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Bizigune, Basque Country: converting empty apartments to social rental housing

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Bizigune, Basque Country: converting empty apartments to social rental housing

People without homes and homes without people—this paradox is a major issue in many European cities, exacerbating the housing affordability crisis. However, the Basque Government (Basque Autonomous Region, Spain) has taken a proactive approach by repurposing empty homes for social rental housing. The Bizigune Program, in place since 2003, offers a win-win solution: providing hassle-free leases for owners of vacant properties while ensuring affordable rents for tenants in need. Managed by the Basque public rental housing agency, Alokabide, as of 2025 the program oversees nearly 7,400 housing units, which accounts for more than 5% of the rental housing stock in the region, effectively increasing the supply of social rental housing.



A collage of several different streets in Barcelona / photo Mikel Berra Sandín and Júlia Sorribes Mir

Abstract

Bizigune is a government-led initiative that transforms vacant homes into social rental housing in the Basque Autonomous Region, Spain. The program secures long-term leases from private property owners at below-market rates and then rents these units to individuals seeking affordable housing. This approach benefits all stakeholders:

- Property owners receive guaranteed, secure, and long-term rental income from the government, along with assurances that their property will be returned in the same condition.
- Tenants gain access to affordable, government-managed housing in high-demand municipalities.
- The government quickly increases its social housing stock without requiring new construction.

In addition, the program offers additional benefits to owners, such as support and financial assistance for home improvements, and legal support for all lease-related processes. The program, running since 2003, is managing 7375 housing units¹ for social rental as of December 2024.

¹ Ormazabal, Mikel. "Más de 20 años de alquiler amparado por el Gobierno vasco: "Es una experiencia recomendable 100%". El País, 2 February 2025. <https://elpais.com/economia/2025-02-02/mas-de-20-anos-de-alquiler-amparado-por-el-gobierno-vasco-es-una-experiencia-recomendable-100.html>.

The average yearly cost per unit for the government is 4,852€, as shown in a 2020 evaluation of the program².

Introduction

The Basque Autonomous Region, as the rest of Spain, has suffered from large rent hikes in the past decade, with rents rising 28% since 2016³. The region's rental market is highly fragmented, with most rental properties owned by individual landlords, and less than 10% of rental units are owned by large owners or institutions. At the same time, despite being the Spanish region with more social housing, only 6.4% of the housing units are social housing, be it government-owned rental units or owner-occupied units⁴. This limited public sector presence restricts the government's ability to influence market dynamics.

However, the government wants to leverage the opportunity of empty houses, which were 4% of the total in 2023⁵, in order to put them back to the market and increase the rental housing stock. To do so, the government has taken a proactive role. Through Bizigune, a program running since 2003, the government facilitates the conversion of empty homes into affordable rental properties, effectively expanding the social housing stock without new construction.

*Through Bizigune program
the government facilitates
the conversion of empty homes
into affordable rental properties*

The program

The Bizigune Program was introduced in 2003 by the left-wing party Ezker Batua ('United Left', part of The Left group in the European Parliament), a minor party at the government coalition at that time. The Basque Socialist Party first opposed the measure, arguing that it diverted resources from long-term social housing initiatives to a short-term solution. Afterwards, when the Socialist Party led the regional government between 2009 and 2012, it reduced the funding for the program, deeming it too costly. However, since 2016, with the Socialist Party once again

² 'Informe de Evaluación Del Programa Bizigune'. Observatorio Vasco de la Vivienda, September 2020.

³ Eustat. 'Tablas Estadísticas: Renta Mensual Media Por Metro Cuadrado Construido de Los Contratos de Alquiler Libre de Vivienda Habitual Colectiva (Contrato de Vivienda Habitual) Por Territorio Histórico y Tamaño Del Municipio, Según Trimestre de Inicio Del Contrato (Euros/Mes). II/2024'. Accessed 12 March 2025. https://www.eustat.eus/elementos/ele0017900/renta-mensual-media-por-metro-cuadrado-construido-de-los-contratos-de-alquiler-libre-de-vivienda-habitual-colectiva-contrato-de-vivienda-habitual-por-territorio-historico-y-tamano-del-municipio-segun-trimestre-de-inicio-del-contrato-eurosmes/tbl0017999_c.html.

⁴ Euskadi.eus. 'Euskadi registra el mayor número de viviendas protegidas iniciadas en la última década', 2 March 2023. <https://www.euskadi.eus/gobierno-vasco/-/noticia/2023/euskadi-registra-mayor-numero-viviendas-protégidas-iniciadas-ultima-decada/>.

⁵ 'Encuesta sobre el Uso de la Vivienda (EUV) 2023: Informe de Síntesis'. Órgano Estadístico Específico del Departamento de Planificación Territorial, Vivienda y Transporte, 2023.

managing the Housing Department, the program has experienced increasing success.

The program aims to expand the rental housing market by repurposing vacant properties into affordable social housing. To achieve this, the government takes an active role in securing long-term leases from property owners at below-market rates, selecting eligible tenants and managing the rental process, collecting social rent from tenants and ensuring the property is returned in proper condition to the owner.

This process involves three key stakeholders:

- The homeowner, who leases their vacant property to the program.
- The tenant, who benefits from affordable social housing.
- The administration, represented by the Basque public rental housing agency, Alokabide, which manages the rentals.

Eligibility: ensuring adequate housing and social purpose

Both homeowners and tenants must meet specific criteria to participate in the program. For homeowners, eligibility is based on the housing unit itself, which must have been vacant for at least three months, be located in a 'high-demand' municipality and meet legal and physical requirements for rental.

For tenants, eligibility is determined by being registered as a social housing applicant with the Basque Government's housing service and having an annual weighted income between €3,000 and €21,000 (as of 2020).

The process works as follows:

1. Homeowner application and preliminary review: The homeowner contacts Alokabide to offer their vacant unit for the program. Once the application is received, Alokabide conducts a preliminary assessment of the property and determines the monthly lease payment, which is set at between 65% and 75% of the market rate, up to a maximum of €650 per month.
2. Lease agreement: The homeowner signs a 6-year usufruct lease with Alokabide, which begins once a tenant moves in. Upon signing, Alokabide provides free energy certification, technical reports, insurance coverage, and legal support for the duration of the lease.
3. Tenant allocation: Alokabide assigns a tenant from its social housing applicant list, and charges rent to the tenant equivalent to 30% of their income.
4. Guaranteed payment to homeowners: Alokabide pays the homeowner every month for 72 months, regardless of whether the unit is occupied. The agency covers the difference between the tenant's rent and the agreed lease payment.

- End of lease and property return: After six years, if the homeowner chooses not to renew, Alokabide returns the property in the same condition, accounting for normal wear and tear.

To attract more homeowners and ensure proper maintenance of properties, Bizigune offers several optional benefits. On one hand, if a unit requires upgrades before leasing, Alokabide provides technical assistance and can advance lease payments up to €18,000 to finance renovations. On the other, homeowners have an option to terminate the lease early: in year three of the lease, they may withdraw from the program if they need the property due to personal circumstances such as death or divorce of the owner or a first-degree relative.

Benefits: a positive solution for all parts involved

The Bizigune Program provides advantages for all parties involved—homeowners, tenants, and the government.

- Benefits for homeowners
- Secure and hassle-free rental management: The program offers an easy and safe pathway to renting, eliminating the typical risks associated with private leasing. To do so, homeowners benefit from insurance coverage and legal protection, ensuring peace of mind throughout the lease period.
- Stable and guaranteed income: Although the monthly payment is 65-75% of the market rate, capped at €650 per month, homeowners receive guaranteed payments for the full 72-month lease duration, even if the unit is temporarily vacant. The government also covers

- additional costs, including waste collection and sewer taxes, and in some municipalities, participating properties receive a 50% discount on property tax.
- Property maintenance and improvement support: Improvements may take place at the start of the lease, when the government covers the cost of energy certifications and technical reports and homeowners can access technical assistance and zero-interest financing for home improvements, with lease payments available in advance (up to €18,000). In addition, upon lease completion, the property is returned in the same condition, accounting for normal wear and tear.

The Bizigune Program provides advantages for all parties involved: homeowners, tenants, and the government

Benefits for tenants

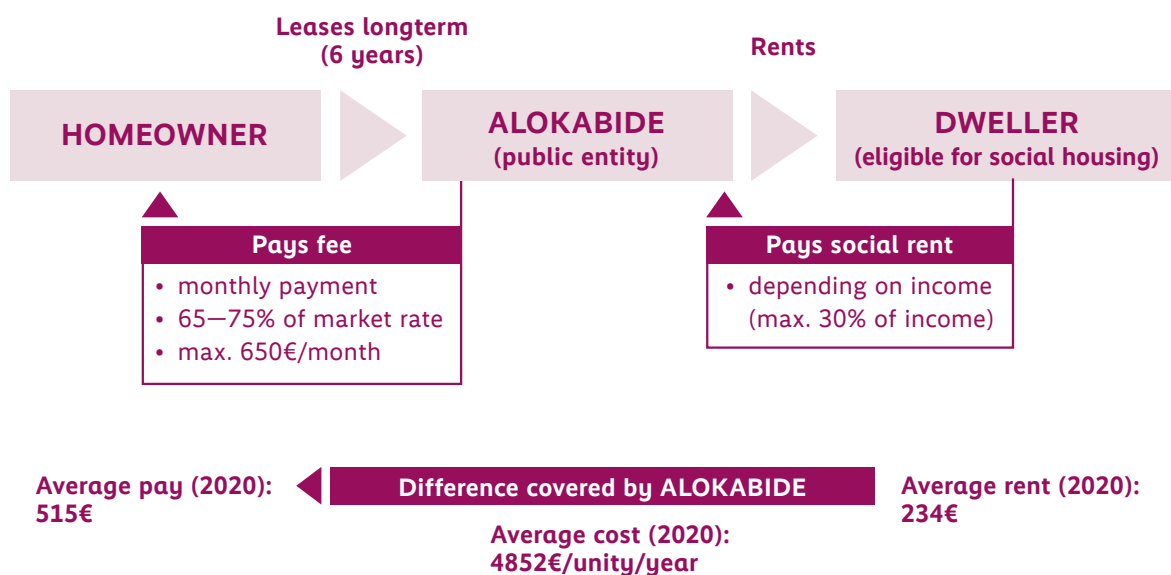
- Affordable, well located social housing: Tenants secure housing at social rental rates, calculated as 30% of their income. In addition, properties are located in high-demand areas and meet quality standards, providing tenants with stable and decent living conditions.

Benefits for the government

- Efficient and cost-effective housing expansion: The program allows the government to quickly expand its social housing stock without the need for new

Process: simple steps offering certainty to homeowners and tenants

Figure. 1



Stand: 2025
Quelle: Friedrich-Ebert-Stiftung e.V.

construction or additional land use. Therefore, in the short term, Bizigune is a more cost-effective solution for increasing the availability of social rental units.

→ Improvement of housing stock: Through its support to home improvements, Bizigune helps keep the region's housing stock up to date. In addition, home improvements incentivize the refurbishment industry while creating local economic activity.

Impacts and shortcomings: a successful program, yet improvement is possible

The program has been deemed a success from all parts of the process: as of late 2024, the program manages more than 5% of all rented housing units in the Basque Autonomous Region (7,375 out of 137,123 total rental units)⁶. It is well appreciated by homeowners, who get to lease their units while avoiding the management and uncertainty related to rentals, and it is cherished by dwellers, who can access to affordable housing in municipalities across the region.

A comprehensive evaluation of the program, published in 2020, assessed tenant satisfaction and the extent to which Bizigune met their housing needs. The findings revealed that 70% of respondents considered the program instrumental in securing their first home, while 68% affirmed that it met their medium-term housing needs. Regarding housing quality, 75% of participants expressed satisfaction with their units, while the location of the housing received an average rating of 7.7 out of 10. In terms of affordability, 75% of tenants reported being content with their rental costs, although 27% acknowledged experiencing difficulties in making rent payments.

70% of respondents considered the program instrumental in securing their first home

Despite these positive outcomes, the evaluation also highlighted certain challenges that need to be addressed. One of the key issues is the availability of units in high-demand areas, as the €650 per month rental cap discourages homeowners from joining the program in cities with high market rents. As a result, participation is more common in municipalities where rental prices are generally lower. Another concern is the average four-month gap between a homeowner's enrollment in the program and the first tenant moving in, which could be reduced to improve efficiency. Additionally, the evaluation pointed to the need for better housing management, oversight, and conflict resolution mechanisms to improve the overall experience for both homeowners and tenants.

⁶ Eustat. 'Notas de Prensa: El Parque Residencial de La C.A. de Euskadi Experimenta Un Continuo Crecimiento Entre 2013 y 2023, Añadiendo Un Total de 53.896 Unidades'. Accessed 17 March 2025. https://www.eustat.eus/estad/id_274/ti_censo-de-poblacion-y-viviendas-viviendas/ultima-nota-prensa.html.

Conclusion

The Bizigune Program has established itself as an effective and efficient mechanism for transforming vacant housing units into social rental properties. By taking a proactive role as an intermediary between homeowners and dwellers, this program of the Basque Government currently manages almost 5% of all rental units in the region. Homeowners benefit from secure and hassle-free leases, while tenants gain affordable housing in high-demand areas.

More than twenty years since its inception, Bizigune remains a widely appreciated initiative among both property owners and tenants. Beyond its immediate social impact, it also serves as a cost-effective strategy for the government to expand its social housing stock without the need for new construction or additional land use. As housing affordability continues to be a pressing issue, the program stands as a model for innovative, sustainable, and pragmatic housing policies.

The program currently manages almost 5% of all rental units in the region

The Bizigune Program exemplifies a policy that effectively leverages existing resources to expand affordable housing by repurposing vacant private properties for social use. Beyond addressing housing shortages, it also plays a crucial role in strengthening communities, as homeowners voluntarily participate in the program despite lower financial returns, prioritizing social benefit and peace of mind. Furthermore, it is a sustainable solution that prevents urban sprawl and excessive land use, instead redensifying existing neighborhoods.

It has also gained recognition as a model policy for other associations and regional governments in Spain. For example, Asociación Pro Vivienda has created and supported similar programs for more than a decade, the Barcelona city council did so in 2009 by creating the Rental Housing Listing, and the Asturias' regional government is set to launch its own version, 'Alquilámoste', later in 2025, directly inspired by Bizigune's success.

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- Tenants secure housing at social rental rates, calculated as 30% of their income. In addition, properties are located in high-demand areas and meet quality standards, providing tenants with stable and decent living conditions. 70% of respondents considered the program instrumental in securing their first home.
- The program allows the government to quickly expand its social housing stock without the need for new construction or additional land use. Therefore, in the short term, Bizigune is a more cost-effective solution for increasing the availability of social rental units. Bizigune helps keep the region's housing stock up to date. In addition, home improvements incentivize the refurbishment industry while creating local economic activity.

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