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1. Introduction: housing as an economic and social issue

Over recent years, affordable housing has become one of the most significant economic and social challenges confronting not only Spain and the Basque Country, but countries throughout the developed world. Sustained price increases in many urban and metropolitan areas, coupled with the increasing difficulties faced by large segments of the population (especially young people and low-medium-income households) in accessing affordable housing —have positioned the issue at the head of the public agenda and academic research (OECD, 2021; Haffner & Hulse, 2021). It is part of a broader trend affecting many advanced economies and reflects profound transformations in urban markets, residential systems and the global economy (Glaeser & Gyourko, 2018), in a context of increased urbanisation and pressure on urban systems at an international level (UN-Habitat, 2020).

The debate has lately become especially intense in Spain. Factors such as the recovery of demand following the housing crisis, growth in household formation, an increase in international mobility and the limited elasticity of residential supply in certain urban areas have all brought new stresses to bear on the housing market (BBVA Research, 2025; Macarrón Larumbe, 2025). These stresses have given the issue greater prominence in the public debate and the legislative agenda, and a number of initiatives have been undertaken to improve affordability and strengthen public intervention in this area.

This latest special issue of *Ekonomiaz* is therefore especially timely. The various authors address the problem of access to housing from complementary perspectives —economic, institutional, legal and territorial—providing a broad overview of current dynamics within the housing system and the principal challenges facing public policy in Spain and more specifically in the Basque Country.

The purpose is not only to outline the current difficulties in access to housing, but also to offer a deeper understanding of their structural causes and posit possible responses in the areas of public policy or public-private collaboration. The contributions offer elements of analysis that help to explain the current difficulties in fulfilling the aspiration of Article 47 of the Spanish Constitution — the right to

decent and suitable housing (Constitución Española, 1978)— and may provide some guidance on how best to achieve that goal.

The contributions cover a variety of topics. They include a comparative diagnosis of the Spanish housing system, an analysis of international experiences and studies of specific territorial dynamics, the impact of certain economic activities on the housing market, the implications of the regulatory framework and the development of new institutional initiatives aimed at expanding access to housing. Taken together, they provide a multidimensional view of current challenges and possible strategies for tackling them.

2. The international debate on housing affordability

In recent decades, the issue of housing affordability has become one of the primary topics of research in urban and public policy economics. The term is commonly used to describe the relationship between the cost of housing and the ability of households to meet that cost. While there is no one universally agreed means of measuring housing affordability, most studies use indicators such as the relative effort of households to pay for housing, the percentage of income spent on rental or purchase, and the incidence of housing distress (Haffner & Hulse, 2021).

The comparative literature shows increased difficulties in housing affordability in many advanced economies since the end of the last century. In numerous global cities —such as London, Paris, New York and Amsterdam— the increase in house prices has far outstripped gains in household income, generating increasing social and territorial stresses. This phenomenon has been further exacerbated by a number of structural factors, including growing urbanisation, a concentration of skilled employment in certain metropolitan areas, increased international mobility and constraints on an expansion in the supply of housing in certain urban areas (Glaeser & Gyourko, 2018).

Many international agencies have called for the housing issue to be addressed from a holistic perspective, combining supply-side policies, housing market regulation and the creation of social or affordable housing stock, in line with the recommendations of comparative literature on housing policy in developed economies (Been *et al.*, 2018). Recent OECD reports argue that the efficient functioning of housing markets is crucial not only for social wellbeing, but also for economic growth and labour mobility (OECD, 2021). An overly rigid housing market or one that is characterised by strong price tensions can limit worker mobility, hinder the formation of new households and increase socio-economic inequalities (Andrews *et al.*, 2011), as well as having enduring medium to long-term effects on affordability in housing markets (Ganong & Shoag, 2017; Hsieh & Moretti, 2019).

One of the central elements in this international debate involves the role of the rental market in contemporary housing systems. In many European countries, rental is a key component of housing affordability, especially among young households and more mobile segments of the population. However, the structure of the rental market varies significantly from country to country. While some economies have large quantities of rented social or public housing, in other cases there has traditionally been a strong predominance of owner-occupation (Scanlon *et al.*, 2014).

These institutional differences have led to very different residential patterns. In some central and northern European countries, such as Austria, Denmark, Germany and the Netherlands, for example, public policies have historically encouraged the development of large stocks of publicly and cooperatively-owned rental housing (see Reinprecht, 2014 on the Austrian case; Vestergaard, H. & Scanlon, 2014 on the Danish case; Droste & Knorr-Siedow, 2014 on the German case; and Elsinga & Wassenberg, 2014 on the Dutch case). By contrast, in other southern European countries, including Spain, owner occupancy has traditionally predominated, with a much more limited provision of social rental housing (see Alberdi, 2014, for an analysis of the Spanish case and Kemeny, 1995, for a more general view).

This diversity is key to understanding differences in housing affordability indicators from one country to another. Residential systems with more public or co-operative housing tend to have more stable rental markets and relatively lower levels of price pressure. Systems that are heavily tilted towards owner-occupancy, on the other hand, may experience greater stress when significant changes occur in housing demand or when housing supply has trouble adjusting to new market conditions (Whitehead & Williams, 2011).

3. The Spanish housing system viewed from a comparative perspective; supply, demand and public-private institutions

There are a number of structural characteristics distinguishing the Spanish housing system from other European models. Historically, access to housing in Spain has been based largely on ownership, largely as the result of a series of public policies which, for many decades, incentivised home purchase over the development of a larger rental market (Rodríguez López, 2009). This benefited the consolidation of a large stock of owner-occupied housing —associated with both residential stability and household wealth accumulation— but simultaneously limited the expansion of a professionalised rental market and a significant stock of social housing (Kemeny, 1995; Scanlon *et al.*, 2014).

As a result, the Spanish residential system is now characterised by a high degree of owner occupancy, a relatively small rental market compared to other European

countries and one of the lowest rates of social rental housing in Europe (Rodríguez López, 2009). This situation significantly conditions the functioning of the housing market and the capacity of public policies to respond to stresses in housing affordability (OECD, 2021).

The first article in this special issue, by **José García Montalvo**, explores these issues from a comparative perspective. It compares the Spanish case with that of other advanced economies, finding that difficulties in access to housing are the result of wider trends linked to the concentration of economic activity and the growth of demand in certain urban areas.

However, it also identifies specific weaknesses in the Spanish housing market, including scarcity of social rental housing, a large burden on lower income households and limited capacity for supply response in certain dynamic urban areas. In light of this situation, the article raises two key ideas: firstly, the need to focus analysis on the lack of supply as a structural factor; and secondly, the distributive nature of affordability stresses, which have a particularly intense effect on certain income segments, especially, the rental market. The author also highlights the importance of stable policies aimed at expanding the supply of affordable housing and avoiding interventions that might have unintended adverse effects.

Stresses in housing affordability, García Montalvo argues, cannot be explained solely by aggregate supply and demand factors; rather they depend on the interplay between specific institutional structures, regulatory frameworks and territorial dynamics. In this framework, it is important to analyse the specific mechanisms by which these tensions are manifested on local markets. In particular, pressure on housing affordability is expressed through factors that operate differently depending on the territorial context, such as the expansion of certain uses of the residential stock, intensity of demand in urban and tourist areas and the capacity of the supply to respond adequately. These factors are addressed in the following section, which explores the dynamics of the factors underlying the generation and distribution of housing market stresses.

4. Pressures on housing markets

A general diagnosis of the Spanish housing system and comparison with its international counterparts form a basic starting point for understanding the issue of housing affordability. However, the actual functioning of housing markets also depends on a number of specific factors that can aggravate or palliate tensions between supply and demand in particular territories. These factors include trends in urban tourism, the territorial dynamics of the rental market, and the emergence of new forms of usage of residential stock (Diamond *et al.* 2019).

One phenomenon that has been the focus of much public debate is the growth in holiday rentals and its possible impact on local housing markets. A boom in digital platforms offering short-term rentals has led to an expansion of holiday rentals in many European cities, with consequent discussion of its effects on the availability of residential housing and trends in property prices (Glaeser *et al.*, 2005).

An analysis of these phenomena forms part of a broader debate on supply constraints in urban housing markets. Many authors have noted that price strains in many cities are largely explained by the limited flexibility of the housing supply, which prevents new housing construction from responding quickly to a growth in demand (Glaeser & Gyourko, 2018).

Borja Vivanco addresses this issue, focusing particularly on the Basque case. He analyses the territorial distribution of holiday rentals in several towns in the region and explores possible relationships with the processes of pressure on the housing market. Using a range of territorial indicators and a comparison of statistical data, the article identifies key spatial patterns and considers a number of implications for public policy.

The analysis shows that the relationship between tourism and the housing market is complex and depends to a large extent on the specific characteristics of each territory. In some urban or tourist contexts, an expansion in the number of holiday rentals may lead to a reduction in the availability of residential housing or an increase in pressure on rental prices. However, these effects are neither uniform nor automatic; they depend on factors such as the size of the holiday rental stock, the structure of the local property market and the capacity of public authorities to regulate these activities.

Another way of bringing pressure to bear on the housing market is by identifying what are known as '*stressed housing areas*', an increasingly pivotal concept in the debate on housing policies in Spain. Identifying these areas has been a central plank of housing legislation in recent years, since it enables the use of specific regulatory instruments to relieve market tensions.

Aitor Puerta Goikoetxea and Cristina Arenaz Lareo give a detailed account of the procedure used to calculate indicators of housing market pressure in different areas of the autonomous community of the Basque Country and look at the criteria used to identify '*stressed areas*'.

Their analysis is particularly important for public policy, since the effectiveness of many regulatory measures depends on the ability to properly identify areas in which the housing market is subject to significant stresses. The article demonstrates the importance of building robust, transparent indicators for designing evidence-

based policies and improving the quality of public debate on property market regulation.

This issue of the *Ekonomiaz* also contains a specific analysis of the rental housing market in the Basque Country. **Amaia Altuzarra Artola, Elena Martínez Tola, Unai Tamayo Orbegoza and Estrella Sánchez Corchero** examine recent trends on this market and analyse the primary difficulties faced by those seeking to access rented housing.

The article highlights some of the specific characteristics of the Basque residential market and the current tension between the rise in demand for housing and the capacity of the residential supply to respond appropriately. By correlating a general diagnosis of the Spanish housing system and the situation in a specific area (the Basque Country), it provides a better understanding of the way in which national dynamics are manifested in specific regional contexts.

Overall, the factors analysed show that housing market stresses are not distributed uniformly but respond to specific territorial dynamics and the interaction of different forms of usage and demands on the housing stock. However, the intensity and effects of these factors cannot be fully appreciated without an analysis of the institutional and regulatory framework in which they operate. The way in which the public authorities define, delimit and regulate these phenomena — through urban planning, housing legislation or instruments of market intervention— can be decisive in aggravating or relieving the strains. Any analysis of the factors that exert pressure on the market necessarily leads us to examine the implications of regulation and institutional design in shaping residential markets.

5. Regulation, urban planning and housing rights

The functioning of housing markets depends not only on the dynamics of supply and demand, but also on the institutional and regulatory framework of the housing sector. Planning policies, housing legislation and the regulatory instruments used by public authorities play a major role in shaping residential markets.

In Spain, the debate on regulation of the housing market has intensified in recent years, particularly following enactment of the 2023 Right to Housing Act (Ley 12/2023). The act introduces a number of legal instruments designed to improve housing affordability, including mechanisms related to the regulation of rental prices in certain areas and the identification of stressed areas.

Iñigo Maguregui Salas's article examines the implications of this new regulatory framework from the perspective of planning and administrative law. It explores the principal innovations of the legislation and their possible impact on planning policies and urban development.

In particular, the author examines the relationship between regulation of the housing market and the powers different tiers of government have in the area of land use planning. The article advocates greater coordination between different authorities to ensure the effectiveness of housing policies, and the institutional challenges associated with implementing new regulatory instruments in a system of multi-tier governance.

Any economic study of the functioning of the housing market must be complemented by an analysis of these issues from a legal and institutional perspective. While a study of the legal framework allows an assessment of the possibilities and limitations of public policies designed to intervene in these markets, an economic analysis seeks to analyse the supply and demand dynamics that shape residential markets and this is the general theme of the next group of contributions.

6. Behaviour of the actors on the rental market

The functioning of the rental market does not depend solely on the structural conditions of the residential system or the institutional framework by which the sector is regulated. It is also determined by the behaviour of the different agents operating within that market, including landlords, tenants, property developers and intermediaries.

In his article, **Jon Charterina Abando** offers a microeconomic view of the functioning of the rental market. He examines the extent to which landlords adjust the conditions of rental contracts—in particular the deposits required from tenants—according to the perceived risk associated with different tenant profiles.

This issue is particularly relevant in the context of rental markets subject to different types of regulation. Public policies aimed at protecting tenants or regulating certain contractual conditions may influence landlords' selection strategies, generating different types of adaptive response in the market. The study provides empirical evidence of such behaviour, showing that private agents sometimes react to changes in the regulatory framework in ways that are at odds with the actual purpose of the regulation.

While the strategies of landlords and tenants provide an insight into the form taken by stresses in the rental market, they also demonstrate the need to explore solutions that transcend strictly contractual or regulatory aspects. In particular, when market dynamics fail to ensure suitable levels of affordability, new forms of intervention and housing provision emerge that introduce alternative mechanisms of organisation, management and allocation of housing stock. The next section of the journal deals with innovative institutional models intended to complement—and in some cases redefine—the traditional functioning of housing markets.

7. New institutional models of housing provision

In addition to traditional public policies and housing market regulation, a number of institutional initiatives have emerged in recent years aimed at developing new ways of providing affordable housing. These include cooperative housing models and projects promoted by third-sector organisations seeking to complement—and in some cases correct—the limitations of conventional market mechanisms and public intervention.

The article by **Santiago Merino Hernández and Aitziber Etxezarreta Etxarri** examines one of these new models, looking at the experience of cooperatives as an instrument for developing affordable housing projects, and focusing particularly on the case of Txomin Enea. This model combines elements of public housing development with the active participation of future residents, generating new forms of housing stock governance and management. In particular, the authors show how collaboration between the public authorities and cooperatives has led to the development of solutions that ensure long-term affordability, eschewing speculative dynamics and reinforcing the social function of housing.

Non-equity housing co-operatives offer a particularly interesting alternative to traditional ownership or rental models, introducing mechanisms of collective ownership, stability of use and direct participation of residents in management. Independently of the legal dimension, this type of initiative reconfigures the relationships between the agents in the residential system, shifting the focus from housing as an individual asset to housing as a shared asset with a wider social function.

The final article in this special edition is by **Adrián de Andrés, Mikel Jiménez and Elena Martínez Tola** who expand on the previous article, exploring the role of the third sector in responding to issues of homelessness. The authors show how certain non-profit organisations are using their experience working with vulnerable groups to develop new strategies to intervene directly in the property sector, creating models of housing provision that combine social objectives, economic viability and institutional collaboration.

One good example of this approach is the case of Alazti Fundazioa, a social property agency developed by third sector bodies seeking to ensure access to decent housing for groups excluded from traditional market and public provision circuits. Initiatives of this kind highlight the importance of social innovation based on cooperation between different actors—public authorities, social organisations and, on occasions, private agents—as well as the need to develop new forms of governance that allow complex problems to be tackled through more flexible, participatory approaches tailored to local situations on the ground.

Taken together, the articles in this section show that expanding access to housing depends not only on making adjustments to the functioning of the market

or changing the regulations, but also on the institutions' capacity to provide new organisational models combining social, economic and territorial goals. These emerging—in many cases still incipient—models, offer promising new lines of action with which to move towards more inclusive residential systems, in which housing is viewed not just as an economic asset, but a key element of social cohesion.

8. Institutions, public policies and affordable housing: structural contrasts between the Spanish model and the case of Vienna

In addition to the main sections, this special issue also includes two contributions that explore different aspects of the housing system in greater depth. In his policy letter, **Javier Burón** offers a critical assessment of the rental market in Spain, and particularly the Basque Country and Navarre. He highlights the weakness of the social housing stock and the absence of a stable institutional infrastructure based on long-term collaboration between the public and private sectors. He provides an insight into the structural constraints that are preventing sustained expansion of an affordable housing supply.

By contrast, **Veronika Iwanowski's** policy letter shows how a sustained strategy of public investment, long-term urban planning and the development of a large social housing stock can help to stabilise the rental market and maintain high levels of housing affordability. This case study illustrates the decisive role played by institutions and public policies in shaping the outcomes of the residential system, showing the differences between models based on structural interventions and those characterised by lower institutional capacity.

9. Conclusions: towards an integrated housing policy agenda

The contributions to this special issue shed light on the complexity of the housing issue and the need to tackle it from many different perspectives, combining economic, institutional and territorial analysis. The general diagnosis that emerges from the different texts is that current difficulties in accessing housing are the result of a combination of structural factors, including supply restrictions in certain dynamic urban areas, the institutional characteristics of the residential system and a shortage of public housing stock (Andrews *et al.*, 2011; OECD, 2021).

There is no single solution to these challenges. Housing policies need to combine different instruments, including measures to increase housing supply, regulatory mechanisms to reduce market stresses, and the development of new forms of housing provision driven by both public actors and social initiatives.

The purpose of this special issue of *Ekonomiaz* is to contribute to the academic and political debate on housing, offering a broad overview of the current challenges

facing the housing system and exploring possible responses from the institutions to these problems. The wide variety of approaches and methodologies discussed in the articles are a reflection of the multidimensional nature of the housing issue and underline the importance of combining different analytical perspectives to effectively understand and address this challenge.

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