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**Documento de Trabajo 2007-04 *Lantze-bidean***  
**E.U.E. Empresariales – Enpresa Ikasketen U.E.**  
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**Social housing in the Basque Autonomous Community  
(Spain): Focusing social sustainability of southern  
European housing systems**

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## **Social housing in the Basque Autonomous Community (Spain): Focusing social sustainability of southern European housing systems\***

### **Abstract**

This paper focuses on the concept of social housing within the Basque Autonomous Community, analysing its recent evolution and future trends. Since average house prices have increased enormously in Spain throughout the last decade, the major problem of housing affordability has deepened considerably, and consequently housing policies have been reinforced at a multi-scalar scope (local, regional and national administrations are altogether involved both in housing policy and planning aspects). The aim of this article is to analyse the Spanish housing system, and more particularly the regional Basque one, due to the intensification of the policies and the institutional effort to promote a new social housing model. However, the present model remains too deeply linked to a Mediterranean or south-European housing model, based on owner-occupancy even within the social housing sector. Finally, the author uses the concept of sustainability in order to tackle the various perspectives involved in a general valuation of the Basque housing system, with a particular focus on the social scope.

**Key words:** social housing, home ownership, tenure regimes, welfare systems.

(\*) Paper elaborated for Bengt Turner Award, European Network for Housing Research (ENHR)

## **1. Introduction**

In Spain in the last decade there has been an explosive growth in house prices. After the year 2000, house prices rose more by than 10 percent each year on average (with very low inflation rates in general economy). That means a strong deepening of the affordability problems that low and middle-income groups were suffering before this spectacular price rise.

However, the evolution of the housing problem is a general and shared problem in Spain, with its own unique problems across each region. And at least three rough categories should be considered when studying the Spanish housing problematic: the Mediterranean housing system or tourist Spain, the big cities and large urban areas, and rural based areas.

This paper focuses on the study of the housing system and policy of the Basque Autonomous Community, as part of the aforementioned urban area category<sup>1</sup>. And the aim is to deal with the specificities of the Basque region in depth within the Spanish framework, studied at the same time from a wider European housing systems scope.

The outline of this paper is as follows: section one presents an introduction of housing in the Basque Autonomous Community; section two briefly describes the recent housing policy in the Basque region; section three analyses the Basque housing system, as a variant of the Spanish Mediterranean model; section four introduces the concept of social sustainability into housing evaluation; and finally, section five describes the final considerations and conclusions on the actual and future trends on the Basque social housing.

## **2. Housing in the Basque Autonomous Community**

In the Basque Autonomous Community housing area prices doubled in seven years, going from an average house price of 157 thousand euros in 1999 to 317 thousand euros in 2006 (Department of Housing and Social Affairs, 2007). This implies an annual average rise of around 15% in the first years of the twenty-first century.

According to a recent study carried out by the Spanish ministry of housing (Spanish Housing Ministry, 2006), the most expensive urban areas in 2006 were: San Sebastian (7.691 €/m<sup>2</sup>), Barcelona (5.747 €/m<sup>2</sup>), Madrid (4.748 €/m<sup>2</sup>), Bilbao (4.310 €/m<sup>2</sup>). As a result, Basque cities are among the most expensive cities in Spain together with Barcelona and Madrid. And they are also the areas of the greatest housing problems in Spain.

In this context of permanent price growth, there is a constant issue in terms of affordability. For instance, in the 90s the cost of an average house was equivalent to six times the average annual gross salary; whereas in 2003 this affordability-indicator had risen up to 9,4 (Ararteko, 2007; CES, 2004). Regarding mortgage repayments, in terms of rent ratios, the average acquisition of a home represented 37% of average household income in 1998 (considering only one salary), and in 2002 this indicator of financial effort as a rent percentage had risen up to 60%.

Consequently, citizens find it increasingly difficult to become home owners. Particularly affected are the young population and low- and middle-income groups. The entrance to the private housing market is apparently hitting a limit, and recently there has been an important slowdown in the real estate market. According to the latest data (BBVA bank, 2007), it is being

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<sup>1</sup> The entire Basque Autonomous Community may be considered a big polycentric urban area (even if there are some rural sub areas inside), and its industrialized character and political autonomy do permit the study as a unit on its own.

a soft landing in the real estate market in Spain, and the current slowdown is expected to continue, with 5,5% average growth in 2007 and 1,4% forecast for 2008.

Thus, housing policies are proving inadequate and must change to respond to an increasingly demanding society, due to growing unsatisfied housing needs. These housing policies still remain mainly focused on the construction of social (“protected”, as they are called in Spain) dwellings. They are built under specific regulation and sold below market prices.

On the other hand, Spanish housing policies are enabling a new tenure sector in some regions, a subsidized owner-occupancy dwellings sector. Recent changes in the Spanish model determine a new separate and permanent tenure category, in which subsidized dwellings do not have a temporal status any more (Hoekstra and Heras, 2007). These normative and conceptual changes are part of a wider fight against speculation, due to the huge benefits gained in the sale of conventional social dwellings.

The Basque region is a leading region within the decentralised Spanish model, and one of the first regions launching the aforementioned changes in the conventional Spanish housing policies. Basque autonomous government has many transferred competences, including housing and land issues, and one of the most expensive housing markets in the state. That is why the Basque region has one of the most dynamic housing policies within the Spanish state, and may be considered a good reference to understand the recent developments and future trends in many Spanish regions.

The main core of the actual housing policy remains in the promotion and building of subsidized owner-occupancy dwellings, as it is the main demand of the Basque society. At the same time, according to the political discourse it is being launched a process of so-called convergence to a northern European model, although rental markets are still far below the EU-15 average.

Nowadays, the rental sector of the Basque region remains below 10% of total housing stock. Therefore, promoting the rental sector is a major target of the actual policy, and several measures, both normative and financial, have been launched in the Basque autonomous community in recent years (CES, 2004; Ararteko, 2007). However, a majority of the Basque society (as in most southern European countries) still consider renting a second class option, although it seems to be changing among young people (Department of Housing and Social Affairs, 2006b).

### **3. Review of recent housing policies in the Basque region**

Housing policies have many components (direct policies and indirect policies), and in the Basque case they are randomly distributed among the different levels administrations. The Basque Autonomous Community has got many transferred competences, one being the housing policy a totally transferred competences to the Basque government<sup>2</sup>. However, there are shared responsibilities upon land and urban issues, among local, regional and state administrations.

On the other hand, provincial governments are in charge of the taxation systems, both in normative and collection terms. Consequently, the Basque Autonomous Community is a relatively small region (7.234 km<sup>2</sup> and 2.133.684 inhabitants according to INE 2006), with a random administrative structure.

Regarding the main components of the housing policy in the Basque region, the main direct policies and indirect policies are considered, as well as their separate study. And in this respect,

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<sup>2</sup> The Basque government is in charge of housing affairs, since autonomy was developed in the 80s (with the development of *Estatuto de Autonomia*, 1979).

it is to note that in the Basque region the building and adjudication of subsidized dwellings is the most visible policy, whereas, fiscal benefits are much more invisible but not less important. In 1997 fiscal benefits represented 63% of total housing expenditure, and in 2003 it represented 65% of the total (Ararteko, 2007).

As it has been stated above, housing policy in the Basque region has been gradually initiated after house prices increased and with a political change in the Basque government (a left wing party in charge of housing and social affairs since 2001). However, this activation concentrates mainly in direct policies.

Table 1 shows the evolution of the housing supply in the Basque Autonomous Community. On the one hand, the increase of the building of new dwellings should be highlighted (from 5,000 to almost 9,000 per year in the studied period), and very specifically, the increase of protected or social new dwellings evolution: there is a constant annual rise in the quantity of the social dwellings supplied. In the period 1996-1999, the building of social houses was among 1,000-2,200 dwellings per year, but since the year 2000 the number of new-built social dwellings has increased annually and rose above 5,000 new protected dwellings in 2006.

*Table 1: Dwellings supply in the Basque Autonomous Community (1996-2006)*

	Total dwellings	Home-ownership				Renting	
		Total ownership	New dwellings			Used dwellings	Both public and private
			Total	protected	private		
1996	18.021	16.843	5.106	1.801	3.305	11.071	1.152
1997	16.195	14.638	4.066	1.034	3.032	10.572	1.557
1998	12.298	10.883	3.741	1.493	2.248	7.142	1.415
1999	10.258	9.148	4.560	2.197	2.363	4.589	1.110
2000	12.463	11.448	5.613	2.477	3.136	5.836	1.015
2001	15.044	14.310	5.778	2.959	2.819	8.532	829
2002	14.379	13.399	5.519	2.847	2.672	7.880	980
2003	14.032	13.030	6.729	3.541	3.188	6.301	1.002
2004	14.953	13.941	7.831	3.932	3.900	6.110	1.012
2005	16.138	14.602	8.078	3.919	4.159	6.524	1.536
2006	18.056	15.913	8.977	5.065	3.912	6.936	2.132

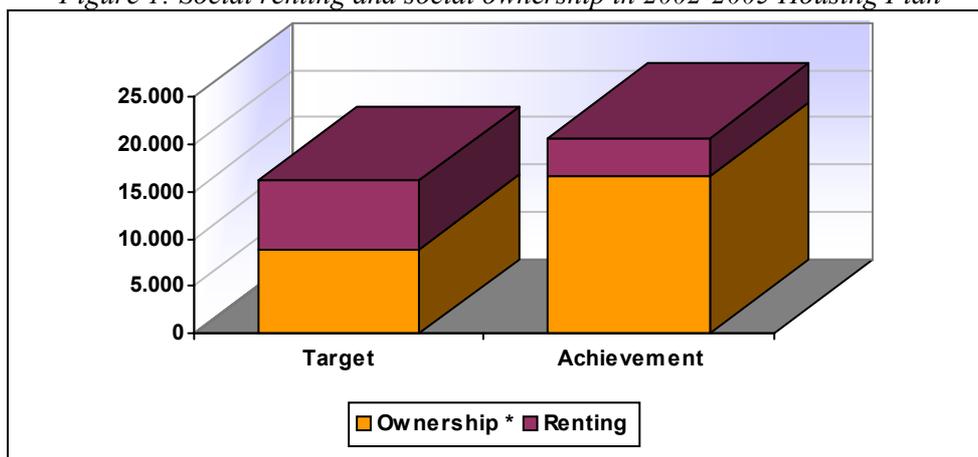
Source: Department of Housing and Social Affairs. Encuesta sobre oferta inmobiliaria (varios años)

On the other hand, the evolution of rented dwellings (both public and private) is very different. From 1997 to 2001, the supply of rented dwellings decreased (from 1.557 to 829), and in the period 2001-2006 the rental sector recovered its initial level and rose above 2.000 dwellings, considering both the public and private supply, however it is still very low.

Every four years the Basque government prepares a specific program to define (housing plan), in collaboration with several social agents and other institutions, the housing policy for the next four years. There, an evaluation of the previous program is done, and the new targets and resources are determined.

In the figure below it is resumed the evaluation of the previous housing plan 2002-2005, in terms of the tenure of new built social housing. Home-ownership is the main tenure within the social housing, as it is 55% of the target-dwellings. And even more when considering the final achievements: 80% of built dwellings in 2002-2005 were sold, and only 20% were rented.

Figure 1: Social renting and social ownership in 2002-2005 Housing Plan



Source: Plan director de vivienda 2006-2009

\*Both strict ownership and surface rights

However, normative measures have changed in recent years the way we understand ownership on social housing. Before 2002 social dwellings were built and assigned with a temporal status (for 15-20 years), and after this period, the owner of the so-called social dwelling could sell it against market prices, as it had become part of the normal or free housing market.

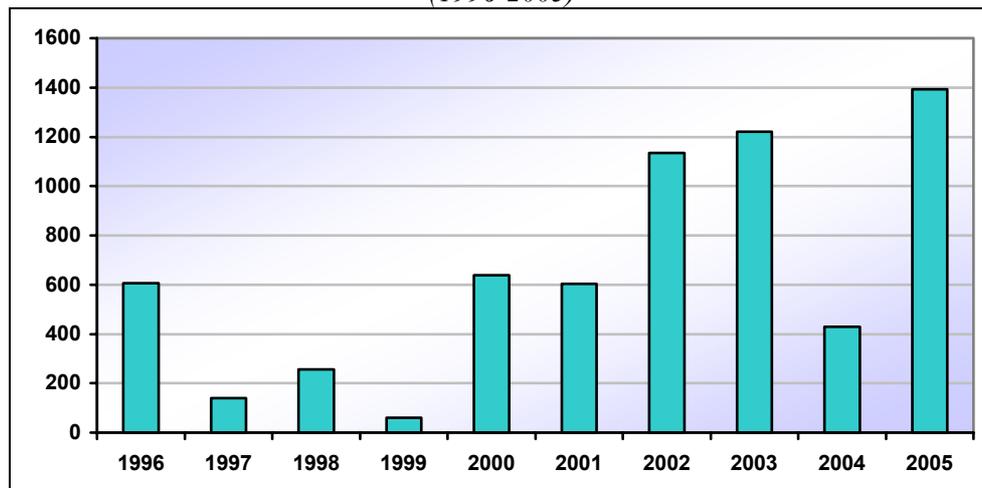
Nowadays, since a new regulation was launched by the Basque Government in 2002, the owned social housing category is not temporal, but permanent. That means that social landlords can only sell their dwellings to the Basque government or the agency in charge of it (depending on the administration that promoted it), against public prices. Another change stands on the character of the ownership itself: all new built social dwellings are assigned on surface right, not on strict ownership.

Actually, the main part of the protected dwellings retains a type of ownership tenure, even if it is a temporary ownership; the right to use it in the forthcoming 75 years. Recently there have been local initiatives aimed at launching a revue system to the surface rights or temporal ownerships<sup>3</sup>. In this system, the automatic ownership period is limited, and the landlords have to fit again the access criteria every 5-10 years. This pilot initiative was promoted in the city council of Getxo, proposing the first revue after 10 years from the assignation, and then another monitoring or checking every five years. This kind of new contracts might be considered as temporal home-ownership contracts or type of mixed tenure models.

However the rental sector is still seen as a temporal or residual alternative by a great part of Basque society. That is in part the reason why administrations do not exclusively rely on this tenure. Although the total lack of a stock of rental social housing, the building of public rental dwellings in the Basque Autonomous Community was almost nonexistent until the year 2000 (as it is seen in figure 2). Since 2001 there has been an effort to increase the social rental stock, even if the year with the biggest number of rental new housing did not reach 1,500 built dwellings for the whole Basque Autonomous Community.

<sup>3</sup> The city council of Getxo (Bizkaia) launched a pilot initiative to reduce the automatic ownership period to ten years; after this period a revision of the conditions of the landlord is done, to check if this person still needs a social dwelling applying again the access criteria of protected housing. After this first revision, a new revision will be done every five years. [www.getxo.net](http://www.getxo.net)

Figure 2: Building of social rental dwellings in the Basque Autonomous Community (1996-2005)



Source: Plan director de vivienda 2006-2009

All these policies have carried out an impact in fiscal policies and normative measures, which should be considered in order to understand the housing system in a whole sense. Fiscal policy is still a great part of the subsidization of housing. In Spain indirect subsidization has traditionally far exceed direct subsidisation. That is, tax exemptions or tax-way “subsidies” are traditionally much greater than direct subsidies on building and financing of protected/social houses (CES, 2004)<sup>4</sup>.

Regarding redistribution effects the weight of tax-deduction to home-owners is quite worrying, due to the regressive character of fiscal policies in Spain (Sanchez Martinez, 2002). Moreover, this impact in fiscal measures has also deepened the tenure imbalance in Spain, favouring home-owners and reinforcing home ownership. That is the indirect subsidization of home-ownership, that enable more than 80% owner-occupation in the Spanish housing stock, and 90% in the basque housing stock.

On the other hand, land regulation has been recently changed and completed<sup>5</sup> in the Basque Autonomous Community to enable land and housing markets to function adequately, not in such a speculative and disordered way. Among the main changes, there is a new quota for social housing<sup>6</sup>, legally fixed for each kind of land: 40% in consolidated-urban areas, 75% in new-urban areas. Thus, developers (both public and private) will have to carry out these percentages of social housing in every urban-development.

Finally, some other interesting measures have been launched, such as *Bizigune*, a program that supplies subsidies and legal support to promote and enlarge the short rental market of the Basque Autonomous Community. The aim of this measure is to generate confidence among tenants and owners, and mobilize empty-dwellings. So, Basque government give subsidies and legal guarantees to those private landlords that have empty dwellings and agree to rent them.

<sup>4</sup> In 1999 tax deductions to home-owners were 184,8 million euro; a 43% of the whole budget of 2000-2003 housing plan. According to the Basque commission for economic and social affairs, tax-deductions had reduced 23% the average housing real cost in the basque region. CES (2004):31.

<sup>5</sup> Ley vasca del suelo, 2006 (ley 2/2006, de 30 de junio, de Suelo y Urbanismo – BOPV 20 de julio de 2006). The Basque Autonomous Community was the last region completing the state base land-law.

<sup>6</sup> Both in rental tenure or ownership one. Home-ownership recently is becoming increasingly in surface right (for 75 years). And a new third category in social housing was implemented with the land-law, the social dwellings called fix-priced dwellings, which are built for higher socio-economic segments (less subsidised, but subsidised and regulated).

#### 4. The housing system; a variant of the Spanish Mediterranean model

In the present decade, an analysis of European housing systems has been extended to those systems that initially were not in the most prestigious European studies and classifications. Thus, southern European housing systems have been analysed in the context developed for the northern and central European housing systems of the post-war period.

In this sense, some southern authors defined their housing systems' main features (Allen et al., 2004), particularly, those related to the tenure and welfare systems. First of all, home-ownership is the main tenure in all Mediterranean systems, whereas social housing is still residual. And secondly, this has to be contextualized within the rudimentary welfare regimes, where states developed in a minimal or reduced version.

According to (Esping-Andersen, 2000), the three institutions that provide welfare are: state, market, and family. Nevertheless, in some European countries the state developed as a macrostructure, and became the main welfare provider (socio-democratic welfare systems). Others concentrated their developed economies on the roll of the market, also to provide welfare (liberal systems). The third group's choice was a mixture between the two previous models (corporatist systems).

But there was a fourth model, as (Barlow and Duncan, 1994) identified, which was called the southern way or the Mediterranean model (also known as rudimentary systems), in which the basic pillar is the family. On this, families are the main welfare-provider institution in all these economies and societies. Moreover, families play a very important roll on them, also satisfying accommodation needs<sup>7</sup>.

In this context the Spanish housing system is obviously within the so-called Mediterranean housing model. And the Basque system, despite having some other northern economies' characteristics, should still be cognisant of the Mediterranean housing model (CES, 2006; Etxezarreta, 2007).

The reasons that justify the *Mediterranean* Basque subcategory are the followings: the main tenure is home-ownership, of course in the private market, but also within the social housing sector. This means that tenure imbalance is higher in the Basque case than in Spain as a whole<sup>8</sup>.

In the beginning of this decade the social rental housing stock was one of the lowest in Europe (around %2), and the growing rate is still too slow. Even if a wider social housing stock is seen as necessary and valuable among the political class, and most of social agents, it seems to be politically easier to continue with the traditional policy, that is building and selling social-ownership dwellings. This is illustrated in figure 3, where rental quota within the social or public sector<sup>9</sup> in the Basque Autonomous Community was at 2% in 2001 and at 15% in 2005. Basque Government expects this ratio to rise up to 22% within the new built dwellings in 2009 (not even the fourth part of the dwellings planned for this year).

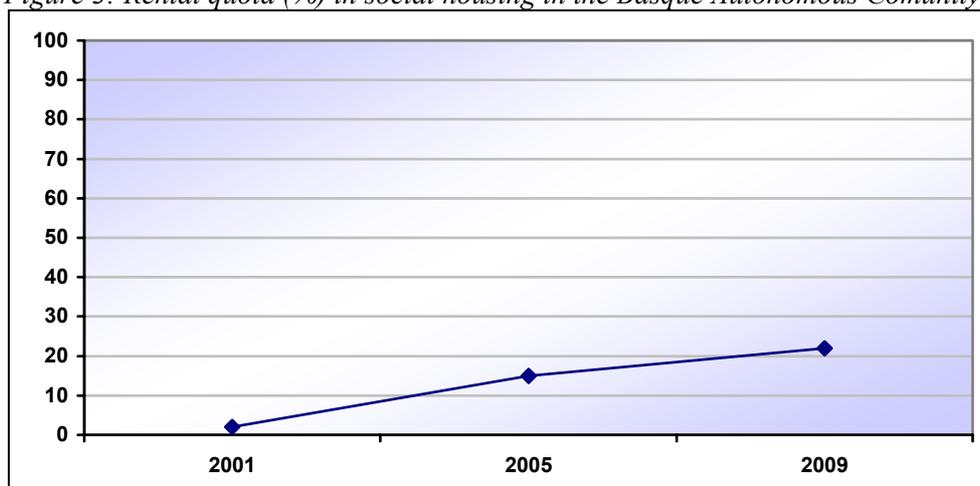
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<sup>7</sup> Families help their members with donations, providing free accommodation or subsidisation of house buying.

<sup>8</sup> It is 81% owner-occupation in the Spanish housing stock and 90% in the basque housing stock. Conventional housing policies (especially fiscal policy) have not been tenure neutral; on the contrary, they have favoured home-ownership. Fernandez Carbajal (2004).

<sup>9</sup> Housing cooperatives are not so common in the Basque region. Even if there are strong cooperatives in some industrial sectors (mondragon corporación cooperativa, MCC), and there are also cooperatives in educational system, financial system etc., they did not really reach to the housing sector. Etxezarreta, (2006).

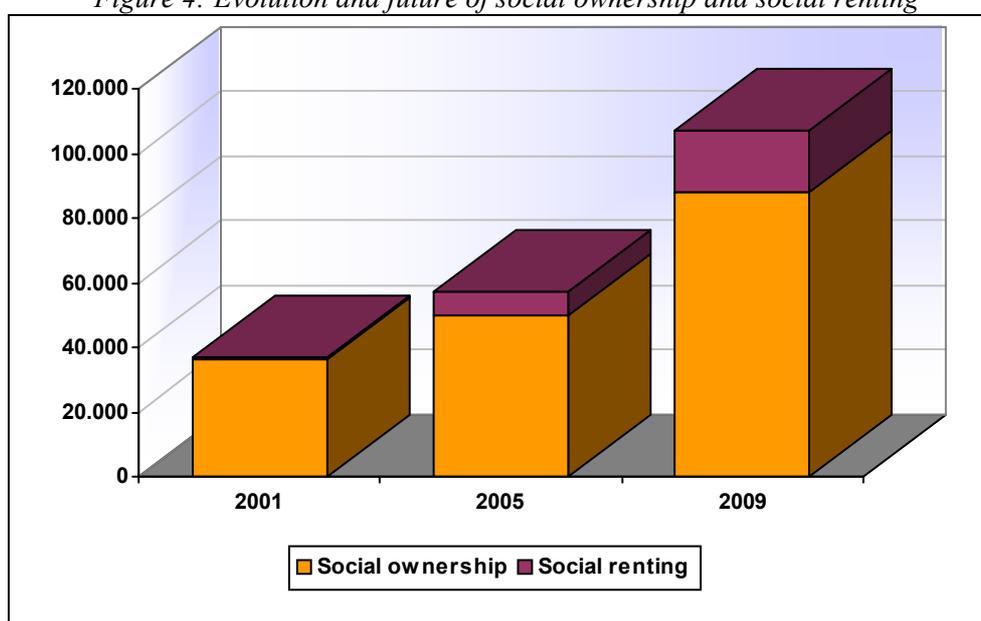
Figure 3: Rental quota (%) in social housing in the Basque Autonomous Community



Source: Department of Housing and Social Affairs. Gobierno Vasco. Plan director de vivienda 2006-2009

Consequently, it can be expected that social rented sector will continue growing but very slowly. Therefore, social housing in the Basque Autonomous Community will remain being mainly home-owner (at least temporal owner, since more and more new social dwellings are assigned on surface right tenure). This is consistent with the previsions of housing plan 2006-2009, which expects for 2009 88 thousand dwellings on social ownership tenure category and 19 thousand dwellings on social renting tenure category, as illustrated in figure 4.

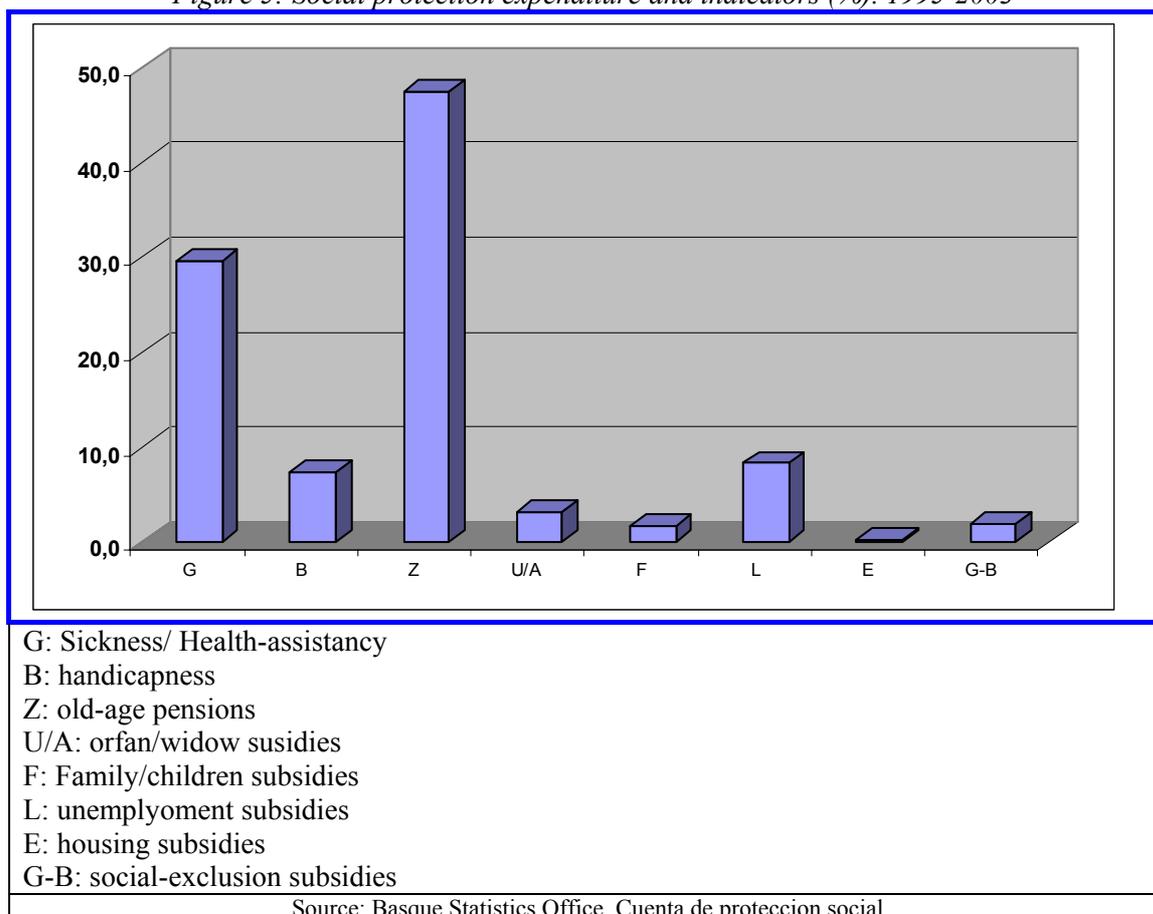
Figure 4: Evolution and future of social ownership and social renting



Source: Department of Housing and Social Affairs. Gobierno Vasco. Plan director de vivienda 2006-2009

Finally, social protection and housing subsidies should be considered, where it is to note that housing subsidies on social protection are far below European standards. Thus, social protection expenditure is relatively low in the Basque Autonomous Community, compared to the European standards (social protection was %20,1 of national gross product in 1995, and %19,3 in 2003 – CES, 2006). And subsidies for housing, among social protection expenditure is extremely low, 0,3% of the total social protection expenditure, being almost 50% the ones for elderly pensions (Basque Statistics Office, varios años).

Figure 5: Social protection expenditure and indicators (%). 1995-2003



## 5. Introducing the social sustainability concept into housing evaluation

Sustainability and sustainable development became common concepts in the 90s, after its most usually used definition of (WCDE, 1987)<sup>10</sup>. This vast concept involves three main aspects: the economic, social and environmental ones. It can also be interpreted as intergenerational and intragenerational solidarity criterion. However, after two intense decades since the definition of this concept, some authors have extended it to two new aspects; the political and cultural ones (Gallent, 2001).

In this paper, the author introduces the paradigm of sustainable development, due to the various interrelations among the diverse housing systems and their environmental, social, economic, political and cultural aspects. Despite attention is paid specially to social issues, this analysis is contextualised in a wider framework where other interrelations are considered.

Finally, the principal aim is to focus the social consequences of a so-called Mediterranean housing model upon the Basque society. There are a number of outcomes to be considered, principally distributed in two groups: the consequences of wider socioeconomic processes on

<sup>10</sup> “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. WCDE (1987): *Our common future. The world Commission on Environment and Development*, Oxford University Press, Oxford and New York.

the transformation of a particular housing system<sup>11</sup>, and the impact of a housing system in the evolution of the aforementioned socioeconomic processes.

In relation to the application of sustainability onto social aspects of a housing system, this involves well-balanced communities (Gallent, 2001), as far as a sustainable community needs to be at least a well-balanced community. This is strongly connected to the spatial segregation of vulnerable and not-vulnerable groups, or the spatial stratification of a society. But it is also related to the access and affordability of accommodation for the different socioeconomic groups.

As mentioned above, in the Basque autonomous community the public or social (rented) housing stock is extremely residual, whereas private rental market is very short and expensive. This phenomenon is related to a general Mediterranean paradox, that is, high vacancy rates and high housing prices (Hoekstra and Vakili, 2006).

Consequently, low-income collectives do not have many opportunities to cover adequately their accommodation needs, especially since home-ownership has recently become much more unaffordable for low-income and middle-income groups with the huge rise of the real estate market prices.

These problems of home-ownership affordability and the lack of alternatives are particularly severe among young people<sup>12</sup> and vulnerable groups, where women are over-represented, both in Spain and Europe as a whole (European Commission, 2003; Department of Justice, Employment and Social Security, 2005)

Since family is such an important institution in a southern European welfare regime, uncovered housing needs do not involve homelessness in many cases. That is why homelessness rates are still so low although a wide stratus of Basque society is affected with accommodation problems (Basque Statistics Office, 2006). Meanwhile, the lack of the aforementioned family shelter is a key determining factor in the process of shaping and transformation of new risks and new vulnerable groups.

On the other hand, it is worth analysing the effects of the subsidised home-owners sector in the Basque Autonomous Community. This phenomenon has different perspectives to consider, related to horizontal and vertical justice systems. Firstly, it is considered a good grade of social cohesion, since it conserves and transfers a home-owners majority to the subsidised or *social* housing sector. In horizontal equity terms, this system may have been proper to reinforce social-cohesion among low and middle-income groups. Moreover, the evidence suggests that guettization processes are not numerous in the Basque region, and housing policies may support this quality, even if they are far from solving the general Basque housing-problem.

In relation to this, the vertical perspective cannot be regarded so positively. The main reasons are the lottery system used in the distribution of the subsidised dwellings<sup>13</sup>, and the high concentration on the strategy of the promotion of subsidised home-owners (other policies are still residual). All this creates a high concentration of all the resources and subsidies among a reduced quantity of people with accommodation needs.

Finally, it is noticed that horizontal equity does not remain along time in too many cases. That is due to the permanent character of “protected” or social dwellings, without a revision of the characteristics of the initial accommodation needs. This causes fraud situations and inadequate use of dwellings, as well as an unfair distribution of public resources.

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<sup>11</sup> Instead of *housing system*, from a more social perspective, it should be more adequate to call it *home-system*.

<sup>12</sup> Explained in depth in Ararteko, 2007.

<sup>13</sup> Dwellings are distributed by a lottery system among the candidates or applicants.

Recently some initiatives have been proposed in order to resolve somehow this important failure of the Basque housing model: founding of periodical revisions to check if the tenant of the social dwelling still fulfil the requirements. The city council of Getxo is the promoter of this pilot and interesting initiative, and it might change the conventional classification of tenures.

## **6. Final considerations and proposals; rental vs. home ownership on basque social housing**

The Basque Autonomous Community is one of the regions in Spain with the biggest housing problems. After a explosive price rise in the home-owners market, the rental market remains almost inexistent (around 5-6% of the total housing stock), and accessibility and affordability problems are getting deepen among the middle- and low-income groups.

But the Basque Autonomous Community is also one of the regions with the biggest autonomy standard in Spain, and consequently with an ability to deal with these problems. This means that the Basque government is in charge of the housing plans and many kinds of direct measures (such as the ones that promote the mobilisation of empty-dwellings etc.), and a great part of normative and regulation issues (for instance, the development of the Spanish land law). Provincial government (deputations) are in charge of the tax-policy, so important in a system where traditionally indirect subsidies have been far above the direct ones. And finally local governments or councils are in charge of the classification of land (urban-consolidated areas, new urban areas, and rural areas).

Housing policies have been activated and promoted in the recent several years. Since housing is declared as one of the biggest worries of Basque citizens, all level politics want to contribute in such a complex problem. Thus, normative measures have been accelerated, direct and indirect subsidies multiplied and housing has become one of the stars of any political campaign.

Nevertheless, the main characteristic of the interventions on housing maintains its traditional qualities: new social dwellings are mainly assigned in home-ownership tenure (or surface right), the rental public stock is still almost inexistent and residual... but some important changes have occurred on the Basque housing policy; the increasing subsidized owner-occupancy housing is now a separate and permanent tenure category; land and urban affairs normative context have been developed; some additional normative and financial support measures are being launched in order to promote the private rental market, etc.

But still, the Basque housing system should be considered a variant of the Spanish Mediterranean model: the family is a basic pillar, also regarding the accommodation needs, and the main tenure is still home-ownership, both in the private market and in the social housing sector. Rental quota on social housing in the Basque Autonomous Community, even if it is increasing, it is still very low (15% in 2005).

While in the political arena it is widely accepted that the necessity of promoting a public rented housing stock, in reality there is a variety of obstacles when launching this political option firmly. First of all, the legacy of a society of owners, that strengthens transition and marginality as the main features of the rental sector (linked to policy measures such as fiscal benefits or legal facilities to home owners).

Introducing the concept of sustainability, in a wide sense, creates somehow a lack of political sustainability regarding a real implementation of rental criteria in the orientation of the housing policy, that is, in the promotion and construction of protected dwellings. Owner occupancy remains as the first option for a wide majority of the Basque society, whereas renting is still accepted as a transitional tenure or marginal when considering it as a permanent tenure. This is one of the reasons why rental promotions have still a very limited success. So, tenancy of social dwellings is often short or inadequate.

This is to a large extent a consequence of the conventional citizens' view about social housing; they are seen as a bargain. And even apparently all levels administrations are trying to deal with citizens' accommodation needs, they are too conditioned by the traditions of the recent-past: the great majority still wants to be home-owner. This implies a great contradiction between the needs of a society and the queries of the citizens.

However, there is an important offer shortage, which is a key factor when considering the tenure imbalance in the Basque region and in Spain as a whole. Due to some normative measures launched in the Franco's regime, in the post-war decades the tenure balance radically changed in Spain. Rental shortage has been obviously conditioned by public policies for so many decades, and now authorities should launch a number of measures (especially normative ones) in order to promote again somehow the well functioning and the correct dimension of the rental market. In fact, there have been already launched some measures to promote the rental market and reduce the vacancy rates.

Finally, we can conclude with the following recommendations for housing policy makers: on the one hand, it is necessary to launch firm measures to enlarge the rental market, because the lack is really important and it specially affects to vulnerable groups. On the other hand, the social-ownership sector may be somehow sustainable since it duplicates the private model and becomes in a Mediterranean social-housing model (based on the ownership as the major tenure). That would be an advantage of the basque (and Spanish) model, if so many needed citizens would not keep out the system, because it is lottery, and the great "prize" only gets to a few number of fortunate persons.

In this context some proposals are done in order to address the so-called housing problem in the Basque Autonomous Community: social housing should concentrate in the rental market, understand its use to new and various uses. This is somehow an idea of the convergence need, a convergence maybe to a northern model. Or a convergence to a more balanced housing system, able to satisfy the housing needs of all vulnerable and non-vulnerable groups.

But, as there is an evident lack of political sustainability in this sense (due to the ownership-culture), it may be convenient to use intermediate or mixed concepts, such as temporal ownership with periodical reviews and monitoring, limited surface rights, etc. This kind of concepts could contribute easier to start a gradual change in *southern* (or Mediterranean) housing policies.

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