Official Journal
of the European Union

EN
C series

C/2026/3222

2.7.2026

Opinion of the European Economic and Social Committee

Tackling housing scarcity through affordable, sustainable and family-oriented housing policies

(exploratory opinion at the request of the Cyprus Presidency of the Council of the EU)

(C/2026/3222)

Rapporteur: **Thomas KATTNIG**

Advisor	Sandra MATZINGER (to the rapporteur)
Legal basis	Rule 52(2) of the Rules of Procedure
Referral	Requested by the Cyprus Presidency of the Council of the EU 13.10.2025
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Section for Transport, Energy, Infrastructure and the Information Society
Adopted in section	9.3.2026
Adopted at plenary session	18.3.2026
Plenary session No	604
Outcome of vote (for/against/abstentions)	187/2/6

1. Conclusions and recommendations

1.1. The EESC welcomes the Affordable Housing Plan (AHP) but urges the Commission to swiftly present the announced initiatives and adopt far more ambitious measures to address the structural housing crisis, including better framework conditions, a right to adequate and affordable housing in EU primary law, sufficient funding and a stronger focus on young people, families and sustainability. It criticises the lack of clear land-use and spatial planning guidance, the risks of urban sprawl and of climate backsliding and the insufficient role given to cities, regions and local authorities. Furthermore, it calls for an effective rural development strategy and proven tools, with a mandatory percentage of subsidised, affordable housing.

1.2. The EESC emphasises that energy poverty and the current housing crisis are two interconnected challenges affecting millions of Europeans. Both, especially in combination, prevent people from participating in social, cultural and economic life. The EESC therefore calls for a comprehensive understanding focusing on combining environmental responsibility with financial affordability, so that housing costs do not exceed 25 % of a household's disposable income, for an energy market reform decoupling electricity and the most expensive energy source, for regulated basic energy consumption for vulnerable households and for a ban on them being disconnected from the grid.

1.3. Housing policy is and must remain a competence of the Member States in accordance with the principle of subsidiarity. However, the recently published Commission decision on compensation for the provision of SGEI ([1]) and its Annex, including social and affordable housing, imposes massive restrictions in the form of seven conditionality

([1]) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202502630.

requirements on Member States in their efforts to improve the provision of affordable housing. The EESC criticises this approach. Questions of how to define target groups and carrying out income checks should be left to the Member States in accordance with the principle of subsidiarity. An expanded and clearly defined exemption in State aid rules is therefore necessary in order to safeguard public welfare-oriented housing models throughout the EU.

1.4. The EESC calls for landlords of homes heated by fossil fuels to bear part of the carbon tax incurred by those homes to protect tenants from excessive rent increases due to costs being passed on. At the same time, private landlords must be supported if they are unable to bear the costs of such measures.

1.5. The EESC acknowledges the role PPPs can play in making affordable housing more available under certain circumstances. The limited-profit model in housing is a great example of such cooperation.

1.6. The EESC recognises that the housing crisis is caused, among other things, by the insufficient supply of sustainable and affordable housing in relation to need. We therefore need to use every means possible to increase the volume of affordable housing available for purchase or rent. To do this, we need to get all the players on board: public, non- and limited profit and private. Housing assistance measures must be accompanied by consistently stronger consumer protection.

1.7. The EESC calls on the Commission to support Member States by issuing recommendations to combat this ongoing financialisation, particularly in urban areas, noting that young people and families, due to their overreliance on the private rental market, are disproportionately exposed to its effects, which is a major factor driving up rents and diminishing affordability.

1.8. The EESC reiterates the need for Member States to submit Social Climate Plans and to meet the commitments set out therein. At the same time, the EESC believes that the Social Climate Fund, the Just Transition Fund and the ESF+ need to be increased in the next MFF and that future EU funding streams for green renovations must be made directly available to households and families in need.

1.9. Following the Liège Declaration, the EESC welcomes the Commission's first-ever EU Housing Summit in 2026 and acknowledges it should have a role at the Summit. However, the EESC invites the European Commission to organise an annual EU Summit on Social and Affordable Housing, in partnership with the European Parliament, the EESC and the Committee of the Regions to ensure that this remains a priority across Europe. This summit shall gather all stakeholders involved in the implementation of Member States' housing actions, on the basis of a multi-level approach and best practice exchange, respecting subsidiarity.

2. **General comments**

2.1. The Cyprus Presidency of the Council of the EU has asked the EESC to draw up an exploratory opinion. In particular, the close link between housing policy, financing models for building and renovating houses, social inclusion, sustainability and energy efficiency should be taken into account, with affordability highlighted as a key factor for social cohesion and competitiveness, especially for families with children and low- and middle-income households in urban areas.

2.2. In line with Principles 19 and 20 of the European Pillar of Social Rights, adequate and affordable housing and access to basic services are key social rights, with housing deemed critical above a 40 % cost overburden rate ([2]). The EESC calls for a comprehensive approach to affordable, sustainable and family-oriented housing that keeps housing costs below 25 % of disposable household income.

2.3. Housing insecurity, caused by unaffordable and inadequate housing, harms health, well-being and economic prospects, increases health costs, lowers productivity and purchasing power, reduces consumer spending and the availability of skilled labour and deepens inequalities. Such vulnerability is not static: households that are not structurally

([2]) European Commission – Housing cost overburden rate.

disadvantaged may rapidly become vulnerable when confronted with sudden price increases in essential services or other events e.g. unemployment. This problem is worsened by the ongoing 'financialisation' of housing, which led to a rise of 30,9 % in real estate nominal wealth in a number of European cities in the space of 10 years ([3]), contributing to an increase in socio-economic inequalities.

The EU green transition must still be kept in mind and go hand in hand with strong social support for disadvantaged households and families. As the EU's economy is still largely based on fossil fuels ([4]), the shift to renewables must be organised fairly and leave no one behind. This requires stronger public trust in energy governance and meaningful citizen participation in decision-making. Addressing social needs and ensuring a just transition must therefore be top priorities, including by substantially strengthening and scaling up the Social Climate Fund. Vulnerable groups like people with low incomes (working poor), pensioners, large families, single parents, youth ([5]), migrants and people with disabilities are most affected by (energy)insufficient housing conditions and energy poverty. Women are generally more affected by energy poverty ([6]).

2.4. Between 2015 and 2024, single adults without children recorded the fastest growth rate (16,9 %), while other household types remained virtually unchanged or declined ([7]). This ongoing demographic change and the evolving composition of households have a significant impact, which must be considered in future planning, including more accessible housing, suitable living spaces and more intergenerational homes.

3. **Specific comments**

3.1. Following the Liège Declaration, the EESC welcomes the Commission's first-ever EU Housing Summit in 2026 and acknowledges it should have a role at the Summit. However, the EESC invites the European Commission to organise an annual EU Summit on Social and Affordable Housing, in partnership with the European Parliament, the EESC and the Committee of the Regions to ensure that this remains a priority across Europe. This summit shall gather all stakeholders involved in the implementation of Member States' housing actions, on the basis of a multi-level approach and best practice exchange, respecting subsidiarity.

3.2. The EESC welcomes the publication of the AHP. It does, however, urge the Commission to speed up the publication of the initiatives laid out in the plan and calls for more ambitious measures that adequately address the structural causes of the housing crisis, especially in regard to social and limited-profit housing.

3.3. The EESC welcomes the commitment to supporting investment in social and affordable housing, the focus on vulnerable groups, renovation and reuse of vacant dwellings, underoccupied buildings and spaces and the planned initiative on short-term rentals. It calls on the EU to support Member States with clear recommendations and a practical toolbox ([8]) to combat the housing crisis, including rent-stabilisation mechanisms, vacancy taxes, incentives to renovate vacant homes, expanded social housing, limits on short-term rentals and first refusal for local authorities on the purchase of dwellings acquired by banks due to unmet mortgage obligations.

3.4. The EESC underlines that addressing the housing crisis requires not only increased funding but also smarter financing, given the European Investment Bank's (EIB) estimated annual investment gap of EUR 270 billion and the insufficiency of reallocating existing cohesion funds. It therefore calls for a Pan-European Investment Platform to be swiftly established to coordinate tools and mobilise public and private capital for affordable housing. The EESC believes that the 2028-2034 MFF should provide for a dedicated budget for the AHP, and Member States should be obliged to present national housing plans with targets and monitoring systems. Furthermore, to effectively implement and deploy the EIB's investment in affordable social housing, public guarantees should be provided at national level, as should platform systems

([3]) Financialization in 13 cities, LSE 2023.
([4]) Energy consumption in households, Eurostat 2025.
([5]) More than a roof – The European Youth Forum's position on housing.
([6]) Gender-disaggregated data on energy poverty, EESC 2024.
([7]) https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Household_composition_statistics.
([8]) OJ C, C/2026/26, 16.1.2026, ELI: http://data.europa.eu/eli/C/2026/26/oj.

with public governance that enable the aggregation of small and medium-sized projects so that non- and limited-profit companies can access this financing opportunity, which would not be available otherwise. The EESC points out that greater flexibility is needed in fiscal management when it comes to public investment.

3.5. As stated in opinion TEN/848, the general decline in housebuilding across the EU due to – among other reasons – higher construction costs, as well as supply chain disruptions and restrictive lending, is increasing the gap between income and housing-related expenses, harming affordability. The financialisation of housing ([9]) exacerbates this problem. The EESC reiterates its call for binding measures against speculation and financialisation (especially in urban areas), for long-term affordability, for tenant protection and for a European strategy for healthy housing. One way to counter financialisation and the lack of affordability is to strengthen the public, limited- and non-profit rental sector with its cost-based rents, while ensuring that regulation curbs speculative investment, supports long-term, stable returns and safeguards housing's role as a social good.

3.6. The EESC welcomes the AHP's focus on up- and reskilling efforts in the construction sector. It is, however, of the opinion that the support measures do not go far enough and therefore calls for an up- and reskilling drive in the sector which aims to update and hone professional skills, improve working conditions, guarantee adequate wages and attract more young people (especially women).

3.7. The EESC reiterates that the serious failure in the housing sector ([10]) must – in line with subsidiarity – be addressed through, among others, better framework conditions like data collection, coordination, approval procedures, land use planning rules, affordable housing enshrined in EU primary law, sufficient funding, and a stronger focus on young people, families and sustainability.

3.8. The EESC considers that the AHP lacks clear guidance on land use and spatial planning, entails risks to urban sprawl, undermines climate targets and fails to adequately recognise the stronger role cities and regions must play in tackling the housing crisis. A successful rural development strategy that will attract new residents to rural areas and enable people to exercise their right to remain in their local area would also alleviate the housing pressure in cities. In this context, local authorities should play a central role in the AHP, as they are the biggest owners of land and real estate and therefore key players in shaping housing policy, particularly in urban areas. Proven tools such as the Vienna model of land use zoning show how planning authority can be used: when land is rezoned, private developers are obliged to build a fixed proportion of subsidised, affordable housing.

3.9. The AHP must increase access to affordable housing for homeless people and those at risk, notably by scaling up 'Housing First', including through earmarked EU funds in the next MFF. The Commission should also establish a single definition of homelessness and ensure regular EU-level monitoring, including via Eurostat. Both prevention and intervention are needed to tackle homelessness. Austria's effective 'Wohnschirm' ([11]) initiative combines eviction prevention, Housing First and support against energy cut-offs, in line with the Lisbon Declaration, and serves as a best-practice model for other Member States.

3.10. Increasing the supply of social and affordable housing is essential for solving the structural housing problems in the EU. The EESC calls on the Commission to recognise social housing as an essential and promising tool of active housing policies. National initiatives should be supported and should be called for in Member States with particularly inadequate housing policies, by highlighting models of good practice. Support programmes must be designed such that they only support projects that create permanently affordable housing and safeguard social housing eligibility requirements.

3.11. The EESC calls on the Commission to establish a concrete EU-level target to increase the social housing stock, which is currently estimated to be around 5 %. This target should be integrated into the European Semester and monitored as part of annual reports on the state of housing in the EU. These reports should include detailed, Member State-specific data on available housing, housing needs, vacant properties, and prices, affordability, and sustainability in the sector. This data should be provided by the Member States and approved by Parliament, the EESC, and the CoR.

([9]) When investors move in, ECB 2025.

([10]) See OJ C 486, 21.12.2022, p. 185, OJ C 75, 28.2.2023, p. 185, OJ C, C/2025/771, 11.2.2025, ELI: http://data.europa.eu/eli/C/2025/771/oj, etc.

([11]) https://wohnschirm.at/hfstakeholder/.

3.12. Housing policy remains a competence of the Member States in accordance with the principle of subsidiarity which allows them to act more flexibly by taking account of national practices, conditions and circumstances. Appropriate frameworks should be put in place at EU level, in particular in investment financing and State aid rules, so that local and regional administrations can solve the housing crisis effectively. This also requires an acknowledgement that vulnerability is not static: households that are not structurally disadvantaged may become vulnerable when faced with sudden increases in essential service prices, highlighting the need for preventive mechanisms within national and local frameworks. Questions of how to define target groups and carry out income checks should be left to the Member States in accordance with the principle of subsidiarity.

3.13. To ensure that national and local authorities can offer affordable housing, the exemptions for the housing sector in EU State aid rules should be revised. The Commission rightly classifies affordable housing as a service of general economic interest (SGEI) where State aid rules apply only partially, according to ECJ rulings and Article 106 TFEU – a principle the EESC strongly supports. However, the latest Commission decision on compensation for SGEIs ([12]) creates unnecessary bureaucracy and imposes excessive restrictions on Member States. The EESC therefore calls for simpler, fast-track procedures focused on social inclusion and avoiding segregation rather than burdensome State aid controls. In principle, SGEIs should be limited to non- and limited-profit operators with cost-based rents. The requirement to link social housing to narrowly defined vulnerable target groups should be removed, as it unduly limits access and fails to meet the needs of groups such as young people and lower-middle-income households. Identifying target groups and income thresholds should remain a national competence in line with subsidiarity.

3.14. In some areas of the EU, high levels of private homeownership coexist with a very limited social housing stock. This structural legacy means that an expanded definition of social and affordable housing must consider the near absence of public alternatives in such contexts and prioritise renovation of existing public stock, acquisitions of houses already on the market and new construction.

3.15. The EESC welcomes the Housing Simplification Package as part of the AHP. The Committee reiterates that simplification must never result in a reduction or undermining of social and environmental standards. A truly simplified regulatory environment must streamline processes, allow simultaneous approval procedures, ensure necessary funding and staffing at relevant authorities, and harmonise norms. Energy efficiency improvements in the residential building stock should be carried out progressively, initially focusing on the 'energy sieves' which represent a significant portion of the existing stock, and then gradually improving the requirements.

3.16. It is crucial to increase productivity in the construction sector and reduce construction costs to increase the supply of affordable housing. This can be achieved by investing in new technologies like 3D printing and circular construction and in ecosystems that will profit from recycled or reused materials. The European Circular Economy Stakeholder Platform can provide several good practices for the construction sector. Furthermore, innovative approaches like using 'renovation trains', which bundle renovation works by area, housing type or type of work, benefit public and private housing by reducing delays and costs and simplifying project management through pooled procedures under local authority supervision.

3.17. However, investments in affordable housing should be recognised not only as a tool for supporting low-income groups but also as a means of strengthening the role of public authorities as active housing providers, thereby increasing total supply and exerting downward pressure on both construction and housing costs.

3.18. Tenants are usually unable to choose their own heating system but must gradually switch to sustainable heating and cooling systems as part of the energy transition. While there are safeguards against being disconnected from electricity and gas, there are no corresponding minimum requirements for district heating and cooling. Contract terminations in this area often render homes uninhabitable and effectively lead to loss of housing. The EESC considers this unacceptable and calls for minimum standards in the Member States.

([12]) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202502630.

3.19. The EESC advocates creating a mechanism to calculate the minimum energy demand based on building and household data to bring about a uniform data collection process at all levels of governance. Eurostat should have a greater role, in coordination with national statistics offices and local authorities, so that household data can be collected effectively.

3.20. Landlords have the power to decide whether to replace a heating system while not having to pay the heating costs and any associated carbon tax under the emissions trading system (ETS2). To increase incentives and protect low-income and energy-poor tenants from excessive rent increases, landlords of homes heated by fossil fuels should bear part of the ETS2 carbon costs, with higher rates for poorly performing buildings. At the same time, appropriate support tools must provide for thermal, energy, water and sanitation improvements for all, including private landlords who cannot afford them, with safeguards to ensure public support benefits are passed on to tenants.

3.21. As stated in previous opinions ([13]), housing support must prioritise, depending on the case, conversions, renovations and new builds, promote climate-neutral and resource-efficient construction methods and ensure that construction works (and renovations) strongly mainstream circularity, collective housing and alternative mobility approaches that improve people's quality of life.

3.22. Private investment must be mobilised through innovative mechanisms. The EESC acknowledges the role public-private-partnerships (PPPs) can play in expanding the availability of affordable housing under certain circumstances. When combined with a clear legal and fiscal framework with mandatory *ex-ante* Value-for-Money analysis and full disclosure of liabilities, sharing of revenue, contractual affordability and social and environmental safeguards (e.g. sustainability criteria, rent stabilisation mechanisms, enforceable tenant protections), PPPs can be beneficial for companies and society alike. The limited-profit model in housing is a great example of such cooperation.

3.23. The EESC reiterates the need for Member States to submit Social Climate Plans and to meet the commitments set out therein. Measures included in these plans must be assessed in detail and their implementation monitored. At the same time, the EESC believes that the Social Climate Fund, the Just Transition Fund and the European Social Fund Plus (ESF+) by necessity distort the market by artificially increasing renovation and construction prices and must be increased in the next MFF and future EU funding streams for green renovations must be made available directly to households and families in need.

3.24. The EESC considers affordable energy- and climate-sustainable housing a key tool for tackling energy poverty. As high energy prices burden vulnerable households and harm competitiveness ([14]), the EESC calls for moves away from the merit order model so that consumers and the economy benefit from the lower marginal costs of renewables and vulnerable households are guaranteed a basic energy supply at regulated affordable prices. It also calls for a common European understanding of energy poverty ([15]), including an additional summer indicator as the current focus on heating alone no longer reflects the reality of heat stress.

3.25. Combating energy poverty requires both income-related and structural measures, including building renovation, lower energy consumption and stronger energy literacy, delivered through well-staffed one-stop shops. Member States must protect households from unjustified price spikes through crisis mechanisms and ban disconnections of vulnerable households.

Brussels, 18 March 2026.

The President
of the European Economic and Social Committee
Séamus BOLAND

([13]) See e.g. OJ C, C/2025/771, 11.2.2025, ELI: http://data.europa.eu/eli/C/2025/771/oj.
([14]) Draghi report (2024): Chapter 3 – A joint decarbonisation and competitiveness plan.
([15]) OJ C, C/2026/27, 16.1.2026, ELI: http://data.europa.eu/eli/C/2026/27/oj.

ANNEX

The following amendments, which received at least a quarter of the votes cast, was rejected during the discussion:

Amendment 1

TEN/866

Tackling housing scarcity through affordable, sustainable and family-oriented housing policies

Tabled by:

DE MÛELENAERE Robert

LE BRETON Marie-Pierre

MINCHEVA Mariya

OSTROWSKI Krzysztof

SÄKKINEN Teppo

Point 3.7

Amend as follows:

Section opinion	Amendment
The EESC reiterates that the serious failure in the housing sector[1] must – in line with subsidiarity – be addressed through, among others, better framework conditions like data collection, coordination, approval procedures, land use planning rules, ***affordable housing enshrined in EU primary law,*** sufficient funding, and a stronger focus on young people, families and sustainability.	The EESC reiterates that the serious failure in the housing sector[1] must – in line with subsidiarity – be addressed through, among others, better framework conditions like data collection, coordination, approval procedures, land use planning rules, sufficient funding, and a stronger focus on young people, families and sustainability.
[1] See OJ C 486, 21.12.2022, p. 185, TEN/784, OJ C, C/2025/771, 11.2.2025, etc.	[1] See OJ C 486, 21.12.2022, p. 185, TEN/784, OJ C, C/2025/771, 11.2.2025, etc.

Reason

Housing policy is a national competence, and there is no legitimacy to expand EU competence into an area currently managed by Member States. Key aspects of housing, including regulations, social housing provision, renting rules, and subsidies are deeply embedded in national legal systems, and this must be respected. Moreover, national and local governments are better placed to design housing policies, because they have a better understanding of their own housing markets, which are very diverse across the EU.

Outcome of the vote on the amendment:

Votes in favour:	87
Votes against:	109
Abstentions:	7

Amendment 2

TEN/866

Tackling housing scarcity through affordable, sustainable and family-oriented housing policies

Tabled by:

DE MÛELENAERE Robert

LE BRETON Marie-Pierre

MINCHEVA Mariya

OSTROWSKI Krzysztof

SÄKKINEN Teppo

Point 1.1

Amend as follows:

Section opinion	Amendment
The EESC welcomes the Affordable Housing Plan (AHP) but urges the Commission to swiftly present the announced initiatives and adopt far more ambitious measures to address the structural housing crisis, including better framework conditions, ***a right to adequate and affordable housing in EU primary law,*** sufficient funding and a stronger focus on young people, families and sustainability. It criticises the lack of clear land-use and spatial planning guidance, the risks of urban sprawl and of climate backsliding and the insufficient role given to cities, regions and local authorities. Furthermore, it calls for an effective rural development strategy and proven tools, with a mandatory percentage of subsidised, affordable housing.	The EESC welcomes the Affordable Housing Plan (AHP) but urges the Commission to swiftly present the announced initiatives and adopt far more ambitious measures to address the structural housing crisis, including better framework conditions, sufficient funding and a stronger focus on young people, families and sustainability. It criticises the lack of clear land-use and spatial planning guidance, the risks of urban sprawl and of climate backsliding and the insufficient role given to cities, regions and local authorities. Furthermore, it calls for an effective rural development strategy and proven tools, with a mandatory percentage of subsidised, affordable housing.

Reason

Housing policy is a national competence, and there is no legitimacy to expand EU competence into an area currently managed by Member States. Key aspects of housing, including regulations, social housing provision, renting rules, and subsidies are deeply embedded in national legal systems, and this must be respected. Moreover, national and local governments are better placed to design housing policies, because they have a better understanding of their own housing markets, which are very diverse across the EU.

Outcome of the vote on the amendment:

Votes in favour:	87
Votes against:	109
Abstentions:	7