The Romanian housing market is geared towards owner-occupied housing, with most rentals being informal and no legally secured tenant protection. With the high ownership rates, policies tend to focus on homeownership. However, the lack of rental protection could negatively impact the chances of a healthy and larger formal rental market developing, which would be particularly beneficial for young and older people, people with disabilities, vulnerable groups, such as Roma, mobile workers and expats. A formal rental market would also create better conditions for private investment in new supply and in renovation.

Housing affordability has generally improved in Romania over the past ten years, but an affordability gap persists. House prices in the past decade grew less rapidly than household incomes. However, in absolute terms, purchase affordability remains constrained by low-income levels and high interest rates. While the rental market is rather small and largely informal, rental affordability pressures are substantial, especially in urban areas.

Housing costs have decreased but still weigh heavily on living standards as do energy costs. The house price-to-income ratio has declined over the past decade, thereby improving housing affordability. In line with this, the proportion of people facing housing costs that exceed 40% of their total disposable household income has decreased in recent years, amid steady growth in income levels, but is still more pronounced for those at risk of poverty. In 2024, households experiencing poverty spent more than twice as much of their disposable income on housing compared with other households. The same is true for energy bills, where sudden price hikes, in particular, affect households in poverty the most. People with disabilities often face higher housing and energy costs due to accessibility and increased energy needs for medical equipment, mobility devices and temperature regulation.

Poor housing conditions remain widespread. In 2024, 40.7% of Romanians lived in an overcrowded household vs 16.9% in the EU. For those at risk of poverty, more than half are affected vs 28.9% in the EU. This indicates insufficient housing supply relative to household needs. People with disabilities continue to experience inequality in housing conditions and limited access to accessible housing and support. Thus, many adults with disabilities live with their parents or in institutions owing to a lack of accessible (social) housing in the community. Despite improvements, Romania still has one of the highest severe housing deprivation rates in the EU, with almost 1 in 10 people living in homes that are overcrowded and have a leaking roof, damp walls, floors or foundations or rot in window frames or floors. This is the case particularly in rural areas, and for those under the poverty threshold. This is largely due to inadequate infrastructure, limited access to services and marginalisation, especially in informal settlements. Furthermore, in 2023, a relatively high proportion of the population and of those below the poverty threshold (15.4% and 43.3%, respectively) ([362]). While keeping homes affordable, especially for those at risk of poverty, it would be beneficial to improve not only housing quality and accessibility but also access to essential and social inclusion services.

Housing market developments

Romania has the highest home ownership rate in the EU. Around 94% of people lived in an owner-occupied dwelling in 2024([363]), compared with an EU average of 70% ([364]). This pattern reflects the mass privatisation of state housing in the 1990s.

Despite a noticeable increase in house prices from 2014 to 2025 (69%, with an average annual growth rate of 6.3%), the price increase has remained consistently below income growth. This has resulted in a declining price-to-income ratio and increased affordability ([365]). Nevertheless, purchase affordability is still constrained by income levels and high interest rates. While purchasing a 100 m^2 apartment would

([362]) Purchasing power parities, price level indices, nominal and real expenditures by analytical categories - based on COICOP 1999[prc_ppp_ind__custom_17966005].

([363]) The home ownership rate is the percentage of people who lived in an owner-occupied dwelling. Full definition available here (Eurostat).

([364]) European Commission: Eurostat, 'Distribution of population by tenure status, type of household and income group'[ilc_lvho02].

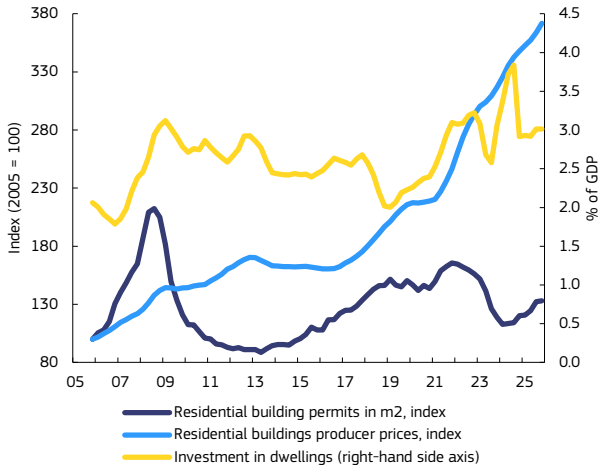
([365]) European Commission calculations based on Eurostat (2025).

cost 40% of a homeowner's average income over at least 20 years in most Romanian NUTS 3 regions, in most western European countries this is the case only in a minority of regions. Mortgage repayment periods, even for small dwellings, frequently exceed 30 years when one third of income repayments ([366]). The uptake of housing loans is very limited in the country, with only 1.5% of the population living in a mortgage-backed apartment, vs the EU average of 22%.

Romania's rental housing market remains small and informal, reflecting the country's exceptionally high homeownership rate and the limited affordability. Rental affordability pressures are substantial, particularly in urban areas. While only 6% of the population lives in a rental unit (Eurostat, Distribution of population by tenure status, type of household and income group), the actual proportion appears to be higher when accounting for the informal market (for which, by definition, no reliable statistics exist). For small dwellings (around 25 m^2), rents in some cities absorb more than two thirds of average incomes, while affordability challenges are even higher for standard-sized units (around 45 ([367])). The rapid growth of short-term rentals could result in a further tightening of the urban rental supply, with demand (excluding hotels) having increased by 120% from 2019 to 2024([368])). That was the highest increase in the European Union, with the EU average increase being 66.8%. However, the starting point was significantly lower than in Member States of comparable size in the region, such as Hungary and Poland. This surge could reduce the availability of the long-term rental stock, potentially affecting rent levels for local residents. Moreover, weak contract registration enforcement on the landlord side, combined with limited incentives for tenants to register (e.g. tenants can choose a general practitioner ([369]) or enrol their children in in a given school ([370]) without being registered does not encourage the formalisation of rental contracts and instead favours informal arrangements.

Despite a slight recovery as of 2024, housing supply remains subdued. The number of building permits issued has been declining since 2022, while construction costs have been increasing since 2021 ([371]). After reaching its lowest level since 2016, the number of residential building permits issued started to increase again at the beginning of 2024 (see Graph A16.1). A particular gap remains in the provision of accessible housing, as acknowledged in the national strategy for the inclusion of persons with disabilities ([372]).

Graph A16.1: **House supply indicators in RO since 2005**



Source: Eurostat

Urban-rural disparities persist, with housing price pressures concentrated in major urban centres, especially Cluj-Napoca. The city has become the most expensive housing market in Romania. In 2021, the average purchase price was around EUR 1 760 per square metre, substantially higher than the EUR 1,200 average price of the ten ([373]). Currently, house prices appear to be well above 2021 levels, especially in big cities. Considering the steady price increases, investing in an increase in supply through renovations,

([366])ESPON (2025). *HOUSE4ALL - Access to Affordable and Quality Housing for All: Main Report.*

([367])ESPON (2025). *HOUSE4ALL - Access to Affordable and Quality Housing for All: Main Report.*

([368])Calculation based on Eurostat, Short-stay accommodation offered via collaborative economy platforms - experimental statistics. Available here (last accessed on 06/02/2026).

([369])Law No 157/2008 supplementing Article 218(2) of Law No 95/2006 on healthcare reform, published in the Official Gazette of Romania, Part I, No 557 of 23/08/2008.

([370])Ministry of Education, Ministerial Order No 4019/2024, published in Official Journal, Part I, No 247 of 22/03/2024.

([371])European Commission calculations based on Eurostat (2025).

([372])National strategy for the rights of persons with disabilities 'An equitable Romania', 2022-2027.

([373])World Bank (2021). Cluj-Napoca Housing Strategy.

repurposing and new construction could take some pressure off the markets.

Romania reported labour shortages for several construction-related occupations in 2024. Building and related trade workers (excluding electricians) are among the occupational groups with shortages, indicating unmet demand for construction labour ([374]). Structural issues such as skills mismatches, demographic pressures and a shortage of appropriately trained workers can contribute to shortages, including in the construction sector. Nonetheless, labour shortages in Romania remain well below the EU average (see Annex 11).

Structural policies

Romania's stocks of public and social housing are among the lowest in the EU. As of 2021, 96% of Romania's total housing stock is privately owned, while the state holds just 1.46% - one of the lowest proportions of public housing in the EU.

The social housing stock is limited and unevenly managed. According to 2025 estimates, only 14.41% of all local governments in Romania own or administer social housing, amounting to 18 292 units, or 0.018% of the national total. As social housing management is a responsibility of local governments, data on social housing difficult to collect. At the same time, the demand is very high, particularly for social housing ([375]). Actual demand is probably even higher, as a lack of availability, as well as administrative and informational barriers may prevent eligible people from formally applying. Romania's previous social housing construction programme for 2007-2022 (set up by Law 114/1996) increased the stock only marginally, with 3 911 social housing units built nationwide. The 2022-2030 national housing strategy (Strategia Nationala a Locuirii) aims to deliver around 40 000 social housing units by 2050.

Romania has worked on improving its building codes and regulations to adapt the housing stock for the future. This includes updating seismic regulations due to the country's vulnerability to earthquakes, with new guidelines to make buildings more resilient to seismic activity ([376]). The Energy Efficiency Law (121/2014) and related regulations have mandated improvements in insulation, heating systems and overall energy performance. Although legal standards, such as NP 051-2012, define clear accessibility requirements for the construction and renovation of both public and private buildings, enforcement is inconsistent ([377]).

The vacancy rate is relatively high in Romania and there is no dedicated policy to tackle it. National vacancy data are scarce ([378]), with only associated indicators, such as labour market tightness, overcrowding, social housing shortage and housing quality deficits, being reported. However, there is a persistent mismatch between urban centres, which attract population, and areas with many rural homes (often inherited older houses) that remain unused. Romania has occasionally adjusted tax incentives or subsidies to promote homeownership (see Annex 3).

Romania has launched initiatives to improve housing affordability and availability. As part of its recovery and resilience plan (RRP), Romania adopted legislation that promotes the implementation of the 2022-2050 national housing strategy and its action plan. The national housing strategy aims to increase access to suitable housing for vulnerable groups, especially young people, people with disabilities, people in informal settlements and homeless people. The RRP includes investments in new housing for young people from vulnerable communities and groups, and for healthcare and education professionals working in marginalised communities. Cohesion policy funds support energy-efficient construction and renovation, as well as the purchasing/renovation of social housing. These funds also support local authorities in addressing informal settlements. At the same

([374])ELA EURES report on Labour Shortages and Surpluses 2024.

([375])2021 Ministry of Development, Public Works and Administration, quoted also in the ESPON report 2025 european-compendium-of-housing-policies.pdf.

([376])World Bank 2025 Romania - Management of Earthquake Risk | GFDRR.

([377])Accessible and sustainable housing for persons with disabilities, Georgiana Pascu, Ana Cojocaru, European Disability Expertise, to be published.

([378])ESPON 2024.

time, appropriate monitoring of progress, as well as sufficient financing for implementation of the legislative frameworks have not yet been fully ensured. There is still scope to improve housing market regulation and zoning policies by: (i) requiring a minimum percentage of affordable and social housing units in new infrastructure developments; (ii) enforcing minimum accessibility targets; (iii) flexibilising the purchasing of social housing; (iv) fostering public-private partnerships and civil society involvement; and (v) strengthening the implementation of the 2022-2027 national strategy for the social inclusion of the homeless.

Vulnerable groups

While there are no data available on waiting lists in Romania, the estimated housing needs among the most vulnerable are high. This includes people living in deprivation and overcrowded conditions, people with disabilities living in institutions, as well as people in informal or unsuitable housing situations. In 2022, at least 393 informal settlements inhabited by 71 965 people were identified ([379]), with the actual number likely larger. The need is high among young people: 57.1% of people aged 18–34 live with their parents (EU average: 49.6%). Romania also had one of the highest rates of severe housing deprivation among at-risk young people aged 20–29 in 2023, at 35%, vs the EU average of 13.8% ([380]). Housing needs are high for people leaving institutional care: according to national authorities, nearly 3 000 young people leave the special protection system annually. Over 15 000 people with disabilities are estimated to remain institutionalised in ([381]) housing solutions for their deinstitutionalisation ([382]). Additionally, victims of domestic violence and human trafficking are among those who need the most urgent support. As of March 2026, approximatively 200,000 refugees with temporary or similar protection status, primarily from Ukraine, were registered. The Romanian authorities estimated the number of homeless people (including children) at around 17 000 people in 2025. Children's housing needs are assessed in the 2023 national child guarantee action plan, and its success depends on sufficient funding and support services.

Roma households continue to face bad living conditions. 56% of Roma households lived in housing deprivation in 2024, compared with 21% for the general population, which is an improvement from 83% in 2016. At the same time, 86% of Roma people lived in overcrowded households in 2024, vs 41% of the general population, which is worse than the 76% registered in 2016. Moreover, 28% of Roma live in households without running water inside the dwelling, compared with 14% of the general population, and 23% of them reported being discriminated against while looking for housing ([383]). Long-standing policy commitments, including most recently under the 2021-2027 national Roma inclusion strategy, are in place. However, strong implementation, clear accountability for local authorities and sufficient investment are still needed to ensure the timely delivery of suitable accommodation and to address systemic discrimination in access to housing.

([379])https://documents1.worldbank.org/curated/en/099062123013526907/pdf/P1761690122ece050b24e0994a1005f38c.pdf 2022 World Bank Report on Informal Settlements.

([380])Severe housing deprivation rate by age, sex and poverty status [ilc_mdho06a__custom_20278915]

([381])National Authority for the Protection of the Rights of Persons with Disabilities, 'Statistici' (Statistics), https://anpd.gov.ro/web/transparenta/statistici/.

[382] National Authority for the Protection of the Rights of Persons with Disabilities, "Statistici" (Statistics), https://anpd.gov.ro/web/transparenta/statistici/

([383])Fundamental Rights Agency, Roma Survey 2024.

Graph A16.2: **Housing affordability selected indicators**

		EU27				RO							
	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	51.4	47.2		YoY%	-9.7	-8.3	
Rent to income ratio	*2000-25 avg = 100*	100.0	85.1	83.5	84.5	100.0	63.8	61.9	62.5	YoY%	-3.9	-3.0	1.1
Overburden rate, total	%	9.9	8.8	8.2		12.4	9.1	4.7	5.0	PPS/y	0.6	-4.4	0.3
Overburden rate, tenant with market rent	%	23.8	20.3	19.2		50.7	44.2	28.3	56.0	PPS/y	1.6	-15.9	27.7
Overvaluation gap	%					-0.4	-18.1	-23.2	-25.4				
Deflated construction production price	*2010 = 100*	102.2	112.2	111.8	110.5	104.8	133.6	138.6	138.8	YoY%	-2.1	5.0	0.1
Building permits	*m^2 per ths persons*	483.5	376.9	362.9	379.9	478.7	456.3	461.7	509.4	YoY%	-23.7	1.2	10.3
Residential construction investment	*% GDP*	5.5	5.8	5.1	5.0	2.4	3.1	2.9	3.0	YoY%	-3.1	-6.5	3.4
Share of ownership	%	70.0	69.1	68.4		95.9	95.6	94.3	93.2	PPS/y	0.8	-1.4	-1.2
Share of people living in overcrowded homes	%	17.7	16.8	16.9		47.6	40.0	40.7	40.4	PPS/y	-0.5	0.7	-0.3

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.

EU funding support is available to address housing issues, in particular for the most vulnerable. More than EUR 190 million has been made available to improve access to housing for marginalised communities and groups through the social inclusion and dignity programme, which is financed through the 2021-2027 cohesion policy funds. The programme includes: (i) support for housing needs identified at community level by local action groups; (ii) support for people living in informal settlements; (iii) providing access to social housing to vulnerable children, people with disabilities and older people; and (iii) measures to assist the homeless. Additional EUR 206 million from the cohesion policy funds were also allocated for social housing following the mid-term review. Within the South Muntenia Regional Programme there are EUR 5 million supporting investments in social housing Romania will continue to benefit from the Social Climate Fund to support vulnerable households impacted by the introduction of the Emissions Trading System 2 Directive. The Romanian RRP includes several measures to support social and affordable housing, including via the national housing strategy and the 2022-2050 action plan, as well as investments in housing for vulnerable young people and professionals working in health and education. In addition, Romania benefits from technical support provided through the Technical Support Instrument to improve: (i) data collection, management and sharing approaches in the field of social housing; (ii) allocation criteria and prioritisation of beneficiaries; (iii) investment and management approaches for the social housing stock at local level; and (iv) the regulatory and policy framework for the administration and governance of the social housing sector.

The LGBTQ+ community faces discrimination in accessing secure housing in certain areas ([384]). The lack of tenant protection measures in general exacerbates the unfair treatment. The promotion of inclusive housing options could further support this minority.

Accessibility barriers remain high in residential housing for people with disabilities. While a national accessibility standard ([385]) (applying to new constructions, major renovations and public and private housing developments) exists for public buildings and urban spaces, its implementation is lagging. In addition, accessibility standards address only physical disabilities but not other forms of disability (intellectual or sensorial disabilities).

([384])The 2024 Fundamental Rights Report, Fundamental RightsAgency

([385])Ministry of Development, Public Works and Administration,Norm on the adaptation of civil buildings and urban spacesto the individual needs of persons with disabilities, codeNP 051-2012 – Revision of NP 051/2000, https://www.mdlpa.ro/userfiles/reglementari/Domeniul_XVII/17_23_NP_051_2012.pdf