



## PUBLIC SUPPORT MECHANISMS IN SOCIAL HOUSING POLICY: A COMPARATIVE ANALYSIS OF THE UNITED KINGDOM AND TÜRKİYE

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### Abstract

Housing affordability remains a key challenge for social welfare, economic stability, and urban living conditions. Rapidly rising costs particularly affect lower-income households, making social housing central to public policy. This study examines public support mechanisms in social housing policy through a comparative analysis of the United Kingdom and Türkiye.

Comparative research shows that national housing systems are embedded within wider institutional arrangements, including labour markets, tax structures, and social security frameworks (Stephens and Hick, 2024). Consequently, increasing overall housing supply alone may not resolve affordability issues without targeted support and clear eligibility criteria.

This paper compares the United Kingdom's framework—which combines supply-side measures with rental assistance, homeownership support, and localized welfare—with Türkiye's approach, which focuses mainly on direct public housing production through the Housing Development Administration (TOKİ). Rather than proposing a single optimal model, the study assesses selected policy instruments against institutional capacity, fiscal feasibility, and tenure-structure compatibility to evaluate their potential applicability to Türkiye.

**Keywords:** *social housing; housing policy; Right to Buy; TOKİ; housing affordability.*

**JEL Classification:** *R21; R31; R38; H53.*

## **SOSIAL MƏNZİL SİYASƏTİNDƏ DÖVLƏT DƏSTƏYİ MEXANİZMLƏRİ: BÖYÜK BRİTANIYA VƏ TÜRKIYƏNİN MÜQAYİSƏLİ TƏHLİLİ**

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### **Xülasə**

Mənzil əlçatanlığı həm inkişaf etmiş, həm də keçid iqtisadiyyatında sosial rifah, iqtisadi sabitlik və şəhər həyatı üçün davamlı bir problem olaraq qalır. Bu tədqiqat Böyük Britaniya və Türkiyənin müqayisəli təhlili vasitəsilə sosial mənzil siyasətində dövlət dəstəyi mexanizmlərini araşdırır. İqtisadi Əməkdaşlıq və İnkişaf Təşkilatının (OECD) göstəriciləri və milli verilənlər əsasında hər iki ölkədə mənzil mülkiyyət strukturu, qiymət indeksləri və təminat modelləri təhlil edilir. Tədqiqatın nəticələri göstərir ki, Türkiyədə Mənzil İnkişafı İdarəsi (TOKİ) vasitəsilə həyata keçirilən mülkiyyətə yönəlmiş model böyük tikinti həcminə nail olsa da, xüsusi sosial kirayə mənzil sektorunun olmaması aşağı gəlirli ev təsərrüfatlarını artan mənzil xərcləri qarşısında həssas vəziyyətdə qoyur. Böyük Britaniyada isə mənzil təklifinin artırılmasına yönəlmiş tədbirlər yerli səviyyədə həyata keçirilən kirayə subsidiyaları ilə birləşdirilir. Tədqiqatın nəticələri göstərir ki, Türkiyədə mövcud mənzil siyasəti alətlərinin məqsədyönlü kirayə dəstəyi mexanizmləri ilə genişləndirilməsi aztəminatlı əhəlinin mənzil əlçatanlığının daha effektiv şəkildə yaxşılaşdırılmasına imkan verə bilər.

***Açar sözlər:** sosial mənzil siyasəti, mənzil əlçatanlığı, TOKİ, mənzil mülkiyyət strukturu, müqayisəli təhlil.*

## **МЕХАНИЗМЫ ГОСУДАРСТВЕННОЙ ПОДДЕРЖКИ В ПОЛИТИКЕ СОЦИАЛЬНОГО ЖИЛЬЯ: СРАВНИТЕЛЬНЫЙ АНАЛИЗ ВЕЛИКОБРИТАНИИ И ТУРЦИИ**

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### **Резюме**

Доступность жилья остается серьезной проблемой для социального благо-состояния, экономической стабильности и городских условий как в развитых, так и в развивающихся странах. В данном исследовании рассматриваются

механизмы государственной поддержки в сфере социальной жилищной политики на основе сравнительного анализа Великобритании и Турции. Используя показатели ОЭСР и национальные данные, авторы анализируют структуру владения жильем, индексы цен и институциональные модели предоставления жилья в обеих странах. Результаты показывают, что, хотя ориентированная на собственность модель Турции под управлением ТОКİ обеспечивает высокие объемы строительства, отсутствие специального сектора аренды социального жилья оставляет домохозяйства с низким доходом уязвимыми перед растущими расходами на жилье. Напротив, Великобритания сочетает меры со стороны предложения с локализованными субсидиями на аренду. Оценка выбранных инструментов политики Великобритании на предмет институциональной емкости, финансовой осуществимости и совместимости показывает, что расширение набора инструментов Турции за счет целевой поддержки аренды может эффективно повысить доступность жилья для наиболее уязвимых слоев населения.

**Ключевые слова:** социальное жильё, жилищная политика, право на покупку (*Right to Buy*), ТОКİ, доступность жилья.

## 1. Introduction

Housing is one of the fundamental human needs, and governments develop policies to help households that face difficulties in accessing adequate and affordable housing, particularly vulnerable groups. This issue became more important with industrialisation and rapid urbanisation. Housing affordability also has wider social and policy implications, including differences between homeowners and renters (Ansell and Cansunar, 2021).

The concept of social housing developed alongside industrialisation and urban growth and expanded further after the two World Wars. Over time, government intervention took different forms, including social rental housing, rent support, housing finance and other regulatory instruments (Türel, 1989).

In Türkiye, housing acquisition and rental affordability have remained important policy issues. The construction sector expanded significantly after the 2000s, but changing demographic and economic conditions have increased the need for more comprehensive housing policies. The homeownership rate has declined in recent years, including among the lowest income groups, where it has fallen to 44 per cent (BETAM, 2022). At the same time, rental costs have increased considerably.

According to OECD data, nominal rental prices reached an index level of 879 (2015=100), one of the highest nominal increases among OECD countries during this period (OECD, 2024a). These developments have increased the importance of housing affordability policies.

Housing affordability is commonly assessed through the relationship between housing expenditure and household income. However, recent literature also considers access to well-located housing, employment opportunities, transportation and spatial inequalities (Haffner and Hulse, 2021). In Türkiye, lower-income households continue to face difficulties in accessing owner-occupied housing because of income levels, mortgage conditions and down-payment requirements (Alkay and Övenç, 2019). The combination of declining homeownership opportunities and rising rental costs has therefore increased attention towards social housing policies.

Social housing also differs considerably across OECD countries. The share of social housing is around 10–19 per cent in countries such as the United Kingdom, France, Ireland, Iceland and Finland, while it is below 10 per cent in many other OECD countries (OECD, 2020). These differences reflect variations in welfare systems, housing markets and government intervention.

Against this background, this study examines social housing support mechanisms in the United Kingdom, with a focus on England, and in Türkiye. The United Kingdom has a long-established social housing tradition and a diversified set of public support instruments, whereas Türkiye has expanded public housing production, particularly through TOKİ. Unlike studies that examine housing supply or affordability separately, this study analyses public support mechanisms on both the supply and demand sides and compares them within different institutional and tenure structures.

The contribution of the study is threefold. First, it compares the two systems using the same four dimensions and a common set of indicators (Table 1). Second, it shows that the term “social housing” refers to different forms of provision in the two countries. In England, it mainly refers to rented housing provided by local authorities and housing associations, while in Türkiye it largely refers to ownership-oriented housing produced by TOKİ. Therefore, the headline figures cannot be directly compared. Third, the study evaluates selected UK policy instruments according to three criteria: institutional capacity, fiscal feasibility and tenure-structure compatibility. These criteria are then linked to the findings of the comparative analysis (Table 5).

## **2. Literature review**

### *2.1. The Concept of Social Housing*

There is no full consensus on the concept of social housing; however, an attempt is made below to present the general conceptual views on this subject.

In its broad definition, social housing refers to housing provided without a profit motive, either directly by the state or by state-authorised bodies ranging from housing associations to cooperatives (Hegedüs et al., 2013).

Although the methods applied differ from one country to another, and no single agreed definition of social housing exists, social housing can broadly be defined as housing in which public funds are used, where the profit motive is not the main consideration in setting prices or rents, and where political decision-making has a considerable influence on the quantity, quality and manner of provision (King, 2006).

Although in some countries cooperative housing, and even certain privately owned dwellings, may fall within this classification, the term “socially rented housing” is generally used in place of the concept of social housing (United Nations, 2006).

Social housing accounts for more than 28 million dwellings, about 6 per cent of the total housing stock, in OECD and non-OECD EU countries. The definition, scale, scope, target population and type of providers vary considerably from country to country (OECD, 2020).

Socially rented dwellings are dwellings provided by social landlords, such as local authorities or housing associations, at rents equal to roughly 50 per cent of market rent levels. “Affordable homes”, on the other hand, refer to dwellings with rents reaching up to 80 per cent of market rent levels (Cromarty and Barton, 2024).

The characteristics of the concept of social housing can be expressed as follows.

- Accessibility and state support: social housing must be accessible to low-income individuals for whom market-rate ownership is difficult, typically through affordable rents or low-interest loans, financed by the state or local authorities via direct construction, loans, rent support or tax incentives.
- Social benefit and justice: its primary purpose is to reduce social inequality by meeting the housing needs of low-income groups, reducing segregation and strengthening social integration.

- A long-term, rights-based investment: the literature treats social housing as a social investment rather than a short-term fix, contributing over time to housing security and to the right to housing recognised by the United Nations.

## 2.2. Terminology Used in This Study

Because the two countries use the term “social housing” for different things, this study uses four terms consistently (Table 2). Where a statement applies only to rented stock, the term “socially rented housing” is used; where it applies to TOKİ’s ownership-oriented production, the term “TOKİ social housing” is used.

**Table 2. Operational definitions of key terms**

| Term                              | Meaning in this study                                                                                                                                     | United Kingdom<br>(England)                                                                                                            | Türkiye                                                                                                                  |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Social housing<br>(broad concept) | Housing provided with public support in which profit is not the dominant motive in setting prices or rents (King, 2006); used as an umbrella term.        | Mainly socially rented and affordable rented homes provided by local authorities and housing associations (Cromarty and Barton, 2024). | TOKİ “social housing” (sosyal konut): ownership-oriented dwellings sold with long-term instalment plans (Section 4.3.1). |
| Socially rented housing           | Dwellings let by social landlords (local authorities or housing associations) at rents of roughly 50 per cent of market rent (Cromarty and Barton, 2024). | Core category of the English social rented sector.                                                                                     | Not reported as a separate category in the OECD stock indicators (Table 1).                                              |
| Affordable<br>(rented) housing    | Dwellings let at rents of up to 80 per cent of market rent (Cromarty and Barton, 2024).                                                                   | “Affordable rent” models are increasingly common (Section 4.1).                                                                        | No comparable category identified in the sources reviewed.                                                               |
| Public housing                    | Dwellings owned or produced by public bodies, whatever the tenure.                                                                                        | Council housing owned by local authorities.                                                                                            | Dwellings produced by TOKİ and public-sector housing for civil servants (lojman) (Sections 4.3.1 and 4.3.3).             |

*Source: Author’s compilation based on (King, 2006), (Cromarty and Barton, 2024) and Section 4.*

## 3. Materials and Methods

The analysis compares two different social housing approaches: a decentralised, mixed-tenure system in the UK and a centralised, production-oriented system in

Türkiye. It examines how differences in institutional structures, administration and financing affect housing affordability and access.

To make the comparison systematic, the analysis uses four dimensions:

- *Institutional Architecture*: the distribution of responsibilities among central government, municipalities and non-profit housing associations, including public-private cooperation.
- *Policy Orientation*: the balance between supply-side measures, such as public construction and land provision, and demand-side support, such as housing benefits and subsidised homeownership loans.
- *Financing Instruments*: the main financial mechanisms supporting social housing, including public expenditure, subsidies, guarantees and concessional loans.
- *Targeting Strategies*: eligibility and allocation mechanisms, including income thresholds, vulnerable groups and the distinction between social rental housing and market-oriented urban regeneration.

*Evidence base and assessment procedure.* The study uses three main sources: (i) the OECD Affordable Housing Database (OECD, n.d.-a); (ii) official information published by TOKİ (TOKİ, 2024a); and (iii) peer-reviewed and policy literature. The two systems are compared across the four dimensions. Quantitative indicators are presented in Table 1 and provider structures in Table 3. The assessment is qualitative; no scores or weights are assigned. Where comparable OECD data are not available for Türkiye, no estimates are introduced.

The United Kingdom and Türkiye were selected because their housing systems differ in institutional structure, tenure and public provision. To consider whether selected UK instruments could be relevant to Türkiye, the study uses three transfer criteria: *institutional capacity*, *fiscal feasibility* and *tenure-structure context*. These criteria are applied descriptively to the evidence presented in Section 4 and summarised in Table 5.

The study addresses three research questions:

1. How do the institutional arrangements and public support mechanisms of social housing differ between the United Kingdom and Türkiye?
2. How do supply-side and demand-side instruments address housing affordability and access in the two countries?
3. Which UK policy mechanisms may offer relevant considerations for adaptation to the Turkish context?

The study does not seek to establish causal relationships or estimate elasticities. It provides a structured comparative assessment of housing support mechanisms. Since housing policy is devolved within the United Kingdom, the institutional analysis in

Section 4 focuses on England, while the OECD indicators in Table 1 refer to national figures unless otherwise stated.

### 3.1. Comparative Empirical Baseline and Data Sources

Table 1 provides a quantitative baseline for the qualitative assessment. It reports selected indicators for the United Kingdom and Türkiye from the OECD Affordable Housing Database (OECD, n.d.-a).

**Table 1. Comparative housing indicators: United Kingdom and Türkiye**

| Policy Dimension / Indicator                                                 | United Kingdom (UK) | Türkiye                                                                   | Source & OECD Reference Dataset                         |
|------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Outright Homeownership Rate (%)</b>                                       | 39.48%              | 55.71% ( <i>Lumped with mortgage owners due to reporting format</i> )     | OECD Dataset HM1-3-Housing-tenures.xlsx (Sheet HM1.3.1) |
| <b>Private Rental Sector Share (%)</b>                                       | 10.98%              | 28.85% ( <i>Includes subsidised rentals due to national aggregation</i> ) | OECD Dataset HM1-3-Housing-tenures.xlsx (Sheet HM1.3.1) |
| <b>Subsidised / Social Rental Share (%)</b>                                  | 19.75%              | Not available as a distinct statistical category (..)                     | OECD Dataset HM1-3-Housing-tenures.xlsx (Sheet HM1.3.1) |
| <b>Homeownership Rate in Lowest Income Quintile (Q1) (%)</b>                 | 54.53%              | 48.05%                                                                    | OECD Dataset HM1-3-Housing-tenures.xlsx (Sheet HM1.3.2) |
| <b>Homeownership Rate in Highest Income Quintile (Q5) (%)</b>                | 88.04%              | 63.21%                                                                    | OECD Dataset HM1-3-Housing-tenures.xlsx (Sheet HM1.3.2) |
| <b>Real House Price Index (2024, Base Year 2015=100)</b>                     | 109.68              | 177.02                                                                    | OECD Dataset HM1-2-Housing-prices.xlsx (Sheet HM1.2.A1) |
| <b>Real Rent Price Index (2024, Base Year 2015=100)</b>                      | 94.54               | 97.14                                                                     | OECD Dataset HM1-2-Housing-prices.xlsx (Sheet HM1.2.A3) |
| <b>Public spending on housing allowances (% of GDP, 2022 or latest year)</b> | 1.38%               | Not covered by the OECD indicator                                         | OECD dataset PH3-1, Figure PH3.1.1                      |

*Source: OECD Affordable Housing Database (OECD, n.d.-a), datasets HM1-1, HM1-2, HM1-3, PH3-1 and PH4-2.*

Table 1 illustrates structural differences between the two housing systems. The United Kingdom maintains a mixed tenure structure with a distinct social rental sector, which accounts for 19.75 per cent of housing tenure in the OECD dataset. In contrast, Türkiye's national statistical aggregation does not report social rental

housing as a separate category, reflecting a national framework that predominantly emphasises homeownership over subsidised rental provision.

The data further indicate that higher absolute housing supply does not automatically translate into higher ownership rates among lower-income groups. While Türkiye completed 642,269 dwellings in 2022 compared with 232,816 in the UK during 2021–2022 (absolute figures, not adjusted for population size), homeownership in the lowest income quintile (Q1) stands at 48.05 per cent in Türkiye, compared to 54.53 per cent in the UK. Meanwhile, ownership in the highest income quintile (Q5) reaches 88.04 per cent in the UK and 63.21 per cent in Türkiye. Over the same period, the real house price index (2015=100) rose to 177.02 in Türkiye by 2024, whereas the UK index reached 109.68. The real rent price indices remained relatively close at 97.14 for Türkiye and 94.54 for the UK.

These descriptive figures are not adjusted for macro-level differences in household income, broader price dynamics, or specific national reporting conventions, and they do not imply direct causality. However, they highlight that institutional arrangements, targeted income support, and regional implementation mechanisms warrant equal attention alongside aggregate production figures. Finally, the Q1 ownership figure for Türkiye reported in Table 1 (48.05 per cent) differs from the 44 per cent cited by BETAM (BETAM, 2022) in Section 1; because these metrics rely on distinct underlying surveys and baseline years, they should not be evaluated as direct equivalents.

#### **4. Calculations**

The financing of social housing can take different forms and may draw on different sources of support. In general, three main sources can be identified: rental income from tenants, borrowing by housing providers, and state-related support and payments.

- rental income from tenants;
- borrowing by housing providers;
- state-related support and payments.

##### *4.1. Social Housing Support in England*

The social housing sector in England has shown a long-term structural transformation. In 1979, the total number of dwellings managed by local authorities and housing associations stood at 5.5 million. Over the following four decades, this stock declined to 4.1 million by 2022. Alongside this quantitative decline, the nature of social housing

has evolved, with “affordable rent” models (where rents can reach up to 80 per cent of market rates) becoming more widespread.. (Cromarty and Barton, 2024)

In response to demographic shifts and an ageing population, government authorities and non-profit providers have expanded specialised housing schemes, including Retirement Housing, Sheltered Housing, Extra-Care Housing, Supported Housing, and Care Homes (Age UK, 2024).

Although municipal local authorities historically served as the primary providers of public housing, non-profit Housing Associations have progressively assumed a dominant role in managing social rental stock (Cromarty and Barton, 2024; OECD, n.d.-c). Housing Associations operate as independent, non-profit organisations registered with the Regulator of Social Housing.

**Table 3. Share of social rental housing stock by type of provider, selected countries (%)**

| Country                         | National authorities/<br>public agencies | Regional and/or<br>municipal authorities/public agencies | Non- or limited-profit providers and/or cooperatives | For-profit and individual providers | Other types of providers |
|---------------------------------|------------------------------------------|----------------------------------------------------------|------------------------------------------------------|-------------------------------------|--------------------------|
| <b>Türkiye</b>                  | <b>100%</b>                              | <b>0%</b>                                                | <b>0%</b>                                            | <b>0%</b>                           | <b>0%</b>                |
| France                          | 0%                                       | 46%                                                      | 53%                                                  | 1%                                  | 0%                       |
| <b>United Kingdom (England)</b> | <b>0%</b>                                | <b>38%</b>                                               | <b>62%</b>                                           | <b>0%</b>                           | <b>0%</b>                |
| United States                   | 0%                                       | 34%                                                      | 6%                                                   | 60%                                 | 0%                       |
| Netherlands                     | 0%                                       | 0%                                                       | 82%                                                  | 18%                                 | 0%                       |
| Japan                           | 0%                                       | 0%                                                       | 0%                                                   | 0%                                  | 100%                     |

*Source: OECD Affordable Housing Database, Indicator PH4.2.2 (OECD, n.d.-c).*

**Note:** The full OECD dataset covers 33 countries; six are shown here to illustrate the range of provider models, from fully centralised (Türkiye) to fully non-profit or private (Netherlands, Japan). Figures are rounded and may not sum to 100.

As Table 3 shows, the provider structure of social rental housing differs sharply between the United Kingdom and Türkiye (OECD, n.d.-c). In England, non-profit housing associations manage 62 per cent of the social rental stock and local authorities 38 per cent, pointing to a decentralised, third-sector-based delivery model. In Türkiye, all of the stock is held by central public agencies, mainly TOKİ; the other countries shown span the range between these two poles, from mixed systems (France, Austria) to fully non-profit or private provision (Netherlands, Japan).

Alongside supply-side investment, demand-side financial support is a major pillar of the United Kingdom's social housing framework. The government uses income-tested housing allowances, mainly the housing element of Universal Credit and, for pension-age and some supported-housing claimants, Housing Benefit (GOV.UK, n.d.-c), to help lower-income households with rent in both the social and private rented sectors.

#### *4.1.1. Homeownership Support Instruments (Help to Buy, Right to Buy, Rent to Buy)*

The Help to Buy: Equity Loan scheme assisted first-time buyers of newly built homes in England with a government equity loan of up to 20 per cent of the purchase price (40 per cent in London); it closed to new applications in October 2022 (GOV.UK Own Your Home, n.d.-a). No interest was charged for the first five years, after which an interest fee starting at 1.75 per cent was introduced, together with a nominal £1 monthly management fee, alongside eventual repayment of the loan principal.

The Right to Buy (RTB) scheme, introduced in 1980, enables eligible council tenants in England to purchase their home at a discount that rises with the length of tenancy, up to a regional cash cap (GOV.UK Own Your Home, n.d.-b). Because the cap now binds well below the percentage-based discount for most properties, it has become the effective limit on the benefit in practice. RTB contributed to the rise in homeownership among British households, from about 55 per cent in 1979 to around 70 per cent in the early 2000s, although this also reflects other factors.

Rent to Buy allows tenants outside London to rent a home at around 20 per cent below market rent for up to two years while saving for a deposit, after which they may buy the property (GOV.UK, n.d.-e). For example, on a £250,000 home rented at £1,200 instead of £1,500 a month, £18,000 would be saved over five years, potentially supporting a mortgaged purchase of around 40 per cent of the property value when combined with other savings. Eligibility requires being a first-time buyer (or returning to homeownership after a relationship breakdown), being in full- or part-time employment, and being able to sustain the rent while saving.

#### *4.1.2. Income-Related Support Instruments (Housing Benefit, Universal Credit, Council Tax)*

Housing Benefit is administered by local authorities and mainly supports eligible households with rent and certain service charges. It is generally available to people who have reached State Pension age or who live in supported, sheltered or temporary housing (Age UK, 2024; GOV.UK, n.d.-c). Eligibility depends mainly on household income and capital, and the amount of support varies according to household circumstances and the type of accommodation.

Universal Credit is the main means-tested benefit for working-age households and has replaced Housing Benefit for most claimants (GOV.UK, n.d.-d). Its housing element can help cover rent for private, local-authority and housing-association tenants. The amount depends on household circumstances and location. Council Tax is not included and is dealt with separately through Council Tax Reduction (GOV.UK, n.d.-d; GOV.UK, n.d.-b). Some owner-occupiers may also receive Support for Mortgage Interest after meeting the relevant conditions (GOV.UK, n.d.-d).

Council Tax is a property-based charge collected by local authorities and is based on one of eight valuation bands. Support is available through discounts, exemptions and Council Tax Reduction for eligible low-income households (GOV.UK, n.d.-a; GOV.UK, n.d.-b).

#### *4.2. Tenure Structure and Design-Based Affordability Strategies (England)*

The structure of housing tenure in the UK is mixed, combining outright ownership, mortgaged ownership, private renting and subsidised renting (Table 1); this illustrates how supply-side, ownership-oriented and rental-assistance mechanisms coexist within a single system to support accessibility through more than one channel (OECD, 2024b).

Affordability support in England is not limited to the schemes discussed above. A complementary strand, collaborative housing, seeks to improve affordability through the design and construction process itself: European case-study evidence shows that resident participation in design can lower building costs through needs-based space standards, smaller or partly unfinished units and shared spaces, albeit with trade-offs in privacy or finish (Brysch and Czischke, 2022). Such design-driven strategies appear largely absent from the Turkish literature reviewed here, which concentrates on production volume and financing terms.

### 4.3. Social Housing Support in Türkiye

The large quantity of housing produced in Türkiye has not resolved the country's housing problem: supply and demand do not always match, some dwellings remain vacant or overpriced, and the system does not meet the needs of all income groups (Alkay and Övenç, 2019).

**Table 4. Construction cost inflation, wage and regional housing unit price growth in Türkiye, 2021–2026 (5-year change)**

| Year                 | Construction Cost Annual Increase (%) | Türkiye Net Minimum Wage | Istanbul Avg. Net Wage / Property m <sup>2</sup> | Ankara Avg. Net Wage / Property m <sup>2</sup> | Izmir Avg. Net Wage / Property m <sup>2</sup> | Bursa Avg. Net Wage / Property m <sup>2</sup> | Antalya Avg. Net Wage / Property m <sup>2</sup> |
|----------------------|---------------------------------------|--------------------------|--------------------------------------------------|------------------------------------------------|-----------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| <b>5-Year Change</b> | ~1,200%                               | ~910%                    | Wage: ~1,000%<br>Property : ~1,480%              | Wage: ~985%<br>Property : ~1,380%              | Wage: ~980%<br>Property : ~1,170%             | Wage: ~986%<br>Property : ~1,100%             | Wage: ~983%<br>Property : ~1,470%               |

*Source: Compiled by the authors from TurkStat's Construction Cost Index, Central Bank of the Republic of Türkiye (CBRT) real-estate market data (EVDS), and Ministry of Labour and Social Security statutory minimum wage records, 2021–2026.*

This mismatch between housing supply and effective demand has been reinforced by recent economic and regional developments. As shown in Table 4, construction costs increased much faster than wages between 2021 and 2026. Residential prices also rose sharply in several cities, particularly Istanbul and Antalya. As property prices have generally increased faster than incomes, homeownership has become more difficult for lower- and middle-income households, increasing the need for targeted housing support.

The housing problem in Türkiye has also been linked to rapid urbanisation since the 1930s. Early measures included rent controls and policies to expand housing finance and collective housing production. However, these measures did not provide a lasting solution to the housing shortage.

Over time, the problem became closely associated with the growth of squatter settlements, particularly in Istanbul and Ankara. Redevelopment of these areas has remained difficult, and various periods of legalisation and state-led redevelopment have been used to address the problem.

#### 4.3.1. TOKİ (Housing Development Administration)

The Housing Development Administration (TOKİ), established in 1985 and now affiliated with the Presidency, is the primary public institution overseeing social

housing in Türkiye. Its operational scope expanded substantially after 2004, following the transfer of powers and land assets from the former Land Office (*Arsa Ofisi*), which enabled TOKİ to manage land development, zoning plans, and expropriation in informal settlement areas (TOKİ, 2024a).

TOKİ's model relies primarily on subsidized homeownership rather than public rental provision. Projects targeted at lower- and middle-income groups constitute approximately 85 to 89 per cent of its output, funded in part through commercial revenue-sharing developments (TOKİ, 2024a, 2024b). Beneficiaries typically provide a down payment and service the remaining balance through long-term, inflation-indexed instalments (Akalın, 2016). However, because published activity reports aggregate low-income housing together with middle-income projects and urban transformation schemes under Law No. 6306, it is not possible to determine the exact proportion of housing delivered specifically to the lowest income groups (TOKİ, 2024b).

This framework presents certain structural limitations. The indexing of monthly instalments can place financial pressure on low-income households with irregular earnings. Furthermore, urban regeneration schemes have largely targeted existing property owners, leaving low-income tenants vulnerable to displacement and rising rents in private markets. Consequently, while TOKİ has achieved high production volumes, the reliance on an ownership-focused model highlights the potential role for complementary instruments, such as a dedicated social rental sector, to support households unable to access credit.

#### *4.3.2. Housing Production and Support Provided by Municipalities*

Although local authorities are major providers of social housing in many OECD countries (OECD, 2020), their role in Türkiye remains relatively limited. One important constraint is the high cost of land, which can account for up to 40 per cent of dwelling value in Türkiye, making access to municipal land particularly important.

Nevertheless, municipalities are involved in housing production through cooperatives and municipal companies (Alkay and Övenç, 2019). An example is KİPTAŞ, the housing company of Istanbul Metropolitan Municipality, which has developed several housing projects, including a 2,095-unit project that prioritised healthcare workers and long-standing local residents. Municipalities also provide some housing-related assistance, including support for coal and natural-gas costs, suspended water bills and reduced environmental and cleaning taxes for households facing financial difficulties.

#### *4.3.3. Public Housing for Civil Servants (Lojman)*

Public housing (lojman) for civil servants has also been used as a housing policy instrument in Türkiye. The system dates back to the early Republican period, with Ankara's Saraçoğlu Quarter being one of its best-known examples. Over time, however, access to lojman has declined. According to TÜİK's 2023 Income and Living Conditions Survey, around 1 per cent of the population now lives in lojman. This limited availability may also create difficulties for public employees working in high-rent cities such as Istanbul.

#### *4.3.4. Housing Finance and Credit Campaigns*

Earlier housing-finance institutions such as Emlak Kredi Bankası and the Workers' Insurance Institution did not primarily target lower-income households (Olgun, 2014). Housing loans increased from around 2 per cent of total lending in 2002 to 11 per cent in 2007, before declining to about 8 per cent in 2023. They have remained around 5 per cent of GDP, below the levels observed in developed countries.

Public banks have periodically introduced campaigns to stimulate housing demand. However, these campaigns have generally targeted the broader housing market rather than social housing specifically. As a result, their benefits for lower-income households seeking social housing have been limited or indirect.

In recent years, high inflation has been accompanied by sharp increases in house prices and rents in Türkiye (see Section 1). Earthquake-related displacement and tighter monetary and credit conditions are likely to have affected affordability as well, although this article does not measure their separate effects. For lower- and middle-income households, higher borrowing costs and rising prices make access to mortgage credit more difficult.

### **5. Discussion**

Although there is no single accepted definition of social housing, it generally refers to housing provided through public support, whether rental or ownership-based, to improve access for groups facing market constraints. Social housing policies can therefore be assessed not only by the number of dwellings produced, but also by the range of instruments available, the institutional capacity behind them, and how far they meet the needs of different income groups.

The comparative analysis shows that the two systems have developed within different institutional and socioeconomic contexts. The English experience combines supply-side provision with demand-side rental assistance and ownership-oriented

programmes, though expanding assistance beyond direct social renting raises administrative and fiscal questions around eligibility, queuing and the targeting of limited resources; as Clarke, Pawson and Parsell note, contemporary housing-assistance systems typically balance social need, administrative capacity and fiscal sustainability (Clarke et al., 2025).

Comparing RTB with TOKİ's mass production model highlights each country's policy choices. RTB expanded UK homeownership, but Disney and Luo (Disney and Luo, 2017) show that subsidised sales allowed middle-wealth households to buy the better council dwellings ("cherry-picking"), lowering the quality of the remaining stock and, by reducing the social rented stock, possibly shifting low-income households towards the private rented market and higher Housing Benefit spending. TOKİ, by contrast, has focused on increasing supply and homeownership through centralised production; the two are better understood as different policy paradigms than as direct alternatives.

These observations suggest that Türkiye could consider a more diversified, multi-tenure social housing framework. TOKİ's supply capacity is a valuable asset, but combining it with a permanent social rental stock and a clearer operational role for non-profit providers could further support affordability and market stability for lower-income groups.

Local governments could also play a more structured role, for example through land banking, non-profit housing projects and locally targeted rental support, building on existing municipal and cooperative models where supported by appropriate regulation and financing.

A related consideration involves the institutional design of targeted housing support mechanisms. The UK experience suggests that effective housing assistance depends not just on public financial transfers, but also on clear targeting rules linked to household income and social need, so that resources reach the groups intended to benefit. For Türkiye, developing standardised assessment procedures, recognising a distinct social rental category in national statistics, and supporting the administrative capacity of local institutions could contribute to the efficient allocation of housing support.

Incorporating international practices into national strategies requires care to avoid what Dolowitz and Marsh (Dolowitz and Marsh, 2000) call "inappropriate transfer", where key differences in context between origin and host countries are overlooked. The UK's demand-side benefits and decentralised housing-association model reflect specific historical structures and cannot be copied directly into Türkiye's centralised

framework; a more selective lesson-drawing approach, preserving TOKİ's production capacity while gradually introducing targeted rental support and a regulatory framework for non-profit providers, may fit Türkiye's administrative and fiscal structure better (Dolowitz and Marsh, 2000).

Table 5 links each policy consideration to the comparative finding it rests on and to the three transfer criteria. The cells summarise evidence presented in Sections 1 to 4; no scores are assigned.

**Table 5. Policy considerations for Türkiye, comparative findings and transfer criteria**

| <b>Policy consideration for Türkiye</b>                                                            | <b>Comparative finding it rests on</b>                                                                                                                                                                                                                                         | <b>Transfer criteria: points to consider</b>                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A permanent social rental stock alongside TOKİ production (multi-tenure framework)                 | Social rental housing is not reported separately for Türkiye (Table 1) and all providers are central agencies (Table 3). In England, housing associations (61.80%) and local authorities (38.20%) provide a social rented stock equal to 16.36% of dwellings (Tables 1 and 3). | Institutional capacity: TOKİ's production capacity (Section 4.3.1) could be used, but non-profit providers would need a regulatory framework, as in England (Section 4.1). Fiscal feasibility: subsidised rents need a funding source, which this study does not cost. Tenure structure: ownership dominates (Table 1). |
| Income-targeted rental support                                                                     | The UK spends about 1.4 per cent of GDP on housing allowances; Türkiye is not covered by the OECD indicator and no national scheme was identified (Figure 1, Section 4). TOKİ's reported aggregates do not separate low-income households (Section 4.3.1).                     | Institutional capacity: requires standardised income assessment and local administration (Section 4.1). Fiscal feasibility: allowances may raise rents and public spending where supply is tight (Section 4.1). Tenure structure: private rents have risen sharply in Türkiye (Section 1).                              |
| A more structured municipal role (land banking, local rental support)                              | Municipal social housing in Türkiye is limited and land is reported to account for a large share of dwelling prices (Section 4.3.2); local authorities manage 38.20% of England's social stock (Table 3).                                                                      | Institutional capacity: municipal delivery capacity is limited (Section 4.3.2). Fiscal feasibility: depends on local budgets and dedicated instruments. Tenure structure: cooperative and municipal models already exist (Section 4.3.2).                                                                               |
| Clear eligibility rules, standardised assessment and a distinct social-rental statistical category | Published TOKİ aggregates do not separate dwellings for poor households from urban-transformation dwellings (Section 4.3.1); the OECD does not classify a social rental stock for Türkiye (Table 1).                                                                           | Institutional capacity: requires assessment procedures and data collection. Fiscal feasibility: mainly administrative cost, not estimated in this study. Tenure structure: not directly affected.                                                                                                                       |
| Caution with ownership-discount                                                                    | RTB extended homeownership in the UK but also reduced the                                                                                                                                                                                                                      | Tenure structure: ownership is already the main route in Türkiye                                                                                                                                                                                                                                                        |

|                                  |                                                                                                                                                |                                                                                     |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| schemes of the Right to Buy type | social rented stock and, according to Disney and Luo (Disney and Luo, 2017), may allow middle-wealth households to select the better dwellings | (Table 1). Fiscal feasibility: the cost of discounts is not assessed in this study. |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|

*Source: Author's compilation based on Sections 1 to 4.*

## 6. Conclusion

This analysis is qualitative and descriptive, and its conclusions should be read accordingly. It relies on OECD categories that do not always correspond to national definitions; several indicators in Table 1, such as social rental housing stock and housing allowance expenditure, do not appear to be calculated or published separately for Türkiye, which limits direct comparison on some rows. The analysis uses institutional detail for England while some indicators are UK-wide, and combines data from different reference years; TOKİ's published aggregates do not separate dwellings by income group, which restricts what can be said about redistributive targeting. Indicators of housing cost burden and of low-income households' coverage by housing support are not included in Table 1 and would, in the authors' view, strengthen the comparison if available; future research could usefully add them and test the policy considerations discussed here more systematically.

Overall, the study suggests that enhancing housing accessibility involves a balanced combination of public construction, rent affordability measures, targeted demand-side allowances and multi-level institutional coordination. While the UK model reflects its own institutional context, instruments such as non-profit rental providers and targeted demand-side support may offer practical considerations for a more inclusive social housing framework in Türkiye.

This study's contribution can be summarised in three points: (i) it compares England and Türkiye on the same four dimensions using a shared set of indicators; (ii) it shows that TOKİ's "social housing" label brings together housing for different income groups and urban transformation projects, which may weaken redistributive targeting; and (iii) it links each policy consideration for Türkiye to a specific comparative finding and to three transfer criteria (Table 5). In practical terms, the analysis suggests which UK instruments, such as targeted demand-side allowances and non-profit rental providers, may be worth closer examination for Türkiye, and which conditions would probably need to be in place first.

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