Spain's Housing Crisis and the Cost of Intervention

Roxana Nicula

Chair, Fundación para el Avance de la Libertad (Fundalib)

Bosco Aspe

Academic Director, Fundación para el Avance de la Libertad (Fundalib)

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Summary

- Spain needs more accessible homes where demand is growing. Between 2021 and 2025, fewer than four homes were completed for every ten additional households.
- Taxes, slow planning, licensing delays and prescriptive design rules hinder supply. Some large developments take two decades from plan approval to handover.
- The post-2008 construction collapse weakened the capacity to respond. Construction Social Security affiliations fell by around 1.6 million, and 135,000 firms disappeared between 2007 and 2012.
- Rent controls and eviction suspensions can discourage letting and make access harder for lower-income households. In November 2026, the Spanish Parliament repealed one housing decree but kept another that still restricts contracts and investment. This briefing welcomes the repeal, but the remaining rules, and the uncertainty created by repeated changes, risk reducing the supply of rental homes further.
- This briefing argues for freedom to build and contract, lower barriers and effective property protection. In practice, this means releasing land, permitting conversions and enforcing processing deadlines.
- As the EU considers the Commission's proposed Affordable Housing Act, Spain's experience shows that restricting how existing homes are used cannot substitute for allowing more homes to be built. EU action should support national and local reforms that make building easier.

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About the authors

Roxana Nicula is chair of Fundalib and an author of policy papers on economic freedom, youth, migration, and women's financial independence.

Bosco Aspe is Fundalib's academic director and co-author of the *2026 Index of Economic Freedom of Spanish Cities*, which examines municipal barriers and taxes, including the ICIO tax.

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Scarcity and changing rules

Owning a home supports independence; a second property may represent decades of saving or supplement a pension. Treating housing as a fixed stock to redistribute overlooks owners' and builders' positions. Fundalib's 2021 rent control study warned that price ceilings can weaken supply and maintenance incentives and make access harder for vulnerable applicants (Carmona and Lafuente 2021: 13–15, 22–29; see also the preface by Roxana Nicula, p. 5).

A 2026 analysis by Jorge Galindo at the Esade Centre for Economic Policy found that there were only around 465,000 completed homes against 1.22 million additional households in 2021–2025 – fewer than four new homes for every ten additional households.[1] This is only an estimate of the housing deficit, but it explains the pressure across connected markets. Those who cannot afford to buy houses continue to rent accommodation, reducing access to housing for new applicants. Making more homes available for purchase can free up existing rentals as tenants move out (Galindo 2026).

Spain entered the 1970s with the 1964 regime of compulsory tenancy extensions and rent control. The 1975 land reform strengthened public planning. After the transition, responsibility spread across national, regional, and municipal institutions. Fortunately, the 1985 Boyer decree ended compulsory extensions for new tenancies.[2] The 1994 Urban Leases Act set a five-year minimum, reduced to three in 2013 and restored in 2019 to five for individual landlords and seven for legal entities.[3]

The 1998 land law broadened the residual category of developable land; the 2007 law emphasised sustainable development and protected-housing reservations.[4] Exceptional eviction suspensions arrived in 2020, followed by repeated extensions. The 2023 Housing Act introduced designated stressed markets and further rent controls.[5] This unstable trajectory has repeatedly changed the conditions for building, letting, and recovering a home.

Rebuilding capacity after 2008

The financial crisis exposed an unsustainable property and credit boom. Construction Social Security affiliations fell from 2.64 million in June 2007 to 1.01 million in December 2012 – approximately 1.63 million lost affiliations. Around 135,000 firms disappeared. These figures cover the whole construction sector, including infrastructure (Dirección General de Empleo 2013: Section I).[6] Banco de España's 2025 annual report, published in June 2026, identified continuing workforce and business-capacity constraints, scarce buildable land, and slow planning execution (Banco de España 2026).

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[1] 'Cinco años sin construir suficiente: así se colapsa el alquiler' [Five years without building enough: This is how the rental market collapses], *Rango Abierto*, 4 October 2026 (https://jorgegalindo.substack.com/p/cinco-anos-sin-construir-suficiente). See the figures in the article; household dates: 1 January 2021 to 1 January 2026.

[2] Government of Spain, Decreto 4104/1964; Ley 19/1975; Real Decreto-ley 2/1985, Article 9.

[3] Government of Spain, Ley 29/1994, Articles 9–10 as originally enacted; Ley 4/2013, Article 1; Real Decreto-ley 7/2019, Article 1.

[4] Government of Spain, Ley 6/1998, Articles 9–10; Ley 8/2007, Article 10.

[5] Government of Spain, Real Decreto-ley 11/2020, Articles 1 and 1 bis [1a]; Ley 12/2023, Article 3(k), Article 18, and Final Provision 1.

[6] Affiliations 2,638,659–1,010,071; firms 248,321–113,540.

Subsequent tax changes and building requirements increased rebuilding costs. The temporary 4% value-added tax (VAT) rate for non-protected new-home purchases ended in December 2012 and was replaced by a 10% VAT (Dirección General de Tributos 2012: Section II, point 8). The 2019 Technical Building Code added energy performance and radon requirements. Their benefits must be assessed alongside upfront costs. Some reforms eased constraints, including the 2013 rehabilitation law; the record is not one of uninterrupted tightening.[7]

From land to the keys

Available land is not necessarily ready for housing. Land-use changes, detailed planning, land readjustment, utilities, permits, and construction precede occupation. Madrid's regional government acknowledged that under the existing framework it would take ten to twelve years to prepare and approve a general plan. These stages are indicative and may overlap; they should not be added mechanically (Galindo 2025; Organisation for Economic Co-operation and Development 2025: Executive Summary).[8]

General urban plans can preserve outdated uses and obstruct office-to-home conversions. Madrid's framework dates from 1997, although it has been amended repeatedly; Bilbao and Vigo approved new plans in 2022 and 2025, respectively (Bilbao City Council 2022; Vigo City Council 2025).[9] The Community of Madrid's 2024 and 2026 laws permit conditional conversion of offices to protected rental housing, without granting unrestricted conversion rights for general private initiatives.[10] The test is clear and consistent approval rules for viable residential uses, not a plan's age alone.

Several developments made slow progress. Madrid's Los Berrocales took about 21 years – from partial-plan approval in May 2005 to the first Sinán handovers in May 2026 (Madrid City Council 2008: 278).[11] Barcelona's Marina del Prat Vermell transformation began in June 2006; the Cal Cisó homes were handed over seventeen and a half years later in December 2023 – four years after construction began.[12] San Sebastián's Txomin Enea ran

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[7] Government of Spain, Real Decreto 732/2019, DB-HE and HS 6; Ley 8/2013, preamble and Final Provision 11.

[8] 'Plan de Choque para la Vivienda 2026/2027' [Housing Shock Plan 2026/2027], Community of Madrid, 11 September 2025 (https://www.comunidad.madrid/press-releases/download/101835); 'Todo esto se convierte en tiempo' [All of this translates into time], Debate, 2025 (https://tresmillonesdeviviendas.es/#porque-no).

[9] Madrid City Council, Compendio 2025 de las Normas Urbanísticas del Plan General de Ordenación Urbana de Madrid de 1997 [2025 compendium of the regulations of Madrid's 1997 general urban plan], updated 24 September 2025. Bilbao's plan was approved on 31 March 2022; Vigo's on 26 May 2025, with its approval notice published in Diario Oficial de Galicia (DOG) No. 123, 30 June 2025.

[10] Community of Madrid, Ley 3/2024, Article 2; Ley 2/2026, Article 1 and Transitional Provision 2.

[11] 'Aedas Homes entrega las primeras viviendas en el nuevo barrio de Los Berrocales' [Aedas Homes delivers the first homes in the new Los Berrocales neighbourhood], Europa Press, 25 May 2026 (https://www.europapress.es/madrid/noticia-aedas-homes-entrega-primeras-viviendas-nuevo-barrio-berrocales-20260525131445.html).

[12] 'La Marina del Prat Vermell, transformación' [La Marina del Prat Vermell: Transformation], Ajuntament de Barcelona, n.d. (https://ajuntament.barcelona.cat/pla-accio-govern2023-2027/es/actuacio/la-marina-del-prat-vermell-transformacion_1444); 'Entregadas las llaves de 76 nuevos pisos públicos en Cal Cisó' [Keys handed over for 76 new public flats in Cal Cisó], Ajuntament de Barcelona, 21 December 2023 (https://www.barcelona.cat/infobarcelona/es/tema/vivienda/entregadas-las-llaves-de-76-nuevos-pisos-publicos-en-cal-ciso_1354759.html).

from its preliminary urbanisation design contract in April 2008 to the announced October 2018 handovers, ten and a half years later.[13]

Bilbao's Zorrotzaurre homes took nineteen years from land acquisition by the developer in 2001 to delivery in 2020, or eight years starting from the 2012 special plan.[14] After the plan amendment in July 2020, Vigo's Navia expansion still had 309 public homes under construction in April 2026.[15] Seville's Hacienda El Rosario development took over fourteen years from the October 2010 land readjustment to the handover in March 2025.[16] València's Turianova rental buildings were delivered in 2022, fifteen years after Fuente San Luis's partial-plan approval in 2007 and four years after the developer started construction in 2018.[17] These are project milestones, not municipal averages or proof that every elapsed year was due to bureaucratic delays.

Costs and choices imposed on households

Taxes accumulate at several stages of building, buying, and owning a home. The municipal construction tax (Impuesto sobre Construcciones, Instalaciones y Obras [ICIO]) can reach 4% of material construction costs, excluding VAT, professional fees, and other specified charges. Buyers of non-protected new homes generally pay 10% VAT – €25,000 on a €250,000 pre-tax price—while buyers of existing homes usually pay a transfer tax instead.[18] Stamp duty, permit fees, annual property tax (Impuesto sobre Bienes Inmuebles [IBI]), and taxes on income or gains add further costs at different stages. Because these charges apply to different amounts and transactions, their percentages cannot simply be

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[13] Donostia–San Sebastián City Council (2008), BOE No. 124, 22 May, p. 6687 (contract award dated 18 April 2008); EAJ-PNV, "El barrio de Txomin Berria, preparado para recibir a sus primeros inquilinos" [The Txomin Berria neighbourhood, ready to welcome its first tenants], 5 October 2018.

[14] Jaureguizar, "Finalizadas y entregadas las primeras viviendas en Zorrotzaurre" [The first homes in Zorrotzaurre completed and delivered], 11 September 2020; Junta de Concertación de Zorrotzaurre, "Planeamiento" [Planning], special-plan approval dated 29 November 2012.

[15] Instituto Gallego de la Vivienda y Suelo, "Resolución de 16 de julio de 2021" [Resolution of 16 July 2021], DOG No. 141, 26 July, p. 38129, recitals I–II. This official notice records the plan amendment of 29 July 2020 and the earlier expropriation notice in DOG No. 63, 6 April 2021. Instituto Galego da Vivenda e Solo, "Allegue entrega una nueva vivienda de protección autonómica rehabilitada por el Consorcio Casco Vello de Vigo" [Allegue hands over another home protected under regional rules, rehabilitated by Vigo's Old Town Consortium], 7 April 2026. The latter update also reports 309 public homes under construction in Navia.

[16] 'Instrumentos de Gestión Urbanística Aprobados Definitivamente' [Urban planning management instruments finally approved], SUS-DE-09, Seville Urban Planning Agency, n.d. (https://www.urbanismosevilla.org/areas/gestion-convenios-urbanisticos/instrumentos-de-gestion-urbanistica-aprobados-definitivamente); 'El alcalde de Sevilla, el presidente de la Junta de Andalucía y el presidente del Gobierno entregan las llaves de la promoción de Emvisesa Hacienda El Rosario' [Seville's mayor, Andalusia's president and Spain's prime minister hand over the keys to EMVISESA's Hacienda El Rosario development], EMVISESA, 17 March 2025.

[17] 'Homologación y Plan Parcial de Mejora NPI-8 Fuente San Luis' [Approval and Partial Improvement Plan NPI-8 Fuente San Luis], València City Council, 10 November 2007 (https://www.valencia.es/ayuntamiento/urbanismo2.nsf/vTramitacionWeb/3F7195410A4C04E9C12577A000440137?OpenDocument&Categoria=MPG&lang=1&nivel=&colApoyo=1&lang=1&bdOrigen=); 'Ya son más de 800 las familias que han elegido Turianova para vivir en Valencia' [More than 800 families have chosen Turianova as their home in Valencia], AQ Acentor, 14 July 2023 (https://aq-acentor.com/800-familias-eligen-turianova-valencia/).

[18] Government of Spain, Real Decreto Legislativo 2/2004, Articles 100–103; 'Si compro una vivienda ¿tengo que pagar IVA o ITP?' [If I buy a home, do I pay VAT or property transfer tax?], Agencia Estatal de Administración Tributaria (AEAT), n.d. (https://sede.agenciatributaria.gob.es/Sede/iva/iva-operaciones-inmobiliarias/compro-vivienda-tengo-que-pagar-itp.html).

added together. Landowners, developers, and households share their economic burden to varying degrees.

Regional tax reform can ease some of these burdens. Over the past decade, Fundalib has used its annual Regional Tax Competitiveness Index (Índice Autonómico de Competitividad Fiscal [IACF]), published jointly with the Tax Foundation, to compare regional tax systems and advocate reform. Its 2026 edition documents changes in transfer tax, stamp duty, and regional income tax rates and thresholds, showing both the progress made and the scope for further reductions (Enache 2026: 12–13, 23–26, 48–49).

Lower taxes, however, must accompany faster approvals under clear and consistent rules. Financing costs will keep accumulating while developers wait for permission, and prolonged uncertainty can make otherwise viable projects unaffordable. Safety and habitability standards are justified, but duplicate paperwork and restrictions without a clear safety purpose increase costs and delay the delivery of new homes. Fundalib's 2026 city index complements the IACF by assessing municipal tax barriers, including ICIO and IBI (Aspe and Pina 2026: 8–9).[19]

A reform consistent with this approach is Madrid's 15 October proposal to reduce the general urban IBI rate in 2027 from 0.414% to 0.4% – the statutory minimum. The municipality estimates annual savings of €31.2 million for homeowners, subject to final adoption of the tax ordinance.[20]

Fundalib rejects public housing as the central solution to scarcity (Calvo 2024: measure 7). Subsidised rents conceal costs borne through public land maintenance, capital investment, and taxation. Allocation rules and prescribed layouts restrict choice and mobility, while subsidised housing creates unfair competition in the home construction sector. Fundalib favours competitive supply and freedom of contract. Hardship does not justify transferring an open-ended obligation to taxpayers or to whichever owner happens to be involved. Material quality and the use of space also matter. More rigid rules for public housing can limit design flexibility.

Basque Decree 80/2022 applies to both public and private housing within its scope and prescribes a minimum of 7 sq m for kitchens, which increases to 8 or 9 sq m for separate kitchens in two- or three-bedroom homes. Bedrooms generally require 10 sq m, or 11.5 sq m including storage, with a qualified smaller-room exception.[21] These are enforced minimums, not a uniform size requirement for all bedrooms. They restrict families' preferred allocation of scarce space. Decree 55/2026 eased certain non-residential conversion restrictions without repealing the existing framework.[22]

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[19] Indicators D3 (IBI) and D7 (ICIO).

[20] 'El Ayuntamiento baja el IBI al 0,4 %, el nivel más bajo permitido por la ley' [The City Council cuts IBI to 0.4%, the lowest level allowed by law], Madrid City Council, 15 October 2026 (https://www.madrid.es/portales/munimadrid/es/Inicio/Actualidad/Noticias/El-Ayuntamiento-baja-el-IBI-al-0-4-el-nivel-mas-bajo-permitido-por-la-ley/?vgnextfmt=default&vgnextoid=4603e226b5e31a10VgnVCM100000891ecb1aRCRD&vgnextchannel=a12149fa40ec9410VgnVCM100000171f5a0aRCRD). Initial proposal for the 2027 tax ordinances; estimated IBI savings of €31.2 million.

[21] Basque Government, Decreto 80/2022 [Decree 80/2022], Article 4 and Annex I, I-B.4 (pp. 32–34); "Sobre la aplicación del Decreto 80/2022 – Preguntas frecuentes" [Application of Decree 80/2022: Frequently asked questions]. Annex I applies across public and private housing within the decree's scope; Annex II adds design rules for protected housing and public accommodation.

[22] Basque Government, Decreto 55/2026 [Decree 55/2026], Articles 10–11, amending Articles 7(1) and 10(2) of Decree 80/2022 for specified conversions of industrial, tertiary and commercial premises.

Basque equality legislation also requires a prior gender impact assessment for territorial and urban plans with regulatory status, not a separate report for every building permit.[23] Data collection, specialist reports, and revisions consume resources and may delay approvals. Costs should be measured and necessary analysis integrated into existing planning rather than duplicated.

Holiday letting and local pressure

Holiday home rentals predate Airbnb. The 1982 tourism decree recognised the activity; Instituto Nacional de Estadística (INE) recorded about 16.2 million overnight stays by Spanish residents in tourist apartments in 2006.[24] Platforms expanded an established option for families.

INE's May 2026 platform estimate counted 341,001 tourist dwellings, constituting 1.28% of census housing.[25] Banco de España's June 2026 report placed tourist rentals at around one-tenth of the rental market in 2025 – concentrated in island, Mediterranean, and central tourist districts (Banco de España 2026: chapter 2, chart 2.12; 2025 stock comparison). The different periods and denominators matter: Neither ratio measures homes proved to have been withdrawn from residential letting.

A 2020 Barcelona study estimated Airbnb rent effects of a 1.9% hike in the average neighbourhood and 7% in the highest-activity tenth; these are historical estimates, not current national effects (Garcia-López et al. 2020). Short stays can exacerbate rent effects in hotspots, but the evidence does not establish them as Spain's principal scarcity problem. Removing a listing does not guarantee a long-term tenancy. Policy should distinguish tourist rentals from temporary work or study accommodation and enable supply for both residents and visitors.

Who bears the cost of measures aimed at the wealthy

Banco de España's historical benchmark attributes over 90% of habitual market-price-based rental dwellings to individuals in 2021. This percentage represents the dwelling share, not the proportion of landlords owning one or two homes (Khametshin, López-Rodríguez and Pérez-García 2024: 30–31; 2021 data). Under the 2023 Act, previous rent restrictions in stressed markets can affect small owners; large holders face additional index ceilings, with their threshold reducible regionally to five properties. Fundalib's 2023 report examined the resulting conflicts over property rights (Gómez-Pabón 2023: 2–6).[26]

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[23] Basque Government, Decreto Legislativo 1/2023 [Legislative Decree 1/2023], Article 20(7); Emakunde, "Emakunde edita una guía para facilitar las evaluaciones de impacto de género en los Planes Generales de Ordenación Urbana" [Emakunde publishes a guide to facilitate gender impact assessments of general urban plans], 31 January 2025; guide dated November 2024.

[24] Government of Spain, Real Decreto 2877/1982 [Royal Decree 2877/1982], preamble (repealed in 2010); INE, "Encuestas de ocupación en alojamientos turísticos extrahoteleros. Año 2006" [Occupancy surveys in non-hotel tourist accommodation, 2006], 31 January 2007, table 8, p. 10.

[25] INE, "Medición del número de viviendas turísticas en España y su capacidad" [Measuring the number of tourist dwellings in Spain and their capacity], May 2026: table 39364 (dwellings and capacity) and table 39366 (share of census housing). Platform-based estimate with duplicate listings removed; housing-stock denominator: 2021 Census. See also EPData, "El número de viviendas turísticas en España, en gráficos" [The number of tourist dwellings in Spain, in charts], accessed 5 November 2026.

[26] Government of Spain, Ley 12/2023, Article 3(k) and Final Provision 1.

If returns fall while the risk of arrears or delayed recovery increases, owners may sell or screen applicants more strictly. Young people and households with irregular or modest incomes will then face fewer choices. Research on San Francisco found a 15% reduction in rental supply among affected landlords after rent control expansion, alongside reduced displacement of incumbent tenants. This figure applies only to the rental accommodation provided by those landlords, not the city's entire stock (Diamond, McQuade and Qian 2019).

In September 2026, the government approved Royal Decree-Laws 26/2026 and 27/2026, which Congress repealed on 2 October.[27] Following the election announcement for 29 November, the government reissued the housing measures as Royal Decree-Laws 28/2026 and 29/2026 on 6 October.

On 15 October, Andalusia announced preparations for a Constitutional Court challenge against Royal Decree-Laws 28/2026 and 29/2026 alleging intrusion into regional powers and infringement of property rights. This was an announced challenge, not a judgement or an order suspending the decrees.[28]

On 12 November 2026, Congress's Permanent Deputation repealed 28/2026 and validated 29/2026, the latter by 35 votes to 34. The rejection of 28/2026 prevents its renewal and compensation regime from taking effect on 15 November; 29/2026, in force since 8 October, remains in place.[29]

Fundalib welcomes the repeal of 28/2026. Its successive five-year renewals, or seven years for corporate landlords, and disproportionate compensation for certain decisions not to renew would have increased the cost of recovering a property and weakened incentives to offer homes for rent. Rejecting these measures removes a further source of contractual rigidity.

However, Fundalib regrets the validation of 29/2026. Eligible tenants can still request extraordinary annual extensions for up to two additional years, distinct from the renewals rejected in 28/2026. The surviving decree also retains limits on rent increases, conditional eviction suspensions until the end of 2030, and restrictions on certain purchases below 70% of appraised market value by specified investment entities and large corporate landlords, subject to exceptions. These restrictions risk discouraging investment and reducing the availability of rental homes.

The decree provides public payment safeguards for qualifying cases involving vulnerable tenants with rent arrears. Their effectiveness depends on implementation, and they do not

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[27] Congress of Deputies, Resolutions of 2 October 2026 repealing Real Decreto-ley 26/2026 [Royal Decree-Law 26/2026] (BOE-A-2026-20526) and Real Decreto-ley 27/2026 [Royal Decree-Law 27/2026] (BOE-A-2026-20527).

[28] Agencia EFE (Spanish news agency), "Andalucía inicia trámites para recurrir en el Constitucional los dos decretos de vivienda" [Andalusia begins preparations to challenge the two housing decrees in the Constitutional Court], 15 October 2026. This reports preparations for a challenge, not a court ruling.

[29] Government of Spain, Real Decreto-ley 28/2026 [Royal Decree-Law 28/2026], Sole Article and Final Provision 2; Real Decreto-ley 29/2026 [Royal Decree-Law 29/2026], Articles 1–3 and 5(2), and Final Provisions 5, 6 and 11. Congress of Deputies, announcement of the Permanent Deputation's decisions, 12 November 2026: 28/2026 repealed; 29/2026 validated. Europa Press, "El Congreso convalida el decreto de medidas de vivienda y deroga el de los alquileres indefinidos" [Congress validates the housing measures decree and repeals the indefinite-renewal decree], 12 November 2026, updated 14:04, reports 35 votes in favour and 34 against 29/2026.

remove the restrictions on contracting. Hardship assistance should be publicly funded and accountable, while preserving incentives to let.

Reissuing broad controls after parliamentary rejection compounds uncertainty for owners and prospective tenants. Assistance prompted by one household's hardship should not become a reason to rewrite obligations across the rental market.

The validation of 29/2026 also preserves the €10 billion allocation for first-home financing managed by the Instituto de Crédito Oficial (ICO). Expanding buyers' purchasing power while housing supply responds slowly risks feeding into higher prices and absorbing part of the intended benefit. Fundalib therefore opposes relying on subsidised demand and tighter controls to solve a shortage that requires more homes. Removing barriers to construction and letting remains the priority.[30]

Property on paper and possession in practice

Article 33 of the Spanish Constitution recognises the right to property in Title I, Chapter II, Section 2, while Article 53(1) protects its essential content and Article 33(3) requires compensation for legally justified deprivation of property. The right to property lies outside Section 1 and does not itself attract direct *amparo* under Article 53(2). Article 47 is a policy principle, not permission to occupy another person's home.[31] Stronger constitutional remedies and timely enforcement would narrow the gap between ownership and usable possession.

Illegal occupation does not lead to transfer of title. Delays in recovering possession of an unlawfully occupied home nevertheless deprive pensioners of income and middle-class families of homes saved for relatives. Intrusion into a dwelling, occupation of other premises, and tenancy disputes require distinct procedures for redress. Fundalib's occupation guide advocates prevention, lawful recovery, and stronger protection (Fundalib 2023: see Roxana Nicula, pp. 49–58; Federico López Abalo, pp. 59–74).[32]

Owners remain liable for IBI payment despite occupation or rent default – in addition to regular expenses and financing costs.[33] Contractual rent is generally declared when due even if unpaid, subject to doubtful-debt deductions. The Spanish Tax Agency (Agencia Estatal de Administración Tributaria [AEAT]) excludes imputed income on an illegally occupied vacant home from the start of duly evidenced eviction proceedings; that does not remove IBI, however (AEAT 2026).[34]

Occupation also harms eligible applicants for public housing. The Madrid regional government reported 1,998 occupied social dwellings out of 23,354 in 2018, or 8.55% – a

[30] Government of Spain, Real Decreto-ley 29/2026, Article 19(10): €10 billion in authorised budget funding for the ICO first-home financing line. The decree was validated on 12 November 2026; see footnote 29.
[31] Constitución Española [Spanish Constitution]: Articles 33(1)–(3), 47, and 53(1)–(3); Title I, Chapter II, Sections 1–2; Chapter III.
[32] Government of Spain, Código Civil [Civil Code], Articles 348, 430, 444, and 446.
[33] Government of Spain, Real Decreto Legislativo 2/2004, Articles 61–63 and 75.
[34] AEAT (2026), Manual práctico de Renta 2025: "Otros gastos necesarios para la obtención de los rendimientos" [Other expenses necessary to obtain income] and "Concepto y requisitos de la imputación de rentas inmobiliarias" [Concept and requirements of imputed real-estate income].

historical share.[35] Its Social Housing Agency recorded 758 administrative recovery proceedings opened and 198 evictions through several routes in 2025. The latter includes premises; these annual counts do not establish today's occupied housing share (Agencia de Vivienda Social, Community of Madrid 2026: 105–6).

Private rent default insurance already offers voluntary risk transfer: Mapfre advertises up to twelve months' unpaid rent and ARAG six to eighteen months, with legal protection depending on the policy.[36] Underwriting and exclusions remain; ARAG requires evidence of no arrears in the twelve months before inception when claiming. Insurance cannot by itself recover possession or guarantee cover for already insolvent applicants.[37] Competition and reliable enforcement offer an alternative to a general taxpayer guarantee.

Relevance for European housing policy

Spain's experience is directly relevant to the EU's Affordable Housing Act, proposed by the European Commission on 9 September 2026 and still under legislative consideration. The Act would establish a framework for assessing restrictions on short-term rentals and certain other residential property uses in areas under housing stress. The proposal's accompanying recommendation also calls for simpler planning and permitting and better use of land and existing buildings. Spain illustrates why this supply agenda matters: Restricting how existing homes are used cannot substitute for allowing additional homes to be built (European Commission 2026: Explanatory Memorandum, Sections 2–3).[38]

For Fundalib, the European priority should be to remove obstacles to investment while safeguarding property rights and freedom of contract. Any restrictions should be based on convincing local evidence, after consideration of less restrictive alternatives, and require regular review, consistent with the proposal's safeguards. Short-term letting may intensify pressure in particular neighbourhoods, but it should not become a general explanation for shortages rooted in taxation, planning delays, and limited construction. EU action should support national and municipal reforms that make building and conversion easier, while respecting subsidiarity and avoiding additional administrative burdens.

A policy that expands opportunity

Fundalib's rent control study, Housing Act report, occupation guide, and city index support a consistent diagnosis. Fundalib's 2024 brief added 30 measures for young people's access (Calvo 2024; see also Aspe and Pina 2026; Carmona and Lafuente 2021; Fundalib 2023; Gómez-Pabón 2023). Authorities in Spain should release viable residential land, permit conversions, remove duplicate approvals, enforce processing deadlines, reduce tax barriers, and permit flexible layouts. Assured contracts and prompt lawful recovery

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[35] Agencia EFE, "Un 8,55 % de viviendas sociales de la Comunidad de Madrid están ocupadas ilegalmente" [8.55% of social housing in the Community of Madrid is illegally occupied], Onda Cero, 5 September 2018. Figures as at 10 July 2018, supplied in a regional government answer to a parliamentary question.

[36] 'Seguro de impago de alquiler' [Rent default insurance], Mapfre (https://www.mapfre.es/particulares/seguros-proteccion-alquileres/); 'Seguro de Impago de Alquiler. Coberturas y requisitos' [Rent default insurance: Coverage and requirements], ARAG (https://www.arag.es/productos/defensa-juridica/alquiler/) – product information. Contract-specific terms apply.

[37] 'Solicitud ARAG Alquiler' [ARAG rental application], ARAG; 'Condiciones generales ARAG Alquiler Viviendas' [ARAG residential rental general conditions], ARAG.

[38] 'Affordable Housing Act', European Commission, 2026 (https://housing.ec.europa.eu/affordable-housing-act_en) – accompanying recommendations and supply measures.

encourage letting. Addressing hardship through explicit, accountable assistance preserves both access and ownership. Affordable housing requires making additional homes possible.

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