

# Policy recommendations for affordable housing in Europe

**Summary for the High-level Stakeholder Dialogue on Social and Affordable housing in Europe, Vienna, 26 April 2024**

## **1. Recognition of the need for action on social and affordable housing on European level**

Under the impression of the deep housing crisis in Europe with its manifold reasons and the need to develop European solutions, EU institutions, tenants and welfare organisations, social and affordable housing providers and networks of cities and local authorities have highlighted the need for action on many occasions and in different formats over the past years. On the side of the EU institutions, the European Parliament, the European Committee of the Regions and the European Economic and Social Committee have repeatedly issued opinions and reports calling for solutions to improve the legislative and funding framework on EU level to ease investment in social and affordable housing and secure the right to safe, decent and affordable housing. The European Commission has taken up housing and homelessness under the European Pillar of Social Rights, mainly by setting up the EPOCH, as well as its Green Deal, and started not only the New European Bauhaus Initiative but also more concretely an explicit housing programme with the Affordable Housing Initiative under the framework of COSME. Currently, 19 different funding streams on EU level are dedicated to housing. The European Investment Bank is enabling housing and renovation projects with important investments since many years under its urban development work strand.

EU Ministers for Urban Development have included housing in their declarations since long, and EU Ministers for Housing started to meet again in 2022 on a regular basis, including in joint formats with EU Ministers for Urban Development. This is clearly a recognition of the local and regional nature of housing; as already also in 2016, the Pact of Amsterdam to establish an Urban Agenda for the EU put housing in the focus of multilevel, multi-stakeholder policy development. The recently adopted Brussels Declaration of large and capital cities under the Belgian EU Council presidency has again highlighted housing as a priority topic.

There is a strong backing by important commitments of the global community when it comes to housing: the United Nations Sustainable Development Goals, the work of the UN rapporteur for the

adequate right to housing, the UNECE Geneva Charter on Sustainable Housing and OECD work on housing - have all set out a sound set of recommendations and findings to inform and enrich housing policies on local, regional, national and EU level. Equally, initiatives like the European Responsible Housing Initiative and the International Housing Festivals offer moments for inspiration and knowledge sharing to the affordable housing community.

## **2. A wealth of policy recommendations of the social and affordable housing stakeholder community since more than a decade**

- In the aftermath of the global financial crisis 2009, public budgets came increasingly under pressure with negative effects on investment capacities in social and affordable housing in many European cities and regions. The estimated lack in investment in this field amounted to 58 billion Euros per year across Europe for more than a decade.
- At the same time, cities and regions articulated their deep concerns with regard to the legal framework on EU level as it endangered their capacity to find stable housing solutions for their citizens, especially in the field of EU state aid regulations and the limitations for long-term public investment in the European Stability and Growth Pact and the European Semester.
- In 2016, the EU Urban Agenda Housing Partnership, led by Slovakia and Vienna, was set up and presented its Action Plan in 2018 with policy recommendations to improve legislation, funding and financing, knowledge and governance on EU level. This key document has been taken up by all three EU institutions and informed policy development on local, regional, national and EU-level to-date in a sound and transparent multilevel, multi-stakeholder governance approach.
- While public budgets were declining, global trends such as the financialisation and touristification put the housing sector under additional pressure; cities and regions often had to cope with a wide share of their housing markets being taken out of the availability and affordability of their citizens. This led OECD to concede that the housing crisis had hit the middle class in 2019 and the EU Joint Research Center to explore the effects of the financialisation of the housing markets for the affordability of housing in 2020.
- Already in 2017, the European Committee of the Regions issued an opinion on housing, followed by the European Economic and Social Committee in 2019 and the European Parliament's own-initiative report in 2021. All three EU institutions have since then repeatedly worked on housing policies, be it in relation to the European Pillar of Social Rights, the platform economy, Short Term Rentals, the European Green Deal, especially the Energy Performance in Buildings Directive and the Renovation Wave, or in general debates and events.

- The European Investment Bank has financed 6.6 billion euros in 52 social and affordable housing projects in 11 countries inside the EU from 2018-2022 only. Within the InvestEU Social Investment & Skills Window, EIB has so far signed operations of over 130 million euros, mobilizing a total investment of 355 million euros.
- In 2020, the New Leipzig Charter reaffirmed the need for an Urban Agenda for the EU following up the Pact of Amsterdam, highlighting that urban development must contribute to the Common Good and enable just, green and productive cities. Housing was again in the focus of this key document on urban matters.
- During the Corona-pandemic, it became even clearer that state intervention had to ensure security and safety of citizens in order to prevent evictions and homelessness due to rent issues or the inability to service a loan. Especially cities have taken strong measures to house families in need, homeless people and protect women from growing domestic violence.
- When Housing Ministers met for the first time since 2013 again in March 2022 in Nice under the French EU Council presidency their declaration was still under the impression of the pandemic and focussed on the renovation wave; in addition, ministers called for a better coordination of EU policies in the field of housing.
- War in Ukraine has led to massive destruction of buildings and domestic population found refuge in the secure cities thus putting their housing markets under additional pressure. A number of EU institutions, cities and their networks and financing organisations as the EIB are currently working together with Ukrainian cities and partners to find ways to ease the situation for Ukrainian cities and citizens in the field of housing.
- The Russian aggression has also exacerbated the energy crisis in many countries; energy poverty is raising, thermal comfort has become unaffordable for many citizens. This has put additional burden on local, regional and national governments, be it by speeding up programmes to end dependencies from fossil energy, be it to secure people in their homes.
- The Spanish EU Council presidency in the second half of 2023 made the link between housing and urban development and set up a joint ministerial meeting; the focus was on investment and better coordination on EU level, including strong collaboration between all levels of government.
- Early in 2024, the meeting of Housing Ministers under the Belgian EU Council presidency adopted a declaration on “Affordable, decent and sustainable housing for all” and stated that investment in housing was not only beneficial for the local economy and the workforce, but that it equally contributed to health while combatting the climate crisis. More precisely, ministers called for a holistic, collaborative and multilevel governance approach, better

coordination between the EU institutions and Member States and the recognition of the role of local, regional and national authorities in providing affordable housing for their citizens.

### **3. Preparing the new mandate of the European Parliament and European Commission to be fit for social and affordable housing**

The institutions and organisations participating in the Vienna high-level stakeholder dialogue on social and affordable housing in Europe on 26 April 2024 have identified clear recommendations for the next mandate of the European Parliament and European Commission as well as Member States. These aim to contribute to housing solutions that are safe, long-term, decent and affordable, care for the health and physical integrity of citizens, lower their housing costs, contribute to mitigate the climate and energy crisis, foster the local economy and labour markets and enable sustainable urban and local development. More specifically:

- **Brussels Capital Region**, leading on urban development in the current Belgian EU Council Presidency, has initiated the declaration „A European urban policy fit for the future“, adopted by political representatives of large European cities on 24 January 2024 in Brussels. The document clearly recommends the promotion of the right to affordable, qualitative and sustainable housing as policy priority for the EU mandate 2024-2029:  
<https://belgian-presidency.consilium.europa.eu/en/events/a-european-urban-policy-fit-for-the-future/>
- The **Council of European Municipalities and Regions** has since long been working on housing with its members and calls for a permanent dialogue with local and regional authorities of EU institutions in the next mandate:  
[https://www.ccre.org/img/uploads/piecesjointe/filename/EU\\_Manifesto\\_CEMR\\_2023-0.pdf](https://www.ccre.org/img/uploads/piecesjointe/filename/EU_Manifesto_CEMR_2023-0.pdf)
- **Eurocities**, the network of large European cities, has a long record of working on housing with clear statements and recommendations for the EU level; its manifesto “A better Europe starts in cities” ahead of the European elections clearly states housing as a top priority for the new EU mandate:  
[https://eurocities.eu/wp-content/uploads/2023/12/Eurocities\\_European-elections-manifesto\\_A-better-Europe-starts-in-cities.pdf](https://eurocities.eu/wp-content/uploads/2023/12/Eurocities_European-elections-manifesto_A-better-Europe-starts-in-cities.pdf)
- The **European Economic and Social Committee** organised a conference in February 2024 to take stock of the progress made since the launch of the Renovation Wave Strategy as part of the European Green Deal and address some of the main challenges ahead of the Liège meeting of EU Housing Ministers. As the availability and affordability of decent housing is an issue of growing concern to Europeans, particularly young people, the conference examined the housing conditions and needs of young people. It also looked at growing housing

inequalities, how to simplify and make more coherent the multiple funding systems for investment in social and affordable housing:

<https://www.eesc.europa.eu/en/agenda/our-events/events/conference-housing-crisis-europe-way-forward/recording-conference>

- The **European Committee of the Regions** has taken up housing and related issues, such as the platform economy at many occasions; at its plenary session in April 2024, a new opinion on “Smart, sustainable and affordable housing as a tool for local authorities to face multiple challenges” was adopted:

<https://dm-publicapi.cor.europa.eu/v1/documents/PWMHTDDKQ3QZ-2021419539-7530/download>

- **Housing Europe** has presented its “Manifesto” for the next mandate:  
<https://www.housingeurope.eu/resource-1874/european-manifesto-to-lead-the-way-out-of-the-housing-crisis>

- The **International Union of Tenants** has identified their priorities for the next legislative period of the European Parliament:

<https://www.iut.nu/news-events/iut-priorities-for-the-european-parliament-2024-2029/>

- **SOLIDAR** whose members are actively involved in assisting citizens from being evicted in many cities and regions across the EU calls for a socially just green transition together with other stakeholders:

<https://alliancejusttransition.eu/wp-content/uploads/2024/01/joint-declaration-EN-3.pdf>

### **Joint activities**

In addition, in a **joint letter** to the EU Housing Ministers ahead of their meeting in Spain in November 2023, **CEMR, Eurocities, Housing Europe, the International Union of Tenants and Solidar** have reiterated the need to change the current EU state aid rules by changing the definition of social housing to a modern concept of affordable housing for all:

<https://eurocities.eu/wp-content/uploads/2023/11/Open-Letter-to-EU-Ministers-for-Housing-on-Gijon-Declararation-2023.pdf>

This long-standing demand that has been initiated by Vienna in 2012 in a resolution of European mayors:

<https://socialhousing.wien/in-exchange-with-the-world/resolution-fuer-den-sozialen-wohnbau-in-europa>

**Vienna** as the host city of the dialogue has a strong record on social and affordable housing; the high share of municipal and cooperative housing has an evidenced price dampening effect on the overall market. With one in four Viennese living in municipal housing, a well-established collaboration with the not-for-profit housing sector, a clear embedment of housing in long-term urban development, strong protective and preventive measures for tenants and last but not least a commitment to phase out of gas by 2040, the city proves repeatedly and since more than 100 years that housing for the common good can be a reality. Its commitment goes beyond city borders and has led to stable and reliable engagement in many European initiatives and networks, such as Eurocities, where Vienna leads the Working Group on Housing or the EU Urban Agenda Housing Partnership.

<https://socialhousing.wien/>

**Contact:**

Michaela Kauer

Director, Brussels Liaison Office of the City of Vienna

Avenue de Tervueren 58

B-1040 Brussels

[michaela.kauer@wien.gv.at](mailto:michaela.kauer@wien.gv.at)

+32 475 707256