

SUMMARY

Castilla y León faces significant population ageing and settlement dispersion. The regional government has positioned **housing policy as a key tool for rural revitalisation**. Since 2016, it has implemented measures such as rehabilitating vacant municipal and church buildings for social rent, mortgage guarantees and rent aid for people under 36, rental assistance with higher percentages for young people, and large-scale energy renovation.

By 2025, the region has returned over **500 vacant buildings to social rental**, helped more than **1 300 young buyers** and over **6 000 young tenants**, and **improved over 30 000 homes**, helping people stay in, or move to, small municipalities.



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CONTEXT

Castilla y León counts more than 6 000 towns and villages, 88% of which are home to fewer than 1 000 inhabitants, and a fragmented housing stock. Out of around 1 720 000 dwellings, about 258 000 are empty (around 15%) and a further 253 000 are used only sporadically.

Many homes never reach the market due to legal uncertainties – such as inheritance disputes or slow transactions, lack of owner interest or agreement, opaque market intermediation, and properties being in poor or outdated condition – often yielding low profitability once renovation costs are taken into account.

At the same time, demand drops where jobs and services are scarce, digital connectivity is poor and isolation raises daily costs, while conversion to tourist use removes dwellings from the residential market. The result is a **shortage of adequate, affordable and energy-efficient homes for permanent residents** – especially young households – which **undermines retention and new settlement in rural municipalities**.



OBJECTIVES

- > Provide **adequate and affordable housing in rural municipalities** to support demographic revitalisation;
- > **Increase the public stock of social rental housing** by re-using vacant public and ecclesiastical buildings;
- > **Lower barriers to home purchase and rental** for people under 36 through guarantees, price discounts and rent support;
- > **Improve energy efficiency** in rural housing to cut costs and emissions;
- > Use **fiscal incentives and spatial planning** to stimulate permanent residency and balanced territorial development;
- > Support local employment and entrepreneurship by offering **affordable housing for workers in rural industrial areas** through public-private agreements.

Themes: Demography, housing, youth, spatial planning, energy, social inclusion

Country: Spain

Organisation: Regional Government of Castilla y León, Department of Environment, Housing and Spatial Planning, public authority

Start & end date: 06/2016 - ongoing

Budget: Over EUR 900 000 000 mobilised between 2016-2025, including EUR 243 000 000 from EU funds

Funding sources:

- > Castilla y León regional government; European Regional Development Fund (ERDF)
- > Recovery and Resilience Facility (RRF)
- > National government funds
- > Private partnerships

Website: <https://vivienda.jcyl.es/web/es/vivienda-urbanismo.html>

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ACTIVITIES, KEY ACTORS, AND TIMELINE

Since 2016 the regional government has rolled out a set of complementary housing programmes:

- > **REHABITARE**: the region signs cooperation agreements with municipalities, provincial councils and dioceses to rehabilitate unused public or ecclesiastical buildings in municipalities under 5 000 inhabitants (e.g. former schools, teachers' houses, rectories). The administration designs and funds the works, and the refurbished dwellings return to municipal ownership for allocation to social rental at affordable rates.
- > **Entrepreneurs' housing programme**: in rural industrial areas, the region promotes housing built on public land and made available for rent or sale to workers through public-private agreements with local firms. Spatial planning tools guide siting close to employment areas, and contracts with companies help guarantee occupancy and affordability.
- > **Affordable rental housing for young people**: the region builds nearly zero-energy homes on public land and rents to people under 36 at subsidised rates. Where suitable, co-housing formats are included to optimise costs and common services; delivery is coordinated with municipalities and public developers.
- > **Public housing for sale to young people with a 20% discount**: this applies to new homes built on public land. It lowers the barrier to first-time ownership in small municipalities; banks and public developers collaborate on allocation and sales.
- > **Young buyers' mortgage guarantees**: the regional guarantee covers up to 17.5% of the loan so that private banks can finance up to 97.5% of the purchase price for eligible young buyers (generally under 40). Bilateral agreements with financial institutions operationalise the scheme across the territory.
- > **Rural rental aid for young people**: general rent support is complemented by positive discrimination for rural tenants under 36, with subsidies of up to 75% of monthly rent. The programme runs via annual calls and is coordinated with local authorities for outreach and verification.
- > **Favourable rural taxation**: Castilla y León applies differentiated tax relief in rural areas for the acquisition, rehabilitation, rental and transfer of housing, with specific benefits for young people. The measure is administered by the Regional Tax Administration and complements the housing programmes by improving affordability and mobility.
- > **Grants for energy-efficient renovations**: the region supports area-based and building-level energy renovation – including in small municipalities – to upgrade envelopes and systems, cut bills and emissions, and improve comfort. Funding combines regional resources with national/EU instruments, and delivery involves the Regional Housing Department, SOMACyL, municipalities and communities of owners.



RESULTS

- > REHABITARE has **rehabilitated 694 homes** since 2016, providing **social rental housing to 1 735 people** in small municipalities.
- > Young buyers' mortgage guarantees have delivered more than **1 300 endorsements**, enabling **financing of up to 97.5% of the purchase price** for eligible buyers.
- > Rural rental aid for young people has supported **110 000 beneficiaries** since 2015, with **more than EUR 188 million** invested and a target of over 20 000 additional young tenants for 2022–2026.
- > Favourable and differentiated taxation for rural areas provides **more than EUR 30 million in annual tax relief** and has benefited **30 000 young people**.
- > The grants for energy-efficient renovations have enabled **upgrades of more than 30 000 homes** over the last decade, with **investment exceeding EUR 500 million**, to improve energy performance and comfort across rural towns and villages.



SUCCESS FACTORS/LESSONS LEARNT

- > A **coordinated, multi-programme design** aligns social rental, youth access, renovation, taxation and planning, targeting small municipalities.
- > **Standardised agreements** with municipalities, dioceses and provincial councils clarify roles and speed delivery.
- > **Re-using vacant public and ecclesiastical assets** expands affordable rental efficiency while preserving heritage.
- > **Demand-side tools for people under 36** – guarantees, discounts and rent aid – lower entry costs.
- > **Energy renovation at scale** reduces bills and emissions, reinforcing settlement.
- > **Predictable calls, clear eligibility** and complementary **rural tax relief** sustain uptake.



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