

Topic: EU Housing Crisis – affordable and sustainable housing

Brief description and main aims:

The EU is suffering from a widespread housing crisis. House prices and rents have grown in the last decade, with a significant acceleration during the pandemic. In addition, in many Member States, the rental market is not sufficiently developed. The observed increases in house prices can be attributed to several factors, with an increasing failure of housing supply to respond where housing demand is strong. According to FIEC figures, new construction and renovation of housing fell by 2.6% in 2023 and was expected to fall another 5.7% in 2024. The housing challenges are particularly acute in urban areas, where three quarters of the EU population live. While housing policies are under the competency of Member States, the European Commission offered to play a role to boost housing supply and respond to demand needs wherever possible.

Why FIEC is dealing with this topic:

In its [Position Paper](#) of December 2024, FIEC stressed that, while housing policy remains under Member States' jurisdiction, there is an urgent need for a coordinated EU response to address the shortage of affordable and sustainable housing. In particular, more consideration should be given to the option of reviewing EU rules, funds and policies that have an effect on national housing markets, with the aim of promoting simplification, streamlined processes, fair competition and economic growth to the benefits of all.

In particular, FIEC focuses on the supply side of the issue, namely how to increase the construction of affordable housing and the renovation of existing ones to the new standards. This is a multifactorial issue linked to construction material and building costs, labour shortage, zoning and permitting procedures, productivity of the sector, digitalisation, role of off-site construction, credit and financing aspects, and many more.

In any case, the construction industry has a key role to play in promoting tailored solutions to help solving the crisis.

Actions and key dates:

September 2024 – Ursula von der Leyen appoints the Dane, Dan Jørgensen, EU Commissioner for Energy and Housing (later confirmed by the European Parliament). His mission letter announces the launch of a *European Affordable Housing Plan*.

November 2024 – FIEC sets up new WG “Housing”, later chaired by Joël Schons (LU).

16/12/2024 – FIEC publishes [Position Paper](#) “Towards a new European Affordable Housing Plan”.

January 2025 – European Parliament creates Special Committee on housing crisis in the EU (HOUS), chaired by MEP Irene Tinagli (S&D-IT).

February 2025 – European Commission sets up Task Force dedicated to affordable and sustainable housing, chaired by Mathew Baldwin (Director DG ENER).

05/03/2025 – European Investment Bank and European Commission launched a Pan-European Investment Platform for affordable and sustainable housing.

December 2024 to October 2025 – FIEC meets key stakeholders in the European Commission and in the European Parliament, in the European Investment Bank and in the European Economic and Social Committee, and participates in several relevant meetings, conferences and hearings on the issue.

15/09/2025 – European Parliament (HOUS Special Committee) publishes draft report on housing crisis and affordable housing.

18/09/2025 – FIEC publishes contribution to European Commission [call for evidence](#) for a *European Strategy for Housing Construction*.

December 2025 – expected publication of the *European Affordable Housing Plan*, including a *Housing Construction Strategy*, by the European Commission.