RESEARCH DIGEST NO.6

SOCIAL HOUSING AND HOMELESSNESS

MARCH 2026

The research digests are among the EPOCH Practice resources provided to representatives of EU Member States and all stakeholders working to combat homelessness in Europe.

The digests aim to help policymakers and practitioners make use of academic research on homelessness.

Six digests will be published, covering various themes and disciplinary perspectives.

The sixth digest, dated March 2026, explores the potential for making greater use of social housing in preventing and reducing European Homelessness

This digest was written by Professor Nicholas Pleace and designed by the EPOCH Practice team.

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Financed by
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Délégation interministérielle à l'hébergement et à l'accès au logement

INTRODUCTION BY NICHOLAS PLEACE

Nicholas Pleace is a Professor of Housing and Society in the School for Business and Society at the University of York. He was formerly Director of the Centre for Housing Policy (CHP). He has been working with the European Observatory of Homelessness since 2010. His work in recent years has focused on supporting development of Housing First and promoting integrated, preventative and housing-led strategic responses to homelessness.

This final EPOCH Practice Research Digest follows the earlier digests which focused on counting European homelessness, women and homelessness, homelessness prevention and Housing First. Europe's overwhelming need for a major increase in affordable, high standard homes which offer good security of tenure, is at the core of all the different dimensions of homelessness that these research digests have examined.

Homelessness prevention cannot be truly effective when there is not enough housing supply and when housing costs in many regions and cities in the EU have long been rising far more quickly than incomes. Housing First is ultimately dependent on there being enough of the right sort of affordable, adequate housing available. Unaffordable and insecure housing is associated with higher levels of homelessness.

Social housing is one of the earliest forms of European social policy and has always been designed to provide good quality, long-term homes for people who cannot afford suitable housing in the private sector. Existing evidence shows that much better access to a much better supply of social housing would make a significant difference in preventing and reducing European homelessness.

Research, including the **first comparative study** conducted by the European Observatory on Homelessness in 2011, has tried to understand why social housing does not play a larger role in relation to European homelessness. The evidence shows that there are various and sometimes complex challenges in fully integrating social housing into EU Member States' homelessness strategies. However, the evidence also provides many examples of the successful use of social housing in preventing and reducing homelessness, showing that while there are challenges, progress is possible.

1. SOCIAL HOUSING AND HOMELESSNESS

- **Some barriers** exist to social housing for people experiencing homelessness. Alongside shortages of social housing, many social housing providers have roles in urban renewal, housing low income working people and meeting general housing need, as well as helping to prevent and reduce homelessness. Social housing providers may resist housing people exiting homelessness because they are worried rents will not be paid or management problems, associated with unmet support needs, will arise. Some social housing providers are now building more 'affordable' housing, which has higher rents than social housing.

- There can also be tensions between housing people exiting homelessness and policies centred on urban renewal, which expect social housing providers to house a wider range of income groups, as people exiting homelessness all have very low incomes. These policies are designed to counteract what is referred to as residualisation of social housing, i.e. low social cohesion resulting from a very high concentration of very low-income people living in social housing.

- Social housing remains a significant resource across the EU. Several EU Member States retain large social housing stocks and there is at least some social housing in most EU Member States. The **EU** and **OECD** have both recently called for their member states to develop new social housing at significant scale to counteract housing market failure.

- There is evidence that the residualisation of social housing has been **exaggerated**, which also creates potential for wider use of social housing in responding to homelessness.

- Social housing can help counteract the effects of overheated and hyper inflated housing markets which do not offer enough affordable, secure and healthy homes across the EU. Increasing social housing supply and ensuring good standards in existing social housing greatly enhances the **potential effectiveness of strategic responses to homelessness** within EU Member States.

- Social housing can play an important role in the **universal prevention of homelessness**, because it reduces the risk of eviction associated with after housing cost poverty. Alongside this, increases in social housing supply have the potential to reduce **hidden homelessness** which is broadly associated with unaffordable housing.

- Allocation processes, the systems which govern who has access to social housing, can be enhanced to improve access to social housing for people experiencing homelessness. Improving both the supply and standard of social housing is important for this to work well.

- For people with multiple and complex needs, **Housing First** services can provide the support needed to help ensure there is little or no risk of housing management problems arising when social housing providers offer them homes. For the Housing First services, access to highly affordable, adequate and well managed social housing offering strong security of tenure increases effectiveness.

2. CHANGES IN SOCIAL HOUSING IN EUROPE

Social housing can be defined in various ways, but it can be most **simply described** as rental housing that is operated on the basis of meeting housing need and not primarily in order to make profit for a landlord. Social housing was traditionally publicly subsidised, i.e. construction was directly supported by government which provided grants, loans or loan guarantees. Both allocation (decisions about who gets social housing) and management standards are subject to regulation and/or legal standards.

Social housing is one of the earliest forms of social policy. Housing which has much lower rents and which was designed offer good quality homes is provided for people who cannot find an affordable, healthy and adequate home in the free market. Social housing was not initially designed primarily to counteract homelessness, but had its origins in slum clearance, improving housing conditions for working families and meeting general housing need. Social housing first appeared when there were **no formal welfare systems** in the sense that they exist today, i.e. systems that could systematically provide financial help to people who could not afford private rental housing had not been developed.

Social housing in Europe is often characterised as having been in decline since the 1990s. There are widespread descriptions of challenges for European social housing which can be summarised **as follows**:

- A significant and ongoing **reduction in the overall supply** of social housing. This is linked to:
  - The **widespread replacement** of supply side housing subsidies to social housing providers, which refers to grants, loans and loan guarantees from government to construct social housing, with demand side housing subsidies. Demand side subsidies refer to welfare/social protection payments to lower income people designed to help them afford private rented sector housing. Instead of spending public money on building social housing, some EU Member States have switched to spending public money to support low-income people renting in the private sector.
  - A change in the financial model for social housing providers in several EU Member States in the last 30 years. This change replaced government grants, loans and loan guarantees with a private finance model, which expected social housing providers to borrow money from the private sector to build new social housing. The goal was for social housing providers to become financially self-sufficient, rather than being supported by taxpayers. This has been **widely interpreted** as significantly reducing the building of new social housing. In addition, increased reliance on using private finance for building new social housing requires higher rents, in order to pay back the interest on loans. This has created new forms of **"affordable" housing** which are significantly more expensive to rent than social housing.
  - The **sale of social rented housing** in some EU Member States, which reduces supply when social housing is not replaced at the same rate at which it has been sold. In one extreme European example, outside the EU, subsidised sales to tenants in the UK reduced social housing from housing one third of the population to **less than one fifth** between 1980 and 2025.

- There are **longstanding challenges** in making greater use of social housing for people experiencing homelessness for some time. This is partially because social housing is often **'universalist'** and has multiple roles, rather than being designed primarily to prevent and reduce homelessness, as well as being a result of social housing supply falling significantly in several EU Member States. Some social housing providers **are resistant** to housing people experiencing homelessness, because of worries that someone will not reliably pay rent, or might cause high management costs because of unmet support and treatment needs.

- **Residualisation** has been identified as a policy problem for social housing across much of Europe. Residualisation refers to the concentration of people facing socioeconomic disadvantage in social housing, which is most commonly discussed in terms of 'problem' social housing estates in urban areas, with high rates of unemployment, crime, low social cohesion and poor opportunities for residents. This has led to:

  - An emphasis on the development and redevelopment of social housing as part of **socially and economically 'mixed' communities** to counteract the risks and challenges of residualisation, i.e. communities and neighbourhoods which do not have populations who are overwhelmingly poor and facing socioeconomic exclusion.

  - A widely **reported policy tension** between policies designed to reduce residualisation in social housing by creating socioeconomically mixed neighbourhoods and making widespread use of social housing for people experiencing homelessness, who are generally highly socioeconomically marginalised.

  - Deterioration of existing social housing, some of which is decades old and which requires retrofitting to meet sustainability targets and general refurbishment. This has been broadly associated with a loss of resources across the social housing sector. The general condition of all European housing, including private rented and owner occupied homes, is **widely reported** as inadequate.

However, research also shows that levels of social housing supply remain significant in several including EU Member States including **Austria**, **Denmark**, **Finland**, **France**, **Ireland** and the **Netherlands** and outside the EU, **the UK**. In some cases, there has been a significant decline in social housing supply, but a large social housing sector still remains, Finland and the UK are examples of this. In some EU Member States such as **Austria**, social housing supply has remained relatively stable. While there was mass privatisation of formally state controlled housing in many Eastern EU Member States, countries including **Slovenia**, **Hungary** and **Poland** still have some social housing. Other EU Member States, such as **Germany**, **Italy** and **Spain** also have smaller, but still present, social rented sectors. In several of the Southern European EU Member States, there is no tradition of social housing provision. Reliable and consistent statistics are not available on the levels of social housing supply in every EU Member State. Only a few European countries, including Norway and to a lesser extent Greece, focus direct assistance with housing only on owner occupation.

Images of people experiencing homelessness as being unreliable tenants are based on a wider misunderstanding of the **nature of European homelessness**. **The population** of people experiencing homelessness does include people who have multiple and complex treatment needs, but also families, lone adults and other households whose main characteristic is poverty, many of whom experience **hidden forms** of homelessness. This means that many people experiencing homelessness can have many or most of their needs met by stable, secure, affordable and adequate housing. For people who do have multiple and complex needs, **Housing First** services can remove most of the potential risks for social landlords, by providing the support people need to sustain a home of their own.

Importantly, the work of some academics, notably **Becky Tunstall**, has raised serious questions about whether the picture of social housing as 'residualised' is accurate. Her **work** has shown that social housing is often 'unremarkable', i.e. it is ordinary housing with which most residents are satisfied, rather than being characterised by social problems and that descriptions of social housing as always creating problems with social cohesion are inaccurate. This raises questions about the supposed 'tension' between housing more people experiencing homelessness and meeting the goals of policies designed to counteract a level of residualisation that has been exaggerated.

Better understanding of the strengths and potential of social housing has started to be reflected in policy changes within individual EU Member States and at EU level. In particular, development of more social housing as a means for a actively preventing and reducing homelessness has become a core part of homelessness strategy in **Finland** and **Ireland** and there are wider plans to develop more social housing. In 2025, the **European Affordable Housing Plan** published by the European Commission noted: *Social housing needs particular attention as its provision in the EU has declined in recent decades.*

Housing Europe has argued that the EU is facing a structural housing crisis, in which there is not enough affordable and social housing for the general populations of EU Member States. These arguments include the longstanding failure of the private rented sector and owner occupancy markets to meet European housing need, which creates a need for more social housing. The **OECD** has also advocated renewed development and increased investment in social housing, again as a result of housing market failure in its member states.

3. USING SOCIAL HOUSING TO PREVENT AND REDUCE HOMELESSNESS

There are four main ways in which social housing can be used to prevent and reduce homelessness in the European Union, which also extends to other countries in Europe:

- **Increase general supply** of good quality housing available at genuinely affordable rents and offering good security of tenure (long and lifetime tenancy agreements). This can include new building, renovation and retrofitting of existing housing and improvements to neighbourhoods to ensure the best use is being made of available social housing and the **purchase and repurposing** of private rented sector housing.
- Enhancing **universal prevention of homelessness** by reducing the risk that individuals and families will lose housing because rents and mortgages in the private sector are unaffordable. Reductions in the level of **'hidden' homelessness**, i.e. staying with relatives and friends which is broadly associated with a lack of affordable housing supply. This can be achieved simply by significant increases in much more affordable social housing supply.

- Better use of existing social housing for people at risk of homelessness and providing enduring routes out of homelessness for people who have experienced it. This centres on enhancement of **allocation processes** and improvements to joint working across social protection, public health, the homelessness sector and social housing providers.

- Providing housing for **Housing First** programmes, an evidence-backed service model for people experiencing homelessness associated with multiple and complex treatment and support needs. Social housing can be of particular benefit to Housing First because it can offer very affordable homes with good security of tenure at what can be a better standard than is offered by private rented sector markets.

Research has demonstrated that homelessness is related to affordability and availability of housing. A recent study in the USA found cities with the **highest levels of homelessness had overheated housing markets** in which renting privately and buying housing was extremely expensive relative to most people's incomes. In England, the largest part of the UK, eviction from the private rented sector has become the most **common trigger event causing homelessness** among people seeking help from the statutory homelessness system. This is in the context of **deep cuts to housing welfare benefits** in England, which has occurred despite rapid and sustained increases in private sector rents. Research across EU Member States has repeatedly found that housing costs **are rising faster than other living costs**, which increases the level of after housing cost poverty and housing insecurity, especially for **people renting privately.**

European housing is increasingly used as an investment vehicle for **major private financial interests**. Patterns of **'rentier' private property ownership**, which centre on maximisation of profit are widespread in prosperous regions of Europe, especially as Rowland Atkinson has shown, in **London**. Access to affordable, adequate housing that offers a long term or permanent home for low- and middle-income people has become **increasingly difficult** because of these changes in housing markets across the EU.

Social housing **arose out of housing market failure**. The slums across Europe that social housing was initially primarily focused on replacing, as it developed during the late nineteenth and early to mid-twentieth century, were private rented sector housing. Where social housing has been formally integrated into homelessness strategy in European countries it has **ended homelessness for many thousands of people**. **Australian research**, which tracked outcomes for people experiencing homelessness who were rehoused in the private rented sector and social housing, demonstrated greater rates of housing stability and more sustained exits from homelessness for those rehoused in social housing.

If there is a sufficient supply of social housing it may make an important contribution to **universal prevention of homelessness**. The evidence here is incomplete, but there is a broad pattern of more extensive social protection and social housing systems being associated with **lower levels of homelessness** in EU Member States. Equally, hidden homelessness, which **some evidence indicates exists at a significant scale** across the EU, is broadly associated with housing market failure, i.e. people live in often precarious arrangements with relatives and friends without homes of their own, because affordable housing is not available.

Changes to allocation policies can help improve access to social housing for people experiencing homelessness. The **Danish practice** of requiring quotas of social housing to be used for people with support needs, including homelessness or the **UK statutory homeless systems** which expect or require cooperation from social housing providers. These systems run into difficulties if social housing supply is too small, resulting in **long waits in emergency accommodation** and they **do not guarantee zero resistance** from social housing providers. Social housing also has to be in reasonable condition and in socially cohesive environments if it is going to help reduce homelessness, requiring refurbishment and renovation of existing housing stock, as well as new supply. **Finnish strategy**, which took a twin track approach of better coordination with social housing providers and the development of a dedicated new social housing supply specifically intended to reduce homelessness, is probably the best European example of an effective approach.

Housing First can be an effective route into social housing because the social housing providers are reassured that the right mix and range of support is in place when they are asked to house someone with multiple and complex needs. The risk of management problems like rent arrears is greatly reduced by the presence of the Housing First service. For Housing First services, access to social housing can often mean that homes are much more affordable, offer long-term or life-time tenancies and are managed and maintained to a better standard than the private rented sector, which is likely to increase their **chances of success**.

European social housing originated from the failure of the free market to enough adequate and affordable homes. An insufficient supply of social and affordable housing has been identified by the EC and OECD. Social housing is not the sole answer to homelessness, but it is fundamental to the success of preventative, integrated and housing-led homelessness strategies. There are other models of better managing housing supply, include strict regulation and maintaining fair competition in the private rented sector and lower cost models of home ownership and alternative models of affordable rented housing. While the existing evidence is not complete, the available research strongly suggests **that only social housing** offers the low rent levels, security of tenure and standards of housing management that are most likely to help prevent and reduce homelessness.

4. BEYOND ACADEMIA

LUCRO (Descomprimindo) – BaianaSystem

The EPOCH Practice team closes this last Digest with "LUCRO (Descomprimindo)" by BaianaSystem.

The song is an anthem for housing as a right, not a luxury. It criticises real estate speculation and the social and environmental impacts of profit-driven urban development, portraying profit as a "crazy machine" that turns housing into a commodity, leaving people struggling to breathe.

At the same time, it carries hope — all delivered through an irresistible rhythm that transforms frustration into dancing energy and resistance.