

INNOVATING TO PROTECT THE RIGHT TO HOUSING

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Housing has an important social function. It is the **physical support for a dignified life and the basis for access to essential public services** that guarantee an adequate standard of quality of life. This is recognised in the Housing Law ([Law 3/2015, of 18 June](#)), which establishes and regulates the subjective right to legal and stable occupation of a home for all persons with administrative residence in any municipality of the Basque Autonomous Community.

Reality shows that neither active housing policies nor the free housing market create the **conditions to guarantee this subjective right**. There is a lack of diverse and sufficient **housing stock**, and the **price of** both owned and rented **housing** is prohibitive for an increasing number of people. The problem logically affects the most vulnerable groups the most, but it is increasingly extending to very broad social groups with stable jobs and average incomes.

According to the "[Study of Housing Needs and Demand in the Basque Country in 2023](#)", carried out by the Department of Territorial Planning, Housing and Transport of the Basque Government, a total of 103,331 homes will be needed (77,517 for people with their own income and 25,814 for people who currently have no income), which shows the scale of the challenge that lies ahead in order to satisfy people's subjective right; **the number of homes currently available for rent would have to be almost doubled**.

The competent public administrations will undoubtedly be obliged **to increase substantially the budgets** allocated to this chapter. But this alone, I fear, will make the subjective right 'water under the bridge'. If everyone is to enjoy decent and adequate housing, **private initiative will have to be actively involved** and **new innovative regulatory and financial instruments will have to be used**.

This means, firstly, **involving the business sector** and **also civil society** very proactively in the promotion of affordable housing. The examples of the Nordic countries (especially Denmark), where non-profit organisations are responsible for the promotion and management of affordable public housing, can serve as inspiration for the formulation of a model of public-private cooperation in the housing sector in the Basque Country.

Secondly, **it will be necessary to ensure that the price of land does not affect the final price** paid by families for housing (currently around 30% of the final price). To this end, public administrations will have to use their regulatory capacity to make large amounts of land available themselves and to make the use of instruments such as the transfer of surface rights or land concessions more flexible and flexible, so that private developers can promote affordable housing in a viable way.

Thirdly, it will be necessary **to articulate and make available** to private developers of affordable rental housing a set of **ad hoc financial instruments to facilitate private investment**, which must necessarily be very long-term. In this respect, the European Next Generation Funds, available until 2026, are a great opportunity, but other financing alternatives will have to be analysed, including the most innovative ones that are opening up around new digital technologies such as blockchain, which would allow investments to be shared securely without high operating costs.

Last but not least, adequate regulation will be needed **to provide legal certainty and guarantees** for the many actors involved, developers, investors and, of course, the people who will receive the houses.

