

EU REPORTS ON HOUSING

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**HOUSING
EUROPE**
OBSERVATORY



In the months preceding the announcement of the European Affordable Housing Plan, we have witnessed a proliferation of relevant studies and reports produced by EU institutions. To help our members keep up with the growth in EU housing knowledge, Housing Europe Observatory has selected some of the most relevant reports and included the main highlights in this briefing.

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1

Social Economy in Europe: Contributing to Competitiveness and Prosperity.

LEED, OECD Publishing, Paris

<https://doi.org/10.1787/3432de93-en>

The second chapter of this OECD's report, entitled *The social economy in housing*, highlights the **key role of social economy entities** in addressing the housing affordability crisis. This label encompasses housing cooperatives, non-/limited-profit housing associations, social rental agencies, community land trusts, homelessness associations, work integration social enterprises.

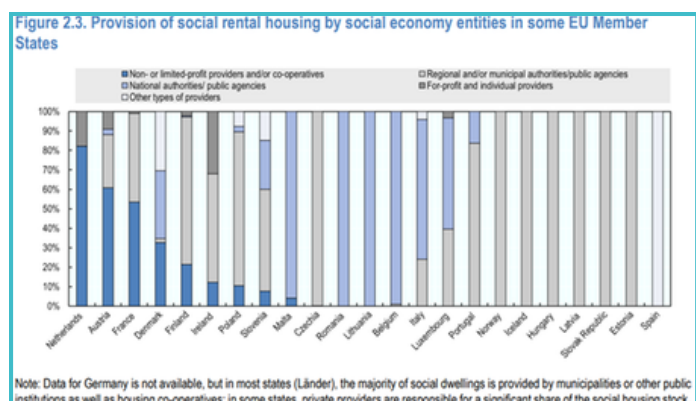
They are recognized contributing to the provision affordable, inclusive housing, as well as promoting energy efficiency, renewable energy, and circular construction methods. Moreover, they often integrate the delivery of support services such as care, financial education, and legal assistance. Through this **comprehensive support** and the adoption of a **participatory governance systems**,



Source: OECD (2025), p. 56.

social economy entities contribute to developing and strengthening a sense of community.

In some EU member states, they make up a large share of the housing stock, especially of the social rental housing sector, and engage in constructing new units to help meet demand.



Source: OECD (2025), p. 57.

Policy recommendations for public authorities include improving the regulatory framework and providing access to affordable land and long-term, tailored funding opportunities, as these are considered the main factors limiting social economy actors' **ability to scale**.

The report is particularly rich in examples of social economy entities' role in addressing challenges connected to the housing crisis.

2

One roof, many realities: Europe's complex housing crisis
Council of the European Union (2025)
<https://www.consilium.europa.eu/media.pdf>

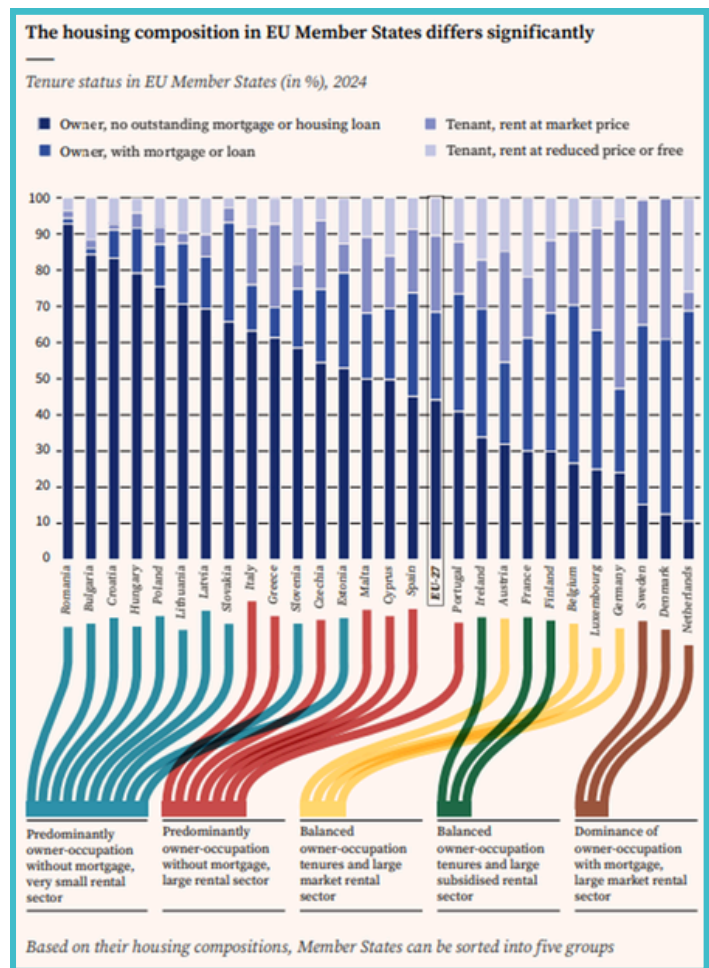
The paper reaffirms that **housing is essential** for citizens' wellbeing and for a competitive, cohesive EU, as it was highlighted by the European Council's strategic debate. Although its growing unaffordability is widely recognized as a pressing concern, the **landscape appears fragmented and differentiated**. Diverse housing systems and underlying causes across countries make it difficult to design one-size-fits-all EU policies. Even identified "best practices" often require significant adaptation before being applied in other national contexts.

In this scenario, the scope of **EU-level intervention is limited**, as effective policy tools remain under **Member State competence**. Therefore, EU action can mainly **complement** national efforts, especially in improving housing stock and addressing market failures.

A critical yet often overlooked trend is the **financialization** of housing, wherein institutional investors (private equity firms, real estate funds) have rapidly expanded their footprint across Member States. In Ireland, investment funds purchased nearly half of all new units since 2017. In Berlin and Vienna, 10% of housing units are owned by institutional investors, a figure that amounts to 25% of those sold in recent years in the four largest Dutch cities. Such investors often focus on acquiring existing high-end units or increasing rents rather than constructing new affordable housing, leading to fueled up prices, proliferation of short-term rentals and increased vulnerability of housing markets to financial shocks.

Social housing in the EU is recognized as a **vital yet shrinking** and unevenly distributed safety net, comprising roughly 8% of dwellings across Member States but ranging from over 30% in the Netherlands to well below 10% in most of the others. Its scope **has declined** in recent decades due to slowed construction and privatization, despite proven effectiveness in tackling inequalities, such as in Belgium's Flanders region where access to social housing reduced poverty by 40% among beneficiaries.

Politically, the sector sits at the center of a **growing divide**: while **renters** and younger households increasingly demand more intervention, **homeowners**, particularly in high-ownership countries, tend to oppose redistributive housing policies, creating a **legitimacy challenge** for expanding social housing that varies significantly across national context.



Source: Council of the European Union (2025), p. 13.

3

Housing investment needs in the EU

European Commission, Joint Research Centre

<https://publications.jrc.ec.europa.eu/repository/handle/JRC144703>

Population trends, including rising urbanization, increasing number of households, and diverse migration flows, are directly shaping housing demand and revealing gaps in the existing housing stock. Indeed, the **EU housing stock** grew from 218 million in 2010 to about **248 million in 2024**, but in one third of all NUTS 3 regions constructions did not manage to keep up with expanding demographic trends. According to estimates, demographic evolution since 2010 would have required **4.6 million homes in addition** to what has been constructed, with the sharpest shortages concentrated in urban and regions with strong economies or tourism.

In particular, **two-thirds of the housing needs are concentrated in four countries**: Germany, France, Italy, and Spain. ECFIN-JRC projections for the period **2025-2035** suggest housing needs to increase further by **more than 2.5 million housing units in addition** to current construction trends, thereby reaching a total of 7.14 million dwellings.

Based on **ECFIN-JRC mapadomo data** and population projections, the paper estimates housing needs and the housing construction gap at granular NUTS 3 level. To meet demographic pressures, Europe should add **650,000 dwellings** per year on top of the 1.6 million already expected to be constructed. At 2024 prices, this requires roughly €150 billion annually, totaling €1.68 trillion by 2035.

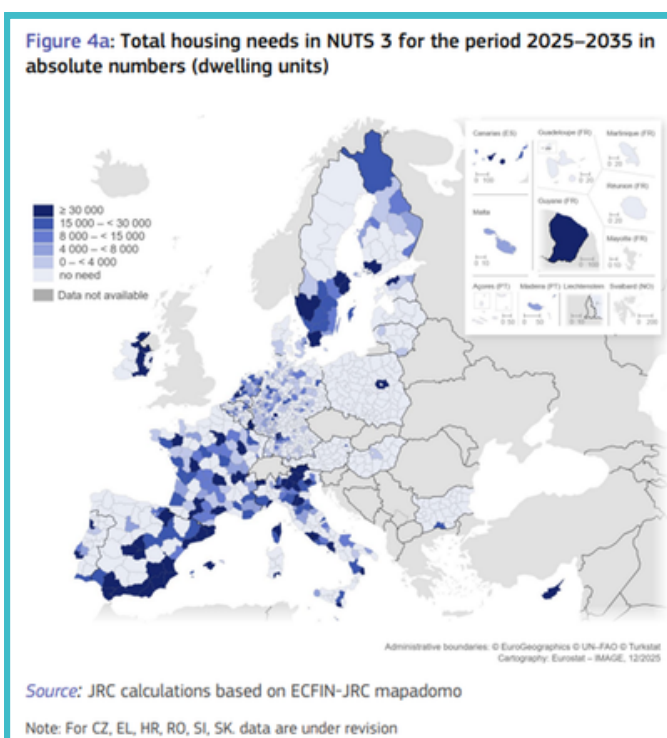
Table 1: Components of EU total housing and investment needs in 2025 and until 2035

Components		
Past	(1) Insufficient construction 2010-24 in regions with a shortfall of dwellings (in million housing units)	4.57
	(2) Dwelling need due to demographic change only (in million housing units)	5.09
Future (2025-2035)	(2.1) of which in regions with expected demographic increase and an expected shortfall of dwellings. (in million housing units)	4.77
	(3) Replacement/amortisation need (in million housing units)	3.55
	(3.1) of which in regions with expected demographic increase and an expected shortfall of dwellings. (in million housing units)	0.75
	(4) Expected construction (in million housing units)	17.06
	(4.1) of which in regions with expected demographic increase and an expected shortfall of dwellings. (in million housing units)	2.95
	Housing needs between 2025-2035 (1+2.1+3.1), in million housing units	10.09
Housing construction gap between 2025-2035 (1+2.1+3.1-4.1), in million housing units		7.14
Housing construction gap between 2025-2035 (in trillion Euro based on 2024 prices)		1.68
Yearly additional investment need (in million housing units)		0.65
Yearly additional investment need (in billion Euro)		153.52

Note: Dwelling needs due to demographic change are based on household projections. Investment needs in euro are calculated based on regional average apartment prices in 2024. – Source: ECFIN-JRC mapadomo

Source: JRC (2025), p. 3.

In terms of **policy recommendations**, the report argues that in order to address shortages in fast and high growing areas, an expansion of residential space and making better use of existing buildings would be required through the activation of brownfield sites and the renovation of non-primary dwellings.



Source: JRC (2025), p. 5.

4

Understanding the housing crisis, SWD(2025) 1053 final
European Commission, DG ENER (2025), Staff Working document
<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52025SC1053>

The document is split into 2 parts. The first offers an overview of the extent of the housing affordability crisis, its causes, impacts and policy solutions, while the second retraces the dialoguing process, focusing on the feedback received through the public consultation occurred in Jul-Oct 2025.

Housing crisis is mainly understood as a **crisis of housing affordability**, defined as the relationship between housing costs and household income, for both renting and purchasing. This relationship has **worsened** in the last decades, particularly in urban areas and tourist regions, and mainly affects **newcomers** to the rental sector, first-time buyers and those needing to move, worsening the prospects of youth and vulnerable groups. **51% of people living in cities** perceive the lack of affordable housing as the **most immediate and urgent problem**.

The authors identify **several concurring causes** for the current situation, among which the **mismatch between demand and supply** seems pivotal. The latter is particularly hindered by various reasons primarily land scarcity and high costs, aggravated by overly restrictive housing standards and regulations, as well as fragmented, time-consuming and costly spatial planning, zoning and permitting processes. Moreover, the construction sector faces significant challenges in productivity, innovation, and labor shortages. While the impact of **financialization and short-term rentals** remains unclear, and the need for more research is advocated, the **retrenchment of the State falls** within the causes of the housing crisis. The report highlights especially the little and insufficient growth in **government expenditure** on housing (0.7% EU GDP in 2024, mainly due to capital transfers, driven by Italy's Superbonus programme) and **stagnant social protection** (benefits in kind remained unchanged since 2015 at 0.3% of GDP). **Direct public investment** in residential construction remains mode (7 bln € in 2023 = 0.04% EU GDP) and the full picture of how much goes into publicly supported housing is unclear.

The housing crisis gives rise to three orders of consequences:



Economic: housing costs represent a burden on disposable income, thus reducing consumption capacity, as well as disincentivizing labor and education mobility hindering growth, competitiveness, innovation;



Social: higher risk of poverty, homelessness and inequality, with tenants in the private sector registering high levels of housing insecurity (46% vs 6% of the overall EU population in 2020-2022). Moreover, the welfare systems' endurance is compromised as well by the vulnerability to rising housing costs of essential workers;



Environmental: construction and renovation work produce relevant environmental costs (greenhouse gas emissions, material use, and waste generation). Moreover, urban sprawl and rising land consumption further strain ecosystems and biodiversity, thus housing expansion must be balanced with sustainability objectives such as densification, brownfield redevelopment, and better use of existing stock.

The overall policy objective is defined as follows: affordable, sustainable, accessible and quality housing that meets the needs of people both in urban and rural areas.

In order to do so, institutions should promptly intervene to improve available **housing statistics**, providing harmonized, interoperable datasets for evidence-based policy making. For those interested, box 1.2 at pages 21-27 offers an overview of existing data sources and gaps, among which the absence of social housing stock from Eurostat register must be tackled with the highest priority. On this note, the creation of a **European Housing Data Space** is prospected.

The document recognizes the important and beneficial contribution of **social housing**. For instance, it alleviates inequalities in housing access, particularly for groups unable to secure adequate housing under market conditions, downplays the price pressures by providing housing supply at affordable prices, and makes housing systems more resilient to housing market shock. Moreover, **public social expenditure** on housing can contribute to stabilizing business cycles and can result in long-term fiscal savings and support independent living. However, certain weaknesses are included: as the **funding structure of social housing** providers relies primarily on public funding, cross-subsidies and other sources, given that set housing rents remain below the costs incurred, this translates into significant **levels of indebtedness and limited flexibility** in supply provision when public spending is reduced.

In conclusion, here we report the main **funding opportunities** activated by the EU on the social, affordable, and sustainable housing objective, totaling more than €43 billion over 2021-2027:

- RRF couples the largest single fund dedicated to housing affordability and availability (19,6 bln EUR), with the support for necessary reforms, e.g. cutting red tape, setting up schemes and rules for financing, regulatory changes in taxation and technical support for capacity building;
- Cohesion Policy planned 7.5 bln EUR for energy efficiency of housing stock and social housing for vulnerable groups (ERDF, CF, JTF, Interreg funds), amounting to 10.4 bln with national allocations. Moreover, the mid-term review regulation (2025/1914) gives flexibility to Member States and regions to proceed to funds' reallocation, providing financial incentives too. Finally, 4.4 bln of the ESF+ can be employed for homelessness-tackling activities, as well as counsels countering indebtedness and support for retention schemes;
- Also, European Urban Initiative (395 mln), InvestEU (around 7 bln mobilized by 2025), LIFE (138 mln), Horizon (540 mln), Single market programme (2.2 mln), New European Bauhaus Facility (2025-27);
- Prospected: Social Climate Fund (2026-32) set to provide support for vulnerable households affected by ETS2, covering buildings and road transport;
- EIB and promotional banks at national and regional levels are expected to be playing a key role in providing long-term financing for social, sustainable and affordable housing. The latter committed financing approximately 50 bln EUR, while the EIB provided 15.6 bln over 2020-24 and aims to increase funding up to 4.3 in 2025.

5

Housing affordability problems across socio-demographic groups.
 European Parliament HOUS Committee
[https://www.europarl.europa.eu/thinktank/en/document/CASP_IDA\(2025\)776018](https://www.europarl.europa.eu/thinktank/en/document/CASP_IDA(2025)776018)

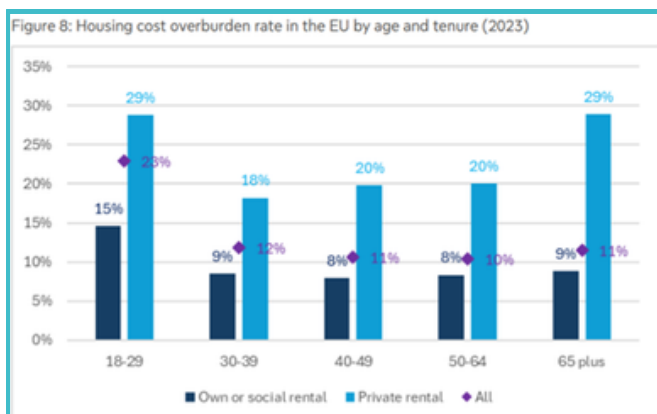
The analysis attempts to explain how different groups experience housing affordability problems, focusing on younger people, households with children, and older people.

In 2023, Eurofound developed the following framework to analyze the impact of housing unaffordability:

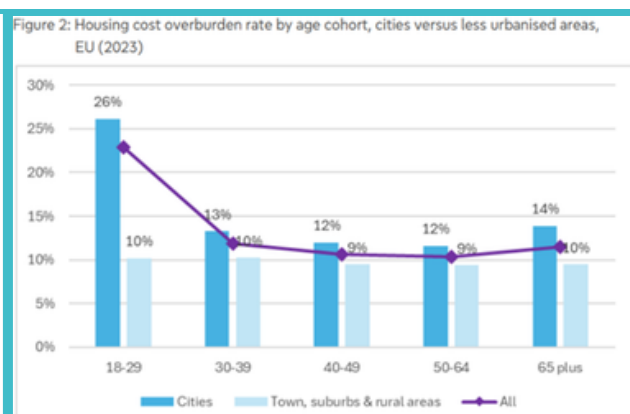
- ➔ **Housing exclusion:** being homeless or living with parents, friends, or relatives because unable to afford an accommodation;
- ➔ **Housing insecurity:** risk of losing one's home;
- ➔ **Financial strain** caused by housing costs: being unable to meet the cost of necessities, or only doing so with difficulty after covering housing costs;
- ➔ **Housing inadequacy:** living in unfit dwellings in terms of size, insulation, or connectedness to services and work.

3 main vulnerable groups and most acute problem(s):


- ➔ **Young people:** exclusion, which translates into the inability to leave the parental home due to precarious position in the labor market and lack of access to adequate social protection. When possible to live autonomously, this cohort is more likely to face housing costs overburden and insecurity;
- ➔ **Older people:** inadequacy, as unaffordability often relates to utility and maintenance costs rather than rent and mortgage payments;
- ➔ **Households with dependent children:** insecurity and financial strain.



Source: Dubois et al. (2025), p. 18



Source: Dubois et al. (2025), p. 12



The report draws some general conclusions in terms of **policy recommendations**, adding also tailored measures for the social groups taken into account.

Overall, **it does not refer to the role of social, public and cooperative housing sector, nor calls for greater public intervention**, other than pointing at the importance of accessibility and quality of essential services and the income protection of older and younger generations. While the increase and improvement of available housing stock is argued having more potential to effectively tackle affordability problems, the outcome of demand-side measures seems less certain. According to the authors, financial support, provision of submarket rents, and rent control policies could instead provoke unintended consequences on the economic growth of the targeted area, households' income, and hinder mobility potential. Several recommendations also look beyond dwelling provision, highlighting the embeddedness of social, economic, and environmental considerations in housing policies.



6

Investment Report 25/26: Capitalizing on Europe's Strengths.
European Investment Bank (2026)
<https://www.eib.org/en/publications/20250379-investment-report-2025>

Chapter 7 **Social investment for inclusion and productivity**

In the report, ensuring housing affordability is recognized as a major policy priority, not only in terms of social justice, but also to ensure economic competitiveness. Attaining it would mean helping address skill gaps for businesses, supporting growth, and reducing inequality.

Their estimates suggest that easing housing constraints could **increase EU GDP between 1.7% and 4.5%**. For individual EU countries, the **benefits range from 0.4% to 7.3% of GDP**. Interventions tackling housing shortages that focus on cities with high labour productivity and high housing costs would have the largest macroeconomic impact and help reduce income differences between regions. Addressing housing shortages would also **lower wage inequality by 1.5% to 3.2%, depending on people's willingness to relocate**.

7

Mapping the housing needs in the EU, assessing the impacts of scarcity and providing an overview of relevant EU legislation.
European Parliament HOUS Committee
[https://www.europarl.europa.eu/thinktank/en/document/CASP_S TU\(2025\)759352](https://www.europarl.europa.eu/thinktank/en/document/CASP_S TU(2025)759352)

This study examines housing needs across the EU, focusing on inequalities in housing affordability, accessibility, and quality. It provides a mapping of the current housing needs in the EU across territories and population groups. The research analyses key factors affecting housing demand and supply challenges, and the impacts of housing scarcity on health, education and employment. It also reviews how EU legislation and funding shape and support national policies in the area of decent, sustainable and affordable housing.

Housing is broadly recognized as a **fundamental human right** encompassing security of tenure, adequate living conditions, affordability relative to household income, and compliance with environmental and energy efficiency standards. **Decent, sustainable and affordable housing** represent three interconnected dimensions essential for EU housing policy, though their definition and operationalization vary across Member States. For instance, in 11 EU countries there is no clear legal definition of adequate housing and 7 rely on policy interpretations. Moreover, the EU often emphasizes the environmental dimension of housing sustainability, by foreshadowing the tension arising with social equity.

The study identifies **two main territorial cleavages** in housing conditions and access:

- Southern and Eastern Europe (overcrowding and deprivation) vs Western and Northern Europe (soaring prices and limited supply);
- Urban areas (acute shortages and escalating prices) vs rural and outermost regions (deteriorating housing and limited investment).


Social housing is considered a crucial part of the solution for the housing crisis, by tackling the need for more affordable, adequate and sustainable housing, as it can mitigate speculative pressure, moderate rent inflation and enhance market elasticity, ultimately helping stabilize housing markets.

However, both its share of the overall housing stock (from 11% to 8%, with the most significant reductions in Poland, Finland and Germany) and public investment in the sector (0.06% of EU-27 GDP in 2022) have steadily declined in the last decade. Access to social housing in urban areas is constrained by **high demand and limited supply**. The shrinking social housing stock has pushed income-constrained households into private rentals, intensifying upward pressure on market rents.

Governments are increasingly recognizing the essential role of social housing to ensure both social cohesion and economic resilience, but progress has been registered only in Austria, Denmark and France between 2010 and 2022. Many systems are still characterized by short-term programs and weak coordination among territorial authorities, **while sustained political commitment, coordinated governance and access to affordable land and finance** are deemed **essential preconditions** for scaling up social housing. The study highlights the need for both state and municipal programmes, alongside public–private partnerships, to **promote social and affordable housing development in rural regions**. The French SRU law, by setting a scheme which provides for minimum quotas of social housing, is recalled as a positive example contributing to the expansion of social housing production beyond major metropolitan areas. However, territorial disparities persist, as in the case of French TOM and DOM, which highlights the grievances experienced by outermost EU regions.

The problem regarding the **absence or fragmentation of data** on social housing needs is affirmed once again, meaning that policymakers often cannot assess the actual gap between the supply of and demand for social housing, nor compare it across countries, to then evaluate policy effectiveness or allocate resources appropriately.

Policy recommendations revolve around three reinforcing pillars:

- 
- Strengthen **EU legislation and standards** for impact, embedding social goals in climate-related policy building, clarifying and updating State aid rules for affordable housing, and promoting tenant rights and security;
 - **Mobilize funding and investment at scale**, expanding the European Affordable Housing Initiative (InvestEU and EIB), strategically using cohesion policy funds, and aligning fiscal incentives. However, the study also recognizes that, to maximize structural impact, **EU funding requires a shift** from temporary grant-based models to financially engineered solutions with reinforced social safeguards;
 - Drive enabling measures for effective implementation, strengthening data, monitoring and definitions, coupled with an improvement of local capacity and governance, as well as supporting research and knowledge exchange.

The study also advances the case for the adoption of **a gender-sensitive perspective in housing policies**:

- The CoR has also called for integrating gender and diversity considerations into housing initiatives by, for example, ensuring that social housing allocation and urban planning account for the needs of single mothers, women in poverty, and victims of gender-based violence;
- Recent good practices (cities as Vienna, Berlin, Barcelona and Valencia) point to concrete steps, such as requiring **gender-sensitive allocation criteria in social housing**, ensuring that homes are designed with safe and accessible public spaces, embedding gender experts in procurement and planning processes, and improving sex- and gender-disaggregated data collection to track housing outcomes.



Youth access to affordable and quality housing. A comparative analysis of national policies.
European Commission / EACEA / Youth Wiki (2026)
<https://data.europa.eu/doi/10.2797/2512132>

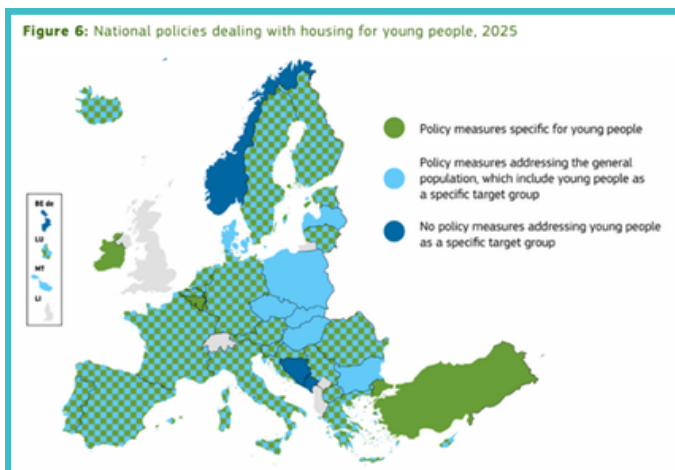
The European Affordable Housing Plan dedicates one of its two key actions to **young people**, considered among the most vulnerable groups to the threats of the housing crisis. In particular, **it proposes** further investments in student housing, support to renting and ownership, the facilitation of innovative forms of accommodation like co-housing, and increased availability of affordable housing solutions for mobile students from disadvantaged backgrounds.

The paper aims to provide an **overview** of the specific **challenges** encountered by young people in the housing market, as well as describing and comparing **national measures** undertaken by 34 European countries.

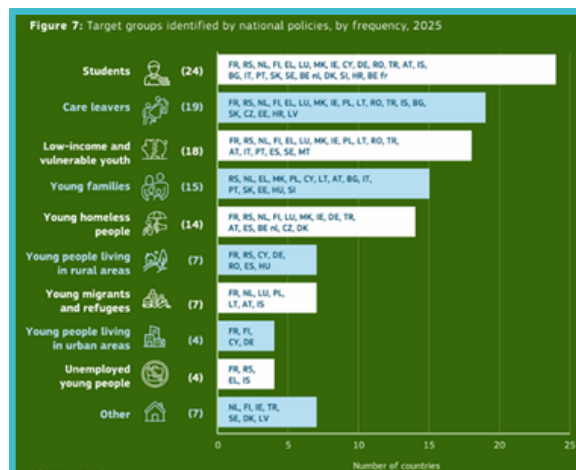
The **analytical framework** is based on two main concepts for assessing young people's housing conditions: **housing quality** and **housing affordability**. The first entails both an objective and subjective dimension, while the second maintains the traditional approach, expressing it as the relationship between households' disposable income and the housing-related expenses, namely rent or mortgage payments, though recent literature suggests the adoption of a wider perspective, including energy and commuting costs to the estimate.

Multifaceted challenge of housing insecurity – **key data**:

- **Severe housing deprivation** (corresponds to the share of the population living in a dwelling considered overcrowded and presenting at least one of the housing deprivation criteria - e.g. leaking roof, no bath/shower, no indoor toilet, limited lighting): on average, this concerned **7% of people aged 15-29** in the EU in 2024, with Bulgaria, Romania, Latvia, Italy, Greece and Portugal well above average, while the share increases to **14% when at risk of poverty**, rising to 1 in four young people in most Eastern European countries, and 1 in 3 in Romania;
- Similar trends were observed for **overcrowding rates**, with an even wider gap between young people and the overall population, that duplicates for those at risk of poverty;
- **Housing cost overburden rate**: this condition touches more than 1 in 10 young people (20-29 yo) on average in the EU, especially in countries where the age at which they leave the parental home is in the first 20s (Netherlands, Ireland and Denmark). When living in poverty, the share reaches **worrying peaks, nearly 90%** in Greece and Denmark;
- Impact on **mental well-being and expectations**: more than 1 in 5 young people in the EU perceives housing affordability as their biggest worry (47% in Czechia), and advocates for greater support by the EU, especially in terms of investment.



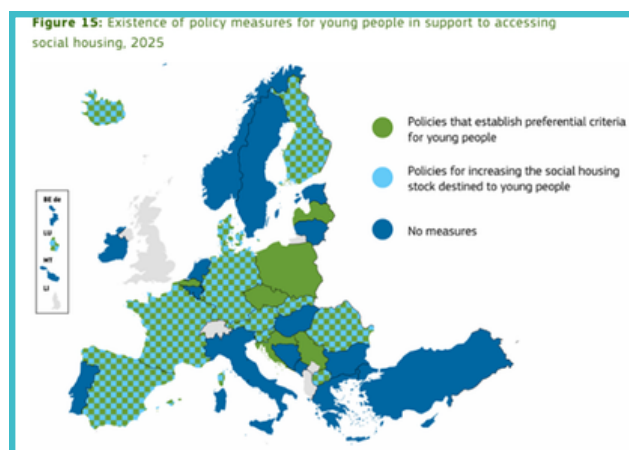
Source: Youth Wiki (2026), p. 25



Source: Youth Wiki (2026), p. 26


Identified national policies have various target groups and objectives such as support measures for students, young families and first-time buyers, financial support and provision of social housing. Most policy measures and examples analyzed focus on students as a policy target, as well as to solutions aimed at preventing and tackling homelessness in the youth cohort.

Social housing is deemed providing a convenient option to avoid threats such as overcrowding and homelessness, offering a **more stable** tenure condition with respect to the private market. In Europe, 18 countries explicitly target young people in their social housing policies, by setting **preferential criteria**, 12 of which have also **invested in increasing the stock** destined for this cohort. For instance, the Icelandic government has allocated 35% of new housing developments for social and non-profit use with priority for youth aged 18-40 and low-income groups in its 2025-2034 Housing Plan.



Source: Youth Wiki (2026), p. 47

In the concluding section, the report provides several **policy recommendations**. **Further investment in social housing** is the first to be mentioned for the national government level, as an effective, but underutilized, tool to tackle housing insecurity conditions, especially for poorer young people, who suffer greatly from the undergoing crisis, as highlighted in the analytical section. Moreover, the value of **programmes integrating housing and work activation services** is recognized, especially for the unemployed, as well as a greater attention in providing **long-term accommodation solutions for migrants** and refugees, often prevented from applying to social housing options.



The EU added value, on the other hand, could better materialize when focused on supporting the **collection of more and better data**, developing common indicators and eventually establishing an European Youth Housing Observatory, as well as facilitating the adoption of **innovative solutions and the exchange of best practices** among competent authorities, with the creation of a permanent network responsible for youth policies within the European Housing Alliance.



The Observatory is the research branch of Housing Europe, the European Federation of Public, Cooperative & Social Housing. Since 1988 it's a network of 45 national & regional federations gathering 43,000 housing providers in 25 countries. Together they manage over 25 million homes, about 11% of existing dwellings in Europe.

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