UN-HABITAT

Social Housing
Intersessional Thematic Meeting June 27th 2025
Background Document

Version 20.6.2025

INTRODUCTION

The Open-ended Intergovernmental Expert Working Group on Adequate Housing for All was established pursuant to resolution 2/7 on Adequate Housing for All, adopted by the United Nations Habitat Assembly of the United Nations Human Settlements Programme (UN-Habitat Assembly). Accordingly, the first session of the Intergovernmental Expert Working Group was held at the headquarters of UN-Habitat in Nairobi from 9 to 11 December 2024. See here the report and the Chair's summary. The elected co-chairs, France and Kenya, developed a road map for 2025 which includes virtual intersessional meetings for member states, nominated experts and other stakeholders to pursue the work on the identified thematic areas, and a second meeting of the Working Group (OEWG-H2).

The virtual intersessional thematic meetings will roll out with two sessions for each topic to cater for different time zones, according to the following schedule:

Housing Finance: 24th June 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00 pm EAT (English, French, Spanish, Arabic)
Tenure Security: 25th June 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00 pm EAT (English, French, Spanish, Arabic)
Informal Settlements: 26th June 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00 pm EAT (English, French, Spanish, Arabic)
Social Housing: 27th June 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00 pm EAT (English, French, Spanish, Arabic)
Sustainability: 16th September 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00 pm EAT (English, French, Spanish, Arabic)
Definitions: 17th September 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00pm EAT (English, French, Spanish, Arabic)
Monitoring framework: 18th September 2025 10:00-1:00 pm EAT (English, Russian, Arabic)
and 4:00-7:00 pm EAT (English, French, Spanish, Arabic)

The **draft recommendations** drawn from the intersessional meetings will be compiled into a summary, which will be presented at the second session of the Open-Ended Intergovernmental Working Group on Adequate Housing for All (OEWG-H2), scheduled to take place in **Nairobi from 22 to 23 October 2025.** Similar processes will take place in the following years (2026-2028); a comprehensive set of housing policy recommendations will be presented at the third session of the Habitat Assembly in 2029. Such recommendations will already guide policy reform at the country level before 2029 and will inform other key multilateral processes.

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OBJECTIVES OF THE INTERSESSIONAL MEETING ON SOCIAL HOUSING

The meeting intends to review and provide inputs to the information contained in this background document, including:

1. Describe the state of the art of social housing, highlight the key aspects, challenges and trends and,
2. Provide draft recommendations for actions for the overall sustainability of the social housing sector.

The recommendations drawn from the intersessional meeting will be presented at the second session of the Open-Ended Intergovernmental Working Group on Adequate Housing for All (OEWG-H2) that will be held in Nairobi on the 22nd and 23rd October 2025.

SUMMARY OF PROPOSED RECOMMENDATIONS

The summary of the proposed recommendations is below and a more comprehensive description can be found in the annex of this document. At the Intersessional Meetings, participants will be asked to provide further information, guidance and level of priority of these recommendations.

GOVERNANCE, COORDINATION AND POLICY COHERENCE

1. Develop strategic frameworks and mandates for social housing that ensure continuity, clarify responsibilities, and reflect housing system dynamics.

2. Strengthen the institutional set-up for coordinated, accountable and sustained delivery and maintenance of social housing through the creation of dedicated agencies, capacity-building efforts and facilitating inclusive models of delivery and management.

3. Build regulatory capacity and oversight frameworks to ensure quality, accountability and tenant participation.

DATA SYSTEMS AND PUBLIC ACCOUNTABILITY

4. Develop data infrastructure to guide evidence-based planning through disaggregated needs assessment and integrated housing and spatial data systems.

5. Institutionalise inclusive and regular performance evaluation and transparent reporting of commons indicators to strengthen public accountability.

6. Demonstrate the public value of social housing by measuring social, economic and environmental outcomes.

ACCESS TO LAND AND SPATIAL EQUITY

7. Integrate social housing into land policy and governance to expand access to well-located and affordable land by mobilising strategic public land use, land banking, land value sharing.

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8. Align social housing with infrastructure and spatial planning to support connected and inclusive communities.

SUSTAINABLE FINANCING

9. Mobilise long-term and diversified finance through closed-circuit funding models to support the full lifecycle of social housing, retain public investments and prioritise reinvestment in the system.

10. Align capital flows with public goals through accountable financial intermediaries and public-interest oversight.

11. Expand support for community-led, cooperatives and mutual-help models through dedicated financing and support.

DESIGN, LIVELIHOODS, INCLUSION AND SUSTAINABILITY

12. Establish inclusive standards and design frameworks that promote accessibility, energy efficiency and adaptability to different life stages and household types.

13. Promote cultural adequacy and social cohesion through participatory design processes and supported technical assistance.

14. Support livelihood and economic inclusion by adapting legal and design frameworks to local realities.

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PROPOSED RECOMMENDATIONS FOR SOCIAL HOUSING

The following recommendations outline priority actions to strengthen the institutional, spatial, financial, and design foundations of social and cooperative housing systems. While delivery models vary across countries and regions, the proposals reflect shared principles of long-term affordability, inclusion, habitability, public value, and system-wide coherence.

The recommendations are structured around five priority areas:

1. Governance, coordination and policy coherence;
2. Data and accountability;
3. Access to land and spatial equity;
4. Sustainability of financing;
5. Design for inclusion and livelihoods.

Each section presents a set of high-level recommendations, followed by key actions to guide implementation in different settings. Together, they outline a systemic approach to advancing the role of social housing as critical infrastructure for social inclusion, urban resilience, and the realisation of the right to adequate housing.

1. Strengthen governance, coordination and policy coherence

Effective governance of social housing depends on long-term strategies, clear mandates, and institutional capacity to implement and coordinate across levels of government. Dedicated agencies, political commitment, and tenant involvement are key to ensuring accountability and sustained delivery, while adaptable regulatory frameworks allow for context-sensitive and inclusive models.

1.1. Strategic frameworks and mandates

1. <u>Develop strategic frameworks and mandates for social housing that ensure continuity, clarify responsibilities, and reflect housing system dynamics</u>

Key actions:

- Develop comprehensive, long-term national strategies that articulate measurable targets, timeframes, and financial commitments for social housing. These strategies should be adaptable to demographic shifts, urbanisation, and changing economic conditions.
- Design social housing strategies with reference to the functioning of the wider housing system and attention to system-wide imbalances and access gaps.
- Define clear mandates and responsibilities across national and subnational governments, and establish multi-level performance agreements with explicit delivery and quality targets. These agreements should be co-developed with local authorities, social housing providers, and tenant representatives.
- Promote institutional models that guarantee governance continuity beyond electoral cycles, including community, non-profit or limited-profit providers with a long-term social mission.

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- Secure long-term political support by highlighting the stabilising economic and social role of social housing, including its contribution to labour mobility, health outcomes, and economic resilience.
- Recognise that social housing plays a broader role in the housing system, including promoting management innovation, quality benchmarks, and counter-cyclical supply.
- Integrate social housing policy with employment, transport, and urban development frameworks to maximise co-benefits and spatial inclusion. Recognise and highlight the benefits of social housing to climate actions, particularly by reducing urban sprawl and enabling compact, efficient development.
- Ensure strategies reflect demographic foresight, particularly addressing ageing populations, and promote social mix through inclusive design and location.
- Acknowledge the essential role of a wide range of actors, not only governments but also cooperatives, community groups, non-profit organisations, and mission-driven developers, in shaping and delivering effective social housing strategies, including both delivery and management.
- Recognise social housing as a potential tool for the prevention and upgrading of informal settlements, while ensuring that new developments are sensitive to existing social networks, livelihood strategies, and the affordability constraints of former informal residents.

1.2. Institutional Set-Up

2. Strengthen the institutional set-up for coordinated, accountable and sustained delivery and maintenance of social housing through the creation of dedicated agencies, capacity-building efforts and facilitating inclusive models of delivery and management.

Key actions:

- Establish or reinforce dedicated agencies focused on social housing to streamline efforts and ensure accountability.
- Ensure that institutional arrangements enable diverse and inclusive models (public, cooperative, community-based, non-profit) with mechanisms for coordination, recognition, and equitable access to public support.
- Build technical capacity across institutions and providers through ongoing training, knowledge exchange, and partnerships with academic and civil society actors.

1.3. Regulatory Capacity and Oversight

3. Build regulatory capacity and oversight frameworks to ensure quality, accountability and tenant participation.

Key actions:

- Introduce independent regulatory authorities mandated to oversee financial sustainability, affordability, rent setting, tenant protection and minimum quality standards, including habitability, health and accessibility.
- Introduce transparent auditing and reporting requirements for all delivery models receiving public support, including community-led, cooperative, and non-profit schemes.

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- Strengthen capacity and establish coordination mechanisms for small- and medium-scale stakeholders (including community developers and cooperatives) through regulatory accommodation, technical assistance and preferential access to public support (land, finance, etc).
- Institutionalise tenant participation in governance, including representation in provider boards, consultative councils, and participatory planning processes, to improve responsiveness, accountability, and trust.

2. Strengthen Data Systems and Public Accountability

Reliable data and monitoring tools are essential to assess demand, guide resource allocation, and evaluate the performance of social housing systems. Transparent governance and resident participation strengthen accountability, while evaluating return on public investment is key to demonstrating the long-term value of social housing as infrastructure.

2.1. Data Infrastructure and Evidence Based Planning

4. Develop data infrastructure to guide evidence-based planning through disaggregated needs assessment and integrated housing and spatial data systems.

Key actions:

- Implement robust, centralised data systems that collect and integrate information on housing need, occupancy rates and demographic trends.
- Expand cadastral, spatial, and socio-economic databases and ensure their interoperability with housing registries.
- Mandate regular housing needs assessments disaggregated by income, age, household type, tenure, and location to support strategic planning, resource allocation, and inclusion goals.

2.2. Performance Evaluation and Reporting

5. Institutionalise inclusive and regular performance evaluation and transparent reporting of commons indicators to strengthen public accountability.

Key actions:

- Standardise and institutionalise reporting requirements for housing providers receiving public support, covering occupancy, rent levels, subsidy use, housing quality, and tenant wellbeing.
- Ensure tenants and communities are meaningfully involved in monitoring and evaluation processes, including through surveys, focus groups, and community scorecards
- Publish regular performance reports in accessible and non-expert language to build public trust and inform policymaking.

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2.3. Evidence On Social Return and Public Investment Impact

6. <u>Demonstrate the public value of social housing by measuring social, economic and environmental outcomes.</u>

Key actions:

- Evaluate social housing not only on delivery metrics but also on broader social, economic, and environmental outcomes (e.g., health, educational attainment, labour market access, carbon savings).
- Mandate cost-benefit and lifecycle assessments of social housing investment, including preventive and stabilising effects (e.g. reduced homelessness or overcrowding).

3. Facilitate Access To Land and Spatial Equity for Social Housing

Land policy strongly shapes the accessibility and sustainability of social housing. Densifying within consolidated urban areas reduces infrastructure costs and improves service access. Local governments play a central role through land-use planning, while tools such as zoning incentives, land banks, and public land allocation help secure well-located land for social housing. Integrating land policy with mobility and infrastructure planning supports more inclusive and connected communities.

3.1. Social Housing in Land Policy and Governance

7. <u>Integrate social housing into land policy and governance to expand access to well-located and affordable land by mobilising strategic public land use, land banking, land value sharing.</u>

Key actions:

- Establish clear national and local policies that prioritise well-located land for social and cooperative housing, including proximity to services, jobs, transport, and climate-resilient infrastructure.
- Map publicly and privately owned vacant land and underused buildings in central and accessible areas, and develop strategies for acquisition, adaptive reuse, or temporary public use.
- Expand municipal land banks with dedicated mandates to identify, acquire, and allocate land for social housing. Ensure coordination with planning, infrastructure, and finance departments.
- Enable early urban extension planning to secure land before speculative pressures arise. Where additional development rights are granted, require a proportion of land or units to be designated for social or affordable housing.
- Use land value sharing and inclusionary zoning to secure land and resources for social housing in high-opportunity areas.
- Encourage temporary or long-term public leasehold models over land sales to retain long-term public control and ensure affordability over time.
- Strengthen cadastre, registry, and land administration systems across institutions to improve transparency, reduce fragmentation, and counter land grabbing.
- Promote land pooling, reallocation, or community land trust mechanisms to assemble land for social housing without triggering displacement or speculation.

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- Mandate regular housing needs assessments disaggregated by income, age, household type, tenure, and location to support strategic planning, resource allocation, and inclusion goals.

3.2. Social Housing in Spatial and Infrastructure Planning

8. Align social housing with infrastructure and spatial planning to support connected and inclusive communities.

Key actions:

- Align social housing delivery with public service provision, including mobility, education, health, and green infrastructure, to enable connected, inclusive communities.
- Link social housing strategies with economic development zones to improve employment access and reduce spatial mismatch.
- Promote densification in consolidated urban areas to make efficient use of land, reduce infrastructure duplication, and improve access to urban opportunities.

4. Ensure Sustainable Financing of Social Housing

Financing social housing (both in the delivery and maintenance) requires a stable and diverse mix of instruments aligned with public goals.

4.1. Long Term and Diversified Financing

9. Mobilise long-term and diversified finance through closed-circuit funding models to support the full lifecycle of social housing, retain public investments and prioritise reinvestment in the system.

Key actions:

- Establish stable and diversified financing frameworks that combine public investment, targeted subsidies, cooperative savings, and blended finance instruments to support the production and long-term sustainability of social and cooperative housing.
- Ensure financing frameworks cover the full lifecycle of housing, including delivery, maintenance, renovation, and management. Establish reserve mechanisms to support quality and liveability over time.
- Leverage climate finance to support the retrofitting of existing social housing stock and the development of new climate-resilient social housing.
- Promote closed-circuit funding models (e.g. revolving funds) that retain public investment within the housing system and prioritise reinvestment.
- Encourage cost-based rent models, linking rents to actual construction and maintenance costs to ensure affordability and transparency.
- Introduce safeguards against the loss of public investment in ownership-based models (e.g. resale price caps, public pre-emption rights).

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4.2. Financial Intermediaries

10. Align capital flows with public goals through accountable financial intermediaries and public-interest oversight.

Key actions:

- Establish or strengthen public and non-profit financial intermediaries (e.g. cooperative banks, revolving social housing investment funds) to channel investment into social housing.
- Define shared social performance criteria for ESG housing investments (e.g. rent levels, tenure security, inclusion), monitored by public authorities or mission-driven entities

4.3. Community-led and Mutual-help Initiatives

11. Expand support for community-led, cooperatives and mutual-help models through dedicated financing and support.

Key actions:

- Recognise and scale community-based and mutual-help initiatives (e.g. revolving funds, savings groups, cooperatives, urban poor funds) with flexible, long-term, and "low-bureaucracy" public support.
- Provide dedicated financing channels for small-scale and community-led social housing delivery, recognising their distinct timelines and capacity-building needs.
- Avoid competition for land and resources between community-based, non-profit, and private providers through negotiated frameworks and preferential allocation.

5. Design For Livelihoods, Inclusion and Sustainability

Social housing should be inclusive and adaptable, responding to diverse household needs, cultural contexts, and demographic shifts. Design approaches that allow for flexibility, accessibility, and integration with livelihoods and services can improve long-term sustainability and support social cohesion.

5.1. Standards, accessibility and health

12. Establish inclusive standards and design frameworks that promote accessibility, energy efficiency and adaptability to different life stages and household types.

Key actions:

- Set minimum design and quality standards that promote accessibility, energy efficiency, and adaptability to different life stages and household types.
- Promote integrative models of care and service provision for ageing populations (and persons with disabilities) that avoid institutionalisation and enable dignified, community-based living.

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5.2. Cultural adequacy, participatory design and social cohesion

13. <u>Promote cultural adequacy and social cohesion through participatory design processes and supported technical assistance.</u>

Key actions:

- Encourage architectural diversity and high-quality design to avoid stigma and support urban integration of social housing.
- Facilitate community-led or co-designed projects, especially for marginalised groups, through participatory planning processes and, when possible, design competitions.
- Promote design flexibility that accommodates different household sizes, cultures, and changing needs over time.
- Support technical assistance for community groups, mutual-help, cooperatives, and civil society actors independently of housing unit delivery, to support inclusive project design and implementation

5.3. Livelihood and economic integration

14. <u>Support livelihood and economic inclusion by adapting legal and design frameworks to local realities.</u>

Key actions:

- Enable incremental upgrading and support home-based enterprises by adapting legal and design frameworks to local livelihood realities.
- Plan housing developments to include spaces for small businesses, community services, and recreational areas, fostering economic opportunities and social cohesion.
- Integrate housing with public infrastructure and services (such as schools, mobility, and green space) to support residents' broader well-being.
- Embed training, employment programmes, and construction professionalisation initiatives for community members, for income generation during the construction process.

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ANNEX: BACKGROUND

The definition of what constitutes social housing varies significantly between countries. For the purpose of this discussion, the term is used in a relatively inclusive way as housing provided or subsidised by public or non-profit organisations, designed primarily to promote equitable and affordable access to adequate standards of living for people with low or moderate income or people in vulnerable situations.

While the specific aspects of social housing vary widely by country and region and reflect context realities, key features include:

1. Housing costs are generally set below formal market rates and are often linked to incomes (e.g., a percentage of income) or to the costs of acquiring a dwelling.
2. Social housing is often owned or managed by government bodies (e.g., municipalities, public housing offices), non-profit or limited-profit organizations (e.g., housing associations, semi-public or private social companies, cooperatives).
3. Allocation is typically based on criteria such as need, including income level, occupation (including public employees), vulnerability (e.g. disability, etc.), or homelessness status.
4. Its core purpose is to address housing inequality, promote social inclusion, and support marginalised groups.

Additionally, based on the vocation of most social housing programmes, an additional core principle of long-term affordability could be considered. This means designing allocation and tenure models in ways that prevent public subsidies or assets from being diverted to the speculative market, particularly when part of ownership schemes. Effective protections (such as resale price caps, buy-back clauses, public reversion rights, Community Land Trusts) help ensure that housing developed with public support continues to serve its social function over time.

Social housing is a critical component of inclusive housing systems globally. At its core, it is a public or publicly-supported good, designed to ensure that all people (particularly those with low incomes or in vulnerable situations) can access adequate, safe, and affordable housing. But beyond individual shelter, social housing also serves broader social, spatial, and economic goals such as :

- **Social cohesion and stability**: by preventing marginalisation and offering a safety net during life transitions such as job loss, displacement, or family breakdown.
- **Spatial justice**: By locating housing in areas of opportunity, social housing combats spatial segregation and ensures more equitable urban development.
- **Market moderation**: A strong social housing sector can serve as a counterbalance to speculative dynamics, contributing to greater price stability and affordability in the wider housing market and increasing quality.
- **Climate and health resilience**: When well-designed, social housing supports public health and climate mitigation by reducing energy poverty and increasing climate resilience.
- **Livelihood security** as access to stable and adequate housing lowers barriers to education, employment, and mobility.

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- **Macroeconomic resilience**, by stimulating the construction sector counter-cyclically, particularly in times of economic downturn.

Its value is also evident in contexts of crisis and displacement. Whether in post-conflict recovery, natural disaster response, or forced migration settings, social housing has provided a pathway to long-term integration and recovery. In rapidly urbanising regions, especially where informal or self-built housing predominates, social housing systems increasingly intersect with upgrading programmes, tenure formalisation efforts, and community-driven development. These intersections require sensitivity to existing social networks, local building practices, and livelihood strategies to ensure that new housing interventions are inclusive, appropriate, and do not result in displacement. In many cases, relocation-based approaches have imposed unaffordable costs on low-income households, undermining access and long-term stability.

Furthermore, when integrated with broader policies, from climate adaptation to gender equality, social housing becomes an enabler of systemic change. Brazil's Minha Casa, Minha Vida programme shows this potential: in its second phase, 80% of housing contracts were registered to women—especially single mothers and survivors of gender-based violence—strengthening their housing rights and economic security. The programme also paired housing with childcare, healthcare, and infrastructure, highlighting how integrated solutions boost inclusion and resilience.

Finally, it is important to stress that no single housing policy instrument can address the full spectrum of housing challenges. Instead, a range of tools (financial, regulatory, and institutional) must be deployed in different combinations depending on local context, institutional capacity, and population needs. Yet, within this broader mix, expanding social housing as critical infrastructure is essential. Not only to meet immediate housing needs, but to anchor long-term strategies for equity, climate resilience, and inclusive urban development.

A.1. Institutional, Regulatory and Financial Set-Up

Social housing systems depend on robust governance, clear regulation, and sustainable financing.

Governance models for social housing range from centrally managed, state-led systems to decentralised or mixed arrangements involving municipal authorities, non-profit associations, or housing cooperatives. Increasingly, local authorities are taking a leading role. Still, outcomes strongly depend on fiscal frameworks, legal clarity and administrative capacities. Further, dedicated housing institutions or agencies have proven crucial to managing delivery and maintaining quality, as well as ensuring policy attention beyond electoral cycles.

While direct public provision remains vital in many contexts, social housing systems also depend on the strategic engagement of a broader range of actors. Governments have a key role not only as providers but as enablers by setting the legal, fiscal, and institutional frameworks that allow diverse actors (including cooperatives, associations, and limited-profit developers) to contribute effectively to delivery. Ensuring clarity of mandates, fairness of competition, and alignment with public objectives is critical to maintaining coherence and quality across this mixed ecosystem.

Regulatory frameworks are also critical in determining access and equity of the system. Eligibility rules, rent setting, tenant protection, and allocation criteria shape who can access social

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housing and under what conditions. Overly restrictive targeting can result in the residualisation of the sector, while inclusive models (e.g. in Austria or France) aim for social mix. Transparent, participatory processes for setting rent levels, allocating units, and evaluating outcomes help to build public legitimacy and ensure fairness. Meaningful engagement of residents and civil society in these processes can strengthen accountability, improve targeting, and align services with community needs. Public reporting and oversight mechanisms also reinforce trust in the system and support adaptive learning.

Legal and regulatory frameworks are essential for defining and upholding housing adequacy across different tenures. These frameworks should guarantee tenant rights, ensure non-discrimination, and set enforceable standards for habitability and affordability. At the same time, regulatory flexibility is important: to enable locally appropriate solutions (such as cooperative tenure, incremental housing, or mixed-use neighbourhoods).

Finally, financial sustainability depends on stable public investment complemented by a variety of tools: capital grants, demand-side subsidies, tax incentives, land-based instruments, blended finance, and cooperative savings schemes. Successful systems integrate these tools within a coherent policy framework and maintain transparency in subsidy flows and allocation. In many regions, the challenge is not only mobilisation of funding but also strategic coordination to ensure that finance supports long-term goals of equity, inclusion, and resilience.

The maintenance, renovation, and operation of existing social housing stock must be recognised as core pillars of social housing policy, on equal footing with the construction of new units. In many contexts, inadequate attention to these aspects has led to accelerated deterioration, energy inefficiency, and rising vacancy rates. Ensuring long-term habitability requires dedicated funding streams and clearly defined institutional accountability. Lifecycle-based financing models, maintenance reserve funds, and sealed reinvestment mechanisms, such as those used in cost-rent systems and revolving funds, can help safeguard housing quality, extend asset longevity, and reduce the need for costly interventions. Moreover, effective maintenance is essential for tenant satisfaction, improved health outcomes, and enhanced climate resilience.

Equally important is also the recognition of residents and housing applicants not as passive recipients but as rights-holders and contributors. Social housing systems are most effective when they incorporate mechanisms for sustained tenant participation, from allocation and design to oversight. Recognising and strengthening the voice of “consumers” ensures that housing systems are responsive, transparent, and grounded in lived realities.

An important consideration is that social housing cannot be addressed in isolation. Its accessibility, effectiveness, and long-term sustainability are deeply influenced by the broader dynamics of the housing system. In many contexts where housing markets fail to meet the needs of a large segment of the population, including middle-income households, social housing programmes designed for the lowest-income groups have been overwhelmed by wider demand. This can result in the displacement of people most in need, undermining the equity objectives of the sector. A systemic approach is therefore critical: social housing must be developed in parallel with adequate housing supply across the income and tenure spectrum, underpinned by clear eligibility criteria, transparent allocation mechanisms, and coordinated with policies on land use, housing finance, and rental market regulation. Such

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integration helps prevent the distortion of social housing systems and enables them to serve as a protective pillar within a broader, inclusive, and functional housing ecosystem.

A.2. Status and Evolution of the Sector

Social housing has undergone significant transformation globally, both in scale and character, shaped by demographic, economic, and policy shifts. Traditionally rooted in the post-war welfare state models of Europe, social housing was designed to provide low-cost, government-supported rental units to working-class families. Countries like the UK, Netherlands, and Sweden once allocated large shares of housing stock—up to 30–50%—to public or social providers. However, since the 1980s, neoliberal reforms led to reduced state investment privatisation and conversion to market use of public housing, with notable exceptions where policy has maintained public and cooperative stock at scale. Reduction in availability has led to eligibility becoming increasingly restrictive, reinforcing concentration of poverty and social stigma.

In recent decades, there has been a global resurgence of interest in social housing, driven by rapid urbanization, unaffordable housing markets, and increasing inequality. The concept has evolved from purely state-provided rental units to a broader set of mechanisms, including public-private partnerships, community-led housing, and mixed-income developments. In many countries, social housing is now framed within the context of inclusive urban development, sustainability, and spatial justice. Additionally; the deteriorating condition of much of the global social housing stock presents a critical challenge. Aging infrastructure, low energy performance, and maintenance backlogs are not just technical issues—they reflect long-term underinvestment and policy neglect.

Yet, regional approaches vary widely**. Europe** has some of the most developed social housing systems, especially in countries like the Netherlands, Austria, and France. While Northern and Western Europe maintain strong, mixed-income models, Southern and Eastern Europe have seen reduced stock due to privatization and limited reinvestment. Recently, affordability crises have revived policy attention on expanding social housing, often through public-private partnerships and green retrofitting programmes. In some cases social housing is converted into market-rate rental (eg., in Germany) or purchased by tenants (eg., UK). Across OECD countries1, the relative size of the social housing stock has increased by over 2.5% in Iceland and Korea since 2010.

In **North America**, social housing is limited and highly targeted toward the lowest-income households. In the U.S., recent trends emphasise voucher-based subsidies, non-profit partnerships, and tax credit programmes like the Low-Income Housing Tax Credit (LIHTC). Canada has maintained a diverse system including co-ops and municipal housing.

Latin American countries has historically prioritised state-subsidised homeownership and large-scale public housing programmes(such as Brazil's Minha Casa, Minha Vida (MCMV) and Mexico's INFONAVIT). However, these initiatives have faced criticism for their peripheral location and limited access to essential services. In parallel,

[1] *OECD, Affordable Housing Indicators, PH4.2. SOCIAL RENTAL HOUSING STOCK – available at here*

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countries like Uruguay and cities like Sao Paulo have also supported cooperatives and mutual-help groups as part of their social housing programmes. eRecent policy shifts (eg., MCMV Entitades) increasingly focus on integrating self-built and mutual-help solutions, upgrading informal settlements, enhancing locational value, and better linking social housing to transport networks and public services.

Asia exhibits a wide spectrum of social housing approaches, from state-dominated systems to market-driven models. China has rapidly urbanised in recent decades, and while private homeownership dominates, the government has made significant investments in public rental housing housing schemes to support low- and middle-income urban residents. In East Asia, Singapore and Hong Kong maintain some of the world's most comprehensive public housing systems, with over 70% of residents housed in government-built units. These systems prioritise homeownership, long-term planning, and integration with transport and services. In South Asia, particularly India, social housing is driven by subsidy-based programmes like PMAY and large-scale slum upgrading initiatives. Across Asia, growing urban populations and rising inequality are pushing governments to explore more inclusive, resilient, and mixed-use housing solutions.

In Sub-Saharan Africa, social housing provision remains limited, and often shaped by the legacy of colonial planning. Today, most urban housing is still produced incrementally by residents themselves. In response, some governments have shifted focus from large-scale construction to supporting slum upgrading, tenure security, and access to finance. Kenya and South Africa have expanded support to savings and credit cooperatives (SACCOs), housing construction cooperatives and dedicated housing funds. Ethiopia government-led condominium schemes with subsidized financing and Côte d'Ivoire rent-to-own schemes also reflect hybrid approaches aiming to expand access to housing. Infrastructure investment remains a critical gap, especially in order to extend services to urban peripheries.

In the Middle East and North Africa2, social housing provision also remains limited and is primarily shaped by homeownership-driven policies, with public rental housing rare and constrained by institutional and fiscal limitations. State-led initiatives often target low- and middle-income households through subsidised homeownership programmes, as seen in Egypt and Morocco, though many developments face challenges related to location, infrastructure, and uptake.

Finally, across regions, there is growing recognition that meeting social housing needs cannot rely solely on public provision. A more inclusive and sustainable approach requires the engagement of a diverse range of actors, including local governments, housing cooperatives, non-profit organisations, community-based groups, and regulated private developers. Each of these stakeholders can play a complementary role in the delivery, management, and maintenance of social housing, contributing to a more resilient and responsive housing system. Strengthening collaboration and enabling frameworks for these actors is essential to scale up provision while ensuring quality, affordability, and long-term sustainability.

[2] *ESCWA, Social Housing in the Arab Region: An Overview of Policies for Low-Income Households' Access to Adequate Housing, 2017*

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A.2.1. Key Challenges Faced By Social Housing Sector

Despite its critical role in promoting inclusive and sustainable urban development, the social housing sector faces a range of persistent and emerging challenges. These obstacles limit its ability to meet growing demand, ensure long-term affordability, and deliver on broader social and environmental goals. Addressing the following challenges is essential to realising the full potential of social housing as a driver of equity and resilience.

- **Privatisation, erosion, residualisation3, and stigmatisation:** Many countries have sold or converted social housing into market-rate or owner-occupied stock, while narrowing eligibility to low-income or vulnerable groups. This has concentrated disadvantage, weakened the financial sustainability of the sector, and contributed to social stigma. In some regions (such as parts of Europe, North America, and countries from former Soviet Union) public stock has been significantly reduced, undermining the sector's stabilising role.
- **Governance gaps and erosion of trust:** Unclear mandates, fragmented responsibilities, opacity in assignation and a lack of institutional continuity have weakened the delivery of social housing. The absence of dedicated providers or long-term planning frameworks can erode confidence in the system's ability to deliver. Where allocation procedures or eligibility criteria lack transparency, public trust in the fairness and purpose of social housing may be further weakened.
- **Finance and long-term sustainability**: The increasingly targeted focus of social housing has constrained rent-based cost recovery, while underfunded maintenance and renovation budgets undermine long-term viability.
- **Financialisation**: In the social housing sector, financialisation can take the form of asset-based funding models, securitisation of public stock, and increased private investor participation. While these approaches may bring capital, they often shift the focus away from long-term affordability and stability. In some contexts, the emphasis on ownership over rental has reinforced housing as an asset rather than a social good, weakening the role of social housing as part of a rights-based and non-market approach.
- **Lack of reliable and disaggregated data** hampering effective planning, allocation, and evaluation.
- **Land scarcity and spatial inequality**: High land prices in urban cores often push social housing to peripheral locations, reinforcing socio-economic segregation, increasing commuting burdens, and reducing access to jobs and services.
- **Cultural inadequacy**: Standardised housing designs may fail to reflect local customs, household structures, or traditional livelihoods, especially in Indigenous, rural, or multi-generational contexts.
- **Ageing stock and climate adaptation**: Much existing social housing requires retrofitting to improve energy performance, accessibility, and resilience

[3] *Residualisation refers to the process by which social housing becomes limited to only the lowest-income or most vulnerable groups, often leading to segregation, and social stigma.*

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to climate risks. For example, in Latvia, 20% of the municipal housing stock remains vacant because units are unsuitable for habitation.

- **Demographic shifts:** Population ageing and evolving family structures demand flexible housing typologies, from accessible units for older people to adaptable spaces for diverse household compositions.

A.2.2. Key Trends

Social housing is undergoing significant transformation across regions, shaped by evolving social needs, environmental imperatives, and shifting policy paradigms. While context-specific, several overarching trends are emerging that reflect a growing recognition of housing as a cornerstone of inclusive, sustainable urban development. Key trends include:

- Community-led and cooperative models: From Uruguay's mutual aid cooperatives to Brazil's MCMV Entidades and European housing cooperatives, resident-led models are diversifying provision. While promising, scaling remains a challenge.
- Strategic land use tools: Land banking, value capture, community land trusts, and time-bound leases (e.g. Singapore, UK, USA) are being used to secure land for affordable housing in well-located areas.
- Municipal leadership: Cities such as Vienna, Barcelona, Sao Paulo and Seoul are advancing housing agendas by planning, financing, and managing social housing while integrating it with broader urban policy.
- Large-scale public programmes: In Latin America and West Africa, governments have launched state-led housing initiatives to expand affordable supply, often combining national coordination, public investment, and support from multilateral partners.
- Cross-sectoral integration: Connecting housing policy with transport, health, care, and gender equity agendas improves residents' well-being and ensures housing solutions reflect people's full livelihood needs.
- Architectural and design innovation: Modular, flexible, and low-footprint designs are responding to demographic change, reducing costs, and supporting environmental goals. Adaptive reuse and renovation are increasingly recognised as sustainable alternatives to new construction.

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