

The City is Already Built: The Potential of Vacant Buildings for Affordable Housing in Europe



Why do vacant spaces matter?

Europe is not short of housing – it is short of housing people can afford. With over tens of millions vacant homes and tens of thousands of underused buildings across the continent, the solution to the housing crisis is already built. By renovating and repurposing these spaces, Europe can address the crisis of affordability, curb urban sprawl, and support climate and circular economy goals. Yet the full potential of vacant buildings remains an underused policy lever. This brief makes the case for why the EU must put this neglected resource at the heart of its Affordable Housing Action Plan.

– A policy brief by Habitat for Humanity International in support of the European Affordable Housing Plan.

In order to overcome these challenges related to housing affordability, EU Ministers promote:

“The development of policies reducing housing vacancy, promoting the upward extension of buildings or the restructuring of non-residential buildings to create affordable housing, in particular in the context of urban development policies by using tools and principles such as the New European Bauhaus.”

– Excerpt from the Liege Declaration for Housing Accessibility in the European Union, 2024

Housing crisis in Europe

House prices in the EU have gone up by 47% in the last decade, while rents have increased by 18%. The crisis of affordability has been made worse by the contraction of the rental market and a 50% drop in the number of new residential houses being built compared to 2010. Higher building costs, labor shortages and a lack of finance have all been blamed, but there are also other causes for the lack of affordable housing such as an increase in the number of single-person households, increased population mobility and sustained migration into urban hotspots. With wages failing to keep pace with living costs, more and more people find it almost impossible to secure affordable housing. This is especially acute in those countries where there is limited availability of public housing, such as in Central and Eastern Europe, where, according to the OECD, social rental housing makes up less than 3% of the total housing stock.

As the Liege Declaration of EU Housing Ministers recently argued, investing in affordable housing has a proven multiplier effect on the local economy. It not only creates local employment opportunities and retains investment, but also plays a vital role in healthy population mobility and social cohesion. The forthcoming Action Plan on Affordable Housing is the opportunity to decide how Europe can best solve its housing crisis.

Urban development and shrinking cities

The lack of affordable housing is primarily an urban issue, but significant differences exist between cities and urban areas across Europe¹. In some regions, the shortage of affordable homes stems from rapid population growth, prompting a focus on large-scale construction of new housing. However, lack of affordable homes also can coincide with demographic decline. In the past twenty years, around one quarter of urban areas in Europe have shrunk, mainly, but not only, in Central and Eastern Europe². In such context, policies based on the construction of new houses are not the only solution. The causes and circumstances of the housing crisis vary widely. It is essential to understand the drivers of housing affordability to not only find common ground but solutions that are locally appropriate.

Focus on supply vs. reuse of vacant buildings

The Liege Declaration highlights the importance of “affordable and adequate housing ... to meet social, economic and territorial needs”. At the same time, it emphasizes the “renovation, adaptation and resilience of the affordable and social European housing stock against the climate change and natural disaster.”

Repurposing existing structures reduces material use, cuts emissions associated with demolition and new builds, and leverages existing infrastructure such as

1. Draft Report on the role of cohesion policy investment in resolving the current housing crisis, Committee on Regional Development for the European Parliament, 2024/2120 (INI)

2. According to the Joint Research Centre, there are three significant trends affecting Functional Urban Areas (FUAs) in Europe. Out of the 610 FUAs in the EU, 90 have been shrinking since the beginning of the century, mostly in Eastern Germany, Hungary, Bulgaria, Latvia, Lithuania, Croatia, Romania and Poland. The second group, about 12%, are formerly shrinking cities that later grew, mostly in Germany, Romania, Lithuania and Slovakia. The final category includes 39 FUAs in Spain, Greece and Portugal that were once growing but later shrank, most likely due to the 2008 financial crisis.

transport, utilities, and schools. It allows municipalities to respond more quickly to housing shortages—especially for vulnerable groups—by avoiding lengthy permitting processes and zoning changes. As public budgets tighten and the need for climate-resilient housing solutions grows, the strategic reuse of Europe's vast vacant stock is not just an opportunity—it is an imperative.

There is no single definition of vacancy across Europe, and methods for identifying empty properties vary considerably. As a result, estimates differ depending on the definitions and data sources used. Based on Census data from 2021 in a recent publication FEANTSA, there are approximately 47.5 million empty homes in the EU³.

It's important to note that these figures often include second homes, which are not typically available for long-term residential use. As FEANTSA explains: “...this data includes second homes, which are generally not available for long-term residential use and are much harder to activate for people in housing need. For most countries, census data does not allow for the clear separation of second homes from other forms of vacancy, making it difficult to assess how many of these dwellings are realistically available for reuse.”

Data on vacant non-residential properties is less available, but research conducted by Habitat for Humanity Great Britain offers valuable insights. The study found that local authorities owned over 7,000 commercial premises that had been empty for more than 12 months⁴. These properties were estimated to have the potential for conversion into 16,000 residential units. In addition, the study identified 167,000 privately owned empty commercial units, indicating a substantial opportunity for adaptive reuse to address housing shortages.

The problem of housing vacancy is particularly acute in some countries. In Poland, an estimated 11 percent of homes are vacant. In Hungary, more than half a million homes are unoccupied out of a total housing stock of around 4.5 million⁵.

Habitat for Humanity Poland

Habitat for Humanity Poland, between 2020 and 2025, partnered with several municipalities—including Warsaw, Dąbrowa Górnicza, Bytom, and Kraków—to renovate over 60 vacant units for low- to middle-income households, including refugee families. These efforts addressed housing needs and supported social integration through inclusive housing solutions. The renovations improved energy efficiency and, in some cases, helped preserve local architectural heritage. Habitat Poland mobilized funding from both private and public sources, either returning the units to municipal ownership or managing them directly—for example, through locally established Social Rental Agencies.

Habitat for Humanity Great Britain

Habitat for Humanity Great Britain has partnered with local authorities, faith-based groups, and community organisations to convert underused properties—such as church buildings and vacant commercial spaces—into affordable housing. These projects have provided much-needed accommodation for people at risk of homelessness, while preserving community use of the sites. Habitat GB has led the renovation process, from project management to securing funding and long-term lease agreements. The initiative demonstrates how small-scale, community-led refurbishment projects can effectively address housing needs and support vulnerable populations.

3. FEANTSA, Reclaiming Vacant Spaces: Affordable Housing Opportunities in Europe's Empty Buildings, (2024)

4. Habitat for Humanity GB, Repurposing empty spaces to help address the housing crisis across England, Wales and Scotland, (2022)

5. OECD <https://www.oecd.org/en/topics/affordable-housing.html>

As part of the Green and the Just Transition, policies have been introduced to promote refurbishment and renovation. Many countries are committed to deep renovations of between 1-3% of the housing stock every year until 2030⁶. However, even though the housing sector can be a driver of growth and renewal, current renovation rates are unlikely to address the affordability gap.

Renovate Europe, for example, points out that not only are current rates far below the 3% target, but without significant regulatory and policy reforms, they are unlikely to increase to the intended rate. Indeed, renovation does not necessarily improve affordability. There is evidence that even light renovations can lead to higher overall housing costs, resulting in increased prices and rents. FEANTSA, for example, raises concerns about rising house prices linked to gentrification, and highlights the real problem of renoviction⁷.

The continued preference for increasing the supply of housing focuses on issues such as land availability, administrative burdens in construction (e.g., lengthy permitting processes), and the need to mobilize more funding, for example, through the new EIB Affordable Housing Platform. However, overlooking vacant premises risks ignoring one of the key conclusions from earlier analyses: **that problems of affordable housing are linked to broader issues of social change and uneven economic development**. This includes cities and urban areas struggling to adapt to long-term industrial decline, rapid demographic shifts, or, more recently, inflationary pressures and the rising cost of living.

For over twenty years, the many millions of vacant properties in Europe have been identified as one of the the greatest untapped resources for addressing homelessness, alleviating the shortage of affordable housing, and promoting urban regeneration. The reuse of empty properties can also support the increasingly acknowledged right to remain – ensuring people are not forced out of their birth communities due to rising costs.

Vacant buildings and neighbourhood revitalisation

Vacant properties are often found in areas that are shrinking and straining – areas characterized with multiple indicators of decline: loss of decent jobs and public services, high crime rates, and dereliction. However, this is not the case everywhere. In Spain and Portugal, for example, many empty houses are newly built properties in areas that never recovered after the financial crash. These properties may be held by banks or institutions reluctant to lose collateral and make the properties useful again.

While overcoming legal objections from property owners is a major challenge, an equally pressing question is how to make these neighbourhoods attractive again. Many examples of urban regeneration exist, whether based on the introduction of new services or the revitalization of existing infrastructure. What is vital is to find the right measures that can create a meaningful connection between vacant property reuse and neighbourhood revitalisation, using public incentives, regulatory reform, and private investment.

In Europe, such efforts have sometimes led to the creation of specialized Empty Home Agencies with responsibility to identify potential areas, engage with owners and mobilize public and private resources to restore the properties into active use, including for affordable housing. Sometimes these bodies are tied to the local authorities, for example, the well-known case of public housing in Vienna saw city funded non-profit agencies engage directly with landlords and tenants, offering guidance on the renovation process and available public funds. In other cases, private companies may collaborate with local authorities and private owners to manage temporarily unoccupied properties and quickly make it available for a variety of rental uses. In Belgium, under a policy called gentle requisition, local authority housing officers have a variety of

6. See Commission Staff Working Paper, Analysis of national long-term renovation strategies, Brussels, 30.11.2022 SWD(2022) 375 final

7. The eviction of all tenants on the grounds that a large-scale renovation is planned. FEANTSA 2022 ibid

financial and regulatory tools to encourage owners of properties⁸ unoccupied for more than 12 months to take steps to return the property into the active market.

Legal framework: Rights and responsibilities of owners

In most EU countries, the quiet enjoyment of private property is a long-established constitutional right. In regions such as Central and Eastern Europe, where widespread property abuses were common in the not too recent past, this right is particularly carefully guarded. However, ownership also comes with responsibility — including the civic duty to respect the rights of others and to ensure that one's property does not harm the wider community.

As it stands, vacant properties raise two main public harms:

1. Speculation, where housing is acquired not for use but for profit which then drives up local house prices through short-term rentals or seasonal demand.
2. Neglect, where buildings fall into disrepair due to absentee owners or complex legal situations (e.g. inheritance, emigration, hospitalization).

Policy responses vary across Europe with a mix of incentives and potential sanctions. In some countries such as Ireland and France, owners of vacant property are taxed at a higher rate — an approach also recommended in several European Semester reports. In France, the Zero Logement Vacant initiative makes information on vacant properties publicly available, allowing local authorities to contact owners directly to encourage them to take steps to use or market their property⁹. In some cases, local authorities have been granted powers to assume temporary or even permanent possession of vacant properties. Using a combination of public and philanthropic funding, these properties are then renovated for affordable rental housing. Notable examples of such initiatives can be found in Belgium and Spain.

Governance and funding

The legal and economic dimensions of large-scale property renovation often exceed what local authorities or NGOs can manage on their own. In this context, regional and national bodies, as well as EU institutions, have critical role to play.

The European Investment Bank provides both investment and technical assistance, while platforms such as the European Housing Platform facilitate peer exchange and access to specialised expertise. However, many municipalities still lack the administrative capacity to access EU funding or to navigate the complex regulatory environment required to implement such projects effectively.



8. Fondation Abbe Pierre and FEANTSA, Vacant Real Estate: Seizing the opportunity to find affordable housing solutions in Europe, 2016
https://ec.europa.eu/futurium/sites/futurium/files/long_version_en.pdf.pdf

9. <https://zerologementvacant.beta.gouv.fr/>

Habitat's experience

With decades of experience in affordable housing and thanks to partnerships with cities, municipalities, and local stakeholders, we're transforming Europe's vacant spaces into homes that meet both social and environmental needs.



Habitat's recommendations for the EU Affordable Housing Plan

Habitat for Humanity urges serious and sustained EU attention to the potential of vacant buildings as part of the Affordable Housing Plan.

1. Establish a common definition of 'vacant real estate' (residential, commercial, public/private) to ensure consistent data collection and resource allocation.
2. Lead an EU-wide research project to map vacant and underutilized properties and monitor housing affordability across Europe.
3. Launch awareness campaigns on the benefits of circular reusing vacant buildings to support decarbonization of the building sector.
4. Earmark funds in existing programs, such as the European Regional Development Fund, to support these efforts.
5. Empower the European Commission's Housing Task Force to coordinate a common approach and gather best practices to overcome legal, economic, and organizational barriers.
6. Encourage Member States to include 10% of vacant buildings in their commitment to renovate 3% of publicly owned buildings under the Renovation Wave by 2030.
7. Support local coalitions (municipalities, NGOs, intermediaries) to develop up-to-date inventories of suitable properties and share data with the European Commission.
8. Instruct the EIB to dedicate technical expertise and targeted investment to converting vacant premises, especially in urban areas with surplus building stock.
9. Dedicate resources in the Renovation Wave Fund for privately owned vacant buildings above 500m². Secure further funding through reallocation from the Cohesion Funds.

About Habitat for Humanity

Driven by the vision that everyone deserves a decent place to live, Habitat for Humanity is a leading global nonprofit housing organization working in more than 70 countries. In Europe, Habitat for Humanity partners with communities to help individuals and families build strength, stability, and self-reliance through access to safe, decent, and affordable housing. Our work in the region includes residential energy efficiency, conversion of vacant buildings, construction of affordable homes, housing microfinance, community development, and housing solutions for marginalized groups, including the Roma. Habitat for Humanity has active programs and partnerships in 10 EU Member States.



<https://www.habitat.org/emea>

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