



SUPERSHINE

D5.1: Policy reviews and prospects for social housing in the Fellow City countries and regions - Part 1

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Abbreviations and Acronyms

Acronym	Description
AKP	Adalet ve Kalkınma Partisi (Justice and Development Party- Ruling party)
EU	European Union
LCA	Life Cycle Analysis
SLCA	Social Life Cycle Assessment
TOKİ	Toplu Konut İdaresi (Housing Development Administration of the Republic of Türkiye)
WP	Work Package
WW2	World War II

1. Introduction

1.1. Purpose of the Document

Aiming to provide valuable insights and recommendations for the future direction of social housing in follower cities and regions, the development and fitting of SUPERSHINE BLUEPRINTS tailored to fellow cities will be carried out through a bottom-up approach. The purpose of this document is to provide a detailed examination of social housing policies, reviews, and prospects in the follower cities and regions, focusing specifically on Spain, Portugal, Serbia and Türkiye. The document aims to offer a comprehensive analysis by exploring the historical background of social housing in each country, examining recent policies and developments, and highlighting the challenges faced by each country in this regard.

This document, which is part one of a two-part series, was prepared through extensive literature research and collaboration with partners in the respective countries. As the SUPERSHINE project advances and additional data is gathered, the conclusions and insights outlined in this preliminary report will be elaborated on and enhanced in a follow-up document.

1.2. Interdependencies with Other WPs and Tasks

The various outputs from WP1, WP2 and WP3 have provided information for this deliverable. The data collected from surveys conducted in WP2 helps in better understanding the cities in terms of financial, environmental, and social aspects, both for lighthouses and follower cities. Based on this information, a document has been prepared for follower cities and regions, including literature research, containing reviews and prospects related to social housing. The environmental, economic, LCA, and SLCA assessments to be carried out in WP3 will also provide information for use in WP5. Also, the information and results obtained in this deliverable will contribute to the progress and implementation of future tasks in WP5.

2. Defining Public, Social and Cooperative Housing

Although each pillar of the welfare state is different from others in the way they are funded, organised and distributed, the characteristics of housing are unique. This attribute has earned housing the reputation of being a ‘wobbly pillar of the welfare state’ by various authors.^{1,2} According to the argument, the only major capital-based service in welfare regimes which is brought directly or indirectly to households through welfare policies and where households can also purchase the capital themselves, is housing. Housing has two meanings and functions, it refers both to a service and to a capital asset. That is to say, while the concept of housing can be described by two different meanings, the first one refers to a service in terms of the accommodation that housing provides, while the second one implies a capital asset.

According to Harloe, housing is a tradable commodity which occupies a central position in the capitalist economy since it involves private property ownership. Thus, it is much closer to a market commodity than other pillars of the welfare state. In recent years, the image of housing as the wobbly pillar of the welfare state has become popular, because it draws attention to the differences between housing and various other public services. With housing as a market operated commodity at the same time, the private sector has an important role in relation to the welfare state. For this reason, phenomena that affect the private sector such as globalisation and neoliberal processes have also an impact on housing.

In the context of the welfare state, the close relationship of housing to the market, influences also the definitions regarding housing.³ For social housing two possible definitions have been tabled;

- The first definition, which is more comprehensive, addresses all types of housing that is provided directly or indirectly through any form of public subsidies or social assistance. For instance, these subsidies can include tax relief on mortgage interest, tax shelters for homeownership, subsidies to providers, depreciation allowances for investments in residential properties, or below-cost provision of collective public services for housing. According to this definition, whenever the private housing stock benefits or takes provision from any form of public subsidies, this can be labelled as social housing.

¹ Torgersen, U. (1987). Housing: The Wobbly Pillar under the Welfare State. *Scandinavian Housing and Planning Research*, 4(sup1), 116–126. <https://doi.org/10.1080/02815737.1987.10801428>

² Harloe, M. (1995). *The People's Home: Social Rented Housing in Europe and America*. Oxford: Blackwell Publishers.

³ Carswell, A. T., & Proquest (Firm. (2012). *The encyclopedia of housing*. Sage Publications.

- The second definition of social housing is much less definitive compared to the first definition, and involves not-for-profit actors and policies. That is to say, social housing providers are diversified in the second definition, which refers to housing implementations that are subsidised by the state and social rented housing, but more importantly, includes “new forms of publicly supported and non-market housing, such as cooperatives, rent-g geared-to-income, limited dividend and non-profit housing provided by social agencies, community groups, non-profit private firms and political organisations other than government.

In both definitions there are actors outside the state, and in addition to providing housing directly, different methods or implementations are involved. In this context, social housing is an area that is considerably intertwined with non-state actors through a multitude of practices.

Despite attempts, there is no single definition of social housing across Europe. On the one hand, there are definitional issues in terms of the range of providers, particularly around the position of cooperatives, time limited subsidies, and the role of private suppliers/developers. On the other hand, in all European countries, the profile of the social housing stock is differentiated in terms of the age of the building, the type of dwelling, and so on. In addition, social housing serves different groups in different countries in terms of allocation criteria. For these reasons, related policies can also vary from one country to another. Moreover, social housing is a dynamic field. For instance, while providers are increasingly separate from local authorities in some countries, in the majority, there has been a shift towards more local policy.

As the definition of social housing differs from country to country, the policies applied are also quite different. However, going with the most comprehensive definition, it is possible to make a comparison between the areas that the definition covers. In this sense, some features of the social housing area, such as who provides social housing, how they provide it, what the provision criteria are and the purpose of social housing policies can be compared. In this context, the way social housing is diversified in European countries can be seen.

Basically, social housing is compared across countries by looking at the social rental stock. In other words, the relative size of the social housing sector is usually illustrated by data on social rental stock. Countries can be classified on the basis of two dimensions: (1) size of the social housing stock, (2) allocation criteria. This classification allows a visualisation of common points and differences between the different policy approaches in countries. In addition to the size of the social housing sector, which is based on data available on the size of the social rental housing stock, the allocation criteria is also used to distinguish countries. At this juncture, two allocation criteria are seen, i.e. the

universalistic approach and the targeted approach.⁴ Where the universalistic approach is predominant, social housing aims to give universal service, potentially directed to all citizens. For instance, dwellings can be delivered either through municipal housing companies, e.g. in Sweden, or through non-profit organisations e.g. in the Netherlands and Denmark. Rental housing and the social rental sector have a higher proportion in countries that have a universalistic approach.⁵ However, social housing policies of the majority of European countries rely on a targeted approach. Herein, two main subtypes— the generalist and the residual models — can be classified in the targeted approach. In the generalist sub-type, social housing is allocated by the provider on the basis of a specific set of rules and by following priority criteria based on income ceilings or employment status. However, in the residual subtype, social housing is directed at the most vulnerable groups, originally used for economically disadvantaged sections of society but increasingly also including migrants as well as ethnically distinct groups such as Roma. European countries can be ranked according to the size of the social rental housing sector and categorised according to allocation criteria.

Table 1: Approaches to social housing provision in European countries ⁴

Social Rental Housing Sector Size	Universalistic	Targeted	
		Generalist	Residual
Large (>=20%)	Netherlands, Denmark, Sweden	Austria	United Kingdom
Medium (11%-19%)		France, Finland, Poland	France
Small (5%-10%)		Italy, Belgium, Germany	Germany, Ireland, Malta
Very Small (0%-4%)		Greece	Spain, Portugal

As all fellow cities in SUPERSHINE are Southern European countries, Spain, Portugal, Türkiye, and Serbia is the outlying case due to its socialist history, an overall evaluation of housing policies in Southern European countries of the EU, is thought appropriate. The Serbian case will be looked at separately.

⁴ Braga, M., & Palvarini, P. (2013). Social housing in the EU. In Directorate-General for Internal Policies (Ed.), Policy department: Economic and scientific policy. Brussels: The European Parliament's Committee on Employment and Social Affairs

⁵ Pittini, A., & Laino, E. (2012). Housing Europe review 2012: The nuts and bolts of European social housing systems. Brussels: CECODHAS Housing Europe's Observatory.

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According to Table 1, the Netherlands, Denmark, Sweden, Austria and the UK have large size social rental housing sectors with ratios of over 20 percent. Austria has a generalistic sub-type and the UK has a residual targeted sub-type. The Table also clearly shows the relative attributes of the Southern European countries that stand out in the area of social housing. Greece has a generalist approach, Spain and Portugal have a residual targeted approach, but more importantly, in comparison to other European countries, most of the Southern European countries are characterized by a very small size of social rental housing.

Each country has its own mission for policies implemented which focuses on a specific targeted group, and there are also different eligibility conditions in each country. In EU member states, there are three common elements when it comes to social housing: (1) the mission represents a general interest, (2) the objective is set to increase the supply of affordable housing by construction, renovating, managing or purchasing social housing, (3) a specific target group is determined which is defined in terms of socio-economic status or the presence of vulnerabilities.

In terms of the tenure, rented social housing is provided in most countries, but dwelling acquisition by inhabitants can also be preferred.⁶ Some countries offer a provision for intermediate tenure, a shared ownership solution where tenants buy a share of the dwelling and pay a rent for the remainder.⁷ Shared ownership solutions have become increasingly important in the UK, whereas in some Southern European countries such as Greece and Spain, social housing is provided through acquisition of low-cost housing.⁶ Social rental option is present in all Southern European countries as well as in all member states of the European Union (EU) except Greece. Supporting home ownership policies are not preferred in Northern Europe and in most Eastern countries.

Table 2: Housing tenure in Southern European countries⁸

Country	Owner- Occupied (%)	Private Rent (%)	Social Rent (%)	Cooperative Housing (%)	Other (%)
Greece	73	22	0	0	5
Italy	67	16	6	0	11
Portugal	73	18	2	0	7
Spain	79	14	2	0	5
Serbia	87.3	5.9	0.5	0	6

⁶ Pittini, A., & Laino, E. (2012). Housing Europe review 2012: The nuts and bolts of European social housing systems. Brussels: CECODHAS Housing Europe's Observatory.

⁷ Braga, M., & Palvarini, P. (2013). Social housing in the EU. In Directorate-General for Internal Policies (Ed.), Policy department: Economic and scientific policy. Brussels: The European Parliament's Committee on Employment and Social Affairs

⁸ Housing Europe (2015). The State of Housing In The EU 2015.

Türkiye	55.7	28.8	0	0	15.4
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Table 2 shows the officially available numbers of different tenures in four Southern European countries. Home ownership levels are particularly high, but the overall rental sector varies significantly in size. It is also particularly small in Southern European countries such as Spain, Greece and Italy. In the rental sector, the relative importance of private versus social rental also varies significantly. In addition to these, in some countries cooperatives have a prominent role in supplying affordable housing, but there is a wide variation across countries on how cooperatives are defined. That is to say, while in some countries, figures on cooperatives are included as part of the homeownership sector, in others they are regarded as part of the social housing sector, and in a third group of countries there is even a separate cooperative category, which is also illustrated in Table 2. For this reason, in some countries cooperative housing is not presented as a distinct tenure although housing cooperatives are active in the country, e.g. Italy, Spain, and Portugal. ⁹

Social housing is financed through various funding arrangements. Financing models also vary significantly across countries. In some countries, the sector is almost entirely financed by public funding, whereas in others, housing providers rely heavily on loans from the financial markets. Other differences have emerged regarding other factors, including the level of maturity of social housing providers, the government commitment to support the sector, and conditions on the mortgage market. Housing projects are financed through different sources, including bank loans, mortgages, public grants, public loans, private funds of housing organisations and tenant’s contributions. Furthermore, municipalities can contribute with funding or offering land for the construction of social housing at reduced prices or for free. In some countries, social housing is provided directly by local authorities, and is a financial burden to the national budget. In countries like Austria, Italy and Luxembourg, other crucial factors can be seen in terms of public land offers at discounted prices, or tax deduction for social housing providers.

Today, there is a combination of actors involved, with public provision (usually by municipalities, either directly or through dedicated publicly owned companies) often coexisting with a growing private sector, mainly consisting of specialised non-profit or limited-profit bodies. Recent years have seen the emergence of non-specialized actors (commercial developers and private landlords, as opposed to specialised ‘approved’ not for profit providers) who have been included as possible recipients of public subsidies in exchange for the use of dwellings for social purposes, usually for a limited period of time.

⁹ Pittini, A., & Laino, E. (2012). Housing Europe review 2012: The nuts and bolts of European social housing systems. Brussels: CECODHAS Housing Europe’s Observatory.

With massive industrialization and urbanisation in the early twentieth century, housing needs emerged and increased. In earlier periods, social housing was created through the initiative of the private sector, e.g., charitable institutions, private companies that build housing to accommodate their workers. Later on, especially following WW2, many nation states across Europe took over those private initiatives. However, in countries like Denmark and the Netherlands, social housing provision has always remained a prerogative of the private nonprofit sector. Then, in the 1990s, recentralization of responsibilities from central to regional and local level took place. In this period, public actors also retreated from housing provision. Last 20 years has seen a return of the involvement of private and not-for-profit initiatives through a wide range of social agencies, albeit with continuing large-scale government subsidies and financing housing programs and sectoral regulations.^{10, 11}

Türkiye's former welfare regime has been likened to Southern European countries in terms of the structure of employment, the qualification of formal social policy institutions and the informal social integration mechanisms. Whereas the transformation of the welfare regime, with its origins in the 80's, has demonstrated significant differences to Southern Europe. This transformation accelerated when the Justice and Development Party (Adalet ve Kalkınma Partisi, AKP) came to power. At this juncture three consequences that occurred due to the changes of the welfare regime and policy shift of the AKP government can be discerned. TOKİ (Housing Development Administration of the Republic of Türkiye), became a very large and powerful institution during this period with significant results that will be elaborated in the country section. In addition, the decline of the activities of the housing cooperatives, which can also be seen as a consequence of the changing role of TOKİ, is another consequence. The third is the large-scale prevention of "gecekondu" (self-made makeshift housing) construction in the cities on public land and the demolition of these areas, a result of legal regulations that strengthened state institutions.

¹⁰ Czischke, D., & Pittini, A. (2007). Housing Europe 2007: Review of social, co-operative and public housing in the 27 member states. Brussels: CECODHAS European Social Housing Observatory.

¹¹ Pittini, A., & Laino, E. (2012). Housing Europe review 2012: The nuts and bolts of European social housing systems. Brussels: CECODHAS Housing Europe's Observatory.

3. Fellow City Case Reporting

3.1. Spain

A significant portion of Spain's residential buildings was constructed prior to the 1980s, a time when energy efficiency regulations were not in place. The Spanish Constitution ensures the right to housing. The country's approach to social housing is primarily through the “Vivienda de Protección Pública” (publicly protected housing) system. This system is unique compared to many other European Union countries' social housing models, as it predominantly provides housing for owner-occupation rather than rental. However, there is a growing trend in offering a smaller portion of these homes for rent.

Protected housing is distinguished by its construction, renovation, and purchase being subsidised by the government through low-interest loans to providers. In return, homes that meet specific standards for size and quality are offered for sale or rent, at prices lower than the market rate, to individuals whose income falls below certain thresholds.

Support, often earmarked for housing associations and/or intermediary financial institutions and usable by owners, for housing renovation and supply of energy efficient social housing is available since 2021 in the framework of the Recovery, Transformation and Resilience Plan. The objective of the actions that are taken into this plan is to reduce non-renewable energy consumption in households by at least 30% and to decarbonize and lower heating and cooling demand by at least 7%.¹²

In the 2010s, the home-ownership segment accounted for 85% of Spain's total housing stock, making it one of the largest in Europe. Conversely, the rental sector was the smallest, comprising only 11% of the housing stock and primarily concentrated in major cities like Barcelona and Madrid. Social rental housing constituted a mere 2% of the total housing stock in the country.¹³

Government assistance for protected housing is focused on the dwellings themselves and is available to a diverse range of providers. This includes public developers, commercial developers, not-for-profit organisations, cooperatives, and individuals who wish to purchase or refurbish a home, either alone or as part of a collective.

¹² The State of the Housing in Europe 2023 [Review of The State of the Housing in Europe 2023]. (2023). Housing Europe's Observatory, 84. <https://www.housingeurope.eu/resource-1825/the-state-of-the-housing-in-europe-2023>

¹³ Social Housing in Europe | Housing Europe. (2010). www.housingeurope.eu.
<https://www.housingeurope.eu/resource-124/social-housing-in-europe>

Funding for protected housing primarily comes from the National Housing Plan, supplemented by contributions from regional plans and loans from private credit institutions. The government establishes agreements with these credit institutions, ensuring they offer loans with favorable terms. Additionally, protected housing may receive direct public support in the form of grants or subsidies for loans in certain instances.

Based on income levels, roughly over 80% of households are potentially eligible for the VPO (Vivienda de Protección Pública) housing. To qualify, an individual seeking to purchase, be allocated, or construct a VPO property for personal use must meet certain criteria: they should not own or possess permanent usage rights to another property, must not have received Housing Plan financing in the past 10 years, and their income should fall below specified thresholds. Priority is given to disabled individuals and dependents, and regional governments may set additional requirements.

3.1.1. Historical Background

The historical evolution of housing in Spain from the Franco Era to the post-2008 financial crisis is marked by distinct phases. During the Franco Era (1939-1975), rapid urbanisation was witnessed and the state promoted the construction of affordable homes; often with basic standards, through various Housing Plans, leading to significant development on the outskirts of cities. The late 1970s and 1980s, characterised by Spain's transition to a democratic system, marked a shift towards decentralised housing policies. Regional governments, or autonomous regions, gained significant powers, including over housing policy, resulting in improved housing quality and a rise in homeownership rates. The late 1990s to 2008 saw Spain experiencing a property boom, driven by easy credit and speculative building, with a housing model that prioritised private homeownership and was supported by subsidies. However, the 2008 global financial crisis had a severe impact on Spain, leading to a burst housing bubble, high levels of evictions, and an oversupply of empty homes.

3.1.2. Recent Policies and Development

In the period following the 2008 financial crisis, Spain's housing sector witnessed significant changes and policy responses. The crisis led to the emergence of the Platform of Mortgage Affected People (PAH), a group advocating for the rights of those facing eviction. PAH's activism resulted in changes to eviction laws and emphasised the need for more social housing. The crisis also shifted public perspective from homeownership towards renting, prompting both public and private sectors to

develop more rental housing units. In the 2023 edition of State of Housing in Europe it is stated the private and subsidised rental percentage raised to 17.7% (it was 11% in 2010).¹⁴

AVS, which is The Spanish Association of Public Housing and Land Managers, plays a significant role in advocating for and facilitating social housing in Spain. The AVS promotes sustainable urban policies and construction, aimed at reducing poverty and social exclusion. The AVS unites 145 public housing companies and entities across local and regional levels in Spain. These organisations collectively manage around 270,000 housing units available for rent with an option to purchase. The majority of these units are in multi-family buildings, accounting for 97% of the total.¹⁴

CONCOVI, the Confederation of Housing and Rehabilitation Cooperatives in Spain, primarily focuses on advocating for housing cooperatives. They offer guidance and support to affiliated cooperative entities, working to maintain and strengthen the cooperative spirit in the housing sector. Their activities include informing and coordinating these entities, as well as negotiating and advocating for their interests. This work is pivotal in promoting sustainable housing solutions and cooperative housing models in Spain.

Despite the existence of a large stock of empty houses, affordability remains a major issue, especially in major cities, where foreign investment in prime properties has sometimes driven up prices and reduced availability for local residents. In response to these challenges, recent policies have focused on increasing the social housing stock, often by refurbishing existing empty homes rather than constructing new ones. The law approved by the Government of Spain, which includes measures like imposing a compulsory reserve of 30% of any development for subsidised housing, of which 15% must be allocated to social renting. The law aims to build up a public housing stock, improve the regulation of evictions, and provide more effective coordination between social services and the judiciary to offer housing solutions to vulnerable individuals.¹⁵ This effort has seen collaboration between regional governments and municipalities, highlighting a collective approach to addressing housing needs in Spain.

3.1.3. Challenges

Diverse Needs

¹⁴ The State of the Housing in Europe 2023 [Review of The State of the Housing in Europe 2023]. (2023) Housing Europe's Observatory, 82-84. <https://www.housingeurope.eu/resource-1825/the-state-of-the-housing-in-europe-2023>

¹⁵ The Government of Spain approves the Law on the Right to Housing. (n.d.). www.lamoncloa.gob.es. https://www.lamoncloa.gob.es/lang/en/gobierno/councilministers/Paginas/2022/20220201_council.aspx

- **Regional Variations:** Spain's decentralised system means each autonomous region has its housing policies. This leads to inconsistencies in housing provision, as each region may prioritise different aspects of housing based on their unique challenges and demographics.
- **Rural vs. Urban:** While urban areas might grapple with the challenges of gentrification and skyrocketing rent, rural areas face depopulation and a lack of infrastructure and amenities. Addressing housing needs in such contrasting environments requires tailored strategies.

Limited Stock

- **A Historical Emphasis on Homeownership:** Spanish housing policies historically emphasised home ownership over renting, which led to a smaller proportion of social rented housing compared to countries like the UK or the Netherlands. The change in mindset towards rental, especially after the 2008 crisis, has been gradual and still faces cultural and systemic barriers.
- **Mismatch between Available and Needed Stock:** Post 2008 crisis, Spain had a massive number of vacant homes, yet many were in areas with low demand or were part of unfinished developments. Repurposing or ensuring these homes meet the needs of the population is challenging.

Gentrification

- **Touristification:** Cities like Barcelona and Madrid have seen a surge in short-term rentals catering to tourists, like Airbnb. This has led to a reduction in long-term rentals available for locals, pushing up prices.
- **Foreign Investment:** The influx of foreign investors buying up properties, especially in prime locations, has made housing unaffordable for many locals. Often, these properties are kept vacant as assets, further exacerbating the housing shortage.
- **Displacement of Communities:** Traditional communities in urban centres are often dispersed due to rising rents, leading to a loss of cultural heritage and community bonds.

Economic Factors

- **Employment and Wage Stagnation:** While housing prices and rents have been on the rise, wages haven't kept pace. This disparity makes it difficult for many, especially the younger generation, to afford housing.
- **Legacy of the Financial Crisis:** The 2008 financial crisis left many with mortgage debts, negatively affecting their credit history and making it challenging to access housing in the future.

Legal and Bureaucratic Hurdles:

- **Eviction Laws:** Despite some reforms, Spain's eviction laws have been criticised for favouring landlords and banks over tenants and mortgage holders. This has led to numerous evictions, often without alternative accommodation in place.
- **Zoning and Land Use:** Restrictive land-use policies can hamper the development of new social housing projects. Bureaucratic delays and complex regulations might deter both public and private sector initiatives.

Environmental and Sustainability Concerns:

- **Ageing Infrastructure:** A significant portion of Spain's housing stock is old and not up to current energy efficiency or sustainability standards. Retrofitting these buildings is both economically and logistically challenging.
- **Land and Resource Scarcity:** Sustainable urban planning is crucial as cities expand.

3.1.4. Funding sources and initiatives

In Spain, there are several funding sources and initiatives available for energy efficiency renovation projects in residential buildings. Here are some key ones:

National Energy Efficiency Fund (Fondo Nacional de Eficiencia Energética): The Spanish government has established the National Energy Efficiency Fund to provide financial support for energy efficiency projects, including those targeting residential buildings. The fund offers grants, subsidies, and favourable financing options to homeowners and communities undertaking energy efficiency renovations.

Programa de Ayudas para la Rehabilitación Energética de Edificios (Program for Energy Renovation of Buildings): This program, managed by the Spanish Ministry for the Ecological Transition and the Demographic Challenge, provides grants and incentives specifically aimed at promoting energy efficiency renovations in residential buildings. It supports measures such as insulation, efficient heating and cooling systems, and renewable energy integration.

Instituto para la Diversificación y Ahorro de la Energía (IDAE) (Institute for Energy Diversification and Saving): IDAE offers various funding programs and incentives to encourage energy efficiency improvements in residential buildings. These initiatives may include grants, subsidies, and low-interest loans for homeowners and communities implementing energy-saving measures.

European Regional Development Fund (ERDF): Spain benefits from funding provided by the European Regional Development Fund to support energy efficiency projects, including residential

building renovations. These funds are often channeled through regional or local government programs aimed at promoting sustainable development and reducing energy consumption.

Local Government Initiatives: Many local governments in Spain offer their own funding programs and incentives for energy efficiency renovations in residential buildings. These initiatives may include grants, tax incentives, and preferential financing options to encourage homeowners to invest in energy-saving measures.

Energy Service Companies (ESCOs): ESCOs in Spain provide energy efficiency services to residential buildings, including energy audits, project design, implementation, and financing. They often offer innovative financing models such as energy performance contracting (EPC), where the cost of renovations is repaid through the energy savings generated over time.

Financial Institutions: Banks and financial institutions in Spain may offer loans, mortgages, or other financing options tailored to energy efficiency renovation projects in residential buildings. Some banks may also provide specific green financing products with favourable terms for energy-saving measures.

Energy Performance Certificates (EPCs): EPCs are mandatory for all residential properties in Spain and provide information on the energy efficiency of buildings. Homeowners can use EPCs to identify potential energy-saving opportunities and may qualify for certain incentives or financing options based on their property's energy rating.

These funding sources and initiatives in Spain aim to incentivize and facilitate energy efficiency renovations in residential buildings, contributing to the country's efforts to reduce energy consumption, lower carbon emissions, and improve living conditions for residents.

3.2. Portugal

Social housing in Portugal is a concept established by legal frameworks dating back to 1983. It refers to housing projects that receive financial assistance from the government, including tax benefits and funding for acquiring land, building, and promoting residential spaces. This form of housing is aimed at providing affordable homes for sale or rent to individuals or families with incomes below a certain threshold. Additionally, it encompasses initiatives targeting specific groups through housing and urban regeneration programs. The responsibility for implementing social housing projects can fall upon public authorities, cooperatives, private entities, and social organisations.

In Portugal there are promoters and managers of social housing both in the public sector, as in the cooperative sector or voluntary sector. The primary providers are the municipalities, which play a significant role in this area. Housing cooperatives, receiving partial funding from the state, offer housing options at regulated prices. Additionally, in the voluntary or non-profit sector, certain organisations, whose main focus is not social housing, contribute to this domain either due to historical reasons or as a part of their core activities. There are no private landlords acting on a for-profit basis involved in social housing provision.

Social housing in Portugal is a responsibility devolved to Municipal Councils, with programs initiated by the government, specifically through the IHRU (Institute of Housing and Urban Renewal). This setup facilitates support for municipal or cooperative entities engaged in housing projects. The assistance typically offered by the IHRU to municipalities manifests in financial backing for construction investments, which can take the form of either grants or subsidised loans.

Cooperatives in Portugal also benefit from similar support provided by the IHRU, often supplemented by cooperative agreements with municipalities. This typically involves the transfer of land for construction for a designated period. However, the combination of limited public support and low rental incomes, which frequently fail to cover construction costs, renders the current financing model for social housing in Portugal somewhat unsustainable.¹⁶

3.2.1. Historical Background

Traditional forms of housing assistance in Portugal, before the 20th century, were mostly informal and based on charitable or communal efforts, with no organised social housing as a government initiative. This changed with the Estado Novo regime under António de Oliveira Salazar from 1933 to 1974, which saw the first significant state involvement in housing. The government then focused on eliminating slums and constructing affordable housing, although these efforts were limited in scale and scope, with an emphasis on promoting conservative values of family and national identity in the architectural styles and layouts. A significant shift occurred after the Carnation Revolution of 1974, which overthrew the Estado Novo regime. The new democratic government placed a greater focus on social welfare, including housing, leading to a surge in public housing projects aimed at providing affordable homes to the lower and middle classes. The 1980s and 1990s continued this trend, with public housing initiatives often supported by European Union funding, focusing on improving living conditions, urban renewal, and addressing the housing needs of disadvantaged groups.

¹⁶ Social Housing in Europe | Housing Europe. (n.d.). www.housingeurope.eu. Retrieved January 5, 2024, from <https://www.housingeurope.eu/resource-119/social-housing-in-europe>

3.2.2. Recent Policies and Development

After the 1974 revolution, Portugal introduced several key housing policies and programs. The SAAL (Serviço Ambulatório de Apoio Local) was a pioneering project where architects worked alongside residents to design and rebuild neighbourhoods, representing a collaborative and community-driven approach to housing, although it was short-lived. In the 1990s, the PER (Special Rehousing Program) was introduced to eradicate informal settlements and replace them with modern housing facilities. More recently, the Porta 65 initiative was launched to assist young people aged between 18 and 35 years in renting houses by partially subsidising their rent costs, aiming to support the housing needs of the younger population. These programs collectively reflect Portugal's evolving approach to addressing diverse housing needs across different eras.

In recent years, Portugal has adopted several innovative approaches to address its social housing challenges. Public-Private Partnerships have become more prevalent due to financial constraints on public spending, with the private sector increasingly involved in developing and managing social housing projects. There's also a trend towards decentralisation, allowing local authorities more autonomy and resources to cater to the distinct housing needs of their regions. Urban rehabilitation has gained focus over constructing new buildings, with initiatives like the "IFRRU 2020" program (Financial instruments for urban development in Portugal) financing the transformation of existing urban structures into energy-efficient and livable spaces. Additionally, the Affordable Rent Program (Programa de Arrendamento Acessível), launched in 2019, promotes longer leasing contracts with controlled rents, aiming to make housing more affordable for many Portuguese citizens. These strategies collectively reflect a multifaceted approach to addressing the diverse housing needs across Portugal. Additionally, other programs for accessing social housing, each with their unique eligibility and priority criteria, are as follows;

- The PER Rehousing Program focuses on relocating individuals from shantytowns in major metropolitan areas.
- PROHABITA prioritises those who have low income than three times the annual minimum salary, who don't own property in Portugal and haven't received public housing financial aid.
- Porta Jovem aids young people in securing rental housing. One of the criteria for granting this allowance is that the gross monthly income of the household "should be adequate to the interval between 1 and 4 times the maximum rent admitted in the area.
- The New Urban Renting Regime (NRAU) provides a rental allowance to low-income families with rental agreements dating before 1990, helping them adjust to updated rents post-rental freeze.

Recent policies and developments in social housing in Portugal include several significant measures:

Increasing Housing: Commercial properties can now be converted into living spaces without a permit. The state can also make land available for affordable housing development. Additionally, there's a reduction in the IRS tax on rental income from 28% to 25%.

Easing Licensing Processes: To speed up licensing, penalties will be imposed on councils that delay issuing licenses and on developers who miss construction deadlines.

Supporting Tenants: The state will pay rents after three months of non-payment to strengthen the rental market. In cases of non-compliance due to a "socially reasonable cause", the state will support rent payments or offer re-housing. Families spending more than 35% of their income on housing will receive rent support, up to €200.

Increasing Public Housing: Homeowners selling their homes to the state are exempt from capital gains tax. These homes will then be made available on the affordable rental market.

Golden Visas: The government decided to stop issuing golden visas to curb property speculation. Renewals of existing visas are contingent on certain conditions related to residence or rental.

Housing Crisis Measures: Owners with unused houses may be compelled to rent them to families, with the state promoting and funding these rents.

Rental Property Regulations: Measures include banning new local accommodation licenses except in rural areas with no housing pressure and reassessing existing licenses. Condominiums can now terminate local accommodation licenses issued without their approval. Owners transferring properties to the rental market by 2024 will benefit from zero taxation on IRS until 2030. ¹⁷

3.2.3. Challenges

- **Housing Shortage:** Despite various initiatives, there remains a significant shortage of affordable housing in Portugal. This is particularly pronounced in urban areas, which have seen a surge in demand due to urban migration and other factors.
- **Tourism-Driven Price Increases:** Cities like Lisbon and Porto have become popular tourist destinations. The rise of short-term rentals, fueled by platforms like Airbnb, has shrunk the available housing stock for permanent residents and pushed up rents.

¹⁷ What you need to know about the new housing measures. (n.d.). www.theportugalnews.com. Retrieved January 5, 2024, from <https://www.theportugalnews.com/news/2023-02-22/what-you-need-to-know-about-the-new-housing-measures/75050>

- **Ageing Infrastructure:** Many of the existing social housing units, especially those built in the mid to late 20th century, are in need of renovation. Ageing infrastructure can lead to increased maintenance costs and lower quality of living for inhabitants.
- **Economic Constraints:** The economic crises, especially post-2008, have led to austerity measures, which limit the government's ability to invest in housing. The financial constraints have also impacted many citizens' ability to afford housing.
- **Land Speculation:** In certain urban zones, speculative buying has driven up land and property prices, making it harder to develop new social housing projects.
- **Societal Integration:** Some social housing clusters have, over time, become associated with crime or social unrest. This can lead to stigmatization and challenges in integrating various segments of the society.

3.2.4. Funding sources and initiatives

European Structural and Investment Funds (ESIF): Portugal has access to various EU funds, including the European Regional Development Fund (ERDF) and the Cohesion Fund. These funds support projects aimed at promoting sustainable development, including energy efficiency renovations.

Portuguese Environmental Fund (Fundo Ambiental): This fund provides financial support for projects related to environmental sustainability, including energy efficiency measures. It offers grants and incentives for energy-efficient renovations in buildings.

Energy Efficiency Fund (Fundo de Eficiência Energética - FEE): FEE provides financing for energy efficiency projects, including building renovations, aimed at reducing energy consumption and greenhouse gas emissions. It offers loans, grants, and other financial instruments to support energy efficiency initiatives.

Portuguese Carbon Fund (Fundo Português de Carbono): This fund supports projects that contribute to reducing carbon emissions, including energy efficiency measures in buildings. It provides financial incentives and support for initiatives aimed at improving energy performance.

Energy Efficiency and Sustainable Housing Program (Programa de Eficiência Energética e Habitação Sustentável): This program, initiated by the Portuguese government, aims to promote energy efficiency in the housing sector. It may offer financial incentives, grants, or subsidies for energy-efficient renovations in residential buildings.

Energy Service Companies (ESCOs): ESCOs in Portugal provide energy efficiency services, including audits, renovations, and performance contracting. They may offer financing options or partnerships to fund energy efficiency projects, often based on the energy savings achieved.

Banks and Financial Institutions: Banks and financial institutions in Portugal may offer loans, credit lines, or other financial products specifically designed for energy efficiency renovations. These may include green loans or sustainable finance options with favourable terms for energy-efficient projects.

Local Municipality Programs: Some municipalities in Portugal may have their own programs or funding initiatives to support energy efficiency renovations in buildings within their jurisdiction. These programs may offer grants, tax incentives, or other financial support mechanisms.

Energy Efficiency Incentive Schemes: Various incentive schemes, such as tax credits, rebates, or subsidies, may be available at the national or regional level to encourage energy efficiency improvements in buildings. These incentives can help offset the costs of energy efficiency renovations.

European Union Funding Programs: Portugal can also access funding through various EU programs and initiatives aimed at promoting energy efficiency and sustainability, such as Horizon Europe, the European Green Deal, and the LIFE program.

3.3. Serbia

Social housing in Serbia represents a critical aspect of the country's approach to addressing housing needs, especially for its most vulnerable populations. The sector has undergone significant evolution, adapting through various political and economic changes, and mirroring broader shifts in the European housing landscape. The concept of social housing in Serbia is not just about creating affordable housing solutions; it is deeply intertwined with the goal of sustainable urban development. This includes not only the construction of new, affordable housing units but also the rehabilitation of existing buildings to enhance living conditions. As Serbia continues to integrate into the European Union, the country is also aligning its housing policies with European standards and practices. This integration process presents both opportunities and challenges for the development of a more cohesive and inclusive social housing system in Serbia.

The development of social housing in Serbia is a dynamic and multi-faceted process. It is not only a reflection of the country's commitment to addressing the basic need for housing but also an integral part of its broader socio-economic and urban development strategies. As Serbia continues on its

path towards European integration, the evolution of its social housing system remains a key area of focus, with the potential to significantly impact the well-being and quality of life of its citizens.

3.3.1. Historical Background

During the Yugoslavia era post-World War II until the 1990s, there was substantial state intervention in housing construction in the Socialist Federal Republic of Yugoslavia, leading to the creation of massive residential blocks, often termed "communist blocks," in urban areas. The socialist self-management system, allowing local communities to decide on housing matters, faced criticism for inefficiencies and inequalities, and the concept of rental social housing was not very pronounced, with a focus mainly on homeownership. In the 1990s, the breakup of Yugoslavia led to conflicts and the NATO bombing of Serbia in 1999, causing significant displacement and damage to housing infrastructure, compounded by international sanctions and economic hardship that resulted in the growth of informal settlements. The 2000s marked a transition to a market economy after the fall of Milošević's regime, impacting housing sector policies towards privatization and leading to the emergence of social housing. The 2006 Law on Social Housing set the legal basis for social housing programs, aligning with Serbia's aspirations for European Union integration. However, the practical implementation of social housing projects faced challenges like limited funds and expertise. The Roma community, a particularly vulnerable group, often resided in informal settlements, and the country grappled with housing issues for refugees from the Yugoslav wars and internally displaced persons, particularly from Kosovo, highlighting ongoing contemporary challenges in the social housing sector.

3.3.2. Recent Policies and Development

In 2006, the Law on Social Housing was introduced. This law provided the legal basis for the development and implementation of social housing programs, focusing on vulnerable populations and those in need. The law envisioned social housing as a means to provide affordable housing solutions, especially rentals, to low-income and disadvantaged groups. This legislation marked the country's shift from generic state housing provisions to a more targeted approach, addressing specific vulnerabilities and needs but its impact has been rather limited until now. The local authorities rather than the national government have been given the responsibility by law and it should be pointed out that the implementation of the law varies greatly across the country.

Recent policies and developments in social housing in Serbia reflect a concerted effort to address the needs of vulnerable populations and revitalise both urban and rural areas.

European Union Support to Social Housing and Active Inclusion (EU SHAI): This program provided fully furnished and equipped apartments for families belonging to the most vulnerable social groups in Šabac, with an investment of over one million euros. It targeted groups such as women victims of domestic violence, young people leaving the social protection system, Roma, and persons with disabilities. The EU SHAI program, worth 27 million euros, is aimed at providing sustainable housing solutions and active inclusion measures across Serbia. It has implemented more than 60 projects, improving the lives of over 15,000 people in the country. ¹⁸

"Leaving no one behind" Project in Čačak: As part of the EU SHAI program, 12 families moved into a newly built building for social housing in Čačak. The project, with a value of EUR 1,410,000, of which EUR 1,209,000 was funded by the EU, aimed to provide safe and secure housing for a minimal monthly rent. This initiative is also part of a broader push for social inclusion in Serbia and is implemented in 21 other cities and municipalities. ¹⁹

Rural Housing Scheme: To combat urban migration and rejuvenate rural life, the Serbian government increased non-repayable funds allocated for the purchase of rural houses in 2023. The budget for this scheme was raised from 895 million dinars to over 1.083 billion dinars. This move is indicative of a broader strategy for social inclusion and sustainable housing solutions for vulnerable populations. ²⁰

3.3.3. Challenges

Implementation Issues:

- **Institutional Capacity:** One of the primary obstacles has been the limited institutional capacity at both the national and local levels. Without an efficient and experienced institutional framework, executing the specifics of the social housing policy becomes arduous.
- **Bureaucratic Delays:** Overlapping responsibilities and unclear lines of authority among various government agencies can cause delays in decision-making and project implementation.

Economic Constraints:

¹⁸ The European Union Support to Social Housing and Active Inclusion. (n.d.). Social-Housing.euzatebe.rs. <https://social-housing.euzatebe.rs/en/news/23-families-moved-into-the-newly-constructed-social-housing-building-in-sabac-with-the-support-of-the-eu#:~:text=Today%2C%202023%20families%20have%20been>

¹⁹ Twelve Vulnerable Families in Čačak Have New Homes. (2023). Serbia. <https://serbia.un.org/en/234144-twelve-vulnerable-families-%C4%8Da%C4%8Dak-have-new-homes>

²⁰ Akhtar, S. (2023, November 14). Serbia Boosts Funds for Rural House Purchase Scheme. BNN Breaking. <https://bnn.network/world/serbia/serbia-boosts-funds-for-rural-house-purchase-scheme/>

- **Limited Funding:** Sufficient funds are paramount for the success of any social housing initiative. Serbia, transitioning from a socialist to a market economy and recovering from the economic aftermath of the 1990s conflicts, often found its public finances strained, limiting allocations for housing projects.
- **Economic Instability:** Economic fluctuations, such as inflation or recession, can shift government priorities away from long-term projects like housing to more immediate concerns.

Informal Settlements:

- **Land Tenure:** Many informal settlements lack clear land tenure. Resolving land ownership disputes or unclear land titles complicates efforts to either formalise or relocate these settlements.
- **Infrastructure and Services:** These settlements often lack basic services like water, electricity, and sanitation. Providing these services is both a logistical and financial challenge.
- **Integration:** Integrating residents of informal settlements into formal housing can sometimes meet with cultural and social resistance.

Specific Vulnerable Populations:

- **Roma Community:** Historically marginalised, the Roma population in Serbia often lives in extremely challenging conditions. Addressing their specific needs requires not just housing solutions but broader socio-economic integrations.
- **Refugees and Internally Displaced Persons (IDPs):** This group often has immediate and specific needs. Ensuring suitable long-term housing while dealing with trauma, loss, and often a lack of documentation is challenging.

Public Perception and Stigma:

- **NIMBY (Not In My Back Yard):** Some initiatives face resistance from local communities who may not want social housing projects in their vicinity due to prejudices or fears of property devaluation.
- **Stigmatisation:** Social housing beneficiaries sometimes face social stigmatisation, which can affect their integration into mainstream society.

Legal and Regulatory Hurdles:

- **Land Use and Zoning Laws:** Restrictive or outdated zoning regulations can make it difficult to allocate or acquire land for social housing projects.

- Evictions and Resettlement: Legal complexities arise when relocating people from informal settlements, especially in the absence of clear guidelines and safeguards.

Long-Term Sustainability:

- Maintenance: Once social housing units are built, their maintenance becomes a concern, especially if initial construction is of low quality.
- Integration with Public Services: Social housing projects need to be integrated with public services like transport, education, and healthcare. Achieving this holistic integration is a recurring challenge.

3.3.4. Funding sources and initiatives

In Serbia, there are various funding sources and initiatives available for energy efficiency renovation projects, aimed at improving the energy performance of buildings and reducing greenhouse gas emissions. Some of these include:

National Energy Efficiency Fund (NEEF): The Serbian government established the NEEF to promote energy efficiency measures in various sectors, including buildings. The fund provides financial incentives, grants, and loans for energy efficiency projects, including renovations.

European Union (EU) Funds: Serbia may access funding from the EU for energy efficiency projects through programs such as the Instrument for Pre-accession Assistance (IPA) and the European Structural and Investment Funds (ESIF). These funds support initiatives aimed at aligning Serbia's energy sector with EU standards and reducing energy consumption.

European Bank for Reconstruction and Development (EBRD): The EBRD offers financing and technical assistance for energy efficiency projects in Serbia, including renovations of residential, commercial, and public buildings. The bank provides loans, credit lines, and grants to support energy efficiency measures.

Green for Growth Fund (GGF): The GGF, an investment fund supported by the EBRD and other financial institutions, provides financing for energy efficiency projects in Serbia. The fund offers loans, equity investments, and technical assistance to promote sustainable energy practices.

Regional and Municipal Programs: Some regional and municipal authorities in Serbia may offer funding and incentives for energy efficiency renovations, often in partnership with national or international organisations. These programs aim to improve energy performance at the local level and may include grants, subsidies, or favourable financing terms.

Energy Service Companies (ESCOs): ESCOs in Serbia offer energy performance contracting (EPC) services, where they finance, implement, and maintain energy efficiency measures in buildings.

Through EPC agreements, building owners can undertake renovations with little to no upfront capital investment, paying for the improvements over time from energy savings.

Private Sector Financing: Commercial banks and financial institutions in Serbia may provide loans, credit lines, or other financing options for energy efficiency projects. These financial products may be supported by government guarantees, interest rate subsidies, or other incentives to encourage investment in energy-saving measures.

Energy Performance Certificate (EPC) Scheme: The Serbian government introduced an EPC scheme requiring buildings to obtain energy performance certificates, which assess their energy efficiency levels. This initiative aims to raise awareness about energy consumption and incentivize building owners to undertake energy efficiency renovations.

These funding sources and initiatives provide opportunities for stakeholders in Serbia to finance energy efficiency renovation projects and contribute to achieving national energy efficiency targets and environmental sustainability goals.

3.4. Türkiye

3.4.1. Historical Background

In the Republic of Türkiye, housing rights are protected by the Constitution. The 1961 Constitution refers to the housing right as follows; “The state takes measures to meet the housing needs of poor and low-income families.” The Constitution of 1981 also inserts the housing right as, “The state takes measures to meet the housing need within the frame of a planning that takes the characteristics and environmental conditions of the cities into consideration and also supports mass housing enterprises.” Thus, the latest 2 constitutional movements have tasked the State not only with the satisfaction of the housing right but also the right to a healthy and social life. Since the founding of the Republic of Türkiye, population structures of cities and villages have changed with industrialization and rapid urbanisation. A short account of the historical development of Housing Policies will be given to better understand the present situation in the country.

1923-1945 (from the proclamation of the Republic of Türkiye):

The first example of the social housing policy was the direct state intervention that made it easier for the civil servants to own dwellings. In the first years of the Republic, the government was closely involved with the housing needs of the civil servants, because in the new capital Ankara, there was a housing shortage and it also had to be able to send its functionaries to different regions in the country. “*Lojmans*”, or residences for public employees were built, and housing cooperatives were considered as a solution to the housing problems of civil servants. The term *lojman* in Turkish

specifically refers to the provision of housing by the state to civil servants for a symbolic fee. In short, at the beginning of the Republican era, on the supply side of housing was important, residences for public employees provided directly through the state intervention. Through the construction of 'lojmans' in the various parts of the country, the state aimed to create an incentive for qualified civil servants by convincing them to work in these provinces. Generally, these dwellings were much more comfortable than the existing ones in these provinces. The housing pillar of the welfare state was strengthened via founding several institutions; the Real Estate Credit Bank in 1946 and the establishment of the Social Insurance Institution in 1946, the first example of a formal social security institution that provided security for registered employees. The reinforcement of the Municipalities Law (*Belediyeler Kanunu*) in 1937, which set forth the first responsibilities of the municipalities in the area of housing; the establishment of the Ministry of Labor (*Çalışma Bakanlığı*) in 1945, which deals with the problems of registered employees; and enacting of the Retirement Chest in 1949 were the other developments that had also an impact on the area of housing.

1945~1965 :

After the Second World War, Türkiye experienced a severe housing shortage due to rapid urbanisation . Financial resources were limited and land was very expensive. In fact, until the 1950s only high ranked state employees established housing cooperatives and few housing cooperatives were developed. To overcome the shortage of housing in fast growing cities, social security institutions started to provide an alternative source for housing finance but the institutions did not directly consider non-state employee housing at the beginning of its establishment, but through enacted laws over time, the institutions became credit providers. However, groups that did not consist of civil servants or that were not covered by any social security institution could not benefit from these policies. The groups that were excluded from the formal social security system and needed housing started to produce individual solutions. With the migration from the rural to the urban, the first examples of illegal and irregular housing began to appear in the big cities in the late 1940s. In this period, increasing influence of the social security institutions in the area of housing can be seen. But this effect also excluded a significant portion of the population. When this exclusion combined with the socio-economic transformation, the excluded population (often finding employment in the grey -areas of the economy thus un-registered by the social security institutions, i.e. invisible) started to prefer individual and non-formal solutions to the housing problem and illegal housing increased with rapid urbanisation. Various governments tried stemming the tide of illegal and informal housing via stronger authority to Municipalities by the amendments made in the Municipal Law no. 5656, where housing provision became mandatory for local governments, making housing provision was a mandatory task for municipalities. This move was supported by the set-up of the State Planning Organization (DPT) that would now prepare periodic Urban Development Plans for an orderly exit out of this situation.

1965-1984 (first globalisation period):

The rapid rate of industrialization and the mass migration from rural to urban areas multiplied greatly the problems of the welfare state in Türkiye. The subsequent governments enacted new interventions in legal and financial regulations, liberalization of markets and the financial system. Political and economic turmoil was coupled to a housing sector crisis due to uncontrolled urban expansion and the explosion of informal squatter neighbourhoods in all major cities creating slum peripheries in Istanbul, Ankara, İzmir and other large metropolises. The First Squatter Housing Law came in 1966 followed by the four different Five Years Financial Development Plans and the increasing comprehension for the formulation of new encompassing mass housing planning including the formulation of housing policies and the economic and social dynamics. The First and Second Mass Housing Laws were enacted in 1981 and 1984, resulting in a flurry of building sector developments with governmental encouragement and municipality collaboration. In the large cities, the rise of housing cooperatives, multi-family apartment settlements could be seen in this period. The de-regulation on public land and new legislative changes invited the emergence of property developers of all sizes. This period also saw the establishment of the Housing Development Administration of the Republic of Türkiye TOKİ, that would play a critical if controversial role in urban developments in Türkiye in following years.

1984-2002 (Second globalisation, mass housing period):

Ultra-liberal land and financialization policies and the so-called “urban transformation” slogan, marked this period in which urban land rent was now expected to be efficiently exploited in urban areas. Rapid privatization of state assets in all sectors, domination by private investors; marked the end of the long dying welfare regime, multiplying urban poverty and segregational land allocation policies. The two Mass Housing Laws enacted during this period signaled the emergence of a pure commercial approach to even social housing. Gated communities multiplied as a new housing concept, as representatives of isolated luxurious residential areas of wealthy groups were developed by private construction companies in suburbs, around metropolitan boundaries or located at the prestigious districts of the city centre in smaller plots, building cooperatives established by the small-scale consumer associations for apartment blocks and mass housing companies established by the private sector proliferated. With accompanying legal changes, TOKİ the Housing Development Administration of the Republic of Türkiye, acting in unison with the newly appointed Ministry of Environment and Urbanization, became the sole arbiter of housing policy governments that would come to power after 2002.

3.4.2. Recent Policies and Developments

2002-present (neo-liberal economic regime, third globalisation period):

Through the rapid transformation of the state, institutionalising of the neo-liberal free market economy in all sectors, that had been going on globally through privatisations and de-regulation, the retreat of the state was largely achieved.

In late 2004, the Land Office, which was established in 1969 for acquiring, managing, and supplying land, was absorbed by TOKİ through law no. 5273. With this law, the land and housing production process was to be gathered under one roof. In other words, all duties and authority of the Urban Land Office were transferred to TOKİ. Based on this legal arrangement, 64,500,000 square metres of urban land were passed on to TOKİ, thus effectively making TOKİ sole responsible for Development Plans and construction permits of local authorities in cities. This made TOKİ a very privileged government institution and via its privilege, TOKİ could shape the housing market by itself. However, TOKİ did not prefer to support housing cooperatives by excluding them from social housing policy.

The clear direction taken by TOKİ can be seen from the proportion of housing built by the Administration for poor-low income groups. TOKİ's housing implementation for the poor to low-income groups was 21 percent in 2011, dropping significantly after 2012, hitting just 2.8% of the total by 2016. The focus of the welfare state had clearly shifted. What started as social housing policy as a pillar of the welfare state had been transformed into a policy tool that the government used for stimulating the economy.

3.4.3. Challenges

As explained clearly in the periodization of the historical development of social housing policy in the Republic, up until the 2000's, Türkiye's welfare regime, much like Southern European countries, could be labelled as an underdeveloped corporatist social system where it relied upon a dual labour market with a formal social security system of a corporatist character and an informal system of welfare provision, highlighting the prevalence of informal employment and informal relationship between state and society. The patronage relationships originating from the informal nature of the relationship between the state and society could also emphasise the important place of the family as a welfare provider in both Southern European welfare regimes and Türkiye.

Social and economic transformations, new institutional arrangements, have transformed welfare regimes, producing different outcomes in housing policy and the housing sector for Türkiye and in South European countries. The former welfare regime in Türkiye had excluded a large proportion of citizens while the informal settlements, strong bonds with the still existing larger family in the rural

areas and locality-based solidarity had provided outlets for the poor and lower income households pouring into the urban centres. As TOKİ became the sole urban land developer and provider of housing in the now transformed welfare regime, irregular settlements were shut out, as were the cooperative housing initiatives. The impact of the newly emerging state-supported market orientation with public-private partnerships and residual support to disadvantaged groups can be clearly seen in housing policy and the housing sector since the beginning of the 2000s. However, this change did not lead to the retreat of the state. The state now appeared as the key actor in housing policy and the housing sector. It was mentioned that, as in the past, disadvantaged groups are now unable to meet their housing needs in formal ways because (1) the conditions of access to the projects for the poor are not in conformity with the means of the poor and (2) the share of the housing projects for the poor is decreasing while the proportion of those for the middle class is increasing. TOKİ projects for the poor- to low-income groups now constitute a very low portion of its total projects. Thus, it would seem like disadvantaged groups are still unable to meet their housing needs through formal channels.

3.4.4. Funding sources and initiatives

KOSGEB (Small and Medium Enterprises Development Organization):

Budget: KOSGEB allocates a portion of its budget each year to support energy efficiency projects for SMEs. The exact amount may vary depending on government priorities and available funds.

Period Covered: Funding programs are typically announced annually, with specific application periods and project durations varying based on the type of support provided (grants, loans, or subsidies).

Eligibility Criteria: SMEs from various sectors are eligible to apply for KOSGEB funding, with priority given to projects that demonstrate significant energy savings and environmental impact.

Example: In 2020, KOSGEB allocated 100 million Turkish Lira (approximately \$12 million) for energy efficiency grants aimed at SMEs in manufacturing, agriculture, and services sectors. The funding supported projects such as equipment upgrades, process optimization, and renewable energy integration.

TÜBİTAK (The Scientific and Technological Research Council of Turkey):

Budget: TÜBİTAK dedicates a portion of its annual budget to fund research and development projects in the field of energy efficiency and renewable energy technologies. The budget allocation may vary depending on government priorities and available resources.

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Period Covered: Funding programs are typically announced periodically, with project durations ranging from one to several years, depending on the scope and complexity of the research.

Eligibility Criteria: Researchers, academics, and companies involved in scientific and technological research are eligible to apply for TÜBİTAK funding, with projects evaluated based on scientific merit, innovation, and potential impact.

Example: TÜBİTAK's Energy Efficiency and Environmental Technologies Research Program (ENVER) provided funding for a three-year research project focused on developing advanced insulation materials for buildings. The project received a grant of 2 million Turkish Lira (approximately \$240,000) to cover research expenses and personnel costs.

İller Bankası (Provincial Bank):

Budget: İller Bankası administers funds allocated by the Turkish government for energy efficiency projects in municipalities and public institutions. The budget varies depending on the scale of projects and available resources.

Period Covered: Financing options are available on an ongoing basis, with project durations determined based on the scope and implementation timeline of energy efficiency measures.

Eligibility Criteria: Municipalities, public institutions, and other eligible entities may apply for financing from İller Bankası to implement energy-saving measures in buildings, infrastructure, and public facilities.

Example: İller Bankası provided a low-interest loan of 5 million Turkish Lira (approximately \$600,000) to a municipality in Anatolia for upgrading street lighting with energy-efficient LED fixtures. The project was completed over a period of two years, resulting in significant energy savings and reduced maintenance costs for the municipality.

European Union Funds:

Budget: Turkey has access to various EU funding programs aimed at promoting energy efficiency and sustainable development. The budget allocated to these programs for Turkey may vary depending on the EU's priorities and financial frameworks.

Period Covered: EU funding programs typically operate on multi-year cycles, with specific calls for proposals announced periodically. Project durations may vary depending on the program and project scope.

Eligibility Criteria: Eligibility criteria for EU funding programs vary depending on the specific program and project objectives. However, projects must align with EU priorities, such as reducing greenhouse gas emissions, promoting renewable energy, and enhancing energy efficiency.

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Example: The EU's Instrument for Pre-Accession Assistance (IPA) provided funding for a five-year energy efficiency project in partnership with the Turkish government. The project aimed to retrofit public buildings with energy-saving technologies, with a total budget of 20 million euros (approximately \$24 million) allocated for implementation.

KfW Development Bank:

Budget: The KfW Development Bank provides funding for energy efficiency projects in Turkey through various financing mechanisms, with budget allocations determined based on project demand and eligibility criteria.

Period Covered: KfW funding programs typically operate on a continuous basis, with project durations varying depending on the type of financing (e.g., loans, grants) and project scope.

Eligibility Criteria: Eligibility criteria for KfW funding programs depend on the specific financing mechanism and project objectives. Generally, projects must demonstrate significant energy savings and environmental benefits to qualify for funding.

Example: KfW provided a loan of 10 million euros (approximately \$12 million) to a Turkish municipality for implementing energy efficiency measures in public buildings. The project included upgrades to heating, ventilation, and lighting systems, with a repayment period of 15 years at favourable interest rates.

Ministry of Energy and Natural Resources:

Budget: The Ministry of Energy and Natural Resources allocates funds for energy efficiency and renewable energy initiatives as part of the national budget. The budget varies from year to year depending on government priorities and available resources.

Period Covered: The ministry launches initiatives and programs periodically, with funding cycles and project durations determined based on program objectives and implementation timelines.

Eligibility Criteria: Eligibility criteria for funding programs and incentives offered by the Ministry of Energy and Natural Resources vary depending on the specific initiative and target beneficiaries. Generally, projects must contribute to energy efficiency improvements, renewable energy adoption, or sustainability goals to qualify for funding.

Example: The Ministry of Energy and Natural Resources introduced a subsidy program for residential solar panel installations, with a total budget of 50 million Turkish Lira (approximately \$6 million). Homeowners who meet the eligibility criteria receive financial incentives to cover a portion of the installation costs, promoting the adoption of solar energy technologies.

International Financial Institutions:

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Budget: International financial institutions such as the World Bank, EBRD, and ADB allocate funds for energy efficiency projects in Turkey as part of their broader development and sustainability agendas. The budget allocated to Turkey may vary depending on the institutions' priorities and available resources.

Period Covered: Funding cycles and project durations for international financial institutions vary depending on specific funding mechanisms and project agreements. Projects may span several years, with disbursements tied to project milestones and performance targets.

Eligibility Criteria: Eligibility criteria for funding from international financial institutions depend on the specific financing mechanism and project objectives. Projects must align with the institutions' mandates and development goals to qualify for funding.

4. Conclusion

The latest trends in social housing reflect a broader European focus on sustainability, energy efficiency, and inclusivity. The "State of Housing in Europe: 2023" report underscores the vital role of public, cooperative, and social housing in facilitating a fair energy transition and addressing the cost-of-living crisis. It highlights the necessity of improving energy efficiency and access to affordable housing, while also pointing out the challenges posed by rising costs. The report suggests measures like reduced rents and support for energy bills to help residents cope with inflation.

The experts follow the trends with a cautious optimism for the future, expecting more clarity on interest rates, inflation, and European economic growth to facilitate transaction activity in 2024. ²¹

Spain and Portugal's recent housing law caps rent increases and introduces price limits in "tense housing market" areas, aiming to make housing more affordable. Portugal's "More Housing" bill includes measures for speeding up licensing processes and supporting tenants financially. Although both countries have implemented various policies to address housing affordability and accessibility, they face challenges related to ensuring sufficient investment in social housing, balancing market dynamics, and meeting the needs of vulnerable populations. Financial sustainability and the technical adequacy of housing solutions remain critical for the long-term success of social housing policies in these regions.

In Serbia, social housing development aims to integrate vulnerable groups through the "EU Support to Social Housing and Active Inclusion" program. This initiative highlights the technical aspect of providing adequate housing while emphasising social inclusion. Financially, the European Union's backing signifies substantial investment, yet challenges persist in ensuring long-term sustainability and scalability. The focus on active inclusion suggests a comprehensive approach beyond mere housing provision, targeting broader social integration and support mechanisms. However, the critical assessment would consider the balance between immediate housing needs and sustainable, inclusive community development.

The social housing landscape in Europe faces multifaceted challenges and opportunities. Developmentally, there's a pressing need for more inclusive urban planning to accommodate the diverse needs of populations. Technically, most of the social housing is with outdated infrastructure, requiring significant upgrades to meet modern living standards as well as European's climate targets (Fitfor55, etc). Socially, ensuring equitable access to housing remains a challenge, with marginalised

²¹ PWC. (2023). Emerging Trends in Real Estate (D. Morrison, Ed.) [Review of Emerging Trends in Real Estate].

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groups often at a disadvantage. Financially, funding constraints and the need for sustainable investment models are critical for expanding social housing. Addressing these aspects requires integrated strategies that combine policy innovation, community engagement, and international cooperation for impactful solutions.

In Türkiye, social housing projects are significantly influenced by TOKİ (Housing Development Administration of the Republic of Türkiye), which collaborates with local governments to develop and implement these projects. These collaborations aim to provide affordable housing solutions to low and middle-income families, ensuring technical adequacy, and addressing social needs. The financial model relies on government subsidies, affordable loans, and cost-effective construction methods to maintain financial viability. However, challenges persist, to ensure the sustainability of these projects, integrating them into broader urban development plans, and addressing the diverse needs of the population.

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