ReHousIn

REDUCING HOUSING INEQUALITIES

Housing inequality consequences of green policies in different European contexts

Jennifer Duyne Barenstein, ETH Zürich

17 September 2025

Co-funded by the European Union

UK Research and Innovation

State Secretariat for Education, Research and Innovation SERI

The ReHousIn project is co-funded by the European Union. The UCL's work on this project is funded by UK Research and Innovation (UKRI) under the UK government's Horizon Europe funding guarantee. The ETH work on this project is funded by the Swiss State Secretariat for Education, Research and Innovation (SERI) under the Swiss government's Horizon Europe funding guarantee. Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the European Union, European Research Executive Agency (REA) and other granting authorities. Neither the European Union nor the granting authorities can be held responsible for them.

What housing inequalities?

The ReHousIn Project understands housing inequalities as a concept referring to:

- **Housing burden** (share of housing costs)
- **Patterns of housing segmentation** (shares of tenures)
- **Differences in housing quality** (access to running water, energy performance of buildings, etc.)
- **Unequal levels of housing consumption** (floor space per capita, overcrowding)

What Green Policies?

- **Energy refurbishments:** Includes building envelope (insulation) and engineering system (e.g. heating, cooling ventilation, installation of renewable energy sources onsite

- **Densification**: defined as an urban (re)development process leading to higher use density (increase in the number of inhabitants per m^2) or building density (increase in the number of buildings, apartments, office spaces, etc.)

- **Nature Based Solutions (NBS):** Actions that are „inspired by, supported by, or copied from nature“ (EC, 2015) aiming at climate change mitigation/adaptation and at combatting biodiversity loss (e.g. Greening roofs/walls, community gardens, creating/modifying green public spaces, re-naturalisation, riverbank renovations)

Consequences of urban ENERGY REFURBISHMENTS on housing inequalities in Italy

In **ITALY** incentive-based policies on housing retrofitting, e.g. through tax deductions and subsidies, promoted renovation activities instruments that disproportionately benefited wealthier, owner-occupied households, with a low uptake by low-income groups and limited impacts on the public housing sector

Consequences of urban ENERGY REFURBISHMENTS on housing inequalities in France

In **FRANCE**, energy retrofit policy may compound ongoing patterns of restructuring the social housing sector. Austerity policies may push social housing providers to diversify their revenues to balance the costs, e.g. by partially selling the stock, by developing non-social schemes, or prioritizing renovation over new construction.

Consequences of urban ENERGY REFURBISHMENTS on housing inequalities Norway

In **NORWAY** retrofitting policies are fragmented, underfunded, and rely on market incentives. They mainly benefit wealthy homeowners and well-resourced municipalities, while renters, rural communities, and vulnerable groups face exclusion.

Consequences of urban ENERGY REFURBISHMENTS on housing inequalities in Switzerland

In **SWITZERLAND,** a country of tenants, the costs of energy refurbishment can be passed to tenants and entail massive rent increases. Higher rents are often unaffordable to the original tenants, leading to displacement. There is evidence of deadweight effects, i.e. subsidies benefit landlords who would refurbish their properties even without financial support

Consequences of urban DENSIFICATION on housing inequalities in Hungary

In **HUNGARY** densification is largely developer-led and profit-oriented, with no inclusionary zoning or affordability requirements. New housing in densified areas targets the high end of the market, reinforcing exclusionary dynamics especially in cities with already pressured housing markets.

Consequences of urban ENERGY REFURBISHMENTS on housing inequalities in Spain

In **SPAIN,** energy renovation policies backed by EU and national funding have been implemented unevenly, often reinforcing pre-existing territorial and socio-economic disparities. In the absence of robust tenant protections and redistributive mechanisms, they risk entrenching housing precarity and spatial injustice

Consequences of urban DENSIFICATION on housing inequalities Austria

In **AUSTRIA,** densification leads to increasing land and construction costs, together with a growing activity of profit-driven builders. Providing and acquiring cheap land for social and limited-profit housing has become a challenge, making central and well-connected developments less accessible to lower-income groups.

Consequences of urban DENSIFICATION on housing inequalities in Norway

In **NORWAY** densification is largely developer-led and profit-oriented, with no inclusionary zoning or affordability requirements. New housing in densified areas targets the high end of the market, reinforcing exclusionary dynamics especially in the cities with already pressured housing markets.

Consequences of urban DENSIFICATION on housing inequalities in Switzerland

In **SWITZERLAND**, in the absence of building land, densification in fast growing large cities, entails the demolition of lower density low-cost rental housing and the displacement of lower-income households. Large cities are increasingly unaffordable for middle- and lower-income households, thus enhancing spatial inequalities

Summary of emerging issues

- In all countries covered by the ReHousIn project green policies are being implement in a context of **accelerated (re-) commodification** of housing thus “adding fuel to the fire”
- EU and national funding schemes **often reinforce pre-existing territorial and socio-economic disparities**
- **Retrofitting policies** in all countries rely on market and/or fiscal incentives. They primarily **benefit wealthy homeowners** and **well-resourced municipalities**, while renters, rural communities, and **vulnerable groups face exclusion**
- **Densification** in fast growing cities has triggered an increase of land and construction costs and is typically driven by profit-oriented builders, thus leading to gentrification and the displacement of lower-income households
- As **green policies are mainly driven by market forces** there are strong differences in terms of trends and impacts between fast growing, stagnating, and shrinking cities
- In most countries and cities there are **hardly any measures to counteract the negative impacts of EEP** and mitigating strategies remain an exception