



Policy Snapshot: *Inclusionary Zoning*

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WHAT IS INCLUSIONARY ZONING?

Inclusionary zoning (IZ) reshapes the relationship between private development and the public interest by requiring that a proportion of new housing be delivered as affordable or social housing. Rather than relying solely on subsidies or public land, IZ ensures that market-led development contributes directly to social goals. France offers the most sophisticated European example: the national SRU law mandates that municipalities maintain a minimum share of social housing, while Paris' ZAC system embeds affordability requirements and value capture into large-scale urban development operations.

WHY ARE THEY USED?

The logic behind IZ is rooted in both equity and efficiency. When zoning changes, density increases or public infrastructure lead to higher land values, the resulting "betterment" represents a public creation of value. IZ ensures that a portion of this uplift is channelled into permanently affordable housing rather than captured entirely by landowners or developers. It also ensures that affordable homes are located in high-opportunity neighbourhoods, close to employment, transit, education and services, rather than relegated to peripheral areas. This approach counters socio-spatial segregation and distributes advantages more fairly across the urban fabric.

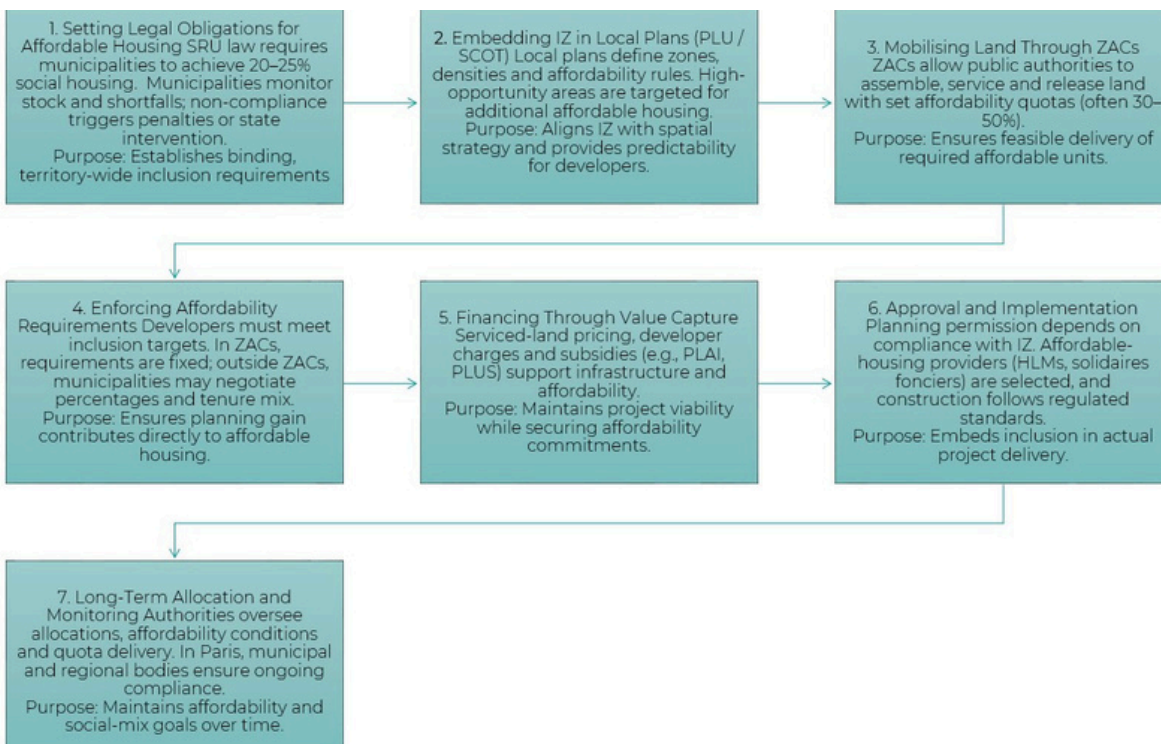
HOW DO THEY WORK IN PRACTICE?



Photo: 1 Olympic Village St Denis Pleyel (Lawson, 2025)

Inclusionary zoning operates through mandatory or negotiated requirements that private developments deliver social or affordable housing. France's SRU law obliges municipalities to reach 20–25% social housing, enforced by financial penalties and prefectural intervention.

At the project scale, ZACs structure development by assembling land, setting affordability quotas (often 30–50%), and using serviced-land pricing or charges to capture value uplift. Public bodies lead planning and approve development only when inclusion targets and design requirements are met, ensuring mixed-tenure outcomes in high-value districts.





WHERE ARE THEY USED IN EUROPE?

Inclusionary housing requirements are used across much of Europe, though their application varies. France applies national SRU obligations requiring 20–25% social housing, while Spain requires land reservations for protected housing under national law, typically around 30% in new development but with significant regional variation, including stronger requirements in the Basque Country and Catalonia. These tools are also widely used in England (Section 106 agreements) and Ireland (Part V, up to 20%), while major cities in Germany (e.g. Munich, Hamburg, Berlin) operate local schemes typically targeting around 30% subsidised housing. Vienna represents a distinct model, where since 2019 rezoning or upzoning larger sites (over 5,000 m²), often brownfield, triggers a requirement for around two-thirds subsidised housing. In Italy, inclusionary approaches exist through planning standards and negotiated contributions but vary across municipalities.

WHAT ARE THE RELATIVE STRENGTHS AND WEAKNESSES?

Strengths	Weaknesses
<ul style="list-style-type: none">• Delivers affordable housing in central, high-value neighbourhoods.• Channels planning gain toward public benefit.• Supports tenure mix and spatial inclusion.• Scalable when obligations are mandatory and enforced.	<ul style="list-style-type: none">• Developers may seek exemptions through viability claims.• Weak enforcement leads to minimal delivery.• Output may fluctuate with market cycles.• Requires strong municipal capacity and legal clarity.

Where can I learn more?

- O'Brien, P., Earley, A., O'Hara, L. and Lawson, J. Land Policy Instruments for the Provision of Social and Affordable Housing https://equalhouse.eu/media/Publications/Making_Housing_Affordable/EH%20Land%20Report_PD_F.pdf
- Lawson, J. M., & Anisimov, O. (2026). Making a difference: Land policies and housing in the field, Just Cities for Equal House https://equalhouse.eu/media/Publications/Income_Wealth_and_Housing_Inequalities/Final%20Land%20Policy%20Field%20Work%20Report%20Equal%20House%20WP5.pdf
- <https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006158576> <https://www.apur.org/en/open-data-maps/map-library/social-housing-paris-defined-sru-law>



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