



Habitat
for Humanity®

**Empty Spaces
to Homes**

Empty Spaces to Homes Second Progress Report

Reporting Period January – March 2025

Habitat for Humanity International, Europe and the Middle East
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1. Introduction

This report provides an overview of the progress of the Empty Spaces to Homes regional initiative (ESTHer) from January to March 2025. The program is structured around eight collaborative work streams (Work Packages - WPs), each contributing to a shared goal: transforming vacant spaces into affordable, energy-efficient homes for vulnerable groups.

The Empty Spaces to Homes program addresses the dual crises of housing affordability and climate change by converting underutilized buildings into sustainable homes. Active in Poland, UK, Hungary and Croatia, the project blends research, policy advocacy, financial innovation, and practical renovation to deliver long-lasting impact across Europe.

2. Eight Work Streams

The implementation of the program is structured around eight work streams, a.k.a. work packages (WPs):

WP1 – Baseline Studies and Research: In this work stream, we explore the housing landscape in each country, identifying why and where buildings are left empty, and how they might be brought back into use. We also study governance models to understand the real barriers and opportunities for transformation.

WP2 – Demonstration Builds: These are the heart of our project and implementation on the ground. In Poland and the UK, vacant buildings are being converted into affordable homes. These builds should not just prove whether it can or can't be done (conversion of vacant buildings into residential units, while applying innovative and sustainable financial and governance models) - they also help us measure the benefits, including reductions in carbon emissions from reusing existing buildings instead of building new ones.

WP3 – Financial Models Development: Even the best ideas need funding to become reality. In this WP, we map out existing financing options and design new models that can support both the renovation and long-term management of affordable housing. The goal is to make the solution sustainable, not just socially, but financially too.

WP4 – Toolkit Development: As the project progresses, all our lessons, tools, and tested approaches will be compiled into a practical Toolkit. This will serve as a resource for others - cities, NGOs, investors - who want to replicate what we've piloted.

WP5 – Advocacy & Awareness Raising: Changing homes means changing systems. This work package focuses on influencing housing policy at local, national, and EU levels to enable the systemic transformation needed for reusing empty spaces. The goal is to create a supportive policy environment - not just for renovation, but also for the long-term management of affordable, repurposed housing. By engaging with decision-makers and raising public awareness, this WP lays the groundwork for lasting impact.

WP6 – Monitoring, Evaluation, Accountability, and Learning (MEAL): This WP ensures that we track our impact, learn from what works (and what doesn't), and make evidence-based decisions. Monitoring and evaluation happen on two levels: internally, we assess our activities against project goals; externally, one of our key outputs under this WP is the development of a Life Cycle Assessment (LCA) methodology. This methodology is designed to measure the carbon footprint of buildings across their entire lifecycle - from renovation to long-term use and eventual disposal. It will be tested in our demonstration builds and is intended to serve as a practical tool for use beyond the EStT project's duration, supporting broader efforts to reduce the environmental impact of housing renovation.

WP7 – Project Management: Strong coordination is key to keeping the project on track and connected across borders. This WP ensures that all partners align on timelines, budgets, and deliverables and supports effective internal communication.

WP8 – Communication & Dissemination: From brochures to awareness campaigns, this WP builds the project's visual identity and shares our story with the wider public. The goal is to raise awareness and inspire others to see empty spaces as an opportunity for transformation.

Progress Across 8 Work Packages (WPs)

WP1: Baseline studies and research

During the past quarter, we finalized two in-depth research studies examining the housing landscape in Hungary and Croatia. These studies provide a strong evidence base to help us decide where to expand next, beyond our current implementation in Poland and the UK. Understanding the policy, social, and market conditions in these two contexts is crucial for choosing where our approach can have the strongest impact next.

Both studies focus on the potential for reusing vacant spaces as affordable housing, exploring the legal, financial, and governance barriers, as well as opportunities for systemic change. The findings will not only guide project development but also feed into our advocacy and toolkit work.

Croatia

The Croatian research revealed a paradoxical situation: while there is a significant surplus of housing units, affordability remains a major challenge - especially for renters and young people. Approximately 29% of permanent residence apartments are unoccupied, and many are held for tourism or investment purposes. At the same time, Croatia has one of the highest homeownership rates in the EU (91.1%), with a high housing cost burden for those who rent.

The rental market is underregulated and insecure, and public housing stock is minimal. The study highlights the need to create incentives for bringing private vacant units into use and proposes policy changes such as vacancy taxation, limits on short-term tourist rentals, and greater support for affordable rental schemes. These insights could be key to designing an impactful intervention in the Croatian context.

Hungary

Hungary faces a similar mismatch: around 570,000 dwellings (12.5% of the stock) are vacant, while housing poverty affects 2-3 million people. The social housing sector is small and shrinking, and municipalities - who own most of the remaining public housing - have limited financial autonomy to renovate or repurpose units.

The study points to several promising models, including energy-efficient renovation of municipal dwellings and the social rental agency model. It also outlines specific policy and financial barriers, from the lack of a national housing strategy to restrictive building codes.

Importantly, the report identifies brownfield regulation and zoning tools that could be adapted to support EStH-type projects, as well as opportunities for civil-public partnerships in housing renovation. This makes Hungary a strong candidate for further piloting and policy influence.

WP2: Demonstration Builds

Demonstration builds are the most tangible expression of the Empty Spaces to Homes initiative. They show - on the ground - how empty and underused buildings can be transformed into affordable, energy-efficient homes, serving vulnerable groups while reducing environmental impact.

These pilots are not only construction projects, but testing grounds for financial models, carbon footprint measurement, and community-based approaches.

Currently, demonstration activities are taking place in Poland and the United Kingdom, where partners are working closely with local authorities to implement renovations in real-life conditions. Each demo build helps generate practical insights that strengthen policy recommendations and contribute to the development of tools that can support replication in other cities.

Poland – City of Bytom

The original demonstration site in Bytom was a historic laundry building. However, the team working on the demonstration faced major delays due to permit issues, the building's protected status, prolonged decision-making during local elections, and uncertainties with national funding sources.

To keep the project on track, we made a strategic shift. The official demo site is now a tenement house, also located in Bytom. This building - previously vacant - contains four apartments and is already undergoing renovation. The project is led by Habitat for Humanity Poland, in partnership with the city. Once completed, the homes will be added to the municipal housing stock, with half designated for Ukrainian refugees and the rest for members of the local community in need.

This building will also serve as a case study for measuring the carbon footprint of renovation versus new construction, using the Life Cycle Assessment (LCA) methodology developed under WP6.

The Former Laundry Building – A Learning Case

Although no longer part of the official demo activities, the laundry building remains an important pilot site. It continues to be used to test innovative financing models, especially in cooperation with the Polish Development Bank (BGK).

The work done so far - including architectural plans and cost assessments - offers valuable insight into working with municipalities, private sector partners, and national renovation funds. Lessons learned will be integrated into WP3 (Financial Models) and WP5 (Advocacy), supporting broader uptake of ESTHer's approach.

WP3: Development of Financial Models

This work stream focuses on creating new pathways for financing the renovation and long-term use of vacant spaces as affordable homes.

Building on the research completed in Hungary and Croatia and ongoing studies in Poland and the United Kingdom, the initiative is now moving into the core phase of financial model development.

The objective is to analyze existing financing models and then design and test innovative financial models that support not only the initial renovation of empty buildings, but also their long-term affordability and maintenance. Ensuring financial sustainability beyond the construction phase is essential for lasting impact.

Our actions will focus on:

- **Assessing current financial mechanisms** in the social and affordable housing sector to understand what works and what doesn't in supporting the reuse of vacant spaces
- **Identifying legal and policy barriers** that need to change to make financial models viable
- **Educating institutional investors** on the social value and financial potential of investing in long-term, sustainable housing
- **Engaging financial actors** - such as development banks, angel investors, and impact investors - to mobilize funding for housing renovation and reuse at scale

This next phase will build on learnings from demonstration builds, country research, and policy engagement, ensuring that our financial models are rooted in local realities while being scalable across different European contexts.

WP4: Toolkit Development

The Toolkit will be one of the key legacy outputs of the ESTHer initiative. Its purpose is to gather all the knowledge, tools, and tested methods developed across the project into a practical, user-friendly resource that can be used by municipalities, NGOs, housing practitioners, and funders across Europe.

Although the Toolkit will be delivered later in the project timeline, work is already underway to shape its structure and content. It will draw on concrete insights from our demonstration builds (WP2), financial models (WP3), carbon measurement (WP6), and policy engagement (WP5).

The Toolkit will include:

- Step-by-step guidance for converting vacant buildings into affordable homes
- Templates and tools for assessing feasibility and environmental impact
- Case studies and real-world examples from the ESTHer demos

- Policy recommendations and financing strategies
- Lessons learned and practical checklists for implementation

Ultimately, this work stream will ensure that ESTHer's results are not only documented but also replicable - providing others with the knowledge and confidence to take similar action in their own cities.

By transforming project experience into a scalable and accessible playbook, we can help unlock thousands of empty spaces for people in need, long after this initial pilot phase of the project ends.

WP5: Advocacy & Awareness Raising

Beyond renovating buildings, ESTHer is also working to change the system that made so many homes sit empty in the first place. This work stream focuses on policy and public engagement - to ensure that what we're building on the ground can grow, scale, and last.

During the past quarter, a comprehensive Advocacy Action Plan was finalized. It outlines working at the local, national, and EU levels to influence the rules, funding systems, and narratives around housing and renovation.

Why This Matters

Without policy change, demonstration projects remain isolated. WP5 ensures that lessons from our research and demo builds actually lead to better policies, more funding, and scalable models. In other words, this is how we make sure ESTHer lives on beyond the life of the project.

What We're Doing

- Supporting local governments to adapt local policies and funding tools to enable the reuse of empty buildings.
- Pushing for national policies that recognize affordable housing governance models like social rental agencies¹ (SRAs) and enable access to renovation funds.
- Working with EU actors to make sure initiatives like the Renovation Wave or EU Affordable Housing Action Plan also serve vulnerable people - not just the market.

¹ Social Rental Agency (SRA) - a non-profit intermediary that negotiates between property owners and households in need of housing. To the owners, it guarantees regular rent payments and proper use of the housing unit in exchange for a discounted rent. For tenants, it offers long-term and affordable leases, up to 10 years, and apartments in good conditions (source: [Introducing Social Rental Agencies in Poland | Habitat For Humanity](#))

- Attending key policy events to network and present our solutions and recommendations to key stakeholders. In the coming months, the initiative will contribute to:
 - A webinar hosted by the United Nations Economic Commission for Europe (UNECE) on women and energy poverty
 - The International Social Housing Festival
 - European Sustainable Energy Week
 - Urban Future 2025

Targeted policy briefs based on real-world experience from Poland and the UK will be shared with decision-makers, including in Brussels.

This work ensures that the impact of the initiative extends far beyond four walls, contributing to a fairer, greener housing system across Europe.

WP6: Monitoring, Evaluation, Accountability, Learning (MEAL)

A major achievement this quarter was the development of a Life Cycle Assessment (LCA) methodology, created with expert input from ENOVA. This methodology allows us to measure the carbon footprint of renovated buildings - both the embodied carbon (from materials, transport, and construction) and operational carbon (from heating, electricity, and daily use).

Why It Matters

Life Cycle Assessment (LCA) is a critical tool for demonstrating how social and environmental goals can be achieved together. It shows how renovating existing buildings (rather than building new ones) not only supports vulnerable communities but also reduces emissions and preserves resources. It's a key part of proving that adaptive reuse is both a climate-smart and people-centred approach.

What We've Done

- Conducted a review of existing LCA standards and carbon reporting frameworks (including ISO, EU Taxonomy, Green Public Procurement, and BREEAM) to select the most relevant indicators for ESTHer.
- Finalized a project-specific LCA methodology that includes all life stages of a building - sourcing, renovation, use, and end-of-life.

- Defined a consistent set of environmental performance indicators aligned with EU sustainability criteria.

The methodology will be tested on the demo site in Bytom (Poland) - a tenement house being renovated under WP2. There, we will collect real data on materials used, energy performance, and waste generated. The findings will help us:

- Quantify emissions saved through renovation
- Compare renovation to new construction
- Inform future design and material choices

Long-Term Value

What makes this LCA methodology unique is that it is designed to be replicable. After testing, it will become part of our final Toolkit (WP4), giving cities, NGOs, and housing providers across Europe a clear way to assess the climate impact of similar projects.

In short, WP6 ensures that ESTHer is not only accountable, but also provides the evidence base for others to act. It helps to build new standards for sustainable renovation that could guide future funding, policy, and practice.

WP7: Project Management & Coordination

Strong coordination is what keeps a multi-country, multi-partner project like ESTHer running smoothly. This work stream covers the essential behind-the-scenes work: ensuring deadlines are met, budgets are tracked, reports are submitted, and all partners stay aligned and connected.

Over the past quarter, WP7 focused on:

- Facilitating regular coordination calls and partner updates
- Supporting the timely delivery of reporting obligations
- Preparing for upcoming in-person meetings to deepen collaboration and strategic alignment

While this may not be the most visible part of the project, it is what enables every other work stream to function effectively. This means that ESTHer is being implemented with professionalism, transparency, and shared purpose.

WP8: Communication & Dissemination

Getting the message right—and getting it out—is key to building support for our approach. WP8 focuses on how ESTHer presents itself to partners, communities, policymakers, and the wider public.

This quarter marked a major milestone: the completion of the project’s visual identity. This includes:

- A cohesive project brochure
- A poster for public events
- A series of infographics to visualize the challenge and our solution
- Presentation and report templates to ensure consistent, professional communication across partners

In addition, we developed the concept for a short project video, which will bring the ESTHer story to life through voices from the ground and visuals from our demo builds. The video will be produced in the coming months and will serve as a powerful tool for outreach and awareness-raising.

Together, these materials strengthen the visibility and credibility of the project—helping us engage more effectively with both technical audiences and the general public.

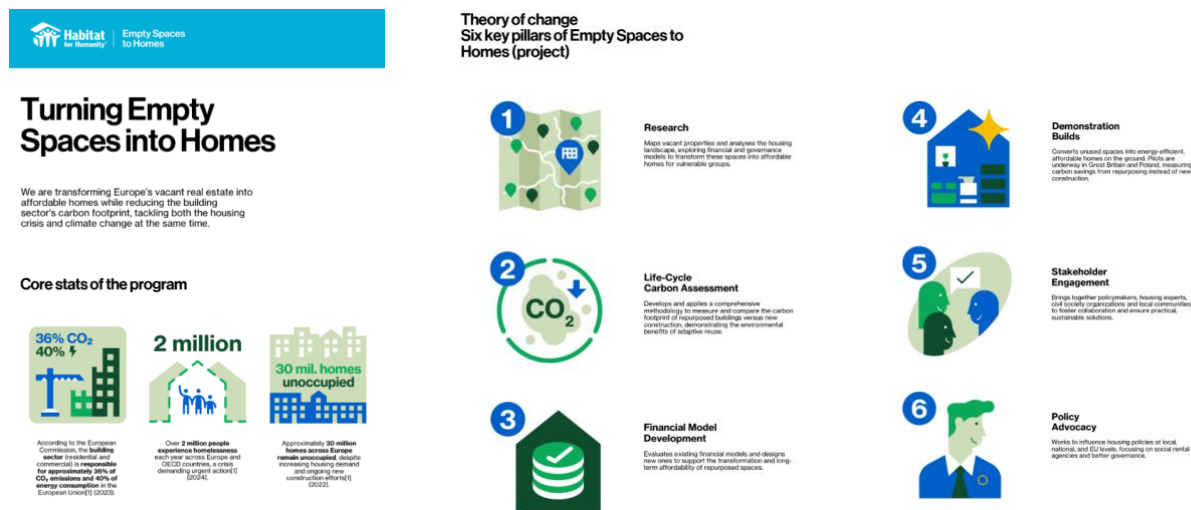


Figure 1 Example of ESTHer communication materials developed

Joint communication activities

This initiative is made possible thanks to the support of its partners, whose contributions help drive systemic change in housing solutions. This support enables work addressing the urgent challenges of affordability, sustainability, and inclusivity, creating impacts that millions of people can benefit from.

Thanks to their generosity and shared vision, we are not only addressing immediate housing needs but also building a foundation for long-term, scalable solutions that contribute to a fairer and more sustainable future.

Our partners inspire us to continue striving for meaningful change, and we are deeply honoured to have them as allies in this journey. Thank you for making this critical work possible.



Thank You!