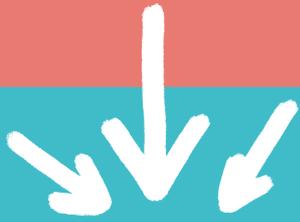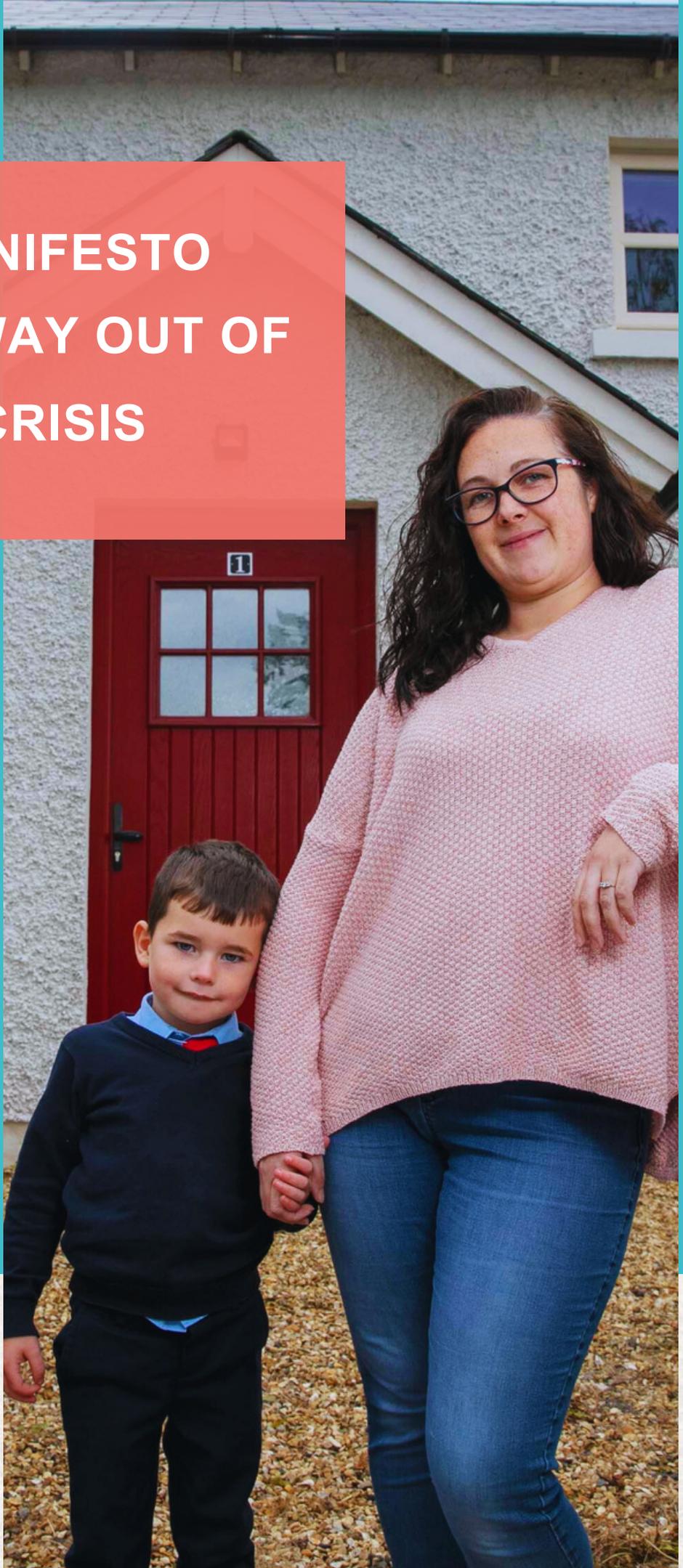# EUROPEAN MANIFESTO TO LEAD THE WAY OUT OF THE HOUSING CRISIS

EMBRACE A NEW HOUSING PARADIGM

BACK THE MOVEMENT FOR A FAIR ENERGY TRANSITION

ADDRESS THE ROOT CAUSES TO END HOUSING EXCLUSION

HOUSING EUROPE

The past half-decade has been one of the most disruptive periods for the European continent in recent memory.

The COVID-19 pandemic, the invasion of Ukraine by Russia, both of which fuelled an energy and cost-of-living crisis, have put an increased strain on the social fabric of Europe. As expected, these issues have significantly impacted, and will continue to impact, the housing sector too. Multiple issues that existed prior to these events - such as the lack of affordable housing, an increase in the rate of homelessness, higher construction costs, social segregation, and energy poverty - have been exacerbated.

In the light of the European elections of June 2024, it is of the utmost importance that European, national, and local policymakers adopt an integrated approach towards tackling both the social exclusion, which has resulted from a lack of affordable housing, and the need to significantly reduce the carbon footprint in the European residential stock.

The public, cooperative, and social housing sector can play a pivotal role in ensuring a socially and sustainably inclusive future for people in Europe.

PHOTO COVER: Cooperative Housing Ireland

#1
EMBRACE A NEW HOUSING PARADIGM

1) **Support public, cooperative, social, and community-led housing** as the backbone of national housing systems.

2) Ensure that public debt and deficit rules adequately account for the positive **long-term social return on investment** from the sector.

3) Adapt **State Aid rules** so they do not prevent Member States from addressing the housing crisis.

4) Include **housing exclusion indicators** in the EU Semester, the biannual economic, fiscal, employment and social recommendations to Member States.

5) Prevent **short-term rental platforms'** impact on availability and affordability of housing through European legislation.

6) Urgently address the impact of **higher interest rates and construction costs**, which are slowing the delivery of new social housing.

7) **Share effective models** of inclusive housing systems within and beyond Europe as the new way forward.

HOW?

Establish a new Task Force led by a European Commission Vice-President to embrace the new housing paradigm throughout EU policymaking.

#2
BACK THE MOVEMENT FOR A FAIR ENERGY TRANSITION

8) Beyond renovation, **EU green policies should include low-carbon housing supply** targets to meet growing demand.

9) Simplify **access to the 19 EU funding** and financing streams currently available, attaching clear conditionally on social criteria.

10) Encourage **district decarbonisation** which addresses local needs for housing that is affordable, age-adapted, well-connected, and uses local resources.

11) **Broaden the approach to renovation** and circularity to foster local supply chains, quality job creation, social enterprise, and biodiversity.

12) Harness the potential of **digital and tech advances** for a fair energy transition.

HOW?

Through a transformative fund that harmonises all existing tools, ear-marked annually for socially responsible renovations.

#3
ADDRESS THE ROOT CAUSES TO END HOUSING EXCLUSION

13) Secure **access to decent affordable housing as the best way to prevent the growing homelessness** and housing exclusion emergency.

14) Encourage long-term national and local **partnerships between housing providers, social services and local authorities** to deal with prevailing support needs (e.g. migration, youth, elderly, family breakdown, cost of living).

15) Support **skills development** with social service providers, local authorities and actors from the social and affordable housing sector.
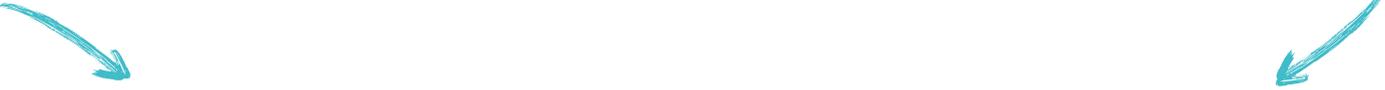
HOW?

Introduce housing exclusion as a core section of impact assessments for EU policies.

Use EU platforms, such as the European Platform for Combatting Homelessness, to urgently support national and local partnerships to end housing exclusion.

Embrace a new housing paradigm.

Photo credit: Housing Europe, affordable housing in Helsinki

The EU has a wide variety of tools through which it can either incentivise socially inclusive and sustainable housing systems or exacerbate the current housing crisis.

→ **EU funding and regulation** shape emerging housing systems and reinforce (or potentially undermine) existing ones.

→ **State Aid Rules** impact housing investments.

→ **Stability and Growth Pact** influences on how countries allocate funds for housing.

→ **European Semester country specific recommendations** impact national housing policies.

→ **Capital Markets Union** steers money flows.

→ **Energy Performance of Buildings Directive** shapes neighbourhoods.

→ **Energy Efficiency Directive** is a make-or-break tool for residential energy use.

→ **Short-term rental regulations** impact national and local laws.

BY FOLLOWING 3 STEPS, THE EU CAN PLAY A PIVOTAL ROLE IN ENSURING THAT AFFORDABLE AND DECENT HOUSING BECOMES, AND STAYS, A REALITY FOR ALL.

EMBRACE A NEW HOUSING PARADIGM
BACK THE MOVEMENT FOR A FAIR ENERGY TRANSITION
ADDRESS THE ROOT CAUSES TO END HOUSING EXCLUSION

#1 EMBRACE A NEW HOUSING PARADIGM

Despite higher interest rates, Eurostat has reported that house prices rose in both Q2 and Q3 of 2023; alongside further rises in rents. Rents and housing prices have seen a sharp increase in recent years, outpacing growth in disposable incomes of many households. Residential property prices were 50% higher in the EU in Q3 2023, when compared to the start of 2010. Over the same period, rent prices rose by 23%, while some EU countries experienced a rent increase of more than 100%.

New economic and social realities in Europe have pushed people who did not typically require publicly supported housing options in previous generations. They are now struggling to find suitable housing options on the private market. Housing Europe estimates, based on figures by Eurostat, that 9.6 million full-time workers aged 25-34 still lived at home with their parents in 2022, which equates to one in five of all people at this age in the EU. Given the multitude of challenges facing the sector, and now additional demands from middle-income and other groups, it is no surprise that our Research Observatory reports about growing social housing waiting lists across most regions.

Public, cooperative, and social housing providers are an invaluable force to counteract housing system-driven inequalities and this is why we call for a reset and a new paradigm.

→ Support public, cooperative, social, and community-led housing as the backbone of national housing systems.

→ Ensure that public debt and deficit rules adequately account for the positive long-term social return on investment from the sector.

→ Adapt State Aid rules so they do not prevent Member States from addressing the housing crisis.

→ Include housing exclusion indicators in the EU Semester, the biannual economic, fiscal, employment and social recommendations to Member States.

→ Prevent short-term rental platforms' impact on availability and affordability of housing through European legislation.

→ Urgently address the impact of higher interest rates and construction costs, which are slowing the delivery of new social housing.

→ Share effective models of inclusive housing systems within and beyond Europe as the new way forward.

HOW? → **Establish a new Task Force led by a European Commission Vice-President to embrace the new housing paradigm throughout EU policymaking.**
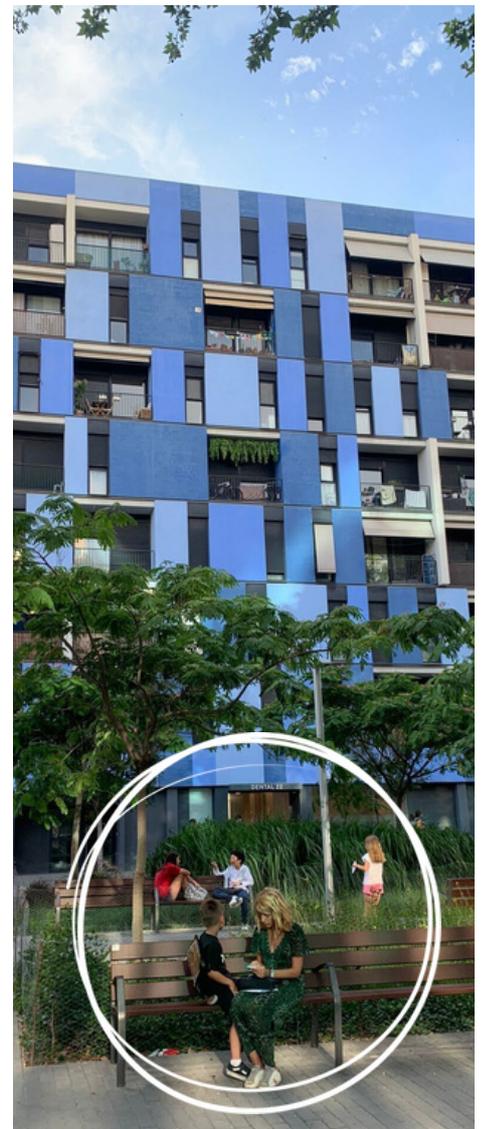

Photo credit: Housing Europe, public housing @22 district in the Poblenou area, Barcelona

#2 BACK A MOVEMENT FOR A FAIR ENERGY TRANSITION

Beyond creating socially inclusive and resilient housing systems, public, cooperative, and social housing providers have consistently underlined their commitment to tackling the sector's greenhouse gas emissions; in line with the EU Green Deal. This is exemplified by the fact that Housing Europe members have pledged to renovate 4 million homes by 2030. Our central role in the Affordable Housing Initiative solidifies our status as a knowledge hub in enabling socially inclusive renovation and sustainable construction.

The sector has adopted a frontrunner role in the green transition of the housing stock, and will continue to do so when it is time to implement the recasts of the Energy Performance of Buildings Directive, Energy Efficiency Directive, and Renewable Energy Directive; to name but a few.

Public, cooperative, and social housing providers are also walking a tightrope to, on the one hand, facilitate the required renovations, while, on the other, also ensure that enough properties are being built or brought back into use, and that the homes provided can remain affordable.

Photo credit: social housing with PVs by EU's ELENA programme, Essen, Belgium

➡ Beyond renovation, EU green policies should include low-carbon housing supply targets to meet growing demand.

➡ Simplify access to the 19 EU funding and financing streams currently available, attaching clear conditionally on social criteria.

➡ Encourage district decarbonisation which addresses local needs for housing that is affordable, age-adapted, well-connected, and uses local resources.

➡ Broaden the approach to renovation and circularity to foster local supply chains, quality job creation, social enterprise, and biodiversity.

➡ Harness the potential of digital and tech advances for a fair energy transition.

HOW? ➡ **Through a transformative fund that harmonises all existing tools, ear-marked annually for socially responsible renovations.**

#3 ADDRESS THE ROOT CAUSES TO END HOUSING EXCLUSION AND HOMELESSNES

Homelessness is one of the most detrimental outcomes of the lack of unaffordable housing. FEANTSA reports an increase by 70% between 2010 and 2020. Today, there are roughly 900,000 people experiencing homelessness on a given night in the EU. At the same time, few countries are making tangible progress in addressing the problem, which is unacceptable in a continent that has pledged itself to the social inclusion of all groups in society.

Public, cooperative, and social housing providers have continuously emphasised their commitment to being key players in addressing the most extreme form of social exclusion: homelessness. As one of the main aspects of the European Pillar of Social Rights, homelessness should remain a top priority for all policymakers in the years to come.

We call for an integrated approach towards eradicating homelessness by 2030 to address its multifaceted causes, and get to the root of the problem.

➡ Secure access to decent affordable housing as the best way to prevent the growing homelessness and housing exclusion emergency. Without a new housing paradigm, the number of people facing housing exclusion will inevitably grow.

➡ Encourage long-term national and local partnerships between housing providers, social services and local authorities to deal with prevailing support needs (e.g. migration, youth, elderly, family breakdown, cost of living).

➡ Support skills development with social service providers, local authorities and actors from the social and affordable housing sector.

HOW? ➡ **Introduce housing exclusion as a core section of impact assessments for EU policies.**

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Embrace a new housing paradigm.

Photo credit: Austrian Federation of Limited-Profit Housing Associations (GBV) and BAWO

Housing Europe is the European Federation of Public, Cooperative and Social Housing.

Since 1988, it is a network of 42 national and regional federations, as well as 15 partnering organisations in 31 countries in Europe. Together they manage around 25 million homes, about 11% of existing dwellings in Europe.

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