Housing supply has slowed down considerably and the level of investment in housing is one of the lowest in the EU. The number of building permits for new dwellings decreased considerably, although less than the EU average. The construction producer prices for new residential buildings exceed the EU average. There is untapped potential for using vacant buildings and transforming them into housing. There are no sufficient, stable, impactful and long-term financing schemes to help local authorities support the development of social housing solutions.

Housing affordability in Poland has deteriorated over the last decade. Since 2015, house prices and rents (including existing and new rental contracts) have massively increased, especially in urban areas, far exceeding the EU averages. The housing affordability challenges are unequally spread across the regions (see Annex 18) and income groups.

Housing conditions remain challenging, particularly with regard to overcrowding and quality. In 2024, one third of the population lived in overcrowded dwellings, which is double the EU average. The housing stock in Poland is old and characterised by low energy efficiency, making it even more unaffordable (see Annex 9).

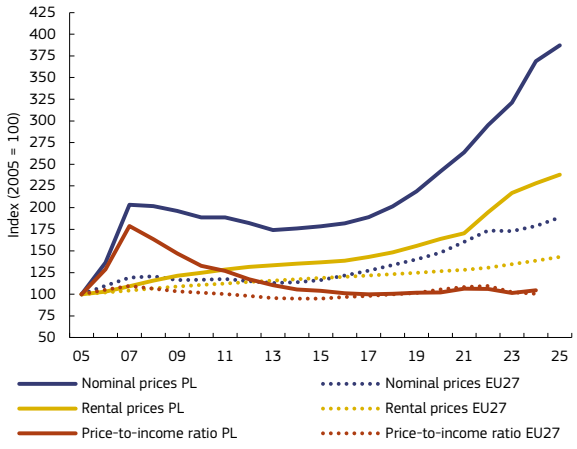
Complex social challenges affect access to housing. There is a relatively limited municipal and social housing stock. One third of households fall into the rental gap (between social and private market conditions) ([371]). Moreover, the arrival of over one million displaced persons from Ukraine has had an impact on the level of demand, while homelessness remains a persistent social challenge. People with some or severe disabilities and women suffer levels of discrimination that are above the EU average.

The strategic and governance framework is limited. There is no mechanism to coordinate housing policies between administrations at the central level and local authorities. There is currently no strategic approach to ensuring a sustained and holistic engagement of public authorities and a coherent framework for measures and investments in the longer term.

Housing market developments

Housing shortages are causing house prices and rents to rise in Poland. Poland is faced with an acute housing shortage, especially in urban areas, which has resulted in spiralling house price and rental inflation. Since 2015, house prices and rents have increased by 117% and 74% respectively, far exceeding the EU averages (62% and 21%) and total cumulated inflation in Poland and the EU (49% and 30% respectively as regards the harmonised index of consumer prices (HICP) ([372]).

Graph A16.1: **House prices, rents and price-to-income evolution in PL and EU27 since 2005**



Source: Eurostat

Given the high prices combined with relatively high mortgage interest rates since 2022, the situation on the market does not support people – and, in particular, young people – who wish to buy a property. After an significant increase of 15% in 2024, nominal house prices growth decelerated to 4.9% in2025. The price-to-income ratio was 10 percentage points below its long-term average. However, it takes 11.8 years of income to buy a 100 m² apartment, while the long-term EU median is 8 years, suggesting that house prices are high

([371])Effectiveness of housing policy assessment through the lens of the housing affordability gap in Poland between 2010 and 2022, A. Czerniak, J. Kroszka and A. Twardoch Ruch Prawniczy, ekonomiczy I socjologiczny, zeszyt 4, 2025, p 220.

([372])Housing in Europe – 2025 edition; Eurostat housing statistics. Eurostat: https://ec.europa.eu/eurostat/web/interactive-publications/housing-2025#housing-cost.

relative to average income. ([373]). Mortgage rates roughly doubled following the COVID-19 pandemic ([374]). While mortgage rates have been decreasing since their peak in August 2022, they remain higher than the pre-pandemic average ([375]). As a result, Poland's housing market situation is especially challenging for first-time buyers and renters – primarily young people – decreasing their mobility and making planning for the future more difficult.

Housing costs absorb a growing proportion of household disposable income, although headline affordability indicators remain below the EU average. In 2024, total housing costs in households' disposable income amounted to 16.7% slightly below the EU average of 19.2%. For rents, the percentage increased steadily from 18.8% in 2021 to 20.2% in 2024, vs the EU average of 22.3% in 2024. Over the same period, the average housing cost overburden rate for both homeowners and tenants declined slightly (from 5.9% in 2023 to 5.2% in 2024), remaining below the EU average (8.2% in 2024) ([376]). These indicators indicate rising cost pressures despite a comparatively lower housing cost overburden rate ([377]).

Graph A16.2: **House supply indicators in PL since 2005**

Source: Eurostat

Since 2022, investment in housing in Poland has remained low, while construction costs have grown. In Poland, investment in housing is the lowest in the EU (2.2% of GDP compared with an EU average of 5% in 2025). Structural challenges remain to address high level of needs of various parts of the population. Despite Poland being among the frontrunner countries in the EU regarding the number of completed dwellings yearly per 1,000 citizens (5.3 per 1,000 citizens in 2024) ([378]), housing construction needs remain high - the housing construction gap is estimated at 124 000 dwellings above the forecasted constructions([379]), and the overall number of dwellings per thousand inhabitants is relatively low (402 per 1000 inhabitants in 2021 compared to the EU average of 514 in 2022) ([380]). Since 2022, Poland has seen a slowdown in the construction of new housing, which may have contributed to higher nominal house prices and warrants closer monitoring. Between 2021 and Q3 2025, construction producer prices for new residential buildings increased by 36%, exceeding the EU average of 24%, while the number of building permits for new dwellings between 2021 and 2023 decreased by 30% (compared with the

([373])Alert Mechanism Report 2026 – European Commission.

([374])OECD Economic Surveys: Poland 2025.

https://www.oecd.org/en/publications/oecd-economic-surveys-poland-2025_483d3bb9-en.html.

([375])Statystyka stóp procentowych, NBP.

https://nbp.pl/statystyka-i-sprawozdawczosc/statystyka-monetarna-i-finansowa/statystyka-stop-procentowych/.

([376])The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

([377])It is important to note here that the housing cost overburden indicator is based on income data for 2023 (EU SILC 2024); and, therefore, does not take into account the most recent developments in housing and rental prices.

([378])Deloitte Property Index 2025 https://www.deloitte.com/be/en/Industries/real-estate/research/property-index.html

([379])Balouktsi et al. (2026) *Housing investment needs in the EU*, JRC Technical Report 144419.

([380])OECD Affordable Housing Database https://www.oecd.org/en/data/datasets/oecd-affordable-housing-database.html

EU average decrease of 23%). While the number of new building permits rebounded in 2024, rising by 22% compared with 2023 ([381]), it remains below 2021 levels (86% of annual building permits in 2021).

Structural policies

Polish housing policy is fragmented, with no coordinated approach to governance on the national and subnational levels. The national housing programme *(Narodowy Program Mieszkaniowy)* adopted in 2016 was repealed in the 2025. The government is currently working on a medium-term strategy for Poland that will include housing. The proposed measures include increasing the availability and affordability of housing together with improving housing conditions. The strategy sets a 10% target for social housing. However, the draft made available for public consultation does not cover all social aspects such as people leaving institutional care, homelessness and housing for older people. As reported by the OECD ([382]), housing governance in Poland is highly fragmented and lacks a body to oversee and coordinate the complex policy area of housing. Coordination between the at least seven ministries and government agencies with some degree of responsibility for housing policy remains limited. The lack of coordination also concerns multilevel governance, where no mechanism exists to coordinate the local and regional authorities.

So far, no holistic programme for monitoring and analysing housing stock and needs has been created. No coordinated and harmonised monitoring of housing data or analysis of housing needs is being performed at the national level. This prevents a clear overview of the housing situation being gained and hinders efficient use of the existing stock. According to census data from 2021, 1 789 000 houses were uninhabited ([383]) in Poland, including 10% of the municipal stock ([384]). Additionally, there is no definition of a vacant building in the Polish legal system, which makes it difficult to identify all vacant dwellings.

There is still insufficient social and municipal housing in Poland to cover demand, while the affordable housing solutions are still limited. Social rental housing consists of four categories designed to serve different needs and income levels: (i) subsidised social housing; (ii) communal housing; (iii) social housing; and (iv) rental cooperatives. The construction of social housing has not caught up with the demand. Since 2024, 117 805 households have been on the waiting list for municipal housing. There is no system to monitor the beneficiaries of the social housing and whether they fulfil the requirements to benefit from it. Meanwhile, there is no legal definition of affordable housing in Poland, and the system is underdeveloped. The Social Rental Agency (*Społeczne Agencje Najmu*) programme was created in 2021 to tackle the problem. So far, however, the uptake has been limited: as of 31 December 2025, a total of 14 social rental agencies are in operation, providing housing for 395 people. At the end of 2025, the Ministry of Development Funds and Regional Policy signed a contract with the National Real Estate Stock Agency to develop the programme further with funding from the European Social Fund Plus and to double the number of social rental agencies.

Public financing for social housing will increase in the years to come. Poland's housing policy involves several financing programmes. The preferential loan programme for investors in social rental housing, available since 2015, offers preferential financing to social housing initiatives, housing cooperatives and municipal companies for constructing rental flats or drawing up cooperative tenant rights. Bank Gospodarstwa Krajowego provides the financing, backed by state subsidies to reduce the interest rate costs. The programme was extended in 2025, and in 2026, over PLN 2 billion will be made available to finance up to 9 500 rental flats. Financing for another programme, the municipal and social housing programme, which is supported by the Subsidy Fund, has been also increased. In 2026-2030, dedicated expenditure amounts to PLN 39 454 billion, with annual allocations rising each year. The government also provides subsidies under a number of programmes such as the *Flat for Start (Mieszkanie na start)* programme for first-time tenants. The programme "A flat without own

([381])Eurostat, https://ec.europa.eu/eurostat/databrowser/view/STS_COBP_A__custom_19802593/default/table.

([382])OECD (2025), Housing Reforms in Czechia and Poland, OECD Publishing, Paris, https://doi.org/10.1787/4988c473-en.

([383])As the data were gathered during the COVID-19 pandemic, they may not correspond to the post-lockdown reality.

([384])Questionnaire sent to PL for the European Semester mission.

contribution" (Mieszkanie bez wkładu własnego) allows people with sufficient creditworthiness to take out a mortgage even if they do not have the down payment required by the bank.

There is a need for innovative instruments, such as revolving funds and blending operations (a combination of subsidies and financial instruments), to be implemented.

The 2% Safe Mortgage programme (B*ezpieczny Kredyt 2%*) programme, which was launched to help prospective homeowners buy their first home, led to a further increase in housing prices. In 2023, the previous government introduced two programmes for first-time buyers under the Act on State Aid for Saving for Housing Purposes (U*stawa o pomocy państwa w oszczędzaniu na cele mieszkaniowe*). The first one, the Contract Saving System (*Konto Mieszkaniowe*) involves regular monthly deposits, which are used later for purchasing a home. Key benefits include an annual premium, accelerated savings for a down payment on a home, and tax-exempt interest. In July 2023, 2% Safe Mortgage programme programme, with subsidised loans and interest capped at around 2% for the first 10 years, was launched for first-time buyers. While there was huge demand for the programme and 91 000 loans were signed, the increased demand pushed house prices up quickly. The programme was closed after six months and has not been continued. No further programmes are planned at the moment.

Some tax measures are in place to support first-time buyers, discourage financialisation and increase the social housing stock. Fiscal measures were introduced in 2023 to help more people become homeowners, including an exemption from the civil law transaction tax on the purchase of a first dwelling. In parallel, measures to limit speculative demand and financialisation were strengthened. Those measures include the introduction in January 2024 of a 6% tax on the purchase of a sixth and subsequent residential property from the same developer on the same plot of land. Homeowners are exempted from: (i) VAT when letting their properties for residential purposes or to social rental agencies; and (ii) VAT tax when letting their properties to a local government unit and their associated entities for the purpose of further letting or leasing for residential purposes.

In 2023, Poland started to reform its spatial planning system but the results of the changes have not yet been evaluated. The Spatial Planning and Development Act is the main national regulation for planning. Coordination between land use and related policies is performed at national level by the Ministry of Economic Development and Technology, while local governments draw up specific spatial plans. In 2023, Poland reformed the spatial planning system with the aim of simplifying and accelerating planning procedures. Given the short period of time since the reform was adopted, it is too early to draw conclusions on the results. However, some stakeholders indicate that the new reform has brought complexities and administrative burdens for practitioners. Preparing the environmental assessment can be a lengthy process. In 2025, it took 47.5 days on average to obtain a building permit, but this can vary considerably across regions and cities. There is a need for a better approach to land development and management.

The Polish rental market is underdeveloped, while the rights of tenants and landlords in the Polish rental market are perceived as unbalanced. The Polish rental market is underdeveloped, with only 13% of the population renting an accommodation. In Poland, the regulation of the rental market does not adequately protect either landlords or tenants. On the one hand, landlords have limited possibilities to effectively terminate contracts and recover the premises if there are disputes with the tenant. On the other hand, tenants face legal instability and difficulties in planning their long-term lives. In 2024, 7 000 households were evicted, while 2 000 were awaiting eviction. The Act on the Protection of Tenants' Rights sets a minimum level of protection for tenants while upholding the right of landlords to derive benefits from their property. The Act lays down three types of rental agreements: (i) the civil law contract (strong tenant protection); (ii) occasional tenancy agreements with natural persons (with an end date); and (iii) institutional tenancy agreements with legal persons (low tenant protection). The two latter types are the result of a recent reform that gives greater freedom to both parties in shaping the content of the contract and balances their rights more evenly.

Graph A16.3: **Housing affordability selected indicators**

		EU27				PL							
	unit	2000-25 avg.	2023	2024	2025	2000-25 avg.	2023	2024	2025	unit	2023	2024	2025
House price to income ratio	*2000-25 avg = 100*	100.0	102.0	100.2		100.0	86.7	89.3		YoY%	-4.4	3.0	
Rent to income ratio	*2000-25 avg = 100*	100.0	85.1	83.5	84.5	100.0	85.4	80.4	78.3	YoY%	-2.0	-5.9	-2.6
Overburden rate, total	%	9.9	8.8	8.2		7.6	5.9	5.2	4.1	PPS/y	0.3	-0.7	-1.1
Overburden rate, tenant with market rent	%	23.8	20.3	19.2		24.8	17.1	15.1	14.4	PPS/y	-1.6	-2.0	-0.7
Overvaluation gap	%					-0.2	-3.0	3.5	1.8				
Deflated construction production price	*2010 = 100*	102.2	112.2	111.8	110.5	96.5	92.0	93.5	93.6	YoY%	-0.7	1.5	0.1
Building permits	*m^2 per ths persons*	483.5	376.9	362.9	379.9	551.6	539.5	636.9	623.2	YoY%	-22.2	18.1	-2.2
Residential construction investment	*% GDP*	5.5	5.8	5.1	5.0	2.8	2.2	2.1	2.2	YoY%	0.0	-4.5	4.8
Share of ownership	%	70.0	69.1	68.4		81.6	87.3	87.1	87.2	PPS/y	0.1	-0.2	0.1
Share of people living in overcrowded homes	%	17.7	16.8	16.9		42.8	33.9	33.7	30.9	PPS/y	-1.9	-0.2	-2.8

Source: Eurostat and European Commission calculations. The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

Vulnerable groups

Homelessness remains a persistent social challenge, with overall numbers remaining broadly stable over time. The 2024 National Homeless Survey identified 31 042 people experiencing homelessness, which is within the range observed over the past seven years (e.g. around 30 000 in 2019 and 33 000 in 2017). Men accounted for around 80% of the homeless population, women for 20%, while children and young people under 18 represented around 5% of the overall homeless population and 95% of them were located in institutions such as houses for mothers with young children and pregnant women.

Responses to homelessness are primarily implemented at the local level and focus on temporary and supported housing solutions. In 2024, around 80% of people experiencing homelessness were residing in temporary shelters, training apartments or assisted living apartments. Municipalities are responsible for providing shelter under the Social Assistance Act, and these forms of accommodation are delivered within broader frameworks for developing social services, including housing-led approaches.

Vulnerable groups face specific barriers to accessing housing, including discrimination and accessibility constraints. In 2024, 6.2% of the population reported feeling discriminated against when seeking housing (EU average: 5.8%), with higher proportions among people with some or severe disabilities (12.7% vs the EU average of 8.2%) and among women (7.1% vs the EU average of 5.9%). Housing support for people with disabilities is provided through the State Fund for Rehabilitation of Persons with Disabilities, including subsidies for exchanging dwellings for barrier-free housing.

The ageing population puts further pressure on the availability of the adequate housing stock. In 2024, the housing cost overburden rate among people aged 65 and over was higher than for the total population (5.8% vs 5.2%), and older people reported a markedly higher incidence of perceived discrimination when looking for housing (4.9% vs the EU average of 1.9%). At the same time, older people are more likely to live in underoccupied dwellings (19.8% among those aged 65+ vs 17.3% for the total population in 2024), indicating potential mismatches between housing size, accessibility and changing household needs in an ageing society.

Housing policies increasingly reflect demographic ageing and the need for accessible housing solutions for older people. Social housing programmes support the construction and modernisation of accessible dwellings and common spaces, with allocation criteria favouring older applicants. Legislative proposals prepared in 2023 aim to introduce senior lease agreements, allowing older people living in upper-floor dwellings without elevators to move to accessible municipal housing while enabling municipalities to reallocate their former dwellings within the municipal housing stock.

Young adults also face constraints in accessing independent housing. In 2024, over half (51.6%) of young adults aged 18–34 in full-time employment in Poland continued to live with their parents, well above the EU average (36.8%), reflecting delayed residential independence and persistent barriers to young adults – even those with jobs – entering the housing market.