (1945–1989) relied on a centrally planned housing model. This period was also marked by rapid urbanisation and industrialisation, which in turn influenced the direction of housing development. Many projects, for example the emblematic 'Nowa Huta' neighbourhood near Kraków, reflected the socialist ambition to combine housing with industrial development.<sup>2</sup> As was typical of socialist countries in the region, housing policy was primarily state driven, with public enterprises and cooperatives delivering large-scale, standardised housing projects. These efforts aimed to address acute housing shortages, but in reality often resulted in low-quality, overcrowded housing units.<sup>3</sup>

The post-socialist transition of the 1990s marked a shift from state-controlled housing to a market-driven model.<sup>4</sup> This shift, combined with Poland's challenging economic transition, led to a significant decline in housing completions; which dropped to just 70,000 units in 1994 (with less than 35,500 units in multi-family buildings).<sup>5</sup> Furthermore, the privatisation of state-owned housing drastically reduced the size of the municipal housing stock; from 16.7% of the total housing stock in 1990 to less than 5% by 2021. This shift created several challenges for municipalities managing social housing. Due to the privatisation efforts, it is generally true that those homes that remain in municipal ownership today are amongst the least desirable (e.g., in terms of quality or location). As such, municipalities often struggle

<sup>1</sup> Zadworny, M. (2019). Searching for a model for the development of social housing in the post-war transformation period in Poland. IOP Conf. Ser.: Mater. Sci. Eng., 603, 032052. <https://doi.org/10.1088/1757-899X/603/3/032052>

<sup>2</sup> See: Stenning, A. (2000). Placing (post-) socialism: The making and remaking of Nowa Huta, Poland. *European Urban and Regional Studies*, 7(2), 99-118.

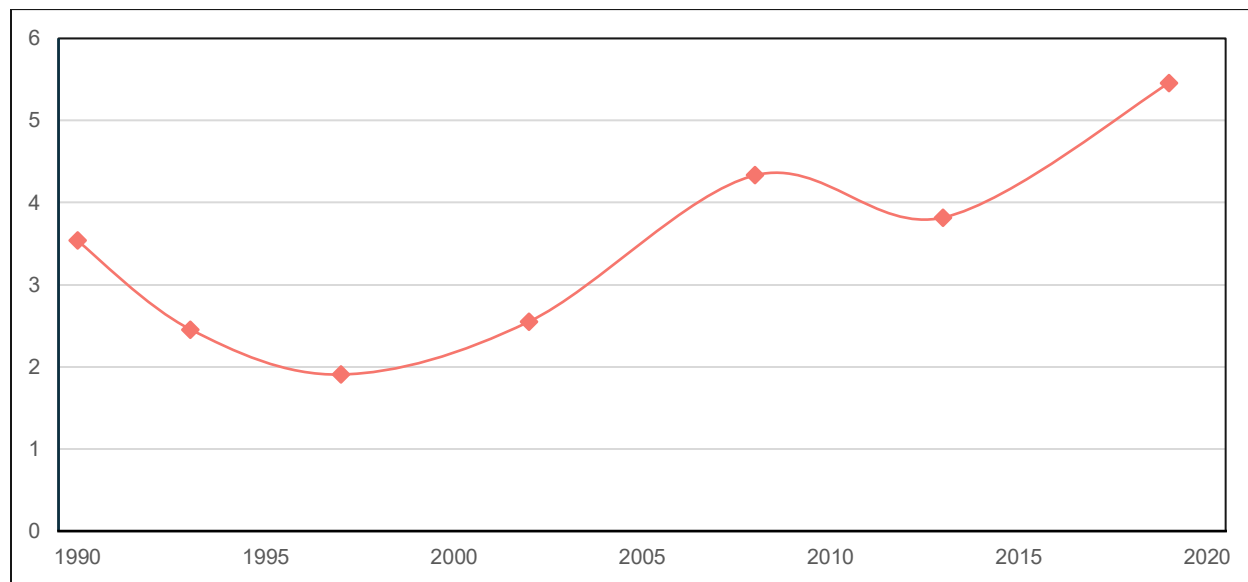
<sup>3</sup> Zadworny, M. (2019).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

with managing the maintenance cost of these lower quality housing units, with demolitions being one solution to this problem. Moreover, privatisation efforts and the uncertainties of restitution also resulted in uncertainty in the rental market.<sup>6</sup>

**Figure 1: New housing completions per 1000 people 1990-2021**



Source: UNECE. (2021). *EU Housing Statistics*, UNECE, National Statistical Institutes, Hypostat 2021.

Today, Poland has amongst the lowest number of housing units per 1,000 inhabitants in Europe.<sup>7</sup> Although, strong outward migration and an improvement in construction rates more recently have helped alleviate some of the potentially negative consequences of this. Although, new construction has been concentrated in the seven largest cities and surrounding municipalities, leading to regional disparities in terms of housing stock and housing conditions. Between 2009 and 2021, Poland achieved the highest rate of housing investment among the so-called EU 'Accession States', with 4.5 new dwellings per 1,000 inhabitants annually. Despite these advancements, significant challenges remain, including an overcrowding rate of 35.7% in 2021, an unmet demand for over one million dwellings, and substandard conditions in about 6% of dwellings; which lack basic infrastructure like water supply or central heating.<sup>8</sup>

Currently, Poland's housing system is dominated by homeownership, which accounts for over 90% of housing units, including most of the homes in the cooperative sector.<sup>9</sup> The private rental sector is relatively small, officially representing 3-4% of the housing market, though experts suggest the actual figure is higher. The rental market also often serves as a temporary solution for young people and families on a path to homeownership. Government policies primarily focus on supporting ownership, with some limited mechanisms for leveraging in private homes to plug gaps in the public housing system. However, it is important to note that public housing policies frequently change along with changes in Governments, with many programmes often ending after the typical 4-5 year electoral cycle.

<sup>6</sup> Glocker, D., & Plouin, M. (2016). Overview of housing policy interventions in Poland. OECD Regional Development Working Papers, 2016/07. OECD Publishing. <https://doi.org/10.1787/5j1pl4n838f2-en>

<sup>7</sup> Polish Government. (2016). National Housing Programme 2030. Retrieved January 17, 2025, from <https://www.gov.pl/attachment/267c80bf-9aeb-45a3-9b9b-78d99ab20615>

<sup>8</sup> Glocker, D., & Plouin, M. (2016).

<sup>9</sup> Statistics Poland. (n.d.). Final results of the National Population and Housing Census 2021.

Poland's private rental sector operates largely informally, with official statistics underestimating its size. The sector is seen primarily as a 'transitional' option, with strong cultural aspirations for homeownership persisting. Government interventions in housing finance, such as mortgage subsidy programmes, have aimed to increase access to homeownership but have inadvertently contributed to rising housing costs. Meanwhile, social housing programmes remain underfunded relative to demand, leaving a gap in provision for Poland's most vulnerable households.

There can be some discussion over the exact size of the social housing (*mieszkalnictwo społeczne*) sector. Based on figures from 2021, public institutions like municipalities, building societies (*Towarzystw Budownictwa Społecznego*, or TBS), and the State Treasury<sup>10</sup> collectively own 5.3% of the occupied dwellings. At the same time, some reviews suggest that we should also consider other forms of housing within the context of 'social' (or at least 'affordable') housing. For example, a recent report by the OECD notes the role played by rental units offered through the cooperative housing sector, as well as the recent emergence of so-called 'Social Rental Agencies' (*Społeczne Agencje Najmu*, SANs).<sup>11</sup> Thus, the relative size of the social housing sector in Poland is hard to define and largely depends on the conceptual framework being applied.

- **Municipal housing - subsidised social rental agreements (*umowy najmu socjalnego*)**<sup>12</sup> – Provides fixed-term, low-rent units for households facing critical social conditions. This category supports individuals evicted by court orders, orphaned children, homeless populations, and tenants of buildings in poor technical condition.
- **Municipal Housing - indefinite rental agreements (*umowy najmu na czas nieograniczony*)** – Offers indefinite leases for economically disadvantaged yet relatively stable households. It targets lower-income but relatively 'stable' households, offering income-adjusted rents that are higher than those for subsidised social housing, but still affordable compared to market rates. These units are owned and managed by local municipalities, which oversee their allocation, maintenance, and rental policies.<sup>13</sup> Many of these dwellings are aging and require substantial modernisation. Nonetheless, the municipal housing sector remains a crucial safety net, especially in major urban centers such as Warsaw, Kraków, and Łódź.<sup>14</sup>
- **Social Rental Housing (*mieszkalnictwo społeczne czynszowe*)** – Managed by Social Housing Societies (TBS), these units cater to moderate-income households. TBS units have rents that cover capital and maintenance costs, which are higher than municipal rents but below market levels. In 2021, Social Housing Initiatives (SIMs) replaced older TBS structures, introducing new models while allowing pre-existing TBS to remain operational.<sup>15</sup>

<sup>10</sup> Homes provided by the State Treasury are, for the most part, for various civil servants and public officials - e.g., military, border agents, forestry service, other important civil servants. This stock is to support the efficient functioning of public institutions, and is not a tool to provide low-income households from the general population with decent and affordable housing. However, the rent levels in the State Treasury stock are below market levels. Thus, they fit somewhere between non-market housing and key-worker housing.

<sup>11</sup> OECD (2025). Housing Reforms in Czechia and Poland, OECD Publishing. Paris

<sup>12</sup> Ibid.

<sup>13</sup> Trembecka, A., Droj, G., & Kwartnik-Pruc, A. (2023). Management of municipal housing resources by local authorities in the municipalities of Krakow (Poland) and Oradea (Romania) – A comparative study. *Real Estate Management and Valuation*, 31(4), 23-35. <https://doi.org/10.2478/remav-2023-0027> ; Muczyński, A. (2017). Managing municipal housing in Poland from the perspective of new public management. *International Multidisciplinary Scientific Geoconference Surveying Geology and Mining Ecology Management, SGEM*, 17(22), 397–404.

<sup>14</sup> Trembecka, A., Droj, G., & Kwartnik-Pruc, A. (2023).

<sup>15</sup> Muczyński, A., & Goraj, S. (2021). Dispersed privatization of council housing: Some structural effects in the municipal housing stock in Olsztyn, Poland. *Acta Scientiarum Polonorum. Administratio Locorum*, 20(4), 361–377.

- **Cooperatives** – Non-profit private organisations that offer various forms of affordable housing. Most cooperative dwellings are owner-occupied, meaning residents own their individual apartments while the cooperative maintains ownership of the land and building.<sup>16</sup> Once a prominent feature of Poland's housing market, rental cooperatives have diminished in importance due to widespread privatisation. Most of these units have been sold to private owners, reducing their role in the rental housing sector.

Social Rental Agencies (SANs) are another form of housing solution, which have recently become more important in Poland. Since 2021, new legislation has introduced SANs as entities to help satisfy housing needs. SANs play an intermediary role, bridging the private and public rental housing markets. While SANs are still not widespread in Poland, they provide an interesting new initiative that could help local authorities and municipalities manage rental housing.

#### CASE STUDY / KEY POLICY FEATURE

##### **New Social Rental Agency (SAN) Policy – 2021**

*Description:* The Social Rental Agency (SAN) serves to meet local housing needs by acting as an intermediary, renting housing from private owners and subletting to vetted households designated by local councils. SANs mix public and private sectors, offering municipalities a flexible tool to address housing shortages without building new stock. SANs can receive operational subsidies and may be structured as a company with majority local authority ownership.

Habitat for Humanity and the Social Rental Agency (SAN): before the introduction of the SAN legislation, Habitat for Humanity Poland operated the Social Rental Programme (PNS), which provided affordable rental housing to vulnerable groups. The PNS model, similar to SAN, involved leasing properties from private owners and subletting them to households vetted by the organisation, offering both housing and social support services. Habitat's experience with the PNS laid the groundwork for the SAN framework by demonstrating how combining public and private sector resources can meet local housing needs. Habitat's work continues to complement SAN's goals by providing an innovative solution for affordable housing without requiring new construction, targeting those in the "rent gap," and other vulnerable groups.

*Effect:* SAN enhances the scope of support for municipalities by offering affordable housing options, particularly to those excluded from the rental market. The programme serves people in the "rent gap" (those with limited access to housing support), individuals waiting for public housing, and vulnerable groups such as refugees, seniors, and people with disabilities. The ability of local authorities to choose tenant groups allows for a targeted, responsive approach.

*Policy/Next Steps:* SAN represents a new solution for municipalities to use existing private rental stock, expanding affordable housing access without new construction. The programme's flexibility and outreach to diverse groups make it a key addition to municipal housing policy, offering support to a wider range of people than traditional social housing. The programme will continue to grow, adapting to local needs.

*Sources:* Habitat for Humanity. (n.d.). Introducing Social Rental Agencies in Poland. Habitat for Humanity. <https://www.habitat.org/emea/stories/introducing-social-rental-agencies-poland>; Habitat for Humanity Poland. (2021, September 30). ESCF dissemination report. Habitat for Humanity Poland.

Overall, in Poland, municipal housing and social housing associations (TBS) remain the two main pillars of the social housing sector. While municipalities continue to be the dominant providers of public

<sup>16</sup> OECD (2025). Housing Reforms in Czechia and Poland. Paris: OECD Publishing.

rental housing, TBS play a significant role in offering affordable rental options, particularly for middle-income households. Both are supported by various national and EU programmes, although their effectiveness varies across regions.

TBSs were first introduced in 1995, through the ‘*Act on Certain Forms of Supporting Housing Construction*’, to address the growing demand for affordable rental housing in Poland’s post-socialist system. As non-profit entities, TBSs were designed to sustain investment in social housing by utilising low-interest loans and promoting energy-efficient construction.<sup>17</sup> During their peak (2004–2008), they benefited from significant government support, which helped expand their reach. However, despite early success, the financial landscape for TBSs changed after 2008. Rising construction costs and reduced public funding led to a decline in new investments.

In this regard, a significant turning point came in 2009 with the liquidation of the National Housing Fund (NHF), which had provided crucial financial backing for TBS projects. Without this support, the development of new TBS units slowed considerably, and their importance in Poland’s housing policy diminished.

#### CASE STUDY / KEY POLICY FEATURE

##### National Housing Fund (NHF)

The NHF was established by a 1995 housing law and managed by the state-owned *Bank Gospodarstwa Krajowego* (BGK). Its purpose was to provide long-term subsidised loans for the construction of below-market rental housing, mainly through non-profit TBS associations and housing cooperatives. The NHF targeted moderate-income households: the dwellings built were leased at controlled rents that covered the low-cost loans, and tenants had no right to buy their flats. Loan terms were favourable, with interest rates below the prevailing central bank rate.<sup>18</sup> Between 1996 and 2010 the Fund made approximately 1,800 loans worth about €1.04 billion (PLN 4.3bn), which equated to around 61% of the total investment cost of about €1.7 billion (PLN 7 billion).<sup>19</sup> This supported the construction of nearly 94,000 rental apartments. The Fund was capitalised primarily from annual state budget allocations, supplemented by transfers from the pre-existing Housing Development Fund, as well as from loan repayments and interest income.

The NHF was liquidated following a law passed in April 2009, with its assets merged into BGK. Some link the closure to fiscal consolidation, with an EU policy review noting that the State “halted the initiative, due to a lack of funding to enable its continuation”.<sup>20</sup> According to the Supreme Audit Office (NIK) in Poland, the liquidation marked the beginning of the state’s withdrawal from support for social rented housing.<sup>21</sup>

<sup>17</sup> Muzioł-Węclawowicz, A. (2021). *Mieszkalnictwo społeczne w Polsce – wyzwania i ograniczenia* [Social housing in Poland: challenges and barriers]. *Studia BAS*, 2(66), 83–112

<sup>18</sup> Glocker, D., & Plouin, M. (2016). Overview of housing policy interventions in Poland. Paris: OECD.

<sup>19</sup> European Construction Sector Observatory. (2018, February). Poland — Social Housing Construction Programme: Policy measure fact sheet. European Commission. [https://single-market-economy.ec.europa.eu/document/download/d4b27182-b65e-4fd3-ab51-7a452346a65c\\_en](https://single-market-economy.ec.europa.eu/document/download/d4b27182-b65e-4fd3-ab51-7a452346a65c_en)

<sup>20</sup> *Ibid.*

<sup>21</sup> NIK (2010). Informacja o wynikach kontroli funkcjonowania Towarzystw Budownictwa Społecznego [*Information on the results of the audit of the functioning of Social Housing Associations*]. Najwyższa Izba Kontroli. <https://www.nik.gov.pl/plik/id,1584,vp,1770.pdf>

Public loan funding for new social rental housing was, however, reactivated in November 2015 with the launch of the Social Housing Construction Programme (SHCP) (*Program Wspierania Społecznego Budownictwa Czynszowego*).<sup>22</sup>

Since 2009, many TBSs have come under municipal ownership, further intertwining them with local government housing policies. In 2016, various municipalities had begun cooperating with TBSs through locally tailored housing programmes. Currently TBS account for close to 1% of the occupied housing stock. Moreover, they have been increasingly integrated or taken over by municipal management. However, the structure and function of TBSs vary widely across regions, making it difficult to analyse Poland's social housing sector as a unified system. Some cities have robust municipal-TBS partnerships, while others rely more heavily on the 'traditional' municipal housing stock.<sup>23</sup>

TBSs typically aim to provide affordable rental housing for lower middle-income households who cannot afford market housing.<sup>24</sup> TBSs are non-profit companies that can take various legal forms, such as limited liability companies, joint-stock companies, or cooperatives, and are primarily initiated by local governments. These societies operate on a form of 'cost-rent' model, where rents are capped at 4% of the initial construction cost, and revenues cover maintenance, repairs, and loan repayments. Rent is usually determined by local municipal councils. TBS usually seek long-term tenants who are financially more secure, yet do not own their own property and are unable to afford market price rent.<sup>25</sup>

The TBS scheme has undergone several phases since its inception. Originally, in 1996 TBS were created to construct self-sustaining rental housing with the use of public financing.<sup>26</sup> Between 1996 and 1999, TBS activities were initiated with easy access to preferential financing. From 2000 to 2003, demand for loans peaked. The 2004 and 2008 period was followed by a decline due to the reduction in public funding (i.e., from the liquidation of the NHF) and rising construction costs.<sup>27</sup> Since 2012, stop-gap measures like construction loans and bond issuance programmes have been introduced, but the system has struggled to regain its earlier momentum.<sup>28</sup>

In practice, TBSs serve as public housing developers, usually in collaboration with local governments, which may subsidise rents or recommend tenants. In some cases, TBS also manage the municipal housing stock and other privately owned buildings as well. TBS apartments prioritise energy efficiency and are generally well-maintained.<sup>29</sup> However, rents are relatively high compared to traditional municipal social housing, targeting economically 'stable' households rather than the most vulnerable. A long-standing debate surrounds the privatisation of TBS units, where tenants who contributed to

<sup>22</sup> European Construction Sector Observatory. (2018, February). Poland — Social Housing Construction Programme: Policy measure fact sheet. European Commission.

<sup>23</sup> Kucharska-Stasiak, E., & Matysiak, G. (2021). Local housing strategies in Poland as a tool to develop social and affordable housing: Barriers for development. *Real Estate Management and Valuation*, 29(3), 5–16.

<sup>24</sup> Zadworny, M. (2019). Searching for a model for the development of social housing in the post-war transformation period in Poland. IOP Conf. Ser.: Mater. Sci. Eng., 603, 032052. <https://doi.org/10.1088/1757-899X/603/3/032052>

<sup>25</sup> Muzioł-Węclawowicz, A. (2021). *Mieszkalnictwo społeczne w Polsce – wyzwania i ograniczenia* [Social housing in Poland: challenges and barriers]. *Studia BAS*, 2(66), 83–112

<sup>26</sup> *Ibid.*

<sup>27</sup> *Ibid.*

<sup>28</sup> Bogdał, P. (2017). Housing economy in Poland based on an example of Housing Association [TBS]. *World Scientific News*, 72, 657–669. Available at [www.worldscientificnews.com](http://www.worldscientificnews.com). EISSN 2392-2192.

<sup>29</sup> Muzioł-Węclawowicz, A. (2021). *Mieszkalnictwo społeczne w Polsce – wyzwania i ograniczenia* [Social housing in Poland: challenges and barriers]. *Studia BAS*, 2(66), 83–112

construction costs advocate for ownership rights; similar to the current approach in the LPHA sector in Austria. However, such a development would risk reducing the already limited rental stock.

## CASE STUDY / KEY POLICY FEATURE

### Szczecin TBS

Szczecin, in north-western Poland near the Baltic Sea and German border, is a key economic, cultural, and academic centre. It is the country's fifth-largest city by area and seventh by population, with about 400,000 residents. The city has roughly 192,500 dwellings, many owned by housing cooperatives, while the municipal housing company manages around 15,200.<sup>30</sup> Like other cities, Szczecin faces challenges in affordable housing and infrastructure renewal. The European Investment Bank (EIB) has supported projects in social housing and green infrastructure.<sup>31</sup> In the past five years, municipal initiatives, including those of TBS Szczecin (STBS), have built 831 social rental apartments—among the highest totals in Poland.<sup>32</sup>

The EIB became involved in the Szczecin programme as part of its broader strategy to promote innovative financing solutions for affordable and sustainable housing across the EU. The Bank has actively sought partnerships with Polish cities that demonstrate strong municipal capacity and integrated urban investment plans. In Szczecin, the EIB's engagement was driven by the city's comprehensive approach to combining social housing development with energy-efficient renovation and urban regeneration projects. The cooperation with TBS Szczecin (STBS) was seen as a model for leveraging municipal creditworthiness and BGK co-financing to create scalable, cost-rent housing schemes. The EIB's participation thus reflected its policy goal of testing replicable models that align social objectives with climate and urban sustainability targets—an approach it has also explored in other Polish cities such as Kraków and Poznań.

*Szczecińskie Towarzystwo Budownictwa Społecznego* (STBS), fully owned by the municipality, has led local social housing provision for over two decades. Its remit covers housing needs, sustainability, and urban revitalisation. It manages about 16,500 properties, including dwellings, commercial spaces, and garages, and runs tailored programmes for students, young families, seniors, and foster households. The “New Home Initiative” allows property exchanges, while recent EIB financing has enabled energy-efficient construction, renovations, and new senior residences.<sup>33</sup>

STBS differs from typical TBS organisations. While most focus on new construction, STBS also revitalises century-old tenements and oversees some municipal housing. Financial independence from the municipality underpins sustainability, with rents and other revenues covering operational costs. The organisation promotes mixed-income tenancies to strengthen social cohesion and carefully manages arrears by offering subsidies or payment extensions to prevent evictions.

Rental levels reflect this dual system. Municipal rents average 7.50 PLN/m<sup>2</sup> (€1.74), with a maximum of 13.07 PLN/m<sup>2</sup> (€3.04). STBS rents average 14.43 PLN/m<sup>2</sup> (€3.36), capped at 17.41

<sup>30</sup> Urząd Statystyczny w Szczecinie. (2023). *Rocznik Statystyczny Szczecina 2023* [Statistical Yearbook of Szczecin 2023]. Szczecin: Urząd Statystyczny w Szczecinie  
Statistics Poland. (n.d.). *Information about the voivodship*. Retrieved February 10, 2025, from <https://szczecin.stat.gov.pl/en/information-about-voivodship/>

<sup>31</sup> European Investment Bank. (n.d.). *Project: BGK social and affordable housing*. Retrieved February 10, 2025, from <https://www.eib.org/en/projects/all/20180811>

<sup>32</sup> Stargardzkie TBS. (n.d.). *Stargardzkie Towarzystwo Budownictwa Społecznego*. Retrieved February 10, 2025, from <https://www.stbs.pl/>

<sup>33</sup> *Ibid.*

PLN/m<sup>2</sup> (€4.05), about 25% higher than municipal rates.<sup>34</sup> Income thresholds are jointly set by the municipality and STBS; tenants above them contribute to construction costs. Mixed social composition has reduced social problems and improved tenant behaviour. Arrears remain minimal through proactive monitoring. STBS employs 172 staff—157 full-time and 15 part-time—and finances projects through rents, Subsidy Fund grants, BGK loans, and internal resources, supported by long-term forecasting.

New housing developments usually require a participation fee from tenants or municipalities. The City contributes land, receiving new STBS shares in return. This close partnership provides financial support and access to preferential loans and grants, while also linking housing to wider municipal programmes such as nurseries and care homes. Despite legal changes in 2009, which permit privatisations, tenant interest remains limited.

TBS Szczecin is widely seen as a model of good practice. By combining new construction with the renovation of historic buildings, it increases affordable housing and improves the urban environment. Its financial model—combining rents, municipal backing, and external funds—ensures stability. The mixed-income approach reduces disparities and promotes community integration. Through this combination of resilience, urban development, and social inclusion, STBS offers a strong example of a sustainable and effective housing system.

Overall, municipal housing remains the backbone of Poland's social rental sector, in terms of scale and number of people housed. However, the lines between municipal housing, TBS-managed housing, and other subsidised rental schemes have become increasingly blurred. These programmes often cater to overlapping demographics, ranging from low-income families to moderate-income households.<sup>35</sup> Given the growing integration of TBSs within municipal housing frameworks, any analysis of Poland's social housing system must consider the complex, regionally diverse interplay between these two segments.

### Public oversight and financing of housing

Public financial supports for housing in Poland are provided by multiple national and regional bodies.<sup>36</sup> The Polish social housing budget is primarily allocated by the State Treasury, under the management of various governmental bodies. The Ministry of Economic Development and Technology oversees the strategic coordination of housing, construction, spatial planning, and infrastructure. Its role encompasses supervising housing policies and distributing financial support for social housing initiatives. In recent years, the national social housing budget has been primarily focused on subsidies for low- and moderate-income households. Although precise figures fluctuate annually, it has been reported that expenditures on social housing amount to approximately 0.4% to 0.5% of GDP in recent years.<sup>37</sup>

The *Bank Gospodarstwa Krajowego* (BGK) acts as a key financial institution, supporting social and affordable housing investments through grants and loans. BGK has more than 30 years of experience in facilitating social housing programmes and is responsible for evaluating housing policy proposals.

<sup>34</sup> *Ibid.*

<sup>35</sup> Weclawowicz, A. (2013). Poland: Old problems and new dilemmas. In J. Hegedűs, M. Lux, & N. Teller (Eds.), *Social housing in transition countries* (pp. 195–210). New York: Routledge.

<sup>36</sup> Muczyński, A. (2022). Organizational model of municipal housing stock management in the contracting system – A case study of Poland. *Land Use Policy*, 115, 106049. <https://doi.org/10.1016/j.landusepol.2022.106049>

<sup>37</sup> Heldak, M., & Pluciennik, M. (2019). Financing housing support programs in Poland in the light of national housing resources.

It is the main financial partner for social housing programmes and acts as a liaison between public and private entities. BGK plays a crucial role in municipal housing financing through the ‘Subsidy Fund’ (*Fundusz Dopłat*), which provides co-financing for renovations and new constructions.<sup>38</sup>

Polish municipalities and Public Building Societies (TBSs) receive funding from the national budget to sustain and expand the municipal housing stock. However, municipal spending on housing (i.e., from their own budgets) is significantly higher than national government expenditure.<sup>39</sup> The financial support received from the state remains constrained, as housing policies have historically prioritised homeownership over rental housing. In any case, the *Act on Municipal Self-Government* stipulates that municipal housing is primarily a local competence.<sup>40</sup> At the regional level, voivodeships<sup>41</sup> establish subsidy ceilings for social housing projects and set maximum rent levels.

Municipal governments serve as the key local actors, directly overseeing the construction, or acquisition, and management of subsidised social housing, even as housing privatisation continues to reshape the sector. Despite limited financial resources and competing budgetary demands from infrastructure and other public services, municipalities must allocate part of their budgets to housing.<sup>42</sup> TBSs are also increasingly involved and intertwined with municipal management and often also rely on municipal funding. However, significant differences between regions remain in terms of the management of TBSs, as well as the public resources made available to them each year.

With regard to the stock of homes that municipalities own directly, there has been a general shift towards privatisation and outsourcing in recent times. The traditional system, where municipalities directly controlled housing management, is being replaced by a more decentralised model. Municipalities are increasingly relying on private property management firms to handle day-to-day operational tasks such as maintenance, rent collection, and repairs.<sup>43</sup> This transition has resulted in a hybrid system where municipalities retain strategic control over housing policies, financial planning, and investment decisions, while outsourcing operational management to private firms.

The role of BGK is important in this process, as it supports municipalities with co-financing opportunities and provides a bridge between public and private entities. The introduction of Public-Private Partnerships (PPPs) in housing management has been particularly noteworthy, as it can support the pooling of public funds with private investment to increase housing stock and improve efficiency of social housing management.<sup>44</sup> Though Public-Private Partnerships can be associated

<sup>38</sup> European Investment Bank. (2021). BGK Social & Affordable Housing.

European Construction Sector Observatory. (2021). Country profile Poland. European Commission. Retrieved January 17, 2025, from [https://single-market-economy.ec.europa.eu/system/files/2021-11/ECSO\\_CFS%20Poland\\_2021.pdf](https://single-market-economy.ec.europa.eu/system/files/2021-11/ECSO_CFS%20Poland_2021.pdf)

<sup>39</sup> Glocker, D., & Plouin, M. (2016). Overview of housing policy interventions in Poland. OECD Regional Development Working Papers, 2016/07.

<sup>40</sup> Heldak, M., & Pluciennik, M. (2019). Financing housing support programs in Poland in the light of national housing resources. IOP Conference Series: Materials Science and Engineering, 471, 112031. <https://doi.org/10.1088/1757-899X/471/11/112031>

<sup>41</sup> A voivodeship (*województwo* in Polish) is the highest-level of administrative division of Poland—essentially the equivalent of a province or region.

<sup>42</sup> Heldak, M., & Pluciennik, M. (2019).

<sup>43</sup> Muczyński, A. (2017). Managing municipal housing in Poland from the perspective of new public management. International Multidisciplinary Scientific Geoconference Surveying Geology and Mining Ecology Management, SGEM, 17(22), 397–404.

<sup>44</sup> Muczyński, A. (2022). Organizational model of municipal housing stock management in the contracting system – A case study of Poland. Land Use Policy, 115, 106049. <https://doi.org/10.1016/j.landusepol.2022.106049>

with higher cost of capital, BGK estimates that PPP, on average, can yield 13–17% savings over the entire life cycle of the project compared to traditional forms of financing.<sup>45</sup>

The maintenance and operational costs of existing social housing are financed through a combination of rental income, state subsidies, and the budgets of local governments.<sup>46</sup> Rent revenues from social housing units typically cover general maintenance costs, with any shortfalls made up via subsidies from the state. In addition, municipalities can apply for specific grants to support the renovation or modernisation of their social housing stock; i.e., through the Thermal Efficiency Improvement and Renovation Fund (*Fundusz Termomodernizacji i Remontów - FTiR*). These funds help municipalities carry out necessary repairs and energy efficiency upgrades to reduce the long-term costs of maintaining older housing units.<sup>47</sup> For larger maintenance projects, including substantial renovations, municipalities may also apply for loans or seek co-financing arrangements with BGK. The primary aim of these arrangements is to ensure that existing housing remains habitable and energy-efficient, thus reducing the costs of utilities for tenants and extending the lifespan of the buildings.

The construction of new social housing is also financed through a variety of sources, including direct government grants, debt instruments, and the reinvestment of revenues from rental income. Municipalities are important financing bodies, often contributing a significant portion of the budget directly. Housing loans are primarily supported through grants and financial subsidies from government resources, including funds from the BGK and European Union financing.<sup>48</sup>

The Housing Sector Development Fund (FIZAN) managed by PFR (Polish Development Fund), provides long-term financing for affordable rental housing construction. This fund supports projects through PPPs, ensuring investment in urban areas where housing demand is high. As of 2023, 3,468 apartments had been completed, and 1,571 were still being built under this scheme.<sup>49</sup> Subsidies from the Subsidy Fund, managed by BGK, are allocated to municipalities and public housing groups for projects involving the construction of new social housing units, rehabilitation of existing units, and adaptations to support vulnerable populations.<sup>50</sup> Non-repayable funding is available to cover up to 80% of the investment costs for new housing projects and up to 50% for the renovation of existing dwellings.<sup>51</sup> Furthermore, the Social Housing Construction Programme (SHCP) managed by BGK allocates subsidies to municipalities and non-profits for constructing, renovating, and converting buildings into social housing, as well as funding communal shelters for vulnerable populations like the homeless (see more below). Land allocation is facilitated through state funding and municipal land contributions, ensuring availability for affordable housing development.<sup>52</sup>

<sup>45</sup> Bank Gospodarstwa Krajowego (BGK) (2019). *Partnerstwo Publiczno-Prywatne – warsztat* [https://www.bgk.pl/files/public/Pliki/news/Konferencje\\_BGK/XIV\\_Konferencja\\_BGK\\_dla\\_JST/Partnerstwo\\_Publiczno-Prywatne\\_warsztat\\_6\\_13\\_wrzesnia\\_.pdf](https://www.bgk.pl/files/public/Pliki/news/Konferencje_BGK/XIV_Konferencja_BGK_dla_JST/Partnerstwo_Publiczno-Prywatne_warsztat_6_13_wrzesnia_.pdf)

<sup>46</sup> Polish Government. (2016). National Housing Programme 2030.

<sup>47</sup> *Ibid.*

Heldak, M., & Pluciennik, M. (2019).

<sup>48</sup> European Investment Bank. (2021). BGK Social & Affordable Housing. Retrieved January 17, 2025, from <https://www.eib.org/en/projects/all/20200068>

Glocker, D., & Plouin, M. (2016). Overview of housing policy interventions in Poland. OECD Regional Development Working Papers, 2016/07.

<sup>49</sup> PAP. (2023, May 17). PFR Nieruchomości: budowa 15 tys. lokali w z Funduszu Mieszkań dla Rozwoju będzie zrealizowana. Portal Spożywczy.

<sup>50</sup> BGK. (2025). Non-repayable housing support from the Subsidy Fund. <https://www.en.bgk.pl/programmes/non-repayable-housing-support-from-the-subsidy-fund/>

<sup>51</sup> OECD (2025). Housing Reforms in Czechia and Poland, OECD Publishing. Paris

<sup>52</sup> European Construction Sector Observatory. (2021). Country profile Poland. European Commission. Retrieved January 17, 2025, from [https://single-market-economy.ec.europa.eu/system/files/2021-11/ECSO\\_CFS%20Poland\\_2021.pdf](https://single-market-economy.ec.europa.eu/system/files/2021-11/ECSO_CFS%20Poland_2021.pdf)

Still, land acquisition remains the greatest constraint for municipal housing developments as the country's liberalised approach to urban planning and strong property rights can slow down any construction projects.<sup>53</sup> Municipalities often have limited access to well-located public land, while procedures for reclassifying or purchasing private land are complex and time-consuming. Many potentially suitable plots are held by state agencies or enterprises and are not easily transferred for housing purposes. Even when land is available, zoning restrictions, unclear ownership titles, and high infrastructure costs can delay or prevent projects. Recent legislative initiatives have aimed to release more State Treasury and municipal land for housing, but in practice, access to affordable, serviced plots continues to constrain the expansion of social and affordable housing supply.<sup>54</sup>

#### CASE STUDY / KEY POLICY FEATURE

##### **Social Housing Construction Programme (SHCP).**

One of the most important programmes targeting the construction of social housing units was the SHCP. Initiated in 2015, and set to run until the end of 2025, SHCP is a 10-year initiative designed to tackle Poland's significant social housing challenges. Administered by BGK, in partnership with the Ministry of Infrastructure and Construction, the programme offers preferential loans that cover up to 80% of project costs.<sup>55</sup> These loans, partially supported by the European Investment Bank (EIB), target municipalities, TBSs, SIMs and housing cooperatives. The remaining project costs are funded by investors.

Loans under the SHCP feature favourable interest rates, flexible repayment terms of up to 30 years, and an optional grace period of 24 months. Eligibility criteria for developers include income limits for tenants, rental caps of up to 7.5% of renovation costs, and allocations of up to 45% of flats under specific ownership formulas. The programme also allows the sale of financed properties under strict conditions, such as a minimum five-year holding period and one-off loan repayment. Beyond constructing new social housing, the SHCP supports renovation projects, commercial-to-residential conversions, and refinancing housing investments completed within two years of the application.<sup>56</sup>

The SHCP's primary goal was to provide 30,000 new social rental homes in ten years for moderate-income households that cannot afford market rents or homeownership but do not qualify for municipal housing.<sup>57</sup> As of 2019, however, only 7,731 dwellings have been built under the programme, amounting to only 26% of the intended goal while already halfway through the implementation period.<sup>58</sup> The annual rate of new municipal dwellings has since mostly remained the same, with approx. 2000 social rental housing units built in 2023 (only 0.9% of all new dwellings built that year).<sup>59</sup> The initiative, thus, fell short of initial targets while nonetheless making a meaningful contribution to addressing Poland's housing needs.

<sup>53</sup> Havel, M.B. & Zaborowski, T. (2025). Land Policy in Poland: Evolution of the Liberalisation of Urban Planning and Policy Making *in* Land Policies in Europe

<sup>54</sup> Czerniak, A., Unlocking State Land to Boost Social Housing Development in Poland (2025) <https://polandinsight.com/unlocking-state-land-to-boost-social-housing-development-in-poland-43482/>

<sup>55</sup> OECD (2025). Housing Reforms in Czechia and Poland, OECD Publishing. Paris

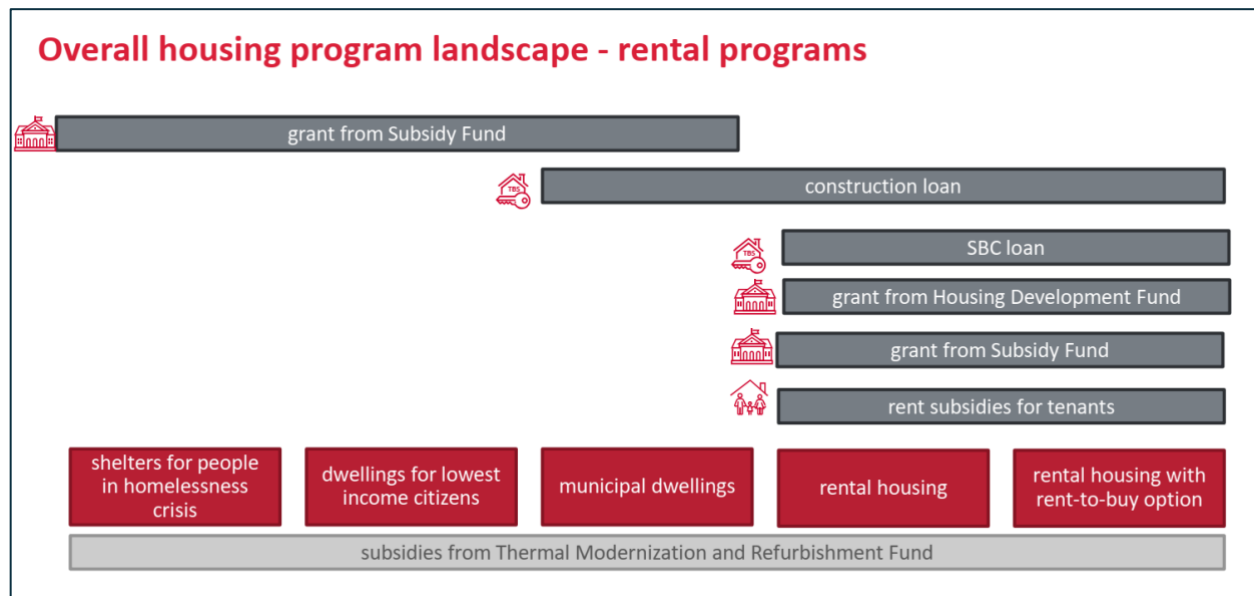
<sup>56</sup> European Construction Sector Observatory. (2018). Policy measure fact sheet: Poland – Social Housing Construction Programme. *European Commission*.

<sup>57</sup> *Ibid.*

<sup>58</sup> A record edition of the governmental Social Rental Housing Construction Programme (2020) <https://www.gov.pl/web/development-technology/a-record-edition-of-the-governmental-social-rental-housing-construction-programme>

<sup>59</sup> Gospodarka mieszkaniowa i infrastruktura komunalna w 2023 (Housing Economy and Municipal Infrastructure in 2023)

Figure 2: Funding structure of rental programmes by BGK



Source: Housing Loan Programs Department. (2024, April). Social & affordable housing support programs (KFM/SBC) [PowerPoint slides]. Presentation at the EIB Bratislava project meeting, Warsaw, Poland)\*

### Other Housing Programmes and Subsidies

The rental sector is further supported through targeted initiatives. One example is the Apartment Plus Programme (*Mieszkanie Plus*), introduced in 2017,<sup>60</sup> but closed in 2019<sup>61</sup> due to the resistance of developers and handing over plots<sup>62</sup>. The programme was designed to enhance rental affordability, addressing a gap in the market for households that cannot access private homeownership or qualify for municipal housing. Managed by *PFR Nieruchomości*, part of the Polish Development Fund, the programme emphasised two rental models:

1. **Market Rent-to-Buy Option:** Targets middle-income households who fall outside mortgage eligibility, but who can manage regular rent payments. This programme offers a pathway to eventual homeownership by allowing tenants to pay rents that cover part of the construction costs and, after 10-15 years, providing the option to purchase the property.
2. **Social Rental Option:** It provides units at subsidised below market rent levels, ensuring affordability for lower-income families with unmet housing needs or limited per capita income.

Financial support was provided through repayable and non-repayable state funding, primarily benefitting municipalities and non-profit developers.<sup>63</sup> The *PFR Nieruchomości* programme, launched

<sup>60</sup> Heldak, M., & Pluciennik, M. (2019). Financing housing support programmes in Poland in the light of national housing resources. *IOP Conference Series: Materials Science and Engineering*, 471, 112031.

<sup>61</sup> Terlik, M. (2025). To było pierwsze osiedle programu Mieszkanie Plus. Tak wygląda dzisiaj. Onet. <https://wiadomosci.onet.pl/poznan/to-bylo-pierwsze-osiedle-programu-mieszkanie-plus-tak-wyglada-dzisiaj-zdjecia/g2r7kzx>

<sup>62</sup> Onet. (2022). Fiasko flagowego programu PiS. Kaczyński przyznaje: biję się w pierś. [https://wiadomosci.onet.pl/kraj/fiasko-flagowego-programu-pis-kaczynski-przyznaje-bije-sie-w-piers/jh058d8?utm\\_campaign=cb](https://wiadomosci.onet.pl/kraj/fiasko-flagowego-programu-pis-kaczynski-przyznaje-bije-sie-w-piers/jh058d8?utm_campaign=cb)

<sup>63</sup> Prokopowicz, D., & Wereda, W. (2017). Program Mieszkanie Plus jako istotny czynnik reformy polityki mieszkaniowej i aktywizacji wzrostu gospodarczego w sektorze publicznym w Polsce. *Nowoczesne systemy zarządzania. Modern Management Systems*, 12(1), 201-220. ISSN 1896-9380.

under the Polish Development Fund, was conceived as a flagship national initiative to deliver up to 100,000 affordable rental dwellings across Poland. In practice, however, the programme achieved only a fraction of this ambition, with fewer than 5,000 completed units by the early 2020s. Projects were launched in multiple cities—among them Kraków, Katowice, Wrocław, Łódź, and Gdańsk—combining municipal land with central financing and long-term rental contracts.

*Mieszkanie na Start* (Apartment for a Start) is a government programme offering non-repayable financial support to individuals renting housing in Poland. It provides monthly subsidies that cover part of the rent, helping households with moderate or lower incomes maintain affordable housing over the long term. The programme applies to newly built or revitalised apartments, as well as housing delivered to municipalities through the “flat-for-land” (*lokal za grunt*) scheme or managed by Social Rental Agencies (SAN). It targets young people, families with children, persons with disabilities, and seniors, aiming to broaden access to affordable rental housing on the commercial market. Eligible applicants must meet income, property, and tenancy criteria, reside in qualified dwellings, and be able to pay the portion of rent not covered by the subsidy. The support can be provided for up to 20 years from the completion of the housing investment.<sup>64</sup>

There are also several programmes targeting homeownership. In fact, homeownership programmes are dominant over rental programmes or municipal housing programmes. Poland’s homeownership policies include several subsidy programmes aimed at improving access to affordable mortgages, particularly for young families and first-time buyers. Financing is primarily provided through state-backed interest subsidies, with clear eligibility criteria targeting specific groups.

1. **"Family-at-Home" Programme (2007–2013)**

This initiative provided mortgage interest subsidies covering 50% of loan interest for eight years, enabling more affordable repayment terms. Eligibility extended to married couples, single parents, and eventually single individuals who did not own other real estate. Over its duration, 192,360 loans were subsidised, though the programme faced challenges due to price limits that often pushed developments to less desirable locations.<sup>65</sup>

2. **"Homes for the Young" Programme (2014–2018)**

Designed to support citizens under 35, this programme co-financed down payments for purchasing first homes, prioritising families with three or more children. Though it broadened access to homeownership, the programme struggled with similar issues of price caps mismatched with market conditions.<sup>66</sup>

3. **"Safe 2% Loan" Programme (2023)**

Introduced in response to rising interest rates that excluded many from the housing market, this programme offers fixed-interest loans at 2%, guaranteed by the state. Applicants had to be under 45, with no prior property ownership, and purchase properties within specific price caps; PLN 500,000 for singles (€110,000), PLN 600,000 for couples (€133,000), with adjustments for family size). By late 2023, 94,100 applications were submitted, reflecting significant demand.

4. **Mortgage for first time buyers (2024)**

Building on the "Safe 2% Loan," a new programme was launched in 2024 providing additional interest rate reductions based on household size, potentially offering 0% interest for larger families. This initiative targets primarily first-time homebuyers by offering varying

<sup>64</sup> Ministerstwo Rozwoju i Technologii. (2025). Mieszkanie na Start. <https://www.gov.pl/web/rozwoj-technologie/mieszkanie-na-start>

<sup>65</sup> Glocker, D., & Plouin, M. (2016). Overview of housing policy interventions in Poland. OECD Regional Development Working Papers, 2016/07. OECD Publishing. <https://doi.org/10.1787/5j1pl4n838f2-en>

<sup>66</sup> *Ibid.*

subsidy levels based on household composition, income, and property size. While these measures aim to further enhance affordability, experts caution that such subsidies could inflate housing prices in an already supply-constrained market.<sup>67</sup>

These programmes collectively aimed to boost ownership among middle-income households, with a special focus on younger people and first-time buyers. Despite success in extending access to mortgages, critics argue that such initiatives prioritise ownership over addressing broader housing system inefficiencies, including the limited supply of affordable rental housing. These programmes can also result in inflating rental prices and de-incentivising investment in the social rental sector.

### Targeting: Assessment, Eligibility, Tenanting and Rent-Setting

Social and municipal housing is allocated based on socio-economic criteria, ensuring support for those in financial hardship. Eligibility is determined by local housing authorities, considering factors such as:

- *Income thresholds* – Applicants must earn below a specified regional median income level (which can be re-examined no more than once every 2.5 years)<sup>68</sup>
- *Housing conditions* – Households living in overcrowded or substandard housing are given priority
- *Family status* – Families with children, single parents, and elderly individuals receive preferential consideration.
- *Health and disability status* – Applicants with disabilities or chronic illnesses are prioritised<sup>69</sup>

Rent levels in social and municipal housing are regulated by local governments and remain significantly below market rates. They are typically calculated based on:

- *Cost-recovery principles* – Covering maintenance and operational expenses.
- *Income-based adjustments* – Some municipalities implement tiered rent structures to ensure affordability for lower-income households.
- *Regional differentiation* – Rent ceilings differ across municipalities, reflecting local economic conditions and maintenance costs

On average, municipal rents range between 4-8 PLN per square meter (c.€0.90-1.86), making them significantly more affordable than private market rates.<sup>70</sup> Tenants who struggle with rent payments can apply for housing allowances or subsidies to further reduce their financial burden. The average area of the municipal dwelling stock was approximately 45 m<sup>2</sup> in 2021.<sup>71</sup> In 2021, there were approximately

<sup>67</sup> Heldak, M., & Pluciennik, M. (2019). Financing housing support programs in Poland in the light of national housing resources. IOP Conference Series: Materials Science and Engineering, 471, 112031. <https://doi.org/10.1088/1757-899X/471/11/112031>

<sup>68</sup> Kaminski, M. (2009), Weryfikacja najemcy w świetle nowelizacji ustawy o ochronie praw lokatorów, <https://gov.legalis.pl/weryfikacja-najemcy-w-swietle-nowelizacji-ustawy-o-ochronie-praw-lokatorow/>

<sup>69</sup> Trembecka, A., Droj, G., & Kwartnik-Pruc, A. (2023). Management of municipal housing resources by local authorities in the municipalities of Krakow (Poland) and Oradea (Romania) – A comparative study. Real Estate Management and Valuation, 31(4), 23-35. <https://doi.org/10.2478/remav-2023-0027>

Wojewódzka-Wiewiórska, A., & Dudek, H. (2023). Housing deprivation in Poland: A panel data analysis. Procedia Computer Science, 225, 1947–1956.

Muczyński, A. (2020). Financial flow models in municipal housing stock management in Poland. Land Use Policy, 91, 104429.

<sup>70</sup> Muczyński, A. (2020). Financial flow models in municipal housing stock management in Poland. Land Use Policy, 91, 104429

<sup>71</sup> Statistics Poland. (2022). Housing economy and municipal infrastructure in 2021. Retrieved January 17, 2025, from <https://stat.gov.pl/en/topics/municipal-infrastructure/municipal-infrastructure/housing-economy-and-municipal-infrastructure-in-2021,5,18.html>

630,000 rental agreements in effect regarding municipal housing.<sup>72</sup> Nonetheless there are significant differences between different regions.

TBS units, typically owned by municipalities, offer rentals at costs higher than municipal housing but significantly below market rates, targeting moderate-income households. Similarly to municipal housing, applicants must meet specific eligibility criteria, including not owning housing property and maintaining a household income below set thresholds that vary depending on the financing mechanism used for the building. For units built under participation agreements (participation fee), the average monthly household income from the previous year cannot exceed 1.5 times the provincial average wage, plus 5% for single-person households, 55% for two-person households, and 35% for each additional member. For other units, income limits are calculated as a percentage of 1.4 times the provincial average wage (100% for single-person households, 145% for two-person households, 175% for three-person households, 205% for four-person households, and 35% more for each subsequent person).<sup>73</sup>

TBSs usually do not receive significant direct governmental or municipal funding, which necessitates comparatively high rents, versus municipal housing, to cover operational costs. As a result, TBSs often cater to tenants with more stable incomes, and some employ a points-based system for tenant allocation. The rent for TBS housing is primarily set by municipal councils and is calculated on a cost-rent basis. It is designed to cover maintenance and repair expenses as well as any outstanding loan payments for the construction or acquisition of the housing units. While rents are kept relatively low compared to private market rates, they are often close to market rent levels and cannot exceed 4% of the construction cost of the property, a limit set by regional authorities. This approach ensures that rents are aligned with the costs of providing and sustaining TBS housing.

#### CASE STUDY / KEY POLICY FEATURE

##### Rules for selecting tenants in TBS Warszawa Południe sp. z o.o.<sup>74 75</sup>

The allocation system for residential units in the Derkaczy investment managed by *TBS Warszawa Południe* follows both national regulations (the 2006 Act on financial support for housing) and internal company rules. It ensures that tenants meet statutory eligibility conditions and are ranked through a prioritisation process. Eligibility is determined by housing and income status within a defined range, while prioritisation favours municipal tenants and lower-income households, with final allocations decided by a transparent draw.

##### *Eligibility Criteria*

- Applicants must satisfy two main conditions. Firstly, no household member can hold legal title to another dwelling in Poland on the day they move in. Secondly, the applicant's

<sup>72</sup> OECD. (2021). Country profile Poland (Cooperative Housing International, Poland). OECD Publishing.

European Construction Sector Observatory. (2018). Policy measure fact sheet: Poland – Social Housing Construction Programme. *European Commission*.

<sup>73</sup> Marszałek Sejmu Rzeczypospolitej Polskiej. (2024). Announcement of the Marshal of the Sejm of the Republic of Poland of 18 September 2024 concerning the promulgation of the consolidated text of the Act on social forms of housing development. *Dziennik Ustaw*, 2024(1440)

<sup>74</sup> Marszałek Sejmu Rzeczypospolitej Polskiej. (2024). Announcement of the Marshal of the Sejm of the Republic of Poland of 26 February 2024 concerning the promulgation of the consolidated text of the Act on financial support for certain housing projects. (Original Act: Ustawa z dnia 8 grudnia 2006 r. o finansowym wsparciu niektórych przedsięwzięć mieszkaniowych). *Dz. U.* 2024 poz. 304

<sup>75</sup> BS Warszawa Południe sp. z o.o. (2021). Zasady i tryb wyboru najemców lokali mieszkalnych inwestycji przy ul. Derkaczy w Warszawie [Rules and procedure for selecting tenants for residential premises in the investment at Derkaczy Street in Warsaw]. (Załącznik nr 4 do aneksu nr 3 do umowy nr PL/B/II/3/5/2021 z 29 września 2021 r.).

income must not be lower than a certain income limit set by the 2006 'Act on financial support for certain housing projects'. Applicants must submit income declarations and official confirmation from the tax office for all household members.

#### *Prioritisation and Selection*

- The Qualification Committee, appointed by the TBS Board, prepares a Primary List and Reserve List of eligible applicants. Current municipal tenants of Warsaw receive first priority, provided they agree to vacate their current flat within one month of signing the new lease. Moreover, lower-income applicants are ranked higher among the remaining candidates.

#### *Tie-Breaking and Special Rules*

If applicants have identical incomes, earlier applications take precedence. Additionally, apartments adapted for mobility-impaired persons are reserved for households including at least one person with such a disability. Lastly, final allocation of specific units is made through a lottery (*losowanie*) among those on the final approved list

## Integration with social policy

Poland's social housing system is closely linked to broader social policies, including labour market dynamics, social inclusion, urban regeneration, and anti-poverty strategies. The sector operates in conjunction with the social security system through housing subsidies and allowances, and municipal support programmes targeting vulnerable populations. Specifically, subsidised social housing offers temporary, low-rent accommodation for households experiencing severe social hardship. This housing category is designed to support individuals facing eviction, orphaned children, people experiencing homelessness, and residents displaced from structurally unsafe buildings. By prioritising these vulnerable groups, the policy aims to provide stable, short-term housing as a foundation for social reintegration and improved living conditions. Legal mechanisms require municipalities to maintain designated levels of social or affordable housing, particularly in regions facing severe shortages.

Recognising the multitude of social challenges, the Polish government adopted the National Housing Programme (NHP) in 2016 as part of the Responsible Development Plan, setting long-term objectives for housing policy out to 2030.<sup>76</sup> The NHP aims to: expand access to housing for individuals and families unable to afford market-rate accommodation; address the needs of low-income and marginalised groups, including the elderly, individuals with disabilities, and large families; improve living conditions and energy efficiency in residential buildings across the country. Specific targets include increasing the number of dwellings per 1,000 residents from 363 in 2014 to 435 by 2030 and reducing the number of people living in substandard conditions by two million.<sup>77</sup> To achieve these objectives, the NHP emphasises the development of social rental housing and urban revitalisation.

A key priority is modernising aging residential buildings to improve energy efficiency and reduce utility costs for residents. Funding from the National Recovery Plan is being allocated to energy-efficient construction and homeownership support programmes, reinforcing Poland's broader sustainability goals. The integration of the NHP with social policy reflects a comprehensive approach to tackling housing challenges. By expanding access to affordable, modern, and energy-efficient housing, the programme aims to improve living standards, reduce social inequalities, and enhance social inclusion.

<sup>76</sup> Polish Government. (2016). National Housing Programme 2030.

<sup>77</sup> *Ibid.*

These initiatives contribute to Poland's wider social policy goals of ensuring equal opportunities and fostering long-term, sustainable urban development.<sup>78</sup>

## Conclusions

Poland's housing system continues to evolve at the intersection of rapid construction growth and persistent social housing shortages. In recent years, the country has achieved one of the highest rates of new housing construction in Europe; yet only a small fraction of these new dwellings belong to the social or municipal sector. This imbalance underscores a key structural challenge: while overall supply is increasing, the affordability gap remains wide, particularly for low- and moderate-income households unable to access mortgage credit or market-rate rentals.

Municipalities remain central to addressing this gap. Their role extends beyond that of a financier or project initiator—they are also the principal managers and long-term custodians of social housing assets. Local authorities are responsible not only for constructing new dwellings but for ensuring their ongoing maintenance, rent setting, and tenant support. However, this dual responsibility is increasingly difficult to sustain given fiscal constraints and the aging quality of much of the existing municipal stock.

Emerging instruments such as the Social Rental Agency (SAN) and revitalised Social Housing Societies (TBS/SIM) demonstrate encouraging innovation by mobilising both public and private resources. Yet the success of these models will depend on consistent funding, coordination between levels of government, and stronger policy continuity across electoral cycles.

A balanced housing strategy for Poland must therefore focus not only on expanding supply but on strengthening the social and municipal segments of the market—ensuring that rapid construction growth translates into inclusive, affordable, and sustainable housing for all.

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<sup>78</sup> Polish Government. (2016). National Housing Programme 2030.