

Urban planning and housing policies in democratic Spain

Contradictions between housing production and the right to housing (1978-2008)

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Abstract

The Spanish Constitution of 1978 included the right of all Spaniards to enjoy decent and adequate housing and stated that the public authorities shall promote the necessary conditions to make this right effective. In the following three decades, there has been a massive housing production in Spain, but the right to housing, as constitutionally recognised, remains unfulfilled. This paper aims at approaching to the roots of this contradiction between the enormous housing production and the persistent need of affordable housing through an analysis of urban planning and housing policies throughout this period, when a new framework of shared powers between the Spanish central government and the regional governments has gradually entered in force. The results of this analysis, also illustrated through a case study, allow to state that housing policies have been conceived more from the economic point of view—the contribution of the real estate sector to the Spanish economy— than from the social point of view—fulfilling the constitutional right to decent and adequate housing—.

Keywords

urban planning, housing policies, Spain, democracy, right to housing.

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INTRODUCTION

The Spanish Constitution of 1978 recognizes in its article 47 that “all Spaniards have the right to enjoy decent and adequate housing”. To this end, it states that “the public authorities shall promote the necessary conditions and establish the relevant rules to make this right effective, regulating the use of land in accordance with the general interest to prevent speculation”.¹ These constitutional principles reflect several ideas that guided the reform of the Land Act that had been adopted a few years earlier, in 1975. Its preamble referred to a context of “increasing or unjustified prices of land suitable for the growth of cities” which had led to “the increase in the price of housing in all its categories” or the “misappropriation by private owners of a significant part of the capital gains resulting from the urbanization process”. In response, this Act made the urbanization processes more flexible in order to increase the supply of land and thus reduce its price, and at the same time established mechanisms to “rescue a part of the urbanization gains in the form of building land”.²

It should be noted that, in the current democratic period, the implementation of these principles of combating speculation and guaranteeing decent housing has had to be adapted to the distribution of powers defined in the Constitution itself between the State –Spanish central government– and the Autonomous Communities –regional governments–.³ On the one hand, the normative regulation of urban planning and housing has been gradually assumed by the Autonomous Communities, except for some basic aspects –linked to the right to property– regulated by the State Land Act. On the other hand, the State, as the body responsible for coordinating the general planning of economic activity, has provided funding for housing production through successive State plans.⁴

Since then, and until today, there has been a massive production of housing in Spain. However, the right to housing recognized by the Constitution has not been fulfilled. A quick look at some data allows us to understand this apparent paradox.

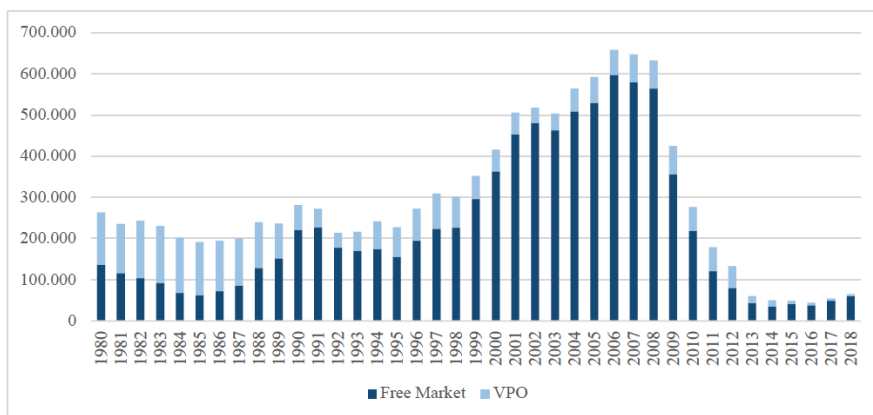


Fig. 1. Housing production in Spain between 1980 and 2018 (units).

The Population and Housing Census of 1981 counted 37,679,686 inhabitants and 10,430,902 main family dwellings, while the Census of 2011 brought these figures up to 46,815,994 inhabitants and 18,083,693 main family dwellings. In other words, the population has grown by just over 9 million people —24%—, while dwellings have increased by 7.6 million —73%—: one new home has been added for every 1.2 inhabitants.⁵ However, according to the data on housing production (Figure 1), it can be seen that the weight of the so-called *Vivienda de Protección Oficial*—hereinafter VPO, with public support and aimed at the population with greater difficulties in getting a house, thanks to a specific regulation—⁶ has drastically reduced with respect to the free market: it has gone from an average of 55% in the 1980s to 23% in the 1990s and barely 11% in the first decade of the 21st century—at the time of maximum real estate production, with more than half a million homes per year—.

Furthermore, this has coincided with a progressive increase in housing prices that also accelerated at the turn of the century, making access to housing extremely difficult. Until the year 2000, Spanish families had to spend around four years of gross salary per capita to buy a house, but since then this effort grew rapidly until it was close to nine years in 2007, currently remaining around seven years (Figure 2).

This paper seeks to address the causes of this persistent, even aggravated, difficulty in accessing affordable housing in a context of massive production of housing. To this end, the main characteristics and the relationships between the housing and urban planning policies that have been applied in this period will be analysed, also contrasting them with what has happened in a Spanish city, Valladolid, to obtain a series of conclusions.

ANALYSIS OF URBAN PLANNING AND HOUSING POLICIES AND THEIR RELATIONSHIPS AT THE STATE LEVEL

The policies on urban planning and housing that have been developed in Spain at the State level during the current democratic period have been conditioned by the adaptation to the aforementioned framework of shared powers between the central and regional governments, in clear contrast to the exclusive and enormous protagonism of the State during the dictatorship of Franco (1939-1975). The foundations for the transition from the previous model to the new one were laid in the late 1970s and early 1980s and evolved in the following decades.

STAGE 1 (1978-1990): NEW BASIS FOR LAND AND HOUSING POLICY

After the reform of the Land Act that was passed in 1975, the central government —of the centre-right UCD party— updated the specific regulations on housing by means of Royal Decree-Act 31/1978. It unified the different types of social housing existing until then into a single category —the abovementioned VPO— and reformed the financing system with the dual objective of reactivating the construction sector —at a time of economic crisis— and creating “a large secondary mortgage market”.⁷ Although the regulations contemplated both renting and

owning, it is evident that the latter remained the preferential option,⁸ based on a combination of direct aid and also tax exemptions and rebates for both purchasers and developers of VPO. It should be highlighted that this kind of tax benefits has played a key role in Spanish housing policy throughout this period.

Once the Constitution was approved in December 1978, the State soon gave up direct development activity in both residential land and public housing, which remained under the responsibility of the new regional governments,⁹ and concentrated its action on financing VPO through the so-called housing programmes or plans.

The first one was the programme for the construction of social housing 1981-1983,¹⁰ which focused on helping to overcome the economic crisis through the construction of VPO. To this end, the aim was to mobilise the financial system by means of public subsidies, with the target of starting the construction of 571,000 homes, of which 90,000 would be publicly promoted and another 144,000 financed directly by official credit institutions. The programme was aimed directly at the “typical clientele of savings banks” —i.e. the middle classes—, which is consistent with the fact that most of the subsidies were referred to private credit institutions.

The second one was the four-year social housing plan 1984-1987, which continued the path marked by the previous one, focusing on home ownership. Personal subsidies were established to reduce the initial contribution to the purchase of VPO, and both loans for the promotion and purchase of housing and the subsidization of their interest rates were increased.¹¹ Loans at rates agreed with financial institutions and, where appropriate, the subsidization of these loans by the State were consolidated as the mainstay of State housing policy in the late 1980s. At the same time, greater coordination was sought with other public bodies with powers in the field of housing, at a time when the Autonomous Communities had already been consolidated.¹²

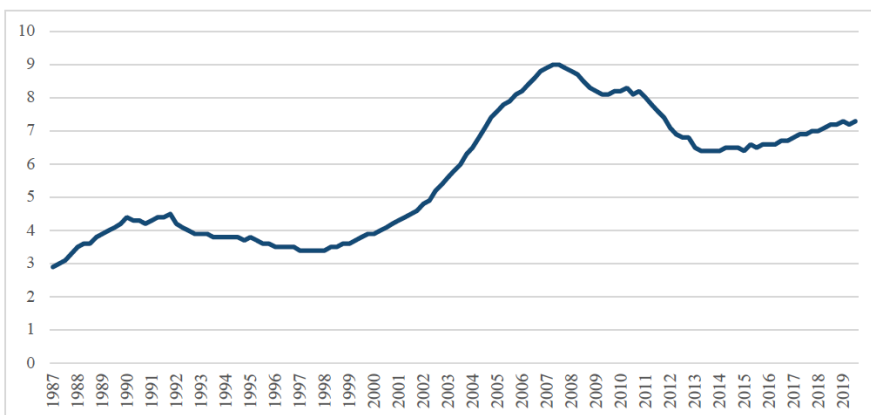


Fig. 2. Average house price/gross disposable household income (per capita) between 1987 and 2019.

STAGE 2 (1990-1998): PUBLIC INTERVENTION IN THE MARKET COMBINED WITH TAX INCENTIVES

Despite all these measures, housing prices in Spain experienced a constant increase during the second half of the 1980s.¹³ The central government —controlled by the PSOE, a left-wing party, since 1982— linked this increase to the increase in land prices, which led it to promote a new reform of the Land Act that was approved in 1990.¹⁴ The explanatory memorandum denounced “the excessive permissiveness enjoyed by land owners”, as well as “the rigidity, if not absence” of instruments in the hands of the Administration to intervene in the land and housing markets.

As a result, this legal reform regulated in detail the entire development and building process, so that owners were only granted their rights —to develop, to build, etc.— as long as they fulfilled the corresponding obligations —of cession of land, of balanced distribution of building rights, etc.—.¹⁵ The tax regulation and valuation of the land also followed this rationale, establishing mechanisms for direct intervention by the Administration —such as expropriation— in the event of non-compliance, and also for the construction of VPO.¹⁶ Likewise, its capacity to intervene in the market was reinforced, extending the transfer of building rights, promoting public land estates and regulating the right of first refusal in the case of sale of VPO —permitted by Spanish legislation—.

The same reference to “the insufficiency of the regulatory instruments in force to effectively address the problems of access to housing for large segments of the Spanish population” led to the approval at that time of the Housing Plan 1992-1995.¹⁷ This plan defended the need for coherence between “public actions on land and urban planning with housing objectives”, which should involve a sufficient contribution of public land at appraised cost. Although support for owning was maintained,¹⁸ the plan also included the “promotion of the supply of moderately priced rental housing, as a desirable alternative for a wide range of housing demanders”.¹⁹ Likewise, the agreements between the Ministry of Public Works and the Autonomous Communities were regulated in order to respect the powers in the field of housing and urban planning that the latter had assumed.

This plan financed more than 400,000 housing actions —and land for more than 100,000 homes—, mostly for middle- and low-income people, but it did not solve some persistent problems. For example, when its continuity was approved for the period 1996-1999, it was pointed out that “the supply of rental housing is insufficient in quantity” and “is inadequate, due to high rental prices”. However, this did not prevent the State from continuing to promote the mortgage market, increasing the supply through the new Real Estate Investment Funds that had been created in this same period.²⁰

However, the reorientation of the State framework in urban planning and housing represented by these plans and, especially, by the Land Act of 1990 had a very short course. This reform was in force for barely seven years, as it was almost completely annulled by the Sentence 61/1997 of the Constitutional Court, which took up the appeals that had been submitted by the governments of several Autonomous Communities on the grounds that their powers were

being encroached upon. This certified the “transition to the definitive post-constitutional legislative model in urban planning”, in which all the Autonomous Communities approved their own law on urban planning.²¹ In addition, in 1996 there had been a change in the central government—which was passed to the PP, a right-wing party—and all this resulted in a new reform of the Land Act that was approved in 1998 with postulates that were opposed to the previous ones.²²

STAGE 3 (1998-2008): LAND LIBERALIZATION AND PROMOTION OF PURCHASE

In line with the aforementioned sentence, this reform of the Land Act concentrated on regulating a series of aspects linked to property rights,²³ leaving the detailed regulation of the urban planning system definitively in the hands of the Autonomous Communities. In terms of its approach, the reform was linked to “the necessary structural reform of the Spanish economy”, and it argued that in order to curb the shortage and land speculation—and its consequent effects on economic activity—it was necessary to increase supply. Consequently, and following a liberalising rationale, it chose to allow the urbanisation of any land that was not specifically excluded for some justified reason. Thus, it opted for “a development model: land for development is no longer that land considered necessary on the basis of estimates, but any land”.²⁴ In the end, this liberalization of the land market failed in moderating prices. On the contrary, it contributed to the generation of the well-known Spanish “real estate bubble”: housing production and prices tripled, until the collapse of the real estate sector in 2008.²⁵

The housing plan for the period 1998-2001 assumed the same postulates of that reform, indicating as objectives “the generation of urbanized land with moderate repercussions on the final price of new housing, in order to anticipate and reinforce the effects of the recently approved Act 6/1998 of 13 April” or “to contribute to guaranteeing and maintaining an adequate level of activity and employment in the housing sub-sector”.²⁶ In a context of a wide range of mortgage loans and very low interest rates, the direct aid and qualified loans regulated in the plan, together with the existing tax deductions—also for free market—, undoubtedly contributed to boosting the purchase of housing. Thousands of families were able to buy a dwelling, but large groups of the population—more specifically, young people—still had enormous difficulties in accessing to it.²⁷

In fact, the following plan, approved for the period 2002-2005,²⁸ recognized that “large groups of the population with medium and low levels of income, and especially young people, have been increasingly unable to access moderately priced housing”, after noting both the low supply of rental housing and the reduction in the production of VPO. In view of this, the financing system proposed by the plan sought to promote the building of subsidized housing for rent, but at the same time, the mechanisms for aiding the first purchase of housing, as well as the stimuli for urbanization of land—preferably for subsidized housing—continue to be active.

After a new shift in the central government—which returned to PSOE in 2004—the new housing plan for the period 2005-2008 noted that the enormous production of housing in previous years had not solved “the social problem of access to housing that affects many citizens”. It

also noted the failure of the objectives set out decades ago, stating that “speculation has made access to housing even more difficult and in many cases prevented a large number of people from doing so”. In view of this reality, the need to “achieve the constitutional goals” is once again stressed, but then reference is made once again to the “multiplier effect that boosting the activity of the construction sector has on economic development and, in particular, as an element that generates employment”.²⁹

A few years before the bursting of the real estate bubble that closed a thirty-year cycle, these considerations of economic nature reveal some possible causes of the failure of State housing policies to guarantee the aforementioned constitutional aims of access to decent and adequate housing.

VALLADOLID AS AN EXAMPLE OF REAL ESTATE PRODUCTION AND URBAN DEVELOPMENT PROCESSES

The evolution of urban planning and housing policies in Spain during this period has logically been reflected at the municipal level, so that the observation of the processes of urbanisation and housing production in a specific case illustrates what was indicated in the previous section. The case of Valladolid, one of the main cities in the northwest of Spain, has been chosen for this purpose, as it has adjusted its municipal-scale urban planning —*Plan General de Ordenación Urbana*, hereinafter PGOU— to the abovementioned successive reforms of the Land Act —1975, 1990 and 1998—. ³⁰

According to the records of the City Council of Valladolid, between 1984 —when the new PGOU adapted to the Land Act of 1975 was approved— and 2012 —when its revision began, coinciding with the moment of maximum weakness of the real estate production in the city after the crisis of 2008— licenses have been requested for the construction of 54,506 houses (Figure 3).³¹ This quite remarkable real estate production —an average of almost 2,000 dwellings per year— contrasts with the fact that the city has lost around 8,000 inhabitants in the same period, which reflects a housing market fuelled by internal population movements, first within the city itself and then between the city and the rest of the municipalities that together make up the current urban area.³²

Of this total of 54,506 homes licensed during this period, 13,607 correspond to homes with some form of public support —almost 25% of the total, including 1,569 homes in direct public promotion, which represent less than 3% of the total—. However, the promotion of subsidised housing has not been homogeneous throughout this period, but rather three main stages can be distinguished, which coincide with those defined in the previous sections at a national level and also reflect the evolution of municipal policy in this period.

During the 1980s, the City Council of Valladolid maintained a double urban development policy. On the one hand, it promoted inner reform actions in the suburbs of the city. On the other hand, it favoured the fulfilment of the large development plans inherited from the 1970s, sev-

eral of which have been publicly promoted. As a result, the production of VPO was very high during this period, with an annual average of over 50%, while direct public housing, carried out by the regional government —*Junta de Castilla y León*— reached 399 homes between 1985 and 1989. However, it should be noted that this barely covered 12% of the needs, as 3,205 families were recognized in the procurement processes for these publicly promoted homes.

The beginning of the 1990s brought important shifts in the city's real estate and urban planning situation. The sharp drop in the production of VPO, together with the context of rising housing prices at the State level, placed Valladolid at the top of the list of most expensive cities in Spain regarding housing. This situation favoured that young people moved from the city to the surrounding municipalities, where the price of land, and consequently of housing, was much cheaper.

As a reaction to this situation, the City Council of Valladolid launched an ambitious urban planning and housing policy action. While adapting the PGOU to the Land Act of 1990, it set up in 1993 the Municipal Land and Housing Society —VIVA— and promoted the urbanisation and construction of a new neighbourhood in the south of the city —*Parque Alameda*—. Although this was a municipal initiative with a capacity for 1,984 homes, only 276 were publicly promoted —by the regional government—, while the other plots were sold by VIVA for the promotion of VPO by cooperatives or private companies.³³ The objective of the City Council was therefore not to cover the demand for housing of the lower classes, but rather to offer affordable, owned housing to the city's middle classes, who were finding this same product in the surrounding municipalities.³⁴

From 1998 onwards, real estate development in the city participated in the boom experienced at national level, led by free market housing and facilitated by a new modification of the PGOU that was approved in 2003 in line with the Land Act of 1998. Although the promotion of VPO did not fall as much as at the national level —it remained at around 20% on annual average—, it continued to be mainly aimed at the middle classes,³⁵ while direct public promotion —shared between the regional government and VIVA— remained scarce, although needs were covered to a larger extent. Between 1998 and 2001, 271 homes were promoted for sale, covering 38% of the 712 approved applications. From 2004, public housing for rent appeared in the city for the first time.³⁶

CONCLUSIONS

The causes of the paradoxical contradiction between the massive production of housing in Spain since the beginning of the current democratic period and up to the crisis of 2008 and the persistent demand for affordable housing for the most disadvantaged classes can be found, at least in part, in the way that public policies on urban planning and housing have been conceived throughout this period.

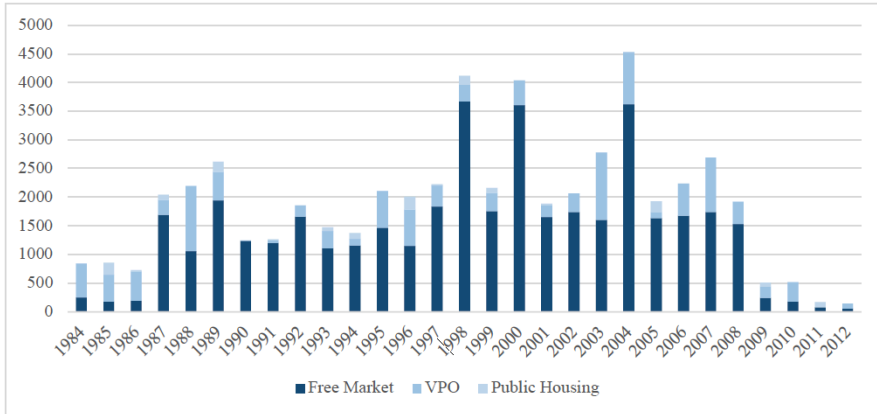


Fig. 3. Housing production in the city of Valladolid between 1984-2012 (units).

During these three decades, successive central governments have understood these policies more from the economic point of view —the contribution of the real estate sector to the Spanish economy— than from the social point of view —fulfilling the constitutional right to decent and adequate housing—.

Even from opposed postulates —intervention versus liberalization—, successive reforms of the Land Act have always been aimed at guaranteeing enough supply of land to allow the construction of large quantities of housing. At the same time, State housing policy has been oriented to guarantee the sale of all this production —in a context of ever increasing prices—, fostering the growth of the real estate sector, which has also supported economic growth and employment in Spain during this period. It is also worth noting the involvement of the banking institutions, which financed both the promotion and the acquisition of housing, also counting on the direct or indirect support of the State.³⁷

According to these economic objectives, the model of new and owned housing inherited from the previous period was consolidated, but transferred to the free market, since it was the best option for many families whose incomes slightly exceeded the limits established for VPO but could benefit from tax deductions. That contributed to the decline in the production of VPO, which was also not an option for the population with very low incomes, such as the younger. Their incomes did not meet the minimum threshold to acquire a VPO, while neither the successive housing State plans nor the action of other public authorities —with a few exceptions— provided a viable solution, such as public estates or renting, an alternative to owning that has not achieved relevant results in this period in Spain.³⁸

Another factor to be considered is the complex consolidation of the legal framework established by the Constitution in 1978. The transition from the previous centralized model to a system of shared powers between the central and regional governments has not been free of conflict —as shown by the annulment of the reform of the Land Act of 1990— and has undoubtedly affected direct public promotion, following the disappearance of the State bodies

that had been intensely involved in it. Moreover, the role played by the City Councils has to be considered, because on some occasions —as shown by the case of Valladolid— they have used housing policy as a means to achieve other different objectives of a local nature, while they have not taken advantage of the possibilities that urban planning legislation could offer to promote municipal housing policies.³⁹

However, the crisis that burst in 2008 completely changed the scenario. Free market sank — prices were even lower than those of VPO in some cities—, while evictions multiplied,⁴⁰ as well as the demand for affordable housing in a context of very high unemployment rates, which eventually fostered a change in the orientation of public policies in Spain in the field of urban planning and housing.

At the State level, the reform of the Land Act that had been passed in 2007 assumed for the first time the principle of sustainable development and put an end to the model of urban expansion in force until then, while the approval of Act 8/2013 of June 26, on urban rehabilitation, regeneration and renovation has sought to reorient the real estate sector towards these actions instead of creating new neighbourhoods. The three State housing plans that have been approved since then —2009-2012, 2013-2016 and 2018-2021— have also assumed this change of model, focusing on financing rehabilitation actions and on the promotion of renting, while tax deductions for the purchase of housing expired since 2013 for new beneficiaries.

Regarding the Autonomous Communities, many have passed their own legislation on the right to housing in recent years, completing the long process for assuming their powers that began in 1978. Thus, they now have a complete and updated regulatory framework, although its effective implementation continues to be conditioned by the scarcity of resources, both public and private.⁴¹ Likewise, the adequate coordination —both normative and programmatic— between urban planning and housing —including new rehabilitation, regeneration and renovation actions— is still a pending challenge.⁴²

DISCLOSURE STATEMENT

No potential conflict of interest was reported by the author.

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ENDNOTES

1. Spanish Constitution, Article 47. It should be stressed that this right to housing is to be understood “as a social right in the strict sense”. Therefore, “it is not configured as a subjective right and does not grant [...] its holders an action that can be brought before the courts for the direct acquisition of ‘decent and adequate’ housing”, but rather entrusts the public authorities with carrying out actions that make it feasible, through public services, development actions and administrative police: Pacheco Jiménez, Sales, “El derecho a la vivienda”, 358.
2. Act 19/1975 of May 2, on the reform of the Act on the Land and Urban Planning Regime, Preamble. Although the reform of the original text of 1956 was approved in the last months of the dictatorship of Franco, it established the urban framework for the coming democracy. As mechanisms of flexibility, this reform incorporated a new category of land for development and new forms of private initiative. At the same time, the free cession of land for public purposes was reinforced, and the transfer of 10% of the private building rights was incorporated to be used, for example, for the creation of municipal land estates.
3. Fernández Rodríguez, “La reforma legislativa y la administración”, 143.
4. Spanish Constitution, articles 148 and 149. The first regional urban planning acts were approved in the 1980s, and the last ones at the beginning of the 21st century, with numerous subsequent reforms. In parallel, since the early 1980s and until today, the central government has approved three reforms of the State Land Act and eleven State housing plans, as it will be detailed in section 2.
5. Main family dwellings are those usually occupied by one family. Apart from this, secondary family dwellings are those only occasionally occupied—there were 1,899,762 in 1981 and 3,681,566 in 2011—, while empty dwellings are also recorded—2,396,205 in 1981 and 3,443,365 in 2011—. Taking secondary and empty dwellings into account, the increase in the total number of dwellings has been numerically equivalent to that of the population: one dwelling per inhabitant.
6. The concept of VPO is linked to some characteristics of the dwelling itself—like usable space, maximum and minimum—, to some limitations in the sale price and to some conditions of access, i.e. incomes thresholds that have been usually referred to the minimum inter-professional salary—for instance, the threshold was set in 2.5 times this minimum salary in 1978, although this limit has changed several times—.
7. Royal Decree-Act 31/1978 of October 31, on public housing policy. It was later developed by the Royal Decree 3148/1978 of November 10. In addition to the abovementioned measures, the Royal Decree-Act 31/1978 included a commitment by the government to submit a draft of an Act on Public Housing Protection, which was never fulfilled.
8. The dominance of home ownership over rental housing had been clearly consolidated during Franco’s dictatorship, among other things for ideological reasons related to promoting a middle class made up of small owners.
9. Substituting the *Instituto Nacional de la Vivienda*—INV, National Housing Institute—, which built thousands of homes during Franco’s dictatorship, the Instituto para la Promoción Pública de la Vivienda—IPPV, Institute for Public Housing Promotion, created in 1980 and abolished in 1985— took over public housing promotion for a few years until it was finally taken over by the Autonomous Communities. Similarly, the *Sociedad Estatal de Promoción y Equipamiento de Suelo*—SEPEs, created in 1981— assumed the task of promoting industrial land that had been previously carried out by the *Instituto Nacional de Urbanización*—INUR, National Urbanisation Institute, created in 1959 as the *Gerencia de Urbanización*—, while the promotion of land for residential uses was also transferred to the Autonomous Communities.
10. Regulated by Royal Decree 2455/1980 of November 7, on the financing and monitoring of the 1981-83 programme for the construction of social housing.

11. Regulated by Royal Decree 3280/1983 of December 14, on the financing of protectable actions in the field of housing. It should be noted that during this period specific aid for rehabilitation began to be included in State plans, in accordance with the actions regulated by Royal Decree 2329/1983 of July 28. Although they did not have reached relevant results in the early years, this line of action has gradually grown in importance up to nowadays.
12. This is set out in Royal Decree 1494/1987 of December 4, on measures to finance protectable actions in the field of housing. It is worth mentioning that the so-called “Special Regime” was created at that time within the VPO, corresponding to public promotions aimed at low-income population—less than two times the inter-professional minimum salary—, although in the five following years barely 13,000 homes were built under this category in Spain, according to the data of the Ministry of Development.
13. According to data from the *Sociedad de Tasación*—Valuation Society—, the average price rose from around 300 euros per square metre in 1985 to over 900 euros per square metre in 1990.
14. The reform was approved by Act 8/1990 of July 25, on Reform of the Urban Development and Land Valuation Regime, and was subsequently transferred to Royal Legislative Decree 1/1992 of June 26, which passed the revised text of the Act on the Land and Urban Development Regime.
15. Menéndez Rexach, Ángel. “Constitución y democracia.”
16. The reform allowed the expropriation of developable land for the construction of VPO that were part of a public action programme, but only if the corresponding partial plan had not yet been approved.
17. Regulated by Royal Decree 1932/1991 of December 20, on measures to finance protectable actions in the field of housing under the 1992-1995 Plan.
18. Special attention was given to the purchase of the first home, encouraging previous savings through tax incentives for the so-called “home savings accounts”. Likewise, the conditions of mortgage financing for primary residences were improved.
19. Shortly before, Act 18/1991 of June 6, on Personal Income Tax, created a new tax support figure for those living in rented accommodation, and shortly afterwards the regulation of renting was reformed through Act 29/1994 of November 24, on urban rentals, with the aim of boosting this market.
20. The measures of Royal Decree 2190/1995 of December 28, on measures to finance protectable actions in the field of housing and land for the period 1996-1999, included the improvement of the system of aid for the development of building land and the creation of public estates of building land for the medium and long term—always with preferential use for VPO—, as well as the possibility of financing VPO developed by the Autonomous Communities, preferably for renting and low-income households, although again with limited results.
21. Parejo Alfonso, “Comentario de urgencia”, 572.
22. Act 6/1998 of April 13, on land regime and valuations.
23. This includes the valuation regime—linked to expropriation— and the liability regime: Baño León, “La nueva Ley del Suelo”, 154-155.
24. Berges, Ontiveros, “La nueva Ley de Suelo desde la perspectiva económica”, 260.
25. It grew from an annual production of just over 200,000 homes in 1995 to 650,000 in 2007, while the average price grew from 1,000 euros per square metre to a peak of 2,900 euros per square metre over the same period, according to data from the *Sociedad de Tasación*—Valuation Society—.
26. Royal Decree 1186/1998 of June 12, on measures to finance protected actions in the field of housing and land under the 1998-2001 Plan.
27. The high cost of housing for young people—compared to their average salary— has been linked to the late age of their emancipation from their parents—about 30 years on average—.
28. Royal Decree 1/2002 of January 11, on measures to finance protected actions in the field of housing and land under the 2002-2005 Plan.
29. Royal Decree 801/2005 of July 1st, approving the 2005-2008 State Plan to promote citizens’ access to housing. The main measures proposed by this plan were to increase the production of protected housing, mobilise the stock of unoccupied housing for rent and promote renovation actions.
30. The population of the city of Valladolid has decreased in this period, going from 320,293 inhabitants in 1981 to 311,682 inhabitants in 2011, but if another 22 municipalities in its surroundings are considered, the urban area as a whole has gone from 341,770 inhabitants in 1981—almost 94% corresponding then to the municipality of Valladolid—to 413,963 inhabitants in 2011—a quarter living in the municipalities around the city—, which represents a growth of 72,193 inhabitants—20% more—.
31. According to the General Directorate of Cadastre, the number of homes built in the city in this same period amounted to 54,914, so the licensing data represent very well the actual real estate production in the city.
32. In the 1980s, almost a quarter of the city’s population over the age of 10 moved without leaving the city—73,777 people—. Between the end of the 20th century and the beginning of the 21st, an average of over

1,100 people per year moved from the surrounding municipalities to the city, while an annual average of almost 3,500 made the opposite move, i.e. from the city to one of the municipalities in the urban area.

33. However, this important municipal project did not prevent the clear decrease in the promotion of VPO with respect to the previous decade, since between 1990 and 1997 the promotion of VPO in the city did not exceed, on average, 20% of the total. On the other hand, the insufficiency of public housing continued to be evident: the 346 homes offered by the regional government in this period were attended by more than 4,000 families, and the right was recognized to more than 2,000, so not even 20% of the recognized needs were covered.

34. Fernández Maroto, “Modelo urbano y ciudad construida”, 308-315.

35. For example, in another new neighbourhood that was publicly promoted —Villa del Prado—, VIVA sold again all the land it had for the promotion of VPO under the “General Regime”, which compared to the above mentioned “Special Regime” allowed for higher income thresholds.

36. From 2004 to 2011, 365 public housing units were promoted in the city, of which 148 —40%— were for rent, although in many cases under the rent-to-own format, not as a public estate.

37. Álvarez Mora, Castrillo, de las Rivas, Santos, “Perfiles de una tragedia.”

38. Currently, only 20% of the Spanish population lives on rent. The clear predominance of home ownership in Spain —which contrasts with its European environment— responds to a complex mix of cultural, employment and economic factors, both long term and conjunctural. The fact that the payment of a mortgage loan has usually been more affordable than the payment of a rent —apart from tax deductions—, combined with the traditional geographical stability of Spanish workers, has resulted in a cultural mentality that has been reflected, as we have seen, in public policies themselves.

39. For example, City Councils have tended to dispose of the transfers of building rights established by urban planning legislation and the land they own as their own financing mechanism, instead of allocating them to the creation of municipal land and housing estates. However, some municipalities —such as Barcelona— or Autonomous Communities —such as País Vasco, benefiting from more financing availability— did perform a wide housing policy in this period.

40. According to data provided by the Spanish Judiciary, there were 286,130 evictions linked to mortgages between 2006 and 2012, although not all of them correspond to family houses and not all of them were eventually executed.

41. For example, the Autonomous Community of Castilla y León —where Valladolid is located— approved the Act 9/2010 of August 30, on the Right to Housing of the Community of Castilla y León. Recently, a report pointed out the need to guarantee its fulfilment, increasing the resources destined to housing and promoting rehabilitation and rent: De las Rivas Sanz, Castrillo Romón, Rodrigo González, Fernández Maroto, Martínez Sierra, *Estrategias para el impulso de un nuevo modelo de política de vivienda en Castilla y León*.

42. Castilla y León is also an example in this respect, as it has integrated these new actions into its Urban Planning Act —the first text was approved in 1999— and has a strategy for its deployment —Strategy for Urban Regeneration in Castilla y León, 2016—. Furthermore, the competences in urban planning and housing are currently integrated in the same Regional Ministry and under the control of the same General Directorate —of Housing, Architecture and Urban Planning—: Pérez-Eguíluz, Fernández-Maroto, Rodrigo González, “Un análisis de las condiciones para la regeneración urbana integrada”, 75.

IMAGE SOURCES

Fig. 1: Own elaboration. Data source: Ministry of Development.

Fig. 2: Own elaboration. Data source: Bank of Spain.

Fig. 3: Own elaboration. Data source: City Council of Valladolid.

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