

ROMANIA

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Table 1: Tenure structure – Romania

Tenure	Number of dwellings	Percentage
Owner-occupied	~9,107,795	~95%
Private rental	~287,615	~3%
Public rental	~249,265	~2.6%
Total	9,587,153	

Source: Somogyi, E. (2024). *House for All: Access to Affordable and Quality Housing for All People. Country fiche: Romania. Luxembourg: ESPON EGTC.* Notes: The percentages in the tables are estimations by Somogyi based on policy documents, Census data from 2021 are still not available as of May 2025. The total number of dwellings is based on the OECD Affordable Housing Database (2022). The number of dwellings by tenure types are estimated based on the percentages and the total number of dwellings.

Brief historical overview

During the communist regime in Romania (1947–1989), housing policy was characterised by mass construction of state-owned apartment blocks aimed at providing affordable housing for urban workers. This centrally planned approach prioritised ‘quantity’ over ‘quality’, resulting in uniform, and generally low-quality housing. With the collapse of communism in 1989, Romania transitioned to a market economy, leading to a rapid privatisation process throughout the 1990s. Public housing was sold to tenants at low prices, drastically reducing the availability of social housing and shifting the landscape towards homeownership.¹

Romania, the largest country in Southeast Europe (19 million inhabitants), has seen significant population decline due to outward migration.² It has 9.6 million dwellings, with 469 conventional dwellings per thousand inhabitants as of 2019, but many homes are currently unoccupied.

Romania's homeownership rate is officially around 95%, the highest in the EU.³ Public rentals make up just 2.6% of housing stock, while private rentals account for around 3%. At

the time of writing (May 2025), the results of the 2021 Census are still not available. The strong ownership structure results from the post-communist privatisations, which nearly eliminated public rental housing altogether.⁴

Although two-thirds of housing was privately owned before the transition, the privatisations in the 1990s transferred 2.2 million public rental dwellings—27% of the national housing stock—to private ownership.⁵ By the early 2000s, social housing had been reduced further, becoming a residual category, with most public rental stock under municipal control. Inconsistent, politically-driven policies prevented sustainable social housing reforms.⁶

Romania now has one of Europe's highest overcrowding rates (40%)⁷ and an aging housing stock in dire need of renovation.⁸ Frequent restructuring of government agencies and a lack of a long-term housing strategy have stalled progress.⁹ However, recent reforms and investment programmes —particularly after 2020—aim to address these severe housing challenges.

¹ Turcu, C. (2017). Mind the Poorest: Social Housing Provision in Post-crisis Romania. *Critical Housing Analysis*, Vol. 4/2, pp. 54-66.

² Amann, W., Bejan, I., & Mundt, A. (2012). “The National Housing Agency – A Key Stakeholder in Housing Policy.” In: J. Hegedüs, M. Lux, & N. Teller (Eds.), *Private Rental Housing in Transition Countries: An Alternative to Owner Occupation?* London: Palgrave Macmillan, p. 211.

³ European Commission (2021) Share of people living in households owning or renting their home.

<https://ec.europa.eu/eurostat/cache/digpub/housing/blob-c-1a.html?lang=en>

⁴ Turcu, C. (2017).

⁵ Amann, Bejan, & Mundt. (2012), p. 211.

⁶ Turcu, C. (2017).

⁷ Somogyi, E. (2024).

⁸ Turcu, C. (2017).

⁹ Amann, Bejan, & Mundt. (2012), p. 210.

What is meant by social housing?

Social housing in Romania was first defined in 1996, with the introduction of the Romanian Housing Act¹⁰ as “dwellings with a subsidised lease, allocated to individuals or families whose financial position would not otherwise allow them access to housing”.¹¹ These dwellings were the property of local municipalities, which also included “emergency dwellings” for those needing temporary accommodation; e.g., in case of a natural disaster or eviction related to construction.¹²

Until very recently, the system did not clearly differentiate between ‘traditional’ social housing for the most vulnerable and ‘affordable’ housing for those on moderate incomes.¹³; both of which exist in Romania. With the launch of the ‘National Housing Strategy’ (*Strategia națională privind locuirea*) in 2022, there is now a clearer policy direction, emphasising the inclusion of vulnerable groups, including efforts to legalise informal settlements.¹⁴

The primary governmental bodies responsible for social housing in Romania are the Ministry of Development, Public Works and Administration (MDLPA) and the Ministry of Labour and Social Solidarity. The MDPLA is responsible for policy, strategy and programme development, implementation in urban and regional planning and housing, together with regional and territorial public administration units. The Ministry of Labour and Solidarity manages social benefits and services for vulnerable groups.¹⁵

A significant portion of publicly funded rental housing is managed through the National Housing Agency (*Agenția Națională pentru Locuințe*, ANL), operating under the authority of the MDLPA. It implements the housing programmes regulated by Law (no. 152/1998), the mortgage loan programme, and rental housing programmes that primarily serve young

professionals and civil servants, rather than low-income families. ANL units are often converted to private ownership after a certain period, further diminishing the available stock of public rental housing.¹⁶

Municipalities are responsible for allocating social housing, managing the local housing stock, and implementing specific housing assistance programmes.¹⁷ However, due to limited financial resources and administrative capacity, the expansion and maintenance of social housing remain significant challenges at the local level.¹⁸

Financing and supports

Romania’s social housing system relies on a mix of local, national, and EU funding. Municipalities are the main providers, although they tend to lack the financial capacity to expand the stock or properly maintain existing units. As a result, EU funds have become the most significant source of investment for new public construction, renovation efforts, and energy efficiency projects.

Based on Law 114/1996, local governments are responsible for financing, with support from the state. This comes through a loan provided by the ‘Multi-Annual Social Housing Construction Programme’ (*Programul multianual de construcții de locuințe sociale*);¹⁹ provided by the MDLPA.

The National Recovery and Resilience Plan (NRRP) has also allocated funding for social housing construction, particularly targeting young people from marginalised communities, with the goal of building 3,490 homes in the period of 2022-2026.²⁰ Additionally, the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+) also provide financing for energy efficiency renovations and support housing access for

¹⁰ (Act No. 114/1996.)

¹¹ Amann, Bejan, & Mundt, “The National Housing Agency,” p. 213.

¹² Ibid.

¹³ Turcu, (2017), “Mind the Poorest,” p. 63.

¹⁴ Somogyi, E. (2024).

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Turcu, C. (2017).

¹⁹ Somogyi, E. (2024).

²⁰ Ibid.

vulnerable groups; like the efforts being made under the Inclusion and Social Dignity Programme (OP).²¹

Publicly owned service housing construction is also funded by local governments and the MDLPA, as well as the NRRP in the case of service housing for professionals in the education and health sectors. Although, this is rather ‘affordable’ housing, more so than actual ‘social’ housing.

In addition, there is a big emphasis on supporting households evicted due to the restitution of previously nationalised homes. Under the ‘Social Housing Programme for Tenants Evicted from Nationalised (Restituted) Housing’—managed by the MDLPA, the ANL, and local governments—263 housing blocks with a total of 12,796 individual dwellings were financed, with 69 blocks with a total of 2,969 individual dwellings already built in the period 2009-2021.²²

Social housing projects benefit from favourable access to land, as municipalities often provide land free of charge from their own land banks for new developments.²³ The ANL can acquire public or private land at no cost from the state or local governments, for construction of new housing units. Additionally, local governments provide land for ‘regularising’ informal settlements, supported by EU-funded social inclusion programmes.²⁴

Accessing social housing

Eligibility for social housing is primarily based on income, with applicants required to earn below the national average wage. Priority is given to evicted tenants, young people leaving foster care, disabled individuals, pensioners, veterans, and victims of natural disasters. However, the poorest and most vulnerable groups, such as the

unemployed and members of marginalised Roma communities, often struggle to access social housing due to local government biases and funding shortages.²⁵ Municipalities are responsible for social housing allocation, but they lack the financial resources to maintain or expand the stock.²⁶

The costs of rents, new developments, and maintenance of social rental housing are covered by constrained municipal budgets, subject to annually approved financial limits. According to Law 114/1996, rental contracts are issued for a period of five years, and social rents are capped at 10% of the household’s net income. The local authority covers the gap between the capped rent and what would be sufficient to cover the housing management, upkeep expenses, and local taxes.²⁷

Turnover in the sector is very low, as the dwellings are highly subsidised and there is little incentive for the tenants to move. Thus, social housing cannot adequately tackle the severe affordable housing shortage at present, and meaningful investment is therefore to be encouraged.²⁸ For new developments, municipalities provide the land and infrastructure free of charge, while the central government assists in construction costs.²⁹

Under the RRF and National Housing Strategy, new eligibility criteria aim to prioritise young people, low-income families, and professionals in the healthcare and education sectors. Targeted measures include building 3,490 social housing units for vulnerable youth and 873 units for essential workers, ensuring access to better living conditions in underserved areas. Despite these efforts, the lack of available units and

²¹ European Commission, Directorate-General for Employment, Social Affairs and Inclusion. (2024). Social housing and beyond: EU country fiches – Romania. Publications Office of the European Union, pp. 90-91.

²² Somogyi, E. (2024). “House for All,” Table 6: Country Snapshot

²³ Turcu, (2017), “Mind the Poorest,” p. 58. ; Amann, Bejan, & Mundt, “The National Housing Agency,” p. 217.

²⁴ Like the RRF Reform 4. See: European Commission, (2024). „Social housing and beyond,” p. 89.

²⁵ Turcu, (2017), p. 57.

²⁶ Amann, Bejan, & Mundt, “The National Housing Agency,” p. 213.

²⁷ Amann, Bejan, & Mundt, “The National Housing Agency,”

²⁸ Ibid.

²⁹ Turcu, (2017), “Mind the Poorest,”

ongoing housing insecurity for marginalised communities remain critical challenges.³⁰

New policy measures have been adopted to help vulnerable groups, including the elderly, homeless, ethnic minorities (particularly the Roma, approx. 1.5-2 million living in Romania), and refugees. The National Housing Strategy (2022-2050) contains inclusive housing as a main pillar, targeting marginalised communities, vulnerable young people, and professionals in education and health who work in marginalised communities.³¹ It includes measures to legalise informal Roma settlements, increase their access to public housing, and prevent segregation, aligning with broader social inclusion goals.

The 'Strategy of the Romanian Government on Inclusion of Romanian Citizens Belonging to the Roma Minority' (2022-2027) aims to increase the quality of housing conditions of Roma inhabitants (many of them live in informal settlements). Additionally, the RRF funds include a focus on improving housing quality and reducing severe housing deprivation for marginalised communities.

Service delivery

The majority of the existing social housing stock consists of units constructed before 1990, mainly in former socialist apartment blocks or buildings nationalised under the regime.

The scale of new social housing development in Romania is very limited, with only 3,911 new units built between 2007 and 2022. Public rental housing is approximately 2.6% of the total housing stock as of 2019,³² which includes both social housing and other publicly owned dwellings such as service housing for professionals; which is more akin to 'affordable' housing.³³ New investments are mainly supported by EU funds. As an example, under RRF's *Investment 2*.³⁴ By 2026, Romania aims to reduce the housing overcrowding rate by 6.1

percentage points, using 2020 as a baseline, and to decrease by 20% the share of the population living in informal settlements.³⁵

Social housing is typically delivered through municipally-led construction projects, including the provision of public land. The ANL plays a key role in financing rental housing projects, particularly for young professionals. However, the ANL units are often converted to private ownership after a few years, reducing the long-term availability of social housing.³⁶

The MDLPA oversees national housing programmes and funding allocations, but there is no centralised monitoring system to track social housing provision (although there are efforts made in the National Housing Strategy). Enforcement of social housing regulations largely depends on local government capacity. The lack of accountability mechanisms has contributed to inefficiencies in housing provision, with municipalities often prioritising tenants who can be seen as being more 'stable' and who can contribute to rent payments, rather

Integration with social policy

Social housing in Romania is not well integrated with broader anti-poverty strategies, and local governments often avoid housing the poorest due to financial concerns (e.g., risk of unpaid rents). The National Housing Strategy is the first comprehensive attempt to create a structured long-term approach to housing policy. Its four main pillars are:

- i. inclusive housing (expanding access to social and affordable housing, legalising informal settlements, improving living conditions for vulnerable populations);
- ii. affordable housing and public services (increasing public rental housing supply, preventing suburbanisation, and reducing urban-rural inequalities;

³⁰ Somogyi, E. (2024).

³¹ Ibid.

³² Somogyi, E. (2024). "House for All," Table 1: Basic Data

³³ Service Housing for Professionals Law (114/1996)

³⁴ European Commission, (2024). „Social housing and beyond,” p. 90.

³⁵ European Commission, (2024). „Social housing and beyond,” p. 89.

³⁶ Somogyi, E. (2024).

- iii. green transition (improving energy efficiency, seismic safety, and housing quality);
- iv. improving administrative capacity (enhancing governance, pilot projects for sustainable housing, and implementing a national housing monitoring system).

The strategy is accompanied by an Action Plan that covers the period of 2022-2027 and is updated with each seven-year EU funding cycle.³⁷

The National Long-term Renovation Strategy (NLTRS) was launched to support the renovation of both public and private residential and non-residential buildings, with the goal of achieving high energy efficiency by 2050. It focuses on improving energy performance by reducing consumption and emissions, as well as increasing renewable energy use. It also aims to enhance quality within buildings.³⁸

The Social Housing Construction Programme [Law 114/1996] provides funding (by the MDLPA) for local governments to construct social rental housing for families and individuals below the average net income per person.

The Programme for Social Inclusion and Dignity (PoIDS) (2021-2027), financed by the ESF+ and the ERDF, supports affordable housing, rental/purchase schemes, and social housing renovations for marginalised communities, and includes a goal to regularize 200 informal settlements in the given time frame.

The ANL's 'Rental Housing Construction Programme for Young People' provides new housing construction for young professionals aged 18-35 that cannot afford to buy or rent. The rented units can be bought at the end of a minimum six-year continuous lease period, supporting private ownership, rather than social rental housing.

CASE STUDY / KEY POLICY FEATURE

Desegregation of a segregated neighbourhood under the Community-led Local Development approach in Reșița³⁹

The Reșița social housing project is a successful integrated initiative addressing housing deprivation, segregation, and social exclusion in Romania—a country marked by economic disparities and marginalised Roma communities. Based in Mociur—one of Reșița's most isolated and deprived areas—the project aimed not only to improve housing, but also to foster full social and economic integration by relocating affected families to the city centre using a Community-Led Local Development (CLLD) approach.

Recognising that housing challenges require broader social investments, the initiative combined efforts in employment, education, healthcare, and social services. The rehabilitation of municipal housing, the purchase of private units, and the refurbishment of school dormitories provided immediate, improved housing options. Community involvement was central, with residents participating in planning, relocation, and post-move support. Employment advisory services helped secure work, while measures to prevent eviction safeguarded housing stability.

Financing came primarily from EU cohesion policy funds (2014–2020) through a decentralised CLLD mechanism, supplemented by municipal contributions and ESIF funding for infrastructure and social integration. Ultimately, 157 families were relocated to housing with essential services, segregated blocks in Mociur were dismantled, and employment levels improved—reducing spatial inequality and promoting long-term inclusion. This integrated approach provides a good practice that other municipalities with similar social dynamics might seek to emulate.

³⁷ Somogyi, E. (2024).

³⁸ *Ibid.*

³⁹ European Commission, Directorate-General for Employment, Social Affairs and Inclusion. (2024). Social housing and beyond. pp. 41-42.

Conclusions

Despite progressive measures and efforts through national and EU-funded programmes in recent years, Romania's social housing sector remains severely underdeveloped, with a low percentage of publicly available rental housing and significant funding challenges. The availability of social housing units remains inadequate to meet demand, and municipalities struggle to maintain the existing housing stock.

Recent policy initiatives, such as the National Housing Strategy (2022-2050) and RRF Reform 4, signal some renewed commitment to addressing housing deprivation, particularly for vulnerable groups such as young people, low-income families, and marginalised communities. However, the success of these initiatives will depend on sustained political commitment, improved financial mechanisms, and better coordination between local and national authorities.

Moving forward, Romania must continue to expand its investment in social housing, improve access to land for development, and integrate housing policies with broader social inclusion strategies to ensure long-term progress in tackling housing inequalities. It should also take steps to ensure that the most marginalised households are not shut out of the social housing system.