

Conclusions

Social and Affordable Housing in Catalonia

INVEU-ICR-0001-2023 – Social Investment and skills Window

Short description of the financing or investment operation and its objectives

Name of financial intermediaries	Institut Català de Finances (ICF)
Type of the final recipients	ICF will on-lend the CEB funds to project promoters (e.g. public, private, and third sector entities, NGOs)
Countries of implementation	Spain - Catalonia Region
Implementing partner	Council of Europe Development Bank (CEB)

The objective of the operation is to increase the supply of social and affordable housing units in Catalonia region for socio-economically disadvantaged groups. Specifically, the operation will provide publicly protected housing (viviendas de protección oficial, VPOs) for rental to beneficiaries which are unable to rent or purchase housing at market conditions due to solvability or income constraints.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 10 February 2023 for the above-mentioned operation.

The market failures and financing gaps of social and affordable housing in Spain, and particularly in Catalonia include notably a low number of existing social and affordable housing units, their historically low supply compared to other EU countries, the low interest of private investors for this market segment, extremely high demand and rising housing costs (in particular costs of rent).

The financing provided by CEB to ICF, thanks to the support of the InvestEU Fund, is expected to stimulate ICF to increase its lending volume to social housing operators in view of highly concessional lending terms to ICF, in particular with regard to the loan maturity, grace periods and pricing structures.

These concessional lending terms are expected to be passed on by ICF to social housing operators who have limited or no access to borrowings from commercial banks because of solvability or collateral constraints, in particular because mortgage on social housing is typically viewed by commercial banks as politically/socially sensitive.