

GUIDING EUROPE HOME



THE POLICY COMPASS FOR A NEW HOUSING PARADIGM

Housing Europe Annual Conference 2025
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International Social Housing Festival, Dublin

In an era where housing has become one of the most pressing political issues, there is a growing momentum behind Europe's efforts to tackle the crisis. While views may remain divided, this moment presents a unique opportunity to return to the core principles of effective housing systems. What are the key ingredients for a housing system that works? What will it take to deliver homes which boost social capital and competitiveness?

European Housing compass, rooted in the work of #Housing2030 and more than 100 best practices, will guide us in exploring strategies for improvement.

Through tangible, real-world examples, we will address critical questions: How can we scale up housing solutions effectively? What policy changes are needed to drive lasting change?



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AGENDA

Opening remarks

Introducing the compass, Bent Madsen, President, Housing Europe

Prof. Dr. Michelle Norris, Director of the Geary Institute and Full Professor of Social Policy, University College Dublin

The European Commission's approach to tackling the housing crisis, Matthew Baldwin, Head of Housing Task Force, European Commission

Ana Claudia Rossbach, Executive Director, UN Habitat

The challenges

This session will showcase some of the best practices to address common challenges in Member States.

Addressing Demographic changes

Anna Vincze, Service Development Advisor at MR Community Housing Fund (Hungary)

Brian Micallef, Executive Head of Digitalisation, Legal and Communications at Malta Housing Authority

Robin van Leijen, Senior European Public Affairs at AEDES (The Dutch Association of Housing Corporations)

Sofia Hansdotter, Expert Property Development & New Construction, Property & Sustainability at Public Housing Sweden

Climate-resilient housing

Geert De Pauw, Project Leader at Community Land Trust Brussels (CLTB) (Belgium)

Jouni Parkkonen, CEO at Kova Finland

Paul Sarais, Head of the financing, strategies and innovation division at Union Social pour l'Habitat (France)

Homelessness

Helena Vaz, CEO at MatosinhosHabit (Portugal)

Gerlinde Gutheil-Knopp-Kirchwald, Department of Housing Economics and Research at GBV (The Austrian Federation of Limited-Profit Housing Associations)

Debate

This debate will focused on two questions: how does the compass fit into the work on housing at EU level, and how can the forthcoming plan support dedicated affordable housing providers?

Sorcha Edwards, Secretary General, Housing Europe

Prof.dr.ir. Marje Elsinga, professor of Housing Institutions & Governance, TU Delft

Andrea Colantonio, Lead Economist at the European Investment Bank (EIB), European Investment Bank

Matthew Baldwin, Head of Housing Task Force, European Commission

Closing

Bent Madsen, President, Housing Europe

Homes which are safe, affordable,
accessible, sustainable and protect
the most vulnerable.

Homes which unlock social and
economic potential, serve labour
markets, and boost
competitiveness.

Part 1: Opening remarks

Bent Madsen Presented the European Housing compass is, a tool to help navigate the complex housing landscape. Its north star is well functioning housing systems which serve communities and unlock their potential; that means:

Homes which are safe, affordable, accessible, sustainable and protect the most vulnerable. Homes which unlock social and economic potential, serve labour markets, and boost competitiveness.

There is no single housing system blueprint. This compass – coupled with a clear goal – can help us understand the causes of the problems we need to address, and examine the impact of proposed solutions.

Drawing on #Housing2030 and #Equalhouse, this compass – coupled with a clear goal – can help us understand the causes of the problems and identify and apply solutions at local, national and EU level.

Read more about the housing compass later in this report.

Prof. Dr. Michelle Norris talked about Long-Term affordability and advocated systemic reforms over short-term subsidies : this is a key lesson for the EU's future affordable housing plan. She reflected on some of the examples of what works for long-term investment in social housing in Europe - these and more policy solutions are analysed in the #Housing2030 report (covering governance, land policies, financing and climate neutrality)

Public/social housing is crucial for enduring affordability. Financing is just one part; enabling supply requires proper legislation, policy, planning, and institutional support.

Prof. Norris cited the Irish Housing Finance Agency as a key example of intermediary lenders that help distribute EU funds to housing providers and stressed the importance of establishing and supporting housing associations, municipal housing companies, and training personnel and boards to deliver and manage affordable housing.

She offered a Critique of the Irish "Help to Buy" Scheme, similar to those in the UK and Australia). While these schemes help first-time buyers with a grant (up to €30,000), this aid often leads to higher house prices. Overall affordability isn't necessarily improved; rather, the value of the grant gets absorbed into the housing market. These schemes result in temporary affordability — benefiting the initial buyer but not subsequent ones. Ireland could have the same level of social housing as Austria if homes had not been sold out over time. Policy makers should keep this question in mind: How to retain the positive impact of public investment so that it doesn't spill out of the system?

Matthew Baldwin, Head of Housing Task Force, European Commission, expressed his strong appreciation for the innovation and dedication within the Housing Europe network, emphasising that their collective voice and advocacy are influential in shaping EU housing



policy. They underscore the vital role of social, public, and cooperative housing providers in ensuring affordability, warning that housing inaccessibility for key workers like nurses and teachers threatens not just economic performance, but also labour mobility, demographics, and democracy.

The European Commission is already taking action :

- A legislative proposal has been put forward to allow Member States to double Cohesion Funds for affordable housing. Now it is up to the Member States and Managing Authorities to adapt their plans under the Mid-Term Review until the end of this year.
- A new pan-European Investment Platform is in development in collaboration with the EIB.
- Public consultations on State aid guidelines and the Affordable Housing Plan will begin shortly, with the full plan expected in March 2026.

The European Affordable Housing Plan will focus on better financing, regulation, and knowledge-sharing, with Housing Europe's ongoing work seen as a valuable foundation. Mr Baldwin highlighted key priorities:

Better Financing

More investment and a better suited regulatory framework is needed to enable the delivery of new/renovated dwellings. On top of what public funding and financing can provide, we need more private investment for affordable housing, so the Commission is working on an ambitious pan-European investment platform together with the EIB and others to make sure to bring together financiers and promoters.

The work of the European Responsible Housing Finance Working Group which is linking the providers and the financiers together is appreciated.

Better regulation

The commission is looking into how to improve the public procurement, permitting process, what we can do to assist Member States to regulate short-term rental, how to deliver more student housing, or long-term housing for people experiencing homelessness. These points will all be covered by the Affordable Housing Plan.

Better knowledge and exchange

More dialogue and promoting good practices can help bridge the gap between different housing systems in Europe. And of course, we recognise the rich knowledge of Housing Europe that can be used to support this exercise. This will be channeled into the New European Bauhaus Festival next June in Berlin.

The Task Force is working hard to collect evidence developed by international institutions, such as the Housing 2030 Report published by the UN, and the Housing Compass presented here

Ana Claudia Rossbach delivered a video presentation which can be watched [online](#).



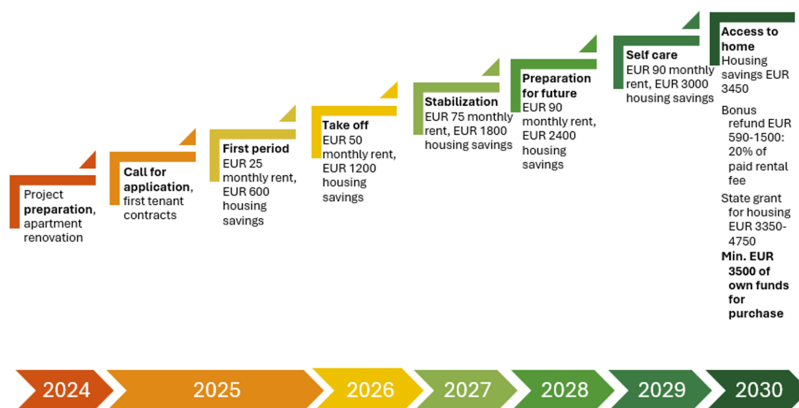


Part 2: The Challenges

Addressing Demographic changes

Young people leaving care in Hungary

Participants heard about the STEP programme in Hungary, which is helping cared for children get an independent start in life. Launched in Jan 2025 100 properties have been made available in 4 calls for application. Providing young people with a stable start, tenants have the option to buy after 3 years



Young care leavers and elderly people making a home together in Valetta

From Malta we heard about the renovation of a historic building to accommodate 15 elderly residents and 4 young people. The elderly residents, mostly over 65, were primarily drawn from the Housing Authority's social housing waiting list or were participants in the Authority's exchange programme. The young adults (18 – 23 years) previously lived in foster or residential care. The young people participate in a structured mentorship programme designed to equip them with life skills for independent living. The programme is reviewed every 6 months and typically runs for 2 years, although support often continues after residents leave.

Ageing well at home in the Netherlands

The population in the Netherlands is ageing rapidly ; by 2050, approximately 2.9 million people will be aged 75 and older—double the current number. The number of people living with dementia is also expected to double, and feelings of loneliness among seniors are increasing. At the same time, there is a shift from family caregivers to informal care and reliance on broader social structures. This evolving landscape calls for innovative housing solutions and strong collaboration among housing corporations, municipalities, and care and welfare organizations. Participants heard about inspiring examples including the newly built Liv Inn (Habion) and Thuisplus Flat, which show the benefits if coordination between different sectors. These communities show that life doesn't end when you retire – we can build collaborative communities which enable people to live happily and healthily. The residents in these communities are having their needs met, have greater mobility, and an improved quality of life – all at reduced costs.

We heard about the divided housing market in Sweden, and the impact of a changing democratic landscape. Declining population growth is contributing to rising vacancies across the country, particularly in smaller towns and rural areas, where short waiting times are now common. At the same time, housing companies are under financial strain, increasing the risk that property maintenance may be neglected. Despite the growing number of vacant units, there is a nationwide shortage of elderly housing persists in every municipality. One-third of housing companies report being able to offer apartments within a year, yet in major cities, long housing queues remain a significant challenge. The primary cause of vacancies in newly constructed housing is the high rent levels, which many potential tenants cannot afford. We therefore see a mismatch—an increasing number of empty homes alongside a shortage of suitable housing for the elderly—highlights the urgent need for better-aligned housing policies and pricing strategies.

To address these challenges, initiatives like *Kombohus* aim to reduce construction costs through industrialised building processes, lower general price levels, and improve accessibility to new housing while maintaining sustainability and good design. A coordinated approach, including framework agreements and strategic planning, is crucial to bridging the gap between surplus and scarcity in Sweden's complex housing market.



Climate-resilient housing

Towards as just and green housing transition

Europe faces overlapping crises:

- A climate crisis requiring deep renovation of existing buildings
- A housing crisis marked by rising prices and energy poverty
- Risk of 'renovictions' and green gentrification

Brussels faces a significant renovation challenge, compounded by a chronic shortage of social housing. While a renovation wave is urgently needed to meet the region's climate goals—such as those outlined in the CoBRACE plan, which mandates deep energy renovations—it also brings the risk of green gentrification. Many low-income households simply cannot afford the necessary upgrades, and new regulations include fines for homeowners who fail to meet energy standards. This raises serious concerns that poorer residents could lose their homes, potentially paving the way for wealthier buyers to take their place. To prevent further social inequality and displacement, substantial financial support will be essential to ensure that the transition toward more sustainable housing is both fair and inclusive.

PACK CLT RÉNO-SOLIDAIRE is an innovative initiative developed by Community Land Trust Brussels.. The program offers debt-free renovation to low-income homeowners in exchange for long-term housing affordability. While the homeowner retains ownership of the home, CLT Brussels gains pre-emption and resale rights, along with eventual ownership of the land upon resale. This structure ensures that the home is never lost to speculation and remains permanently affordable.

The pilot project in Brussels provides comprehensive technical, legal, social, and financial support to help homeowners upgrade their properties from poor energy performance (PEB F/G) to a much higher standard (PEB C or better). When the home is eventually sold, the owner retains only a limited share of the added value, thereby preserving affordability for future occupants. By tying public investment to both environmental sustainability and housing equity, the PACK CLT RÉNO-SOLIDAIRE model amplifies the impact of public funds while protecting vulnerable homeowners and communities from displacement.

There are now five pilot case studies across the continent. Participants heard what Europe can do to support initiatives like this. It should offer support in

- Financing: from pilots to structural measures
- Funding for energy retrofitting: incorporate long-term affordability conditions to prevent gentrification and displacement
- Enable access to EIB funding for community led housing projects by lowering project size
- In ETS2: enable Upcycling Trust inspired projects in Europe

Affordability vs. climate-resilient housing stock

In Finland, 70% of the Housing stock was built after the 1970's. By 2040, Finland may have only three growing regions, leaving many empty apartments in shrinking areas. This raises critical questions: Should all housing stock in these areas be renovated, or would partial demolition be more practical? A balanced combination of both approaches may be the most sensible path forward.

To meet national energy targets, the average primary energy use for residential properties in Finland must decrease by 16% by 2030 and by 20–22% by 2035, compared to 2020 levels. A significant portion—55%—of this energy conservation must focus on the least energy-efficient buildings, specifically those in energy performance certificate classes E, F, and G. For KOVA's member companies, this translates into approximately €2.5 billion in additional energy-efficiency investments over the next decade, or around €250 million annually. These investments are on top of regular renovation costs. Calculations show that meeting these requirements would increase rents by an average of €1.15/m²/month, representing an 8% rise from the current average rent level of €13.60/m²/month in 2025.

Meeting EPBD targets while keeping rents affordable is a key challenge. Without support, rising renovation costs could reduce public backing for climate action. As energy upgrades scale up across Europe—and with Ukraine's future reconstruction—demand for skilled labor and materials may outpace supply, pushing costs even higher. To avoid this, strong public investment, workforce training, and coordinated planning are essential to keep renovations both sustainable and socially fair.

Improving the energy efficiency of the building stock must be done in a socially stable way to ensure housing remains affordable. This requires strong public support through the Social Climate Fund and national resource allocation, targeting energy poverty and improving efficiency in social and affordable housing where vulnerable people live. National grants, stable long-term financial systems, and revolving funds—such as Denmark's Landsbyggefond—are key tools. Support must also reach shrinking areas, though not every property is worth renovating. Property owners must assess which buildings are feasible to

upgrade; stricter EPBD demands will inevitably lead to more demolitions where renovation isn't economically justified.

How to calculate climate risks

France's social housing sector is shifting from relying on past climate risk data to anticipating future hazards in a rapidly changing environment. With the growing intensity and frequency of climate-related events, there is a pressing need to establish frameworks that accurately assess future risks and secure investments for adaptation. This shift is supported by new regulatory tools, such as the EU Taxonomy, which is prompting the development of advanced methods for evaluating climate vulnerability across housing assets.

A robust climate risk and vulnerability assessment is now central to adaptation planning. These assessments must cover 28 climate-related hazards and align with long-term planning horizons of at least 30 years. Scenario RCP 8.5, representing low global mitigation, is used as the baseline. However, the growing market of diagnostic tools—offered by audit firms, banks, insurers, start-ups, and engineering companies—brings challenges due to inconsistent methods, varied climate scenarios, and limited transparency. This inconsistency hampers strategy development and undermines comparability.

To address this, France is building a centralised platform in collaboration with Union Sociale pour l'Habitat (USH). This platform aims to map asset exposure to climate hazards, support decarbonisation plans, and eventually assess building vulnerability in greater depth. Funded by the *Banque des territoires*, which also evaluates loan applications for alignment with climate goals, the platform represents a critical step in ensuring the resilience of social housing through informed investment, standardised risk evaluation, and long-term planning.



Homelessness

Shared Housing Programme for Homeless People

The Shared Housing Programme in Matosinhos, Portugal, demonstrates that providing a roof is just the beginning—shared housing can be a powerful tool for social reintegration. Transitional housing offers a stepping-stone toward permanent stability, with the support of case managers and direct action assistants proving vital for building trust and fostering growth. By co-creating individual intervention plans, the programme delivers personalised support that respects each resident's unique journey, enabling the rebuilding of routines, responsibilities, and social connections lost through homelessness.

“We’ve learned that shared housing is not just a roof over someone’s head — it’s a powerful catalyst for social reintegration.”

The programme's impact is not measured solely in numbers but in the dignity restored through safe, hygienic living conditions and access to basic needs such as meals and personal hygiene. Participants have shown progress in self-care, interpersonal skills, and independence, and in 2023, the initiative expanded to offer permanent shared housing—particularly addressing the needs of older and more vulnerable individuals. Strong links with healthcare, social, and civic services have helped turn temporary support into long-term reintegration.

Scaling the programme requires political will, vision, and cross-sector collaboration. The use of existing municipal housing makes the model highly replicable in urban areas. Institutional partnerships with local authorities, social security systems, and organizations like ADEIMA are key to its success. Sustainable scaling also depends on access to EU and national funds (e.g., ESF+), investment in human resources, and context-specific planning based on local needs and territorial diagnostics.

Housing First in Austria

Limited profit housing accounts for a relatively large share of the market. The benefits of this were outlined:

- Continuous **re-investment** ⇒ boost for employment and economic stability
- Tenure of **choice** for low and middle-income groups
- High degree of **social mix** (age, income, household type)
- Social stability enables **inclusion** also of most vulnerable groups

Austria's Housing First initiative, led by a multi-stakeholder alliance including GBV and 25 NGOs, offers a rights-based model to combat homelessness. Under the motto "Housing First – arriving home," the programme provides not only housing but also integrated social support. Between 2021 and 2024, nearly 2,000 people moved into secure homes with rental contracts and full tenant rights. Most of the homes were provided by GBV members, and over half were located outside major cities—underscoring the programme's broad reach and focus on long-term inclusion.

This initiative has reshaped narratives around homelessness, moving beyond temporary aid to long-term housing solutions. The approach emphasises stable funding, quality standards, and collaboration at eye level across sectors. Key lessons include the need for rent monitoring, interdepartmental communication, and strong ties with social service partners. Despite its success, challenges remain: rising construction costs and low tenant turnover have reduced the supply of affordable homes, making broader participation by municipalities and private landlords essential.

Austria is now transitioning from pilot to programme, with a national Housing First initiative launching in late 2024, backed by €20 million in funding. The programme will cover upfront housing costs, deposits, and social support for 2,500 people. To scale further, Austria must invest more in nonprofit housing, tackle the construction crisis, and integrate housing inclusion with eviction prevention and broader social policy. The model sets a strong example of how coordinated housing and support systems can address homelessness sustainably.

The Housing First initiative has also prompted a shift in the narrative around homelessness. Rather than viewing homeless individuals as passive recipients of aid, the model recognizes them as tenants with rights and agency. However, the housing sector has learned that successful implementation requires more than housing units. It calls for trust-based cooperation, clear contracts, quality standards, and robust evaluation frameworks. There's also a growing understanding of the importance of internal coordination within housing organizations—such as rent monitoring and communication between departments—to ensure smooth tenancy management. Furthermore, social service partners are essential allies, supporting tenant stability and advocating for inclusive housing policy. One major barrier is the economic downturn and rising construction costs, which have strained supply, underscoring the urgency of broadening the alliance and strengthening the nonprofit housing sector as a long-term foundation for housing inclusion and homelessness prevention.



The European Commission's approach to tackling the housing crisis

MATTHEW BALDWIN

Head of Housing Task Force, European Commission



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Social Housing



housing

Part 3: Debate

Sorcha Edwards emphasised that although housing is mainly a local/regional/national issue, but EU can add value by identifying relevant levers. She called for EU policy to reinforce systemic housing initiatives, building on those presented today. She Highlighted funding mechanisms (e.g., cohesion funds, EIB funds) as "nudging tools" to promote resilient, limited-profit systems, and urged that attention be given to regulatory frameworks, state aid rules, and the European Semester. Constant advocacy is needed so that EU decisions reflect the reality on the ground.

Prof. Marje Elsinga stressed the importance of understanding housing as not just "bricks and mortar" but social infrastructure, and noted the importance of a shift away from market-centric ideology. She emphasised the long-term nature of housing investment and the need for efficient use of place (e.g., addressing vacancy and underuse) and called for targeted, sustainable funding channeled through dedicated, long-term housing providers. The EU to act as a source of inspiration and innovation, even within its limited competencies.

Andrea Colantonio shared insights EIB projects in Ireland, Italy, and Spain, illustrating the diversity of EU housing systems and Introduced the EIB's interactive housing platform (launched in March), intended to help assess project eligibility and foster knowledge exchange. He clarified that the EIB is a policy taker, not defining new standards or definitions, but supporting existing systems ; affordable housing, as seen by EIB, includes all non-market housing, from social to emergency shelters. It is important to working with national promotional banks to mobilise greater private and public finance.

Matthew Baldwin Praised the Housing 2030 report and the Compass for their clarity, evidence base, and simplicity. He appreciated the "North Star" vision: safe, affordable, accessible, sustainable housing that protects the vulnerable. He warned against forgetting social infrastructure like health and education, which depend on strong housing foundations. Mr Baldwin advocated for a diverse but ambitious vision of housing systems across the EU — not uniform, but locally adapted. A balance should be struck between shared EU-level goals and subsidiarity, leaving room for local and national implementation.

Bent Madsen concluded the event with a personal note. He highlighted examples from Hungary and the Netherlands of supporting young and elderly populations through housing, and emphasised that aging populations and climate constraints will define the housing agenda for the next 20–30 years.



Annex: The European Housing Compass

The European Housing compass is a tool to help navigate the complex housing landscape. Its north star is *well functioning housing systems which serve communities and unlock their potential*.



There is no single housing system blueprint. This compass – coupled with a clear goal – can help us understand the causes of the problems we need to address, and examine the impact of proposed solutions.

There are four pillars which must be considered whenever we think about housing.

1. Sustainability
2. Governance
3. Finance
4. Land policy

Whatever the issue we try to solve, whichever group we represent, we must first understand the relationship between that issue and each of these factors. The solution will be found in balancing the complex interplay between these factors, and the groups which influence and are affected by them.

The housing crisis is a pan-European problem with roots and solutions at local and national levels.

The north star: well-functioning housing systems

Well-functioning housing systems do not necessarily look alike. The long histories of each country and region have shaped individual systems which have their own strengths and weaknesses. A rule or tool that works in one region may not work in another.

Given this diversity, as the European Union accelerates its work on housing, it must first be clear in defining an ambition which can apply across the bloc – a shared, achievable goal which leaves a space for each level of governance to do what they do best, in their own context.

The EU housing crisis in 2025

With average rents increasing by 19% and house prices by 47% in the EU between 2010 and 2022, with 10% of Europe unable to keep their homes warm, and with building permits at a nine-year low, the housing crisis is a clear and present danger to social stability and our economy. According to Eurofound 'Private rental market tenants are in a particularly precarious situation; 46% feel at risk of needing to leave their accommodation in the next three months because they can no longer afford it'¹

There are good reasons to act: investing in affordable housing has been shown to reduce the risk of poverty by 40%. High housing costs reduce the purchasing power of households, giving them less access to essential goods and services, and lowering consumption. Another study showed the total cost of inadequate housing to the EU economy was nearly €194 billion; the investment required to solve this issue would be repaid within 18 months by projected savings such as lower healthcare costs and better social outcomes².

¹ Eurofound (2023), Unaffordable and inadequate housing in Europe, Publications Office of the European Union, Luxembourg.

² Eurofound (2016), Inadequate housing in Europe: Costs and consequences, Publications Office of the European Union, Luxembourg.

The role of public, co-operative, and social housing

The private housing market cannot adequately meet everyone's needs. With a large portion of new housing supply purchased by investors or speculators, the supply does not match demand; the needs of high earners are prioritised, homes are left vacant and prices rise. Affordable housing must be affordable in the long term; this has proved difficult with private developments which often only guarantee affordability in the short term. The private market also does not respond effectively to the specific needs of urban and rural areas

One of the key tools identified to address these market failures and support people in accessing their right to decent and affordable housing is dedicated social and affordable housing providers.

Dedicated social and affordable housing providers are also essential to meet policy goals such as combatting homelessness and poverty, supporting social mobility, implementing social mix, contributing to sustainable urban development, and tackling climate change. By offering long-term access to affordable housing of decent quality, they facilitate household formation, educational attainment and personal development, individual health, as well as economic and social participation. In targeting low- and moderate- income households, and key workers, they boost labour markets, competitiveness, and productivity.

The EU's role

Housing systems are local, but there is a role for the EU. Its commitment to act was made explicit in the *European Pillar of Social Rights*, and reaffirmed in the *La Hulpe Declaration*. In the 2025-2029 legislature, Europe has its first housing commissioner and is developing the first ever European Affordable Housing Plan. The Prodi, Letta, and Draghi reports all describe the value of public investment in social goods to support the European project.

Europe has 43,000 local public, social, and cooperative organisations dedicated to housing provision. These bodies invest 50 billion Euro per year, delivering and renovating 400,000 homes annually without fuelling speculation. When optimised they address climate and social challenges, and foster inclusive, sustainable communities. Some of them push the frontiers on digital, green, and social innovation, and have proven socio-economic and environmental impact.

EU's work can take us closer to the north star of well- functioning housing systems which serve communities and unlock their potential. The compass can help chart the course, and the tools identified in Housing 20230 can be used for practical implementation.

Some specific recommendations apply to the EU's role:

- ➔ Ex-ante evaluations of new, recast, and existing regulation to assess the impact on housing affordability, undertaken with a broad range of stakeholders, would lead to better regulation.
- ➔ Make sure EU funds allocated to housing address housing needs now and in the future, and make sure financial rules support Member States in their work to address the housing crisis.
- ➔ Ensure that the funding provided by the new pan-European investment platform goes mainly to public, social, and cooperative housing, since this is the best way to achieve affordability and sustainability.
- ➔ Include an indicator in the European semester to promote an increase in the percentage of public, social, and cooperative housing in the total housing stock annually in Europe with a focus on pressure zones and/or increase of public support to social, cooperative and public. This will provide a wider economic boost by improving household purchasing power. Declining rates will have serious negative impacts on healthcare costs, social exclusion, environmental damage, and productivity.

How to use the compass

Using the compass allows us to see the system as a whole. The complex nature of housing systems means that addressing a problem without addressing the wider context risks unbalancing the system and creating new problems.

Different groups will have different spheres of interest and influence. By default we consider EU, regional, national, and local authorities, and housing providers, and tenants and residents

You can apply the compass to a geographical area. Are the homes in your city fit for a changing climate and demographics? Are the rules in place working for everyone? Is there enough investment in the right kind of homes? Is the space used effectively? If not, why not? What impact would changing rules around land use have on the provision of the kind of homes your neighbours need?

You can apply it to a problem. As Europe's population is ageing, how will infrastructure need to change? Do you have a strategy in place to deal with this change? How will financial imbalances between generations impact people's ability to pay for their homes, and how will that affect investment? Where will older people live?

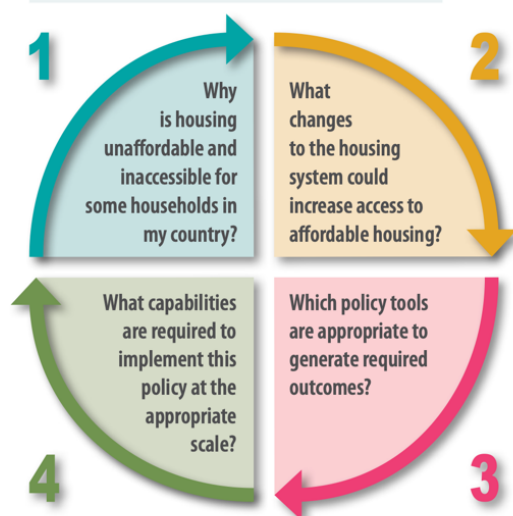
About the Compass

The compass is based on the study '[#Housing2030 Effective policies for affordable housing in the UNECE region](#)' published by the United Nations Economic Commission for Europe, UN-Habitat, and Housing Europe. The study draws on the experience of over 100 researchers, policymakers and housing providers from across

the UNECE region and beyond, to define useful approaches, outline their advantages and disadvantages, and illustrate their practical application. #Housing2030 also provides recommendations for policymakers committed to improving affordable housing. This report is also accompanied by the Housing2030.org website of resources, including thematic podcasts and good practices.

GOVERNANCE TOOLS	Strategic frameworks		Institutions and capacity-building	
	Multi-level governance		Setting and monitoring housing standards	
	Evidence		Supervision	
	Dedicated social and affordable housing providers		Tenant and owner-occupier involvement frameworks	
FINANCE AND INVESTMENT TOOLS	Regulating financial institutions	Non-profit provision of social and affordable housing		Subsidizing rents
	Rent setting, indexation and regulation	Microfinancing		Using household savings
	Public loan, grants and purposeful investment	Interest rate subsidies		Loan guarantees and insurance
	Special-purpose intermediaries	Shared equity and costs schemes		Revolving funds for investment in affordable housing
	Taxation to guide investment			
LAND POLICY TOOLS	Public land banking		Public land leasing	
	Land readjustment		Land value capture	
	City and neighbourhood planning			
	Land-use regulation and inclusionary zoning			
	Land value taxation			
CLIMATE-NEUTRALITY TOOLS	Energy performance-related building regulations		Regulating the urban environment for energy efficiency	
	Non-regulatory climate policy initiatives		Financial incentives	
	Awareness-raising and training			

Figure II Process for assessing the tools required to address unaffordable and inaccessible housing



The four pillars

Governance

Good governance shapes the functioning of different actors in housing systems. It promotes decision-making, policy development and implementation that is well informed, based on expert knowledge and participatory, while also being accountable and transparent.

Finance and investment

With the right financial, fiscal and taxation frameworks, coupled with purposeful housing delivery models and consumer support, policymakers can also shape the housing finance

systems we need and ensure investment expands and protects affordable housing opportunities.

Land policy

Better and fairer housing outcomes can be secured through effective land policies such as public land banking and leasing, land readjustment, land value capture and tax instruments, and by combining these instruments by way of effective neighbourhood and city planning.

Climate resilience

Improving energy efficiency and mitigating greenhouse gas emissions in the residential housing sector is crucial for Europe to reach climate neutrality in 2050, but adapting housing to the impact of climate change is a growing concern. The sector also has a role to play in social sustainability and stability: supporting the most vulnerable, facilitating access education and labour markets, and allowing people to live with dignity. Housing systems need to be able to adapt to changing needs.